

ECONOMY, EMPIRE, AND IDENTITY:  
RETHINKING THE ORIGINS OF POLITICAL ECONOMY IN SIR JAMES  
STEUART'S *PRINCIPLES OF POLITICAL ECONOMY*

A Dissertation

Submitted to the Graduate School  
of the University of Notre Dame  
in Partial Fulfillment of the Requirements  
for the Degree of

Doctor of Philosophy

by

Aida Ramos, B.A., M.A.

---

Philip E. Mirowski, Director

Graduate Program in Economics

Notre Dame, Indiana

April 2007

UMI Number: 3406905

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI 3406905

Copyright 2010 by ProQuest LLC.

All rights reserved. This edition of the work is protected against unauthorized copying under Title 17, United States Code.



ProQuest LLC  
789 East Eisenhower Parkway  
P.O. Box 1346  
Ann Arbor, MI 48106-1346

ECONOMY, EMPIRE, AND IDENTITY:  
RETHINKING THE ORIGINS OF POLITICAL ECONOMY IN SIR JAMES  
STEUART'S *PRINCIPLES OF POLITICAL ECONOMY*

Abstract

by

Aida Ramos

Sir James Steuart wrote the first English language work on economics as a separate subject, introduced the phrase political economy into English, and published *The Principles of Political Economy* (1767) nine years before the *Wealth of Nations*. Why then is Adam Smith considered in standard histories of thought to be the father of economics and Steuart an antiquated mercantilist and lesser Smith at best, and a command socialist at worst? Standard histories of economic thought tend to place these two works in isolation from their eighteenth century Scottish and Continental context.

The dissertation seeks to rectify the imbalance by examining both the economic and social history of Scotland, as well as both authors' positions in those histories and how they influenced their works. Specifically, the dissertation presents a new interpretation of Steuart as a Scottish patriot who conceived of political economy as a new tool with which smaller, dispossessed nations could forge a new identity. Based on archival research, the work also traces the impact of Steuart's family and personal allegiances with the Jacobite rebellion on his life and economic ideas. Using historical

and literary criticism to recast Steuart in his proper social, cultural, and political background his *Principles* can be read as a policy handbook for smaller nations struggling with political identity and economic survival in the face of the rise of the imperial power of Britain and France.

Through the application of ideas from the sociology of scientific knowledge on how scientific communities and canons are formed, the dissertation also places Steuart in his proper Enlightenment context, and acknowledges that his work, which is reliant on local oversight and knowledge, is anathema to nineteenth century British needs for universal economic policies, and, in doing so, explores the political and intellectual reasons why he was written out of the canon of economics. The dissertation also seeks to show what was lost to economic theory thereby, namely Steuart's alternative and complex vision of a more "people-centered" economics that is concerned more with respect for a community's local history, culture, and consumption than with universal principles, capital accumulation, profit, and production.

## CONTENTS

Figures.....	iv	
Preface.....	1	
Part I: Biography and Background		
Chapter 1: Trick or Treaty?:		
Scotland and the Act of Union Debates .....	31	
Chapter 2: The Grand Tourist:		
Steuart at Home and Abroad 1712-1745 .....	74	
Chapter 3: Jacobite Interlude or Continuum?:		
Steuart and the '45 1745-1749 .....	113	
Part II: The Other Light: Sir James Steuart and the Continental Enlightenment		
Chapter 4: All-Consuming Fire:		
Steuart and the Eighteenth-Century Luxury Debate .....	161	
Chapter 5: In the Father's House:		
Steuart's Principles in the Context of Cameralism and the German Enlightenment. ....	189	
Chapter 6: The Dutch Quality of Light:		
Practicality, Locality, and Dutch Visual Culture in Steuart .....	216	
Part III: Spectacular Times		
Chapter 7: Past Tense: Steuart, Smith, and Changing Eighteenth-Century Views of Society, Economy, and History .....		252

Chapter 8: Altered states: Steuart, Civic Humanism, and the Economic Commonwealth .....	314
Chapter 9: 'From Great Simplicity to Complicated Refinement': Steuart on Economic Growth and Worker Aspirations .....	358
Chapter 10: Trading Futures: Causes and Consequences of Political Economy's Contested Paternity .....	400
Appendix A: A Steuart Gazetteer .....	443
Appendix B: Paintings Referenced in Chapter Six.....	447
Works Cited .....	452

## FIGURES

Figure 1: The River Calder .....	440
Figure 2: Calder Woods .....	440
Figure 3: Calder River in Winter .....	440
Figure 4: Bridge Approach to Coltness House .....	441
Figure 5: Coltness House .....	441
Figure 6: Remains of Coltness Outbuildings I, 2002.....	442
Figure 7: Remains of Coltness Outbuildings II, 2002 .....	442
Figure 8: "A View of the Palazzo Muti," 1747.....	443
Figure 9: Gabriel Metsu, <i>Woman Reading a Letter</i> .....	444
Figure 10: Jan Vermeer, <i>The Music Lesson</i> .....	444
Figure 11: Gabriel Metsu, <i>The Music Lesson</i> .....	445
Figure 12: Jan Vermeer, <i>The Concert</i> .....	445
Figure 13: Jan Vermeer, <i>Young Woman Standing at a Virginal</i> .....	445
Figure 14: Pieter de Hooch, <i>Mother Lacing Bodice Beside a Cradle</i> .....	445
Figure 15: Jan van Eyck, <i>The Arnolfini Wedding</i> .....	446
Figure 16: Jan van Eyck, detail from <i>The Arnolfini Wedding</i> .....	446
Figure 17: Jan Vermeer, <i>The Allegory of the Art</i> .....	446
Figure 18: Jan Vermeer, <i>The Geographer</i> .....	446
Figure 19: Jan Vermeer, <i>Girl Reading a Letter by an Open Window</i> .....	447
Figure 20: Gerard Dou, <i>Maid servant at Open Window</i> .....	447

Figure 21: Jan Vermeer, <i>View of Delft</i> , c. 1660-1661 .....	447
Figure 22: Jan Vermeer, detail from <i>The Allegory of the Art</i> .....	447
Figure 23: Jan Vermeer, detail from <i>The Allegory of the Art</i> .....	448
Figure 24: Jan Vermeer, detail from <i>The Allegory of the Art</i> .....	448



## PREFACE

### 1.1 The Economics Creation Myth

In the beginning there was Adam Smith.

Or so whiggish neoclassical histories of economics would have us believe. It is usually accepted that Adam Smith is the father of economics, as if the discipline had grown Athena-like from his head at some point prior to 1776 as he wrote the *Wealth of Nations*. Modern writing on eighteenth century economic thought reinforces this idea by being still almost solely concerned with Adam Smith. Due to quantity alone, the casual student of economics and history may be led to agree that he must be the father of economics. It is known that there were economic writers before Adam Smith. But were there any writers of note contemporaneous with Smith? Was there no alternative? And if there was, and they had gained dominance, how might economics have been different today? There are many others besides Smith who were viewed as economic authorities in the eighteenth century, such as Arthur Young, Josiah Tucker, Charles Davenant, Francois Quesnay, Robert Turgot, Phillip Cantillon, and Sir James Steuart. The present inquiry is concerned with the last of these.

Although he was to be eclipsed by his fellow Scot and rival Adam Smith, it was actually Sir James Steuart who wrote the first treatise in English on economics as a science and its own discipline and introduced the phrase “political economy” into English

in his great work *An Inquiry into the Principles of Political Economy* (1767).<sup>1</sup> *The Principles* has been labeled, and indeed lambasted, as many things: the last vestiges of mercantilism (Anderson & Tollison 1984 & 1986), or a fumbling attempt towards the economic “truths” that Adam Smith was able to successfully unveil in 1776 (Blaug 1985, 1986, & 1991; Skinner 1966). However, this book that has been deemed to be outside the canon of economics was at the outset the *only* canon.

The story of why Steuart and his work was left out of the canon of the history of economic thought and Adam Smith elevated above all else is a multi-faceted and much-neglected story, and one of some significance for the discipline of economics as a whole. This is the story that I wish to tell.

## 1.2 Steuart: A Brief Introduction

Sir James Steuart was a Scotsman living in the heady intellectual airs of the Scottish Enlightenment, although he spent as much of his life in Edinburgh as he did out of it. Born into an aristocratic family, whose members included the former Lord Advocate and Provost General of Scotland, Steuart trained as a lawyer with the ambition of entering politics. An unfortunate early disagreement with Henry Dundas of Arniston not only kept Steuart out of local politics, but also caused him to spend an extended five years on the Continent on the Grand Tour. While there, his interest in economic matters was piqued by the very different conditions of the countries he visited.

It was also on the Grand Tour that Steuart became acquainted with the exiled Stuart court in Rome. James II and the young Prince Charles Edward made a great impression on Steuart and vice versa. When he returned to Scotland, his estate became a

---

<sup>1</sup>I emphasize the English language tradition here to differentiate English-language economics from the robust Physiocratic tradition that developed in France in the works of Francois Quesnay and company.

meeting place for the Jacobites. During the 1745 rebellion, Steuart served in France as a writer, advisor, and ambassador for the Stuart court. After the Battle of Culloden, he was charged with treason and forced to live in exile on the Continent for the next eighteen years (*Coltness Collections* 1842; Skinner 1966b & 1999; Steuart 1967).

Initially, he moved to France where he met Montesquieu and Turgot and began to study economic matters. Steuart then moved his family to the German university town of Tübingen so that his son could attend school. However, it was Steuart himself who received an education in the doctrines of cameralism, and in his spare time began to draft *The Principles of Political Economy* in earnest (*Coltness Collections* 306-308).<sup>2</sup>

Despite not being officially pardoned until 1771, Steuart returned to Scotland in 1763, and settled into the social life of Edinburgh, joining several of the literary and social clubs that abounded there. The *Principles* was published in 1767 to steady sales and acclaim by the *Monthly* and *Critical Reviews*, which recognized the book's massive breadth and innovation.

### 1.2.1 *The Principles* in Brief

*An Inquiry into the Principles of Political Economy* is a complex blend of instruction and observation for policymakers and citizens alike. Within, Steuart defines political economy as a science whose object,

...is to secure a certain fund of subsistence for all the inhabitants, to obviate every circumstance which may render it precarious; to provide everything necessary for supplying the wants of the society, and to employ the inhabitants...so as to make their several interests lead them to supply one another with their reciprocal wants (1966, 17).

---

<sup>2</sup> Although he had also lived in France and was familiar with the works of the French physiocrats, Steuart did not adopt physiocratic positions in his own work. Most likely this is because the first part of the *Principles* was completed by 1759, prior to the widespread circulation of the physiocratic works (Skinner 1999, 140).

He traces the development of the modern economy from the hunter-gatherer stage to the agrarian, where, when there is an agricultural surplus, some are able to leave farming to enter manufacturing, leading to the modern exchange economy. Steuart then posits a two-sector society of farmers and “freehands,” or those who do not work to produce the agricultural surplus. A balance is needed between these groups so that the needs of one never outstrip the other. The need for balance is then extended to markets in general, in terms of supply and demand, as society develops more complex commercial relations, and then to international markets.

The great spur to economic growth from the agrarian to the manufacturing stage, after the existence of the surplus, is the demand for manufactures. After the agrarian stage, and in the presence of a continued surplus, demand continues to push the economy to higher stages of development. Therefore, the emphasis throughout is on an increase in the economic welfare of a nation through increases in demand.<sup>3</sup>

Steuart’s work is also concerned with the social problems posed by the economic development of a nation. Balance is also needed on a social level, so there will not be too wide a divergence between the classes of society, such that one would have greater political power over another. Unemployment is seen as a failure of the state to ensure that the conditions are in place for all who seek work to be able to make a living. Therefore, a balance of workers and employment is also necessary.

Although the foundation for his economy is self-interest, Steuart does not believe that private self-interest will naturally conform to the public good. He writes that, “It is

---

<sup>3</sup> Coincidentally the same policy was emphasized by the anti-Unionists Andrew Fletcher and James, Duke of Hamilton in the debates in Parliament as to how Scotland could survive economically without full union with England (cf. Clerk 1993, Defoe 1799, Lockhart 1714).

the combination of every private interest which forms the public good,” and so one should seek to provide for oneself but to avoid unlawful gain (143). However, to expect men to do so all the time is “absurd” and so Steuart invests the statesman with the power of safeguarding the public good (144). The statesman oversees the many balances of society and economy: balances of work and demand; of the classes of society; of wealth among those classes; of international and inland trade; and of frugality and luxury, among others. This aspect of Steuart’s work has been one of the most severely criticized, as many of his contemporary, and even current, reviewers see the statesman as an absolutist ruler (Blaug 1986, 241-242; Anonymous 1767, 412). However, in Steuart’s own definition of this “individual”:

The statesman (this is a general term to signify the legislature and supreme power, according to the form of government) is neither master to establish what oeconomy he pleases, or, in the exercise of his sublime authority, to overturn at will the established laws of it, let him be the most despotic monarch upon earth (16).

The author’s underlying assumption is that the combination of commerce and self-interest will lead naturally to disorder; there are no self-adjusting mechanisms. Therefore, intervention is necessary to rectify what will inevitably go awry, whether for consumers or for industry. Only the statesman’s presence and ability ensure that markets are sufficiently developed and kept competitive.

In order to know when to intervene, the statesman not only has to have a great amount of knowledge of a people’s history, customs, and natural resources, but also of current opinion and economic conditions. Although criticized for the sheer amount of knowledge the ideal policymaker must be a master of, Steuart’s conclusions were drawn on the basis of smaller nations like Scotland or the kingdoms of the Rhine.

Perhaps unsurprisingly therefore, Steuart's book was warmly received in Germany, not only due to its cameralist influence, but also because it is suited to smaller nation-states. Likewise, the Irish edition of the *Principles* sold well and was also widely circulated in the American colonies (Skinner 1999, 148). However, the book and its author began to receive a different reputation in England in the early nineteenth century that helped to propel both back into the mists of the pre-history of classical economics.

### 1.3 The Shifting Reputation of Steuart

Writing on the cameralists, Albion Small states that:

Every theory, system, science is in some way a reflection of the prevailing purposes of the time in which it is developed...our philosophies echo the dominant purposes of the time that produced them. If we attempt to detach a system of thought from the whole scheme of activities impelled by the prevailing systems of purposes, and if we try to set forth the meaning of that thought as though it had no connection with those purposes, the result is inevitable misinterpretation (1909, 1).

Small's words ring particularly true when one considers modern presentations of the history of economics. Modern histories of economic thought (Blaug 1985, Niehans 1990, Schumpeter 1954) draw a straight line from Aristotle to Adam Smith to the modern neoclassical synthesis. Any deviations from the line are neglected for not having made significant contributions to the current canon. In the current canon of the history of economic thought, when these various "others" are mentioned, the inevitable result, as Small predicted, has been misinterpretation.

I believe this to be especially the case when it comes to Steuart. When he is mentioned in modern discussions of eighteenth century economics, it is usually with an air of dismissal and varying degrees of embarrassment for his alleged mercantilist state-controlled economics. However, this certainly was not the case in the time in which Steuart wrote. As shall be explored in the chapters below, although there are elements of

mercantilism in his work, as well as advocacy of state intervention, Steuart was nonetheless a respected economist in his own time, despite the unpalatability of some of his topics even to some of his contemporary audience. However, emphasizing just these aspects of his work obscures Steuart's other contributions to economic thought. After all, it was Steuart and not Adam Smith who produced the first systematic treatise on economics as a science, introduced the phrase "political economy" into English, became the first western economic advisor to India via the East India Company, and published in Britain and abroad on economic and non-economic topics alike. And yet very little is known of him by modern economic scholars, and even less by the general public.

Why should this be the case? Previous scholarship has given various reasons. One reason often tendered is that Steuart did not contribute significantly to current mainstream economics (Blaug 1986 & 1991, Niehans 1990, Schumpeter 1954). According to Schumpeter (1954, 176 & 346-350), while Steuart made significant contributions to population and agricultural theory, he did not advance the study of capital, industry, and manufacturing. As noted above, others claim that Steuart had mercantilist and absolutist leanings and inevitably refer back lengthily back to Smith rather than to Steuart, emphasizing the superior depth and erudition of Smith's work (Anderson & Tollison 1984 & 1986; Niehans 1990; Blaug 1985, 1986, & 1991). Another common criticism is not of Steuart's thought but of his cumbersome, repetitive, and sometimes archaic writing style (Johnson 1937, Blaug 1991, Skinner 1966, Hutchison 1988). Some of these critiques mirror those that Steuart received even in his own day, so none of them are shockingly new.

However, none of the above reasons suffice to dismiss Steuart altogether, as each one overlooks many factors. For instance, there are several problems with the argument

that Steuart is a mercantilist. First of all, the term mercantilist was invented by Adam Smith to refer to writers and theorists who mistook specie for wealth and advocated restrictive trade policy. Nowhere in his economic works does Steuart conflate wealth with specie, sees the economic goal as national welfare rather maximizing national revenue, and he advocates limited trade only under very specialized conditions. To dismiss Steuart on the charge of mercantilism is, first, a faulty argument, and, second, focuses on a policy that he advocated only in a very specific context. The charge of absolutism is also faulty in that it ignores Steuart's own strictures on when governments should and should not have more power. However, it is understandable as to why such ideas of control would meet with such resistance in his time as in ours. Those who criticize Steuart's writing and organizational style are not critically evaluating his ideas, but the way in which they are presented.

As has been noted previously by Koerner (1999) "the dominant discourses about early modern economics are often its latter-day ideological descendents" (12). Therefore, one major explanation as to why Steuart is left out of modern histories of thought is because he can be said to not have contributed to the development of neoclassical economics.<sup>4</sup> However, the exclusion is not a recent phenomenon, and the question remains as to ask why Steuart was left out of the canon starting in the nineteenth century.

If the exclusion was due to the policies Steuart prescribed, why did he support them if they were so clearly out of step with the times? An aristocrat and scholar, talented lawyer, author, and orator, who, according to the *Coltness Collections* (1842), travelled

---

<sup>4</sup> Which is of course not to say that he did not contribute to the development of the neoclassical synthesis. There is a strong field of Steuart research that reads him as having anticipated much of macroeconomic theory and a probable influence on Keynes (Chamley 1962, 1963 & 1965, Ege 1999, Eagly 1961, Eltis 1990, Sen 1947, Yang 1999).



the Continent charming peasants, intellectuals, and nobles alike, Steuart may have at times been fanciful, but he was not a fool. If Steuart was so clearly in error even in the eighteenth century, as some modern historians of thought believe, why was he so well-regarded in his own time, the very time in which Adam Smith, who developed a very different theory of economy and polity, lived?

The answer lies, as Small indicates, in context. As circumstance determines not only the problems one is trying to solve, but also the resulting policies that address such problems, rather than divorcing Steuart from the historical and social milieu in which he lived and wrote and comparing him to neoclassical standards of economic theory, I shall run headlong back to the context in which he wrote. There are two interconnected goals of this work: one is to further examine Steuart's ideas, and the other is to examine, in the context of his life, and therefore the social, economic, and political currents in which he lived, how those ideas were cultivated and then received.

#### **1.4 The Thesis and Major Themata**

My general thesis is that Steuart's expulsion from the canon was neither necessary nor inevitable, but rather was the result of a complex web of events both personal and political. The reasons for his expulsion are intellectually illegitimate because, as I shall argue, it was not his economics that were judged unsound but rather the political and social implications of his economics, which were seen to be counter to the expansion of the English imperialist project. Therefore, a context is needed in which to understand both why he came to the conclusions that he did and why these would have to be rejected in the nineteenth century by the prevailing political powers-that-were.

Inspired by Koerner's (1999) ground-breaking intellectual biography of Linnaeus, in which she recasts the botanist as both economist and natural scientist, I seek to present

a new picture of Steuart.<sup>5</sup> Looking at Steuart in light of the time in which he lived and his own goals, I wish to argue, as Koerner did for Linnaeus, that he saw himself as very much a local man. This dissertation shall contain a story of that localness and the tension that occurred when Steuart's localist notion of progress slipped against the tectonic plate of Smith's global and universalist beliefs, and what the consequences of this were for economics as a whole.

More specifically, I wish to argue that far from trying to craft a Machiavellian anti-trade policy book, Steuart was answering deep political and economic questions stemming from the Union of 1707, namely how a state could maintain a strong identity in the new political reality of post-Union Scotland.<sup>6</sup> What he painted was his ideal: a self-sufficient state where the statesman, or legislature, had deep and intimate knowledge of, and interest in, his people, their history, customs and capabilities.

Far from a pure mercantilist, I hope to show that Steuart was actually more of an enlightened cameralist, who was part of a different, which is not to say inferior, intellectual tradition than the Scottish/English/French one of which Adam Smith was a major part.<sup>7</sup> I wish to both acknowledge and explore the notion that in forming his book of principles, Steuart drew on the influences he absorbed from the time he variously spent in university in the Netherlands, as a member of the Jacobite rebellion, reading and

---

<sup>5</sup> Koerner presents Linnaeus as both a natural scientist and an economist who was negotiating the connection between nature and the economy through import substitution projects so that Sweden could eventually have a self-sufficient economy.

<sup>6</sup> Or at least not Machiavellian in the despotic sense of "The Prince"; there is a very Machiavellian element to Steuart's work when it comes to classical republicanism, which will be further attended to in Chapter Eight.

<sup>7</sup> Steuart blurs the line however between Koerner's useful distinctions between classicals, Romantics, and cameralists:

Whereas classical economists advocated one single, ungoverned, yet self-regulating global modernity, and whereas Romantic antimodernists hoped for an infinitude of custom-governed, local, traditional communities, cameralists strove for rationally governed autarkies" (1999, 1).

conversing with the French political economists, learning from the German cameralists, and traveling on the Continent.

My new reading of Steuart views him not as a preclassical statist opportunist, but as a Scottish patriot whose work can be read as much as a political and cultural manifesto as solely an economic text. Therefore, I interpret Steuart as very much a *political* economist, one who sought the proper relationship between national welfare and national economic policy, which may seem to be a simple story to tell from a modern standpoint, but policy involves politics and that is a much more complex story in this period.

#### **1.4.1 The Politics of Economic Canon Formation: Controversy & Knowledge Claims**

A broader theme to be covered in the chapters below is how and why did Steuart's economic thought come to be considered "unscientific" by some and then not even as "economics" in the end. The answer has less to do, I shall argue, with objective scientific truth than with the politics of canon formation. I am viewing Steuart and Smith as offering two competing claims as to what economics should entail and the outcome of the contest as having been determined by political interest rather than objective truth. In posing the problem in this way I am also making certain assumptions about knowledge claims and how scientific "truth" is established, namely that knowledge creation is very much a function of the prevailing cultural or scientific aesthetic. Obvious inspiration for this sentiment comes from the work of Mary Poovey (1998 & 1995) and of several authors in the field of the sociology of scientific knowledge (SSK).<sup>8</sup> While Poovey examined the creation of knowledge in political economy and the formation of British

---

<sup>8</sup> It is an interesting coincidence that the tradition within SSK which has been most fruitful for the dissertation is the Edinburgh so-called "Strong" program begun by David Bloor, Michael Shapin, and Barry Barnes, which takes a more macrosocial approach to issues and identifies causal linkages between interest groups and the content of knowledge that is elevated and sustained by these groups (Pickering 1992).

social culture, she did nonetheless leave out Steuart in the first instance and ignored many instances of earlier attempts at forming a British social “body” in the second. Bruno Latour (1987) has argued that the establishment of scientists’ claims to truth and knowledge are the outcome of negotiations between contested networks of scientists and their allies, wherein those with the most powerful allies win the claim to objective truth, rendering local claims into supposed fact. Similarly, Roger Backhouse (1994) assesses the production of scientific knowledge to itself be a product of the social system in which it is created. Shapin and Schaeffer (1985) concur that scientific knowledge is political, and of greater importance for the present work that, “the knowledge thus produced and authenticated becomes an element in political action in the wider polity,” and that, “Knowledge, as much as the state, is the product of human actions” (344).

Knowledge then shall be seen here as a social construct, and therefore influenced by politics. Because of “knowledge’s” social construction, it shall be argued, those who chose to could, and did, read Steuart selectively and abstracted from his work those passages where he uses the term "statesman" to refer to any form of government, or where he is for limiting trade depending on the stage of growth an economy is in, while ignoring the majority of the work. Why should critics and politicians choose to do so in the early eighteenth and late nineteenth century? This was purely a British phenomenon. Steuart's work remained in vogue on the Continent, the colonies and Ireland well into the 1840's (Skinner 1965b & 1966a, Rashid 1986 & 1998).

What I shall be arguing for a large part of the second half of the dissertation is that what came to be considered “economics” and what came to be considered “mercantilism” (read “not economics”) were both judged according to very specific standards in a very specific milieu that required certain forms of economic organization to support a

particular form of political organization. As Shapin and Schaeffer observe, "...there is a conditional relationship between the nature of the polity occupied by scientific intellectuals and the nature of the wider polity" (332). Therefore, a secondary thesis of the proposed work is that Steuart fell out of favor because his principles of political economy, with their emphasis that every people, country, situation, and history are different, were not conducive to justification of the expansion of the British empire as Adam Smith's universal system was.<sup>9</sup>

In viewing Smith as a reaction to Steuart, and their works as being a point of controversy in the history of economic thought, I am deliberately borrowing a page from Shapin and Schaeffer's *Leviathan and the Airpump* (1985). The two authors explain that such controversies "often involve disagreements over the reality of entities or propriety of practices whose existence or value are subsequently taken to be unproblematic or settled" and that they are often based on differences in basic assumptions (7). As Shapin and Schaeffer ask what hinged upon the choice between Boyle's and Hobbes's competing views of how science should be conducted, I shall likewise ask the question of what was at stake in accepting Steuart's view of the economic and political world.

#### **1.4.2 Scotland in the Eighteenth Century: Identity, Nationhood, Enlightenment**

Very broadly, I see the controversy between Steuart and Smith as being one between tradition and modernity in the eighteenth century. Modernity here I shall use in the sense of the fading of thinking about oneself as part of a local community, and more as part of a universal and universalizing community such as Great Britain whose end goal was a

---

<sup>9</sup> This is not to say that Smith is necessarily an imperialist, but that his work can be used to bolster the arguments of those who are, just as Steuart's work can be used to support arguments for a state-controlled economy.

certain kind of progress. Smithian modernity entailed the rise of seeing the individual as a rational, self-interested economic actor whose engagement in commerce caused the individual to become more civilized. The civilizing mode of modernity shall be contrasted and in part overlap with Steuart's local modernity, which was still dependent on traditional forms of organization and notions of history, and thus was viewed as being "uncivilized" and anti-modern.

Based on this conflict, there is a deeper tension between the works of the two men. If, as McCloskey (1998) argues, economists are trying to persuade, what is it specifically that Steuart and Smith are trying to persuade us about? I shall argue that in presenting their two views of how economics should be understood, Steuart and Smith were also dealing with issues of national identity.<sup>10</sup> With the Union, the Scots were given a new identity as part of Great Britain, but that alone did not solve the problem of the Scots' dislocation. In creating political economy, Steuart was trying to provide an identity as well, not with a new political distinction, but addressing the underlying economic, political and cultural issues at stake. Steuart and Smith's contending views on economics were not simply a disagreement about the allocation of resources and production, but a more complex reflection of the debate as to whether Scotland could and should be an independent nation from England.

I wish to suggest that Steuart was reacting against the uniformity and conformity of culture touted as the only route to progress that the Union both implied and enforced on the Scots and other subject peoples in the British empire. In the Act of Union, England made Scotland a stateless nation, and the Scots experienced a profound cultural, social,

---

<sup>10</sup> There is also a similarity to the work of Vivienne Brown (1994) in reading economic works as literary texts. However, I am going one step further and viewing the birth of political economy itself as the "text."

and political dislocation. Steuart's political economy emerged as one reaction to that dislocation, arguing that a smaller nation with a knowledgeable, local government could equally attain prosperity and still engage in modern commerce and international trade, even if they used policy that was founded on traditional or clan-based notions of provision.

There has been a massive failure in economics in general and in the history of economic thought in particular to utilize the literature available that would help to bring into focus the issue of eighteenth century national identity and the political, cultural, and social setting of the Scottish literati. More specifically, there has been a failure to draw upon the obvious connection between Irish and Scottish studies, and the work of scholars outside of economics on the negotiation of identity and the struggle against colonialism.<sup>11</sup> Therefore I will have recourse to material from history, cultural studies, and literary criticism where appropriate.

As suggested by Gibbons (1996, 180) and Norquay and Smyth (2002), I shall in both subject and practice circumvent the center and seek connections in the margins, and take the unapproved road in the chapters that follow. Rather than seeking, or forcing, connections between the center (Smith/the Scottish and French Enlightenments/Great Britain) and the periphery (Steuart/ Continental Enlightenments/Scotland), I shall abandon the methodology of former writers on Steuart and stress instead his interaction with others in the margins of the eighteenth century. Depending on one's definition of the Scottish

---

<sup>11</sup> One exception to this, in at least the Irish-Scottish connection, has been in economic history where Cullen and Smout (1977) have made note of the link between the two countries: "both countries have been profoundly affected by a similar geography, by a Celtic heritage, and by a history of close political and economic links with England" (v).

Enlightenment it is questionable as to whether Steuart really was firmly part of it.<sup>12</sup> Insofar as he was a Scotsman writing on a new subject and interacting with other members of the Enlightenment in Edinburgh, he was part of the movement. If the Scottish Enlightenment is defined as focusing on rational, self-interested human behavior alone in understanding new modes of social organization, then he is not. It is the uneasy categorization of Steuart into the Smith and Hume circle of the Scottish Enlightenment that I wish to firmly address and negate. Although it has already been pointed out by Keith Tribe (1978, 1981 & 1988) in various works that Steuart had much in common with German cameralism, this point has been ignored by historians of economic thought who continually try to classify Steuart as part of the Scottish Enlightenment. Rather I shall take the approach that Steuart belongs less properly to the Scottish or French Enlightenments, but more to the German and the Dutch.

### **1.5 Minding the Gap: The Need to Broaden Eighteenth Century Histories of Thought & Steuart Literature**

Writing an intellectual biography of Steuart begs the question of why this particular kind of work, and why on this man in the twentyfirst century when the current literature remains preoccupied with Smith. However, there are several good reasons to embark on this course.

First of all, there exists a glut of books on Adam Smith and precious little on the rest of eighteenth century economic thought. Here I will not neglect Smith as his actions and reactions are integral to the story of Steuart and his reception. I want to hold him up

---

<sup>12</sup> Sher (1985) and Berry (1997) have addressed the definitional problem of the “Scottish Enlightenment” admirably and this issue shall be covered in some detail in Chapter Four below.



to the scrutiny he requires, the light of his contemporary rival and their differing intellectual, political, and social circumstances.

I choose Steuart not because he was the only economic writer of the period besides Adam Smith, but because he was the only one who can be considered a contemporary intellectual rival of Adam Smith. Steuart was a once major and now shadowy figure on the stage of the history of economic thought. As stated above, he wrote the first comprehensive, systematic treatise on economics. As the first, he is important for having set the stage of what political economy entails and for what a discourse of political economy looks like. What came after is a reformulation and a reaction to what Steuart first wrote.

It may seem strange and even self-defeating to write such a work on a man who has been viewed with such disfavor. Nevertheless, there are very good reasons even for those who prefer Smith, or believe Smith should be the only figure considered in this time period, to want such a book. To tell the story of Steuart's life and times is to tell also the story of the times in which other famous Scottish economist/politicians lived, such as Lord Kames, Dugald Stewart, David Hume, Adam Ferguson and the ubiquitous Adam Smith. In many ways the story of Steuart is inextricably linked with that of Adam Smith, for it was Smith who ensured Steuart's academic downfall and whose policies superceded Steuart's. In the Smith literature the absence of Steuart is a very noticeable lacuna. While Smith's purposeful exclusion of Steuart is noted, why he did so has never been explored in full detail.<sup>13</sup> As I shall argue below, in the final estimation, Steuart and Smith were

---

<sup>13</sup> Smith wrote to his friend William Pulteney in 1772: "I have the same opinion of Sir James Steuart's book that you have. Without once mentioning it, I flatter myself that any fallacious principle in it will be met with a clear and distinct confutation in mine." (Mossner & Ross 1977, 164).

trying to achieve the same goal by different means. Any story of Steuart is incomplete without Smith, and vice versa.

Moreover, any story of Steuart will also turn out to be very much a story of Enlightenment Scotland, which is glossed over in the Steuart literature, as much of it is occupied in the defense or charge of mercantilism and absolutism. Perhaps even more importantly, the story of Steuart also involves post-Union Scotland, the importance of which to the formation of both Steuart's ideas and classical political economy has been, if not overlooked, certainly underestimated in the economic literature up to this point. It is these gaps that the present work hopes to fill.

In addition, an intellectual biography of Steuart is meaningful to those scholars who do not and have not subscribed to the English expulsion of him from the canon. It is curious that these are usually, if not exclusively, from the Continent. Apart from Andrew Skinner, there are no British contributors to the collection of articles from the 1995 Steuart conference (Tortajada 1999). It is also interesting to note that Skinner is Scottish and not English. Even in the present, the disregard of Steuart is a very English phenomenon and the biography hopes to avoid this bias.

There are also several legitimate answers to the “why now” question. There have been only three books in English written solely on Steuart (Sen 1952, Yang 1994, Tortajada 1999), and two of these are fairly recent. Sen’s 1952 work cannot be considered to be a pure biography, as it is mostly concerned with explaining the *Principles of Political Economy* to a modern audience, although it does bring to light much of Steuart’s involvement as policy advisor of the East India Company. Yang’s 1994 effort renders Steuart’s theories into modern mathematical models, and Tortajada’s (1999) volume is a collection of conference articles. The French language works on Steuart by Paul Chamley

(1965 & 1963) are, on the one hand, a collection of primary sources, such as letters from Steuart's acquaintances and family as well as the economist's writings, and on the other a more pamphlet-sized treatise on the roots of Hegel in the works of Steuart. The most recent pure biography of Steuart to appear in a journal remains Taylor's 1952 article in the *South African Journal of Economics*. Apart from the biographical matter that Andrew Skinner wrote for both the Chicago (1966) and Pickering and Chatto (1998) editions of *The Principles*, no comprehensive biography of Steuart exists.<sup>14</sup> And yet, as signaled by the recent Steuart conference in France, from whence Tortajada's collection comes, there is a continuance of interest in Steuart's works and his life.

Another salient reason to write a new work on Steuart is because the proposed dissertation will explore much of Steuart and Smith in the light of Scottish economic history. Economically, Scotland in the 1700s was undergoing many changes that necessitated the rise of a study political economy. It would be remiss to examine the policies of Steuart and Smith and yet to ignore the economic situation of the country they were both from and most familiar with. No work in the economics literature has yet done this with respect to both authors.

Existing biographical articles of Steuart pay little to no attention to either the role of Britain's politics on the economist's expulsion from the canon, or to the role of the Enlightenment, Britain, and the changing post-Union world on Steuart's own life and works. So there is a double gap to be filled here: on the one side there are literary and political histories extant that do not know enough about Steuart's role to pay him more than a passing nod of reference, and there is a large lacuna in current history of economic

---

<sup>14</sup> Skinner's plans to co-write a biography of Steuart have been abandoned (private correspondence with the author, 1999).

thought, not only on Steuart, but specifically on the role of empire and the Enlightenment in the formation of economics as a discipline.

The current literature also neglects not only to explain Steuart's participation in the Jacobite rebellion, beyond the typically neoclassical explanation of pure self-interest, but also fails to note the continuity between his family's involvement in rebellion and the continuing line in Steuart's own economic thought of Jacobite principles, or broader principles that happened to be consistent with those of the Jacobites.

The existing Steuart literature is very disjointed. There exists a wide collection of Steuart research in English, German, French and Japanese, as has been well catalogued by Marcil and Watanabe (1999). However, one can see that Steuart scholarship is usually scattered into several categories: biographical, macroeconomic, aspects of Scottish enlightenment and methodology, politics and the statesman, microeconomics, and mercantilism and trade. In viewing Steuart as both a patriot and nation-builder who was reacting to the situation of small nations, like Scotland after Union, an overarching or encompassing theme will be provided through which to view Steuart's work.

In wending through the gaps noted above, one finds oneself having to navigate between the poles of works that regard Steuart as a mercantilist or as nearing the truth of Smith; there appears to be neither any middle nor more interesting ground. However, such ground is easily identifiable given the right map. As indicated above, I shall not follow previous writers in the literature in explicating Steuart's absolutist or mercantilist moments or in spending pages in how he anticipated Smith and neoclassical economics. Rather I shall draw attention to the fact of Steuart as a true alternative to Smith. Although there will be moments where the thought of the two economists blur, for the most part Steuart's work is founded on different assumptions and comes to different conclusions.

The thesis thus seeks both to challenge and encompass the field of Steuart literature. The challenge is to the prevailing interpretations of Steuart, formed mostly by the works of Andrew Skinner (1999b, 1993, 1981, and 1966b to name just a few representative examples), that Steuart is simply to be viewed as a precursor to Smith, that the *Principles* contains some useful diversions in terms of economic policy, but is still just a step on the path to Smithian political economy. I claim that Steuart, while on the same landscape as Smith, builds a completely different path leading in a very different direction. In taking this view, I also challenge the notion that the parts of Steuart's theory that pale in comparison to Smith's, according to Skinner and other modern commentators, such as his lack of a "full" treatment of the role of profit as a return to the entrepreneur and the determination of wages, are not incomplete in Steuart's analysis as his aims in political economy are different than those of Smith and the subsequent classical and neoclassicals. Steuart's explanations of economic phenomena are not the result of his not having developed his theory, but are rather purposeful and consistent with his stated goals of political economy, which do not necessarily depend on fully developed capitalist modes of production.

Another move of Skinner's that has impacted the field of Steuart literature is the compartmentalization of his contributions under the topics of the statesman, regional policy, and trade and money and banking, but without presenting an underlying organizational structure. Skinner seems to agree with the author from the *Annual Review's* 1805 assessment of Steuart's *Works* that while Smith has an object readily in mind, his system of natural liberty and unveiling the workings of the invisible hand and the division of labor, Steuart's *Principles* is simply a diffusion of topics, mostly centering around the power of the statesman, but with no connective theme. The thesis defies this

criticism of Steuart. As shall be explored below, Steuart's theme is not as explicit as Smith's because it cannot be reduced to a "system of natural liberty," but it is present and persistent: that national identity through economic strength, measured by self-sufficiency and abundance of subsistence, built on the wealth of the people of the nation, united by their shared culture is possible. The present work will thus contribute to an alternative literature of Steuart's role in the development of the history of political economy, and also an alternative way of viewing the writing of the history of economic thought.

## **1.6 The Outline**

The dissertation is presented in three parts. Part I is more biographical and historical, providing important context for Steuart's life and work, while Parts II and III are more analytical, examining how these contexts resulted in a different conception of economics than the Smithian view and how this conception was received.

Part I contains three chapters that are focused on notions of Scottish history and culture, Steuart's patriotic background, and the currents in German and Dutch Enlightenment thought that would reinforce a need to write a patriotic rendering of economics.

Chapter One, "Trick or Treaty?," provides the necessary background to Scotland's particular political and economic situation stemming from the Act of Union debates at the outset of the eighteenth century that moved the Parliament from Edinburgh to London and made Scotland a stateless nation. It establishes the economic nature of both the Union debates and the economic impact on Scotland of the loss of its identity. This chapter also provides details of Steuart's family and their role in Scottish politics.

Chapters Two and Three, "The Grand Tourist" and "Jacobite Interlude," provide the details of Steuart's life and his role in the Jacobite rebellion of 1745 and his

subsequent exile to the Continent. It also provides an overview of the *Principles of Political Economy*.

Part II of the dissertation, “The Other Light,” examines both Steuart’s connection and disconnect from the Continental Enlightenment traditions. Chapter Four, “All Consuming Fire,” examines Steuart’s separation from the French Enlightenment philosophes on the basis of his position on the eighteenth century luxury debate. Chapter Five, “In the Father’s House,” follows Steuart from France to Germany, where Steuart learns of the cameralist economic textbook tradition and begins to draft the *Principles*. The chapter explores the possible influence of cameralist principles, the thought of Christian Wolff, and Ramian philosophy on the structure of Steuart’s work. “The Dutch Quality of Light,” Chapter Six, explores how Dutch visual culture may have influenced Steuart’s conception of the economy and compares his work to that of the Dutch Enlightenment economist Elie Luzac, the works of the German cameralists, as well as the possible influence of Christian Wolff and Ramian philosophy.

Part III, “Spectacular Times,” is more broadly about the tension between commercial modernity and other traditional forms of economic and social organization in the eighteenth century generally, and, specifically, in the contestation of economics in the works of Steuart and Smith.

Chapter Seven, “Past Tense,” serves as an introduction to the changing nature of Scottish intellectual and social life in the eighteenth century and the conceptions of civility, universalism, and cosmopolitanism, all stemming I shall argue from England’s political conquest of Scotland, that resulted in very different views of history and the role of history in economic theory and policy in the work of Smith and Steuart. Specifically, it explores the logical outcomes of Smith’s view of history in his economic and moral

philosophy, specifically in the concepts of the invisible hand and the impartial spectator, and are compared to Steuart's very different shared-culture and history-dependent philosophy and policy.

The classical republican or civic humanist strains in Steuart's thought are presented in Chapter Eight, "Altered States." Here I argue that Steuart and Smith are also struggling to make commercial society consistent with a virtuous society. Steuart does this on two levels, both by investing virtue in a new source and secondly by conceiving the economy as the new state where virtue is exercised.

"From Simplicity to Complicated Refinement'," Chapter Nine, presents Steuart's alternate plan of growth, and what was at stake for smaller nations in the triumph of Smithian economics over the Steuartian.

Chapter Ten, "Trading Futures," addresses the reception of Smith and Steuart's works in the eighteenth and nineteenth centuries and the necessity of the negotiation of economic "truth" for the expansion of the British empire. Here the conclusions of the dissertation will be presented, including the implications of the rejection of Steuart's view of economics for the necessary narrowing of mainstream economics in the present day, and the possibilities that Steuart's view of production, consumption, growth, and the role of persons in the economy holds for smaller economies today, and for economic theory in general.

### **1.7 Ouroburos: Final Notes on Biography, Context, and the Enlightenment**

In terms of models of organization for the writing of biographies, I have chosen to follow the examples of Ian Simpson Ross (1995) on Adam Smith, Robert Skidelsky (1986) on Keynes, and Paul Henderson Scott's (1994) excellent treatment of another Scottish patriot, Andrew Fletcher, in their accomplishment of the goal of writing



biographies that both, as Skidelsky says, explain and tell a story. In terms of contextualization, coincidentally, or perhaps not so, one of my major models has been the Scottish Enlightenment itself. So in this work I shall be turning the tools of the enlighteners back on themselves, and seek to understand them in the context of their own time rather than ours. Through the contextualization of this intellectual biography, I hope to present Steuart as he was seen by many of his contemporaries and as he has not often been seen by ours: as a scholar of many economies and philosopher of many Enlightenments, a Jacobite cameralist resisting Union, a gentleman traveler of many countries, and a would-be policymaker. This view is of course not as earth-shattering as Koerner's revelatory work on Linnaeus. However, it is not my intention here to shatter the earth, but rather to sift it more finely.

The general approach that I have taken, and that I ask you, dear reader, to adopt, is to approach these pages as a stranger to the subject in the eighteenth century would, as an impartial spectator if you will. It is helpful to remember that at this point the boundaries of political economy have not yet been determined, but are slowly being sculpted out by the early writers. What the dissertation seeks to find is not only what these boundaries turned out to be, but also how they were determined, and what was at stake in adopting one form of economics over the other. Mainly what I shall argue is that in his political economy Steuart was both making a political and cultural statement and crafting a way that countries could fashion identities for themselves out of economic rather than political strength. As a necessary consequence, the dissertation also asserts that Smith's *Wealth of Nations* can be read very much as a reaction to and against Steuart's *Principles of Political Economy* and its political and cultural worldview.

As promised repeatedly above, what shall follow in the dissertation is an intellectual biography of Steuart that covers the themes pointed to above and addresses the issues raised. A journey of context, the thesis follows Steuart and his family in Scotland from the time of the Union, across to the Continent for eighteen years, and back to Scotland again in the end. Steuart's life, as shall be seen, encompassing dashed political ambitions, treason, intrigue, exile, and near-redemption has all the elements of an excellent story as fantastical and varied in its adventures as any eighteenth century picaresque novel. During the journey the thesis shall also explore the birth of the world of modernity, the flowering of the Scottish Enlightenment, and the birth of the discipline of economics. In the end, the thesis will have traveled through an intellectual biography of political economy itself as well.

David Hume once wrote to William Mure, "The first quality of an historian is to be true and impartial; the next to be interesting."<sup>15</sup> Throughout these pages I endeavor to take Hume's words to heart and to the page.

## 1.8 Acknowledgments

I have been blessed in my colleagues, advisors, family, and friends in the time I have spent at Notre Dame, and I am so grateful! In a delicious coincidence I am writing this on the 240<sup>th</sup> anniversary of the publication of Steuart's *Principles*, so, to quote the author himself, "it is with the greatest diffidence" that I acknowledge the following for their varied contributions over the long process of creating this work:

The libraries and archivists of the special collections of the University of Notre Dame, the University of Glasgow, Edinburgh University, and the Folger Institute for

---

<sup>15</sup> In an undated letter from 1755 to Baron William Mure, Steuart's cousin, in the later William Mure's edited volume of the *Caldwell Papers* (1854).

access to their collections. Also thanks to the curators of Westminster Abbey for access to the Steuart Monument, and to Rev. David Mooney for his pictures of Coltness House.

I respectfully acknowledge my advisor Philip Mirowski, for many years of advising, wise counsel, and *patience*. The same I send to my committee, who I thank for their guidance, criticism, and their bravery in taking on such a broad and unorthodox topic: from the Department of Economics, David Ruccio, who was the professor of my first hour of grad school, and who I'm glad could be here for the eleventh hour as well, and Amitava Dutt, who despite seeing my faulty growth model did not give up on my project; and from the Keough Institute for Irish Studies, Luke Gibbons, who never led me astray as he patiently guided me through the Celtic Otherworld. I thank you for your wisdom and your generosity.

Thanks also to Seamus Deane for early insight at the proposal stage, and for his letter of introduction to Luke Gibbons. Thanks also to Esther-Mirjam Sent for early critiques of the proposal.

I gratefully acknowledge Jennifer Warlick and Lauri Roberts of the Department of Economics and Policy Studies and Edwin Hernandez and Maria Thompson of the Institute for Latino Studies at Notre Dame for their continued personal and financial support. I also thank George Mason University for awarding me a travel grant in Spring 2004.

I acknowledge those who inspired me at the outset and continued to encourage me long after their obligation to me was over: Alice Kersnowski, Roy Robbins, Ann Semel and Gary Scott of St. Mary's University. May your kindnesses return to you.

Special thanks for longstanding friendship and support goes to Elisa Gonzales, Michelle Espino, Kimberly Burham, Daniel Saros, and Basman El Hadidi. Thanks also to Monica Mata and Jerry Park for turning everything around in 2004. Extra special thanks

must be given to Taranee Wangsatorntanakhun not only for her excellent friendship, but also for her excellent research assistance in Dublin, Glasgow, and Edinburgh.

I happily acknowledge Sunday mass and Sunday brunch as one of the sublime pleasures of life, and all of my friends at Notre Dame who have made it so. However, special acknowledgment must be made of the many kindnesses, encouragement, and just plain joy that have sustained me down the homestretch from the company of Tonia Warnecke, Brigid Byrne, Clint Elison, Micaela Larkin, and the many gifts of the presence of Andrew Henrick. My life and my dissertation would not be as bright as they have been this year without you. Long may you shine!

I proudly acknowledge my brace of siblings: Rey, Rob, Chris and Rose for their support during my graduate school years, and always (and for listening to many tales every vacation, and, well, always). Special thanks to Rob for facilitating my Steuart tour of the Netherlands, Belgium and Germany, and for making my trip to Westminster Abbey possible. And extra special thanks to my sister Rose, who listened to every single idea as I talked about them on the phone *ad infinitum* (and sometimes *ad nauseam*) before they ever found life in these pages. You have been a constant source of warm encouragement, and your relentless incredibleness is an inspiration.

Finally, I lovingly acknowledge my parents Rey and Beatrice, without whom none of this would have been possible—or as much fun. With arms wide enough to hold but never to hold back, they have provided me with endless love and support, not just in the dissertation phase, but in every phase of my life. I am grateful for the model they provided me of how to live a good life, i.e. with dedication, faith, love, some sacrifice, and

a lot of humor. If, as Steuart says, the wealth of the nation begins with the family, they have made me a very rich woman indeed! And so, I lovingly and respectfully dedicate this work to my mother and to my father.

**PART I:**

**BIOGRAPHY AND HISTORICAL CONTEXT**

CHAPTER 1  
TRICK OR TREATY?:  
SCOTLAND, ENGLAND, AND THE ACT OF UNION DEBATES

### 1.1 Introduction

It is October 1706.

Winter has come early to the capital this year, as eyewitnesses attest to driving rain and harsh temperatures in Edinburgh.<sup>16</sup> The bitter cold has kept one of them, Daniel Defoe, indoors for five days. Although the weather has kept many from the capital, Edinburgh is still thronged with numbers the like of which the eyewitnesses have never seen. There are many locals, townspeople from Glasgow and other nearby cities, farmers from the shires, townsmen from the burroughs, and, walking with broadswords through the streets, Highlanders come down from the north.

All have come to Edinburgh to protest the meeting of what may be the last Parliament of Scotland. At issue in this session is the Treaty of Union with England, which will effectively end Scotland's existence as an independent country.

---

<sup>16</sup> The eyewitnesses who will serve as our guides are Daniel Defoe (1799 & 1955), George Lockhart of Carnwath (1714), hereafter abbreviated as L, and Sir John Clerk of Pennicuik (1993), each of whom have left behind first-hand accounts of the Union debates and the issues surrounding the final meeting of the independent Scottish Parliament in 1706. Defoe, as an agent of the English, is the most staunchly pro-Unionist of the group, while Lockhart is his polar opposite. Clerk's voice is more moderate as a Union supporter who feels that in the end the Scots were treated unfairly. From all three, a full account can be seen of the events of the debates.

Although the crowns of the two countries have been joined since 1603, there has been no brotherly feeling between the two nations and, indeed, in the months leading up to the current parliament there has been open hostility between them. In order to stave off the threat of both a French invasion from the north, and a rumoured Stuart restoration, Scotland's larger and much wealthier southern neighbor England is pressing for a full political Union. Wary of several acts of political resistance by the Scottish Parliament, England is fearful of what looks like a Scottish rebellion and is threatening to take further economic action.

Economic threats are the most effective against Scotland at this juncture because in the past two years the country has been faced with numerous economic crises. The Bank of Scotland is virtually bankrupt after the failure of the Darien colony in Panama and briefly shutdown in 1705. Scotland has also suffered recently from several harvest failures and injuries to its trade, due to the various Navigation Acts England has imposed during its war with France, Scotland's major trading partner.

With additional English troops gathering along the border and more ready to sail from Holland, the Scottish Parliament is under more than just political pressure when it convenes to decide on the issue of Union. No one present in the Parliament or in the country is aware at the outset that the venerable Scottish Parliament will not meet again until 1999.

In these dying days of Scotland's independence, the Lord Advocate writes to the Secretary of State, the Earl of Seafield, "I am an old and dying man...do not give more to me than I am capable of" (Steuart 1708, 445). He collapses when he hears that the Articles of Union will actually be voted upon, that the possibility of Union is almost a reality.



Although in public he supports the government, in private the Lord Advocate bitterly opposes the Union.

It can only be surmised that perhaps this sentiment was passed to his descendants. What is known for certain is that the Lord Advocate dies in 1712, the same year as the birth of his grandson, who also bears his same name, Sir James Steuart. Like his forebears, the younger Steuart shall be affected by the repercussions of the Union. Also like his ancestors, the younger Sir James Steuart shall also present a case for an independent country, but unlike them he shall make his case not in the legal arena but in the literary, in the first treatise on political economy as a subject.

## **1.2 The Phantom Menace**

I start at the Union debates, before our intrepid economist was born, because the Act of Union of 1707 represents the first appearance of a modern, phantasmal invasion in the power struggle between England and Scotland. What I mean by a “phantasmal” invasion is one that could not be seen, an attempted occupation fought not on actual soil, but on the battlefield of parliamentary papers, pamphlets, and policies formulated far from the site of the contested country. As Paul Henderson Scott (1994) relates, Scotland was “under attack by means more subtle than armed invasion” (22). I suggest that it was the very ephemeral nature of the defeat of Scotland, and the change in politics and society entailed by this change that caused intellectuals and politicians alike to start to reconstruct society and the nation in equally abstract terms, not necessarily connected to actual territory and shared experience, and that not only allowed, but also necessitated,

envisioning an entity called the “economy” and the creation of the discipline of economics.<sup>17</sup>

The groundwork for this non-physical occupation had already been laid in 1603 through the Union of the Crowns. While James VI, as the rightful king of Scotland, was not an occupier, he was still an absent monarch. He was also very much aware of the power of this change in Scottish politics, of the introduction of rule at a distance: “Here I sit and govern it with my pen: I write and it is done; and by a Clerk of the Council I govern Scotland now, which others could not do by the sword” (quoted in Scott 1994, 23). The regal union was the first blow, but not yet the fatal cut for Scotland, as the Scots still maintained a separate Parliament and thus, according to their own ancient constitution, sovereignty still lay, as it ever had, with the people and not with the king.<sup>18</sup>

With the Union of 1707, however, the loss of agency was complete. As shall be seen below, the treaty called for Parliament to move to London and much local control and local representation would be lost. In addition, Scottish interests would be attended to by English ministers who had little knowledge of or care for the concerns of their Scottish subjects. This phantasmal invasion, combined with the earlier losses of the militia and the royal court, and now the loss of the parliament itself was a strange and difficult thing to stand against. What I am suggesting is that the creators of the Scottish enlightenment, and those of political economy in particular, realized that if the problems faced by Scottish society, economy, and polity had been created in the abstract realm, then the answers must

---

<sup>17</sup> Although for Steuart proper economic policy *is* intimately tied to actual territory and shared experience, this is not the case for Smith. This matter and its implications for economic systems will be dealt with in extreme detail in Part II of the dissertation.

<sup>18</sup> This arrangement is reflected in the motto *Salus populi, suprema lex*, (the good of the people is the supreme law) which was commonly used in Scottish national legislation and pamphlets of the seventeenth century and into the eighteenth. It was also the title of a tract written by the Lord Advocate Steuart (1689) when he was a young exile in Holland.

be also. These events and his connection to them allowed Steuart in particular to envision political economy as a unique and necessary discipline. The issues that were debated by the Scottish Parliament did not disappear with the treaty's passage in 1707, and therefore form a large basis for the economic and political situation in which Steuart and Smith lived, and also therefore what Steuart would come to write about in the *Principles*.

Another reason for presenting this material is to acquaint the reader with several individuals who were influential both in Scottish history and in Steuart's early life. In addition, the Union debates were rife with political intrigue and strategy that also would not disappear after 1707.

But this is getting a little ahead of the tale. To return to the matter at hand, while the Union alleged to address and alleviate the economic problems of the Scots, in reality it continued and reinforced the conditions necessary to maintain the dominance and superiority of the English economy over the Scottish economy.

How could such a state of affairs have been allowed to take place? That will be made clear below, as the thesis explores a time when Scotland was still an independent political and economic entity.

What immediately follows in section 1.2 is a discussion of the political and economic events leading both countries to draft the union treaty. Section 1.3 tells the story of the Union debates in Parliament. Section 1.4 addresses the aftermath of the Union, and concludes by connecting the major issues created and addressed by the Union to those addressed by Steuart.

### **1.3 Questioning Inevitability: the Economic and Political Background of the Union**

King William's dying wish in his last address to the House of Commons in 1701 was for a full, incorporating union between Scotland and England. A notion begun in

history books in the Victorian era and that continued to the 1960s is that the Union between England and Scotland was inevitable due to the two nations' proximity, which allegedly implied a shared history and purpose as "Britons." The Union is presented as a model of statesmanship and praised as the first case of the extension of civility and prosperity through the expansion of the English Empire.<sup>19</sup>

Such sentiments became anathema when Sir Lewis Namier (1964) cast a critical eye over the view that the Union was negotiated in Scotland's best interests. Works followed by Ferguson (1977) and Scott (1979), which also sharply criticized the received view of the Union and reasserted Scottish sovereignty. In these reevaluative histories, the Union is seen as an example of English political chicanery and dominance, and the use of the term "Britons" is criticized as a political tool encouraging Union, rather than having arisen from a historical reality.<sup>20</sup>

The common people of the day would have agreed more with the sentiments of the nationalists Namier, Scott, Kidd, and Pittock than those promoted by King William's government and the later Victorians. Although sentiment in the English court had tended towards Union since the regal union, and was spoken of in terms of inevitability, contemporary accounts imply that the people, English and Scots alike, knew that talk of Union recurred for other less "fated" reasons.

The purpose of this section is to relate the events leading up to the Union treaty, and also to demonstrate that the Union was not the logical and inevitable result of the

---

<sup>19</sup> One of the first of these was Sir John Seeley's *Expansion of England* (1883) which saw the eventual union of the three kingdoms as a first step in the creation of a "larger Britain" which would lead to international peace and civility. Hume Brown's (1914) work is in a similar vein. Linda Colley's *Britons* (1992) demonstrates that this notion still has not lost currency, while the work of Colin Kidd demonstrates the differences between the North British and Scottish identities (1996 & 1993).

<sup>20</sup> More recent works by Shaw (1999), Pittock (2001), and Whately (2001) uphold this viewpoint.

union of the crowns, shared history, or geography, but the result of a specific policy of economic oppression pursued by the English government for their own political, military, and economic benefit.

Militarily, Scotland was a potential site of warfare and invasion. Not only had Scotland waged war with England nine times since the regal union, but the Scots were also traditional trading partners with the French, with whom the English were engaged in war for most of the eighteenth century (Pittock 2001, 59). The English needed to secure their northern border both to halt Scottish aggression and to prevent a possible French invasion. Given King William's ongoing military campaigns, England was loathe to let a source of additional revenue and soldiers go free. Politically, the English Parliament knew that the current succession was unstable. Queen Anne did not have a direct heir and she herself was a stop-gap solution to the succession problem posed by the Glorious Revolution.<sup>21</sup> The English wished to settle the succession on the House of Hanover, far distant Protestant cousins to the rightful Catholic Stuart monarchs, to prevent the return of King James's son, James VIII and III, despite, or perhaps in spite of, the continued widespread support across all three kingdoms for a Stuart restoration. In 1701, James was officially recognized by Louis XIV as the rightful ruler of England and Scotland (Young 1999, 45). There was little talk of Scottish and English brotherhood and destiny when Queen Anne and her ministers pondered the threat of a possible Jacobite uprising and a French invasion.

In 1702, England joined the War of the Spanish Succession, and Anne coincidentally established a commission to resurrect the discussion of an incorporating

---

<sup>21</sup> William and Mary died without issue. Anne, as James's sister, was the next legitimate heir to the throne, barring James himself.

union between England and Scotland. The contemporary English pamphlets promoting union speak neither of the destiny of joining the English and Scottish, nor do they set both nations on equal footing. Rather, they stress the logic of the union due to Scotland's historical inferiority to England, and the need to end military conflict with their pesky northern neighbor.<sup>22</sup>

### 1.3.1 Darien and the National Wealth

Resurrection of the idea of union was met in Scotland with more than the usual reticence and enmity. Still looming large in the Scots' memory was the 1692 massacre of the clan MacDonald at Glencoe that had been authorized by King William in his move to consolidate his power over the predominantly Jacobite Highland clans.<sup>23</sup>

Of even more longstanding memory were the injuries the English had caused to the Scottish economy through their foreign policy towards France and hindrance of Scottish trade. In a period when almost all other developed European nations enjoyed strong trade ties with the east, America, and Africa, Scotland's trade was in decline. Already barred by the English from trade in the Plantations by the Navigation Act (1660) and Act for the Encouragement of Trade (1663), the union of crowns hurt the nation further by forcing the Scots to follow England's foreign policy. England's present war

---

<sup>22</sup> Representative works of such views include the propaganda pieces of Daniel Defoe and the writings of William Atwood (1650-1712), including *The Superiority and direct Dominion of the Imperial Crown of England over the Crown and Kingdom of Scotland* and *The Scots Patriot Unmasked*. Atwood also wrote similar works relating Ireland's dominance by England in *History and Reasons for the Dependency of Ireland upon the Imperial Crown of England* (1698). These were banned by the fiercely independent Scottish Parliament in 1703 (Mann 2004).

<sup>23</sup> Late in 1691, William decreed that all clan chiefs swear fealty to him at their local authority by January 1, 1692. The Chief of the MacDonalds was prevented from reaching his destination due to the heavy winter snows. William authorized troops under Robert Campbell to kill members of clan MacDonald and burn their holdings for the chief's failure to appear. Campbell and his men slaughtered thirty-eight members of the clan in one night, including the chief and his wife. Although the Campbells were the official scapegoat, the Scots were aware that the orders of "fire and sword," had been signed by King William.

with France damaged the formerly sterling trading privileges Scotland had enjoyed with that country. As a result, Scotland's overall trade diminished, while Scottish trade with England did not improve. Sir John Clerk summarizes the general situation well: "trade declined daily as a result of the war with France... Their merchant ships were seized by the enemy and pillaged, their young men pressed into the army overseas to the detriment of industry." In return the Scots did not receive any increased respect from the English, but instead, "were treated by the English and the confederate leaders not as allies but mercenaries" (82).

The Scots' response was bold and unexpected. Rather than attempting to share in England's trade any longer, they decided to form their own colony. The brainchild of William Paterson, founder of the Bank of England, the Company of Scotland was founded to establish a colony at Darien on the isthmus of Panama which would serve as a trading exchange between the east and the west.

Despite William's disapproval, the Scottish Parliament approved of the enterprise and allowed subscription books to be opened for £400,000. Half of the subscriptions were reserved for the Scots and half for the English. The English books were oversold within days (Scott 53). According to Defoe, the English government became wary when subscription books for the Company opened in Amsterdam and Hamburg, and took diplomatic steps to ensure the books there were closed. While issuing official proclamations to its plantations forbidding them to aid the Scottish settlers in any manner, England also made an agreement with Spain that neither country would trade with the Scottish settlers. Domestically, William's government discouraged the subscribers, impeaching those members of parliament who had subscribed to the venture and labeling

it a high crime and misdemeanor for any Englishman to do so. All of the English investors withdrew (Prebble 1970, 51-63).

These actions drew a patriotic outburst from the Scots who embraced the venture with enthusiasm, and invested the full £400,000 themselves. Although the gentry were the most heavily invested, support for the colony came not only from individuals and families at every level of society, but also from trade associations and towns.<sup>24</sup> Hopeful of the colony and the Company's future, it seemed to be overlooked that the Scots had invested as much as half of the nation's liquid capital in the colony (Scott 53-54, Young 25).

Due to a combination of mismanagement and a lack of necessary supplies, kept from them by the English proclamations, the colony failed in its struggles for self-sufficiency in 1699, and again in its second incarnation in 1700. In his report on the abandonment of the first colony after the death of two hundred colonists, William Paterson writes,

That their sickness and mortality happened through want of fresh provisions and strong liquors... That the scarcity of fresh provisions and strong liquors was occasioned by the Proclamations published against them in Jamaica and the other English Plantations, which hindered several ships and brigantines that were desyned to come and others acoming to them..." (1924, 109-111).

When the first beleaguered colonists reached New York after sailing from Darien, they requested assistance in procuring goods, but were kept waiting for several weeks until the request was eventually refused (111).<sup>25</sup>

---

<sup>24</sup> Some investors also subscribed in their cities' names "so that even the poor and landless, the thieves, whores and beggars could think themselves a part of the noble undertaking" (Prebble 69).

<sup>25</sup> The Earl of Belmont admitted that he had told the Lieutenant Governor of New York, "not to suffer the Scotch to buy more provisions than would serve them home to Scotland..." (1699,124-5). Although several unauthorized ships did come to trade with the colony, they found that the settlers lacked anything of value with which to exchange for goods, for which Defoe blames the colony itself (1799, 4-7). Sir John Clerk, an investor in the Company, concurs somewhat in his conclusion that whether the English plantations



The colony had failed and the Company was in ruins, as were many Scots who had invested their fortunes.<sup>26</sup> The resulting situation rendered the Scots at an even greater disadvantage vis-à-vis England than before. Clerk concurs that:

It was now true indeed that the Scots had become England's slaves, since they were denied not only their rights as fellow-Britons but their rights under the Law of Nations. They could not live without trade, yet were hindered from practicing it by English embargoes and their own poverty. Moreover, in the years since the union of the crowns, they had conducted their own affairs in such a way that now they could neither live in fellowship with the English nor secure their freedom by breaking away (82).

Why should Darien be so important that I weigh these pages with it? There are two reasons why the venture is relevant to the current thesis. It is in the venture and the widespread support it received that one begins to see a movement in thought from individual to national wealth, as has been alluded to in Prebble (25). This was a goal of Darien, and Paterson, as founder of the Bank of England, already thought of wealth on a national rather than atomistic level. Moving beyond Prebble's hint, the venture also represents a united, national, economic response to a situation of perceived economic and political oppression. The crippling of individual trade efforts had summoned an aggressive and aggregate economic response. Andrew Fletcher of Saltoun, a supporter of Paterson and the colony, speaks in just such terms when he describes the national fervor for Darien:

by no contrivance of any man, but by an unforeseen and unexpected change of the genius of this nation, all their thoughts and inclinations, as if united and directed by a higher power, seem to be turned upon trade, and to conspire together for its advancement, which is the only means to recover us from our present miserable and despicable condition (1979, 31).

---

would have helped or not, the colony would have failed due to the organizers' "inexperience, incompetence, and profiteering" (1993, 82).

<sup>26</sup> The Stuart family does not appear on the official List of subscribers from 1696, reprinted in Barbour (1907). Prebble quotes Lord Advocate Stuart's adamant statement that he, "had nothing to do with our

In these words reflecting the movement from the consideration of individual fortune to the national, I suggest is the foundation for the policy that Stuart would later formulate, of using aggregate economic action to overcome decline and political subjugation. The reader probably cannot fail to notice the ghost of Smith's invisible hand rattling its chains here as well.

Second, and no less important in human terms, the Darien episode shows that the English pursued a policy of purposeful destruction, under the smallest economic threat from the Scots, that ensured not only the deaths of hundreds of colonists, but also struck a heavy blow to the Scottish economy.

Such a policy did not end with Darien. Even after the failure of the colony, the English continued to harry Scottish trade, repeatedly seizing Scottish ships in the New World, and in many cases, before they could get to the New World. Tensions reached a peak in the spring of 1705 when the Company of Scotland seized the English ship *Worcester* and tried its captain and two crewmen (*Darien Shipping Papers* 1924, xv).<sup>27</sup> The warrant for the men's arrest is unapologetic in stating that these actions were taken in retaliation for the English seizure of a Scottish ship in London and only after considering,<sup>28</sup>

the repeated Injurious Acts of Violence, Oppression, injustice and indignity committed...by the English East India Company and their Adherents; particularly in what they have done concerning the Ship *Annandale*, contrary to the Law of Nations, and to the Municipal Laws of both kingdoms; And that all friendly methods hitherto used for obtaining reparation thereof have proved ineffectuall... (Company of Scotland, "Warrant...", 263).

---

African Company" (202) and believes he did not want to offend the king. However, whether this was due to prudence, politics, or poverty is unclear.

<sup>27</sup> *Darien Shipping Papers* are hereafter referred to as DSP.

<sup>28</sup> The crew and captain were supposedly overheard in a pub boasting that they had captured a Scottish ship, which had disappeared on the way to the East Indies, murdered its crew and taken its cargo.

The men were tried and sentenced to hang. Despite the intervention of the English secretary of state and his lackey Defoe, the Scottish people were insistent that the men hang. Many in government felt the same. As he tried to cooperate with the English to have the charges reversed, Secretary of State Seafield complained to the Lord Treasurer of Lord Advocate Stuart's unhelpfulness, "I still find the ferment encreas against Cpt Green and his crew...The Advocat gave me little or no assistance, only he drew the representation" (Ogilvy 1705, 24). Queen Anne's intervention also could not overturn the sentence and the men were hanged, to the outrage of the English (Defoe 1799, 23-24; DSP xx-xxiii).

The affair of the *Worcester* was seen in the English government as evidence that the Scots were not far from supporting a French-backed Jacobite invasion and restoration. A joint parliament offered a solution to such intransigencies. A united parliament would allow the English to halt any attempts by the Scots to establish a potentially competitive trade or any rivals to the East India Company, while at the same time making the Scots dependent on English trade. Therefore, for England the annexation was a calculated, rather than fated, next step.

### **1.3.2 Stumbling Towards Union: The Alien Act**

After the famines of the seventeenth century, the loss of the Darien colony, which ruined many of the gentry, the temporary closure of the Bank of Scotland in 1704, and continued diminishment of the trade with France, the Scots began to reassert themselves politically to halt the English interference that they felt was partially to blame for these

hardships.<sup>29</sup> The Scottish Parliament passed acts allowing them both to pursue a separate foreign policy and to reject the Protestant succession, thereby creating the possibility of having a separate, Catholic successor to the throne of Scotland.<sup>30</sup> Queen Anne and her ministers refused to approve either action. When the Scottish ministers threatened to end their contribution of supplies to the army, the English decided to tighten the economic thumbscrews by passing the Alien Act. The Act placed an embargo on Scottish exports, forbade the export of arms and horses to Scotland, allowed English ships to attack and seize Scottish ships, gave the Queen permission to arm towns along the border, and declared Scots in England to be aliens and their property forfeit. It also declared Scotsmen to be “incapable of enjoying the liberties and privileges of Englishmen”<sup>31</sup> (L 134). The Act would take effect on Christmas Day 1705 if the Scots did not consent to discuss an incorporating union and the Hanoverian succession by that time (L 134-135, Whately 12). As Lockhart opines, “This was a strange Preamble and Introduction towards an Agreement, First, to propose an Amicable Treaty to remove Grudges and Animosities betwixt the two Nations...” (134-135).

Although there was general agreement that the confiscation of Scottish property in England would be harmful, a pamphlet war ensued debating whether the nation would be better off without the English trade.<sup>32</sup> The pro-Unionists argued that the Scots were

---

<sup>29</sup> Another issue in this period was that the Scots had seen what negative effects English interference had had on the Irish economy and constitution. Fletcher engaged with critics of William Molyneux’s *The Case of Ireland* in his arguments against English interference in Scotland’s affairs (MacInnes 2001, 82).

<sup>30</sup> Respectively, the Act Anent Peace and War (1703) and the Act of Security (1703).

<sup>31</sup> The text of the Act from the Manuscripts of the House of Lords, December 16, 1704, is even more severe, prohibiting any person born in Scotland from inheriting land in England (Clause 4). Clauses 5-9 promote the seizure of Scottish livestock (no. 2069, 231-232). Provision was also made to prevent the export of wool to Scotland and also for halting all trade (no. 2070, 233-234).

<sup>32</sup> The phrase “*salus populi suprema lex*” appears again in pamphlets of the day, notably in the *Advantages of the Act of Security* which says that the will of the people is more necessary than the decisions

dependent on English trade and exported more from them than they imported and thus union would only increase the goods the English bought from them. Meanwhile the anti-Unionists felt that it would be better to sever ties with England and reestablishing trade with the rest of Europe.<sup>33</sup> They argued that English trade had hobbled that of Scotland, flooding the domestic market with luxury goods and competing with their own manufactures, while not purchasing enough Scottish exports. Writer David Black opined, “England affords us but little of what is necessary, yet they drain us more than any nation” (Smout 1964, 464-465). Regardless of the makeup of the trade, over half of Scotland’s overall exports were to England (Smout 1963). Given this state of affairs, as Lenman writes, the Alien Act was a “formidable economic bludgeon” (1980, 81).

As the deadline approached and the pamphlet war continued, English troops began to move to the northern border with Scotland, and more were ready to depart from Holland. Under this economic, political, and military pressure, the Scottish Parliament met to discuss drafting the treaty in early 1706.

#### **1.4 The Drafting of the Treaty of Union**

According to Defoe, Lockhart, and Clerk, the two major parties in the Scottish Parliament were the Court party and the Country party. The first consisted mostly of those who had held positions in William and Mary’s court and continued to serve under Anne. They were led by the Duke of Queensberry, Anne’s appointed Scots commissioner

---

of the ministers: “more than the Authority of Parliament... must be made use of to Enforce these Articles upon the Judgements, and Inclinations of the People.” (1706, 5-6). If the majority of the people were unhappy with the treaty, the author argues, then the proposed Union could not be legitimate.

<sup>33</sup> An agreement with the Dutch was especially desired, due to a long history of trade and Scottish service in the Dutch colonial service, the constitutional institutions of the United Provinces being complementary to Scottish aims, and that the Dutch model of colonialism was based on commerce rather than plantations (MacInnes 2001, 86).

for Union. The second party, led by James Douglas, the Duke of Hamilton, consisted mostly of the old gentry and Jacobites who opposed a full incorporating Union and the Hanoverian succession. Two smaller parties also played a role, the Cavaliers, who opposed the Union but not the Hanoverian succession, and the Squadrone Volante, who wanted to defend the sovereignty of the country regardless of the succession. Led by Andrew Fletcher of Saltoun, Clerk writes that the members of the Squadrone presented themselves as “great Patriots, and to stand up chiefly in defense of the rights and privileges of the subjects; in a word, [for] the publick good...” (48).<sup>34</sup>

The Squadrone often found common cause with the Country party, and merged with them on many issues, the foremost being the form that the proposed union would take. In the initial session, Fletcher made a well-received speech that if Union occurred, limits should be imposed on the monarch to prevent English interference in Scottish affairs but still allow for the Protestant succession, and that greater power should be granted to Parliament (L, 154-156). Due to the cases made by Fletcher and Hamilton and their adherents, a clause supporting a federal union, as well as a demand that the English rescind the Alien Act before any further discussion would take place, were inserted in the draft.

Against the expectations of both countries, the English Parliament rescinded the Act, and commissioners from both sides were appointed by Queen Anne.<sup>35</sup> Excepting Lockhart for the Scots and the Archbishop of York for the English, the appointees from

---

<sup>34</sup> Another distinguishing characteristic of the members of the Squadrone was their relative youth. Clerk describes the majority of their members as “young men of about 24 years of Age” (48).

<sup>35</sup> For reasons that are still unknown the Duke of Hamilton had a measure passed in 1705 empowering Queen Anne, rather than Parliament, to appoint the Scottish commissioners.

both countries were Whigs and pro-Unionists (L, 184-187).<sup>36</sup> According to Young (1999) among others, this makeup was not representative of the opinion of the majority of the common Scottish people, who were against the Union and in favor of a Stuart restoration. Indeed, Lockhart maintains that four out of five people in Scotland opposed the Union and were ready to take up arms for the exiled king (194-200).<sup>37</sup>

Despite the Scots' conceding to have the Hanoverian succession written into the treaty, the English commissioners refused to even read the Scots' proposal for federal union and trade rights, and hastily presented their own. However, this was due as much to the feeble efforts of the Scottish commissioners as to the English commissioners' obtuseness. Again, excepting Lockhart, the negotiators were opposed to the idea of federal union yet knew that they had to present the proposal in order to appease the Scottish people. The Earl of Seafield had made the presentation for federal union but added that the Scots did not thereby reject the full incorporating union (Lockhart 1989, 81). Lockhart saw the speech as an insult to the people of Scotland and felt the Commissioners knew it too. Mention of the speech was thus not included in the minutes (Scott 151-153).

The English then quickly presented their own proposal, from which the Scots asked for only a greater abatement of taxes. This nonetheless caused a great uproar throughout England, and the abatements were rejected by the English ministers. In an effort to soften the economic blow of the Union, many promises of economic

---

<sup>36</sup> The Tories were known to be opposed to the Union. Lockhart felt he was only included in the treaty negotiations due to the position of his uncle Lord Wharton, an English minister on the negotiating team for the English side.

<sup>37</sup> In the meantime, the Country party tried to get the French to help them in getting James to return to Scotland, knowing that the Tories had to have some response if the king returned (L 199-200).

development were given. The London merchants made “repeated Assurances” that they would start “Manufactories and Companies for carrying on the Fishery. The Communication of Trade was magnified to the Skies, and the East and West India Gold was all to terminate in Scotland...” (L 212).

As Lockhart points out next,

But the Equivalent was the mighty Bate... This was a Fund say they sufficient to put Scotland in a Capacity for prosecuting Trade, erecting Manufactories and improving the Country: But in Reality here was a swinging Bribe to buy off the Scots Members of Parliament from their Duty to their Country... For to it we may chiefly ascribe that so many of them agreed to this Union, the Hopes of recovering what they had expended on the African Company...(212).

The Equivalent was a reimbursement from the English to partially repay the Scots for their lost investments in Darien, losses that would be incurred due to recoinage, the higher taxes they would have to pay as part of Britain, and in partial payment of Scotland’s share of England’s debt. Such financial promises, Lockhart opines, “prevail’d upon many to overlook the general Interest of their Country” (L 213).

The English also offered to extend to the current Scottish peers the privilege of immunity to arrest and imprisonment. As many of the Scottish gentry were in a state of poverty due to the losses of the Darien venture, the prospect of being saved from debtors’ prison may have been enough to sway many of them to vote for the Union (Scott 155). Therefore, economics was already a determining factor for many of the ministers of the Scottish Parliament before the body ever met to vote.

With the completed treaty in hand the Scottish commissioners returned to Scotland for the Parliament of 1706 that would meet to vote upon the Articles of the Act of Union.



## 1.5 The Final Scottish Parliament & the Articles of Union

The final Scottish Parliament was called on October 3, 1706 with Queensberry as Lord Commissioner. Despite the weather, which kept large numbers of protestors from coming to Edinburgh, the event still “brought together an unprecedented Number of People of all Ranks, Sexes, Ages, and Persuasions, from all Corners of the Land, to Edinburgh...” (L 218-219). The traditional Riding of the Parliament through the streets was carried out with as much pageantry as ever and was even more impressive than in years past, according to our eyewitnesses.

From the outset, the initial session was rife with controversy. The Country party objected to Parliament meeting to vote on Union without having consulted their constituents. Legally, they should not have been able to do so because the current mp’s had only been authorized to discuss the treaty, not to vote upon it. Hamilton attempted to halt the proceedings on the grounds that the current Parliament had been elected to discuss a union for Scotland, not to “enact its own death, which the Articles of Union clearly prescribe” (Clerk 95). The Court party countered that Scotland was already dead and that the Union would bring it back to life (Clerk 96). Hamilton’s motion to halt proceedings until protests were sent to Queen Anne failed by 64 votes, but his party succeeded in having both the Articles and the proceedings published for public consumption (Clerk 95-96; L 219-222).

Popular sentiment was already strong against the Union, and plummeted once the full text of the Articles was published. Lockhart reports that now,

the Nation’s Aversion to the Union increased; the Parliament Close, and the outer Parliament House, were crowded every Day when the Parliament was met, with an infinite Number of People, all exclaiming against the Union, and speaking very free Language concerning the Promoters of it (222).

Clerk concurs that “The buildings and streets around Parliament were thronged and there was every prospect of violence” (97).<sup>38</sup> Riots the night of October 23<sup>rd</sup> caused Queensberry to issue a Proclamation Against Assemblies, and to place guards in the Parliament House.<sup>39</sup> Meanwhile, the English moved their troops closer to the border and had more ready to sail from Northern Ireland (Clerk 103-104; Defoe 1799, 142; L 225-227). Lockhart maintains that, counter to the assertions of “that vile Monster and Wretch Daniel De Foe,” the riots were not orchestrated by the Country party, but were proof of the people’s displeasure with the Union (228-231).<sup>40</sup>

The people’s opposition was also shown in more formal presentations in the Parliamentary sessions. The “Address from the Majority of the Barons, Freeholders, Farmers, Heretors, and the Burghs” states that the Union violated their traditional rights, and asked that the treaty be rejected in favor of upholding the independence of the kingdom and its Church. The “Address from the Royal Burroughs In Relation to Trade” protests the Union on two grounds: the tax rates in the treaty were too high, and no consideration had been made for the fact that Scottish trade differed from the English and thus should be subjected neither to the same laws as English commerce nor to the same parliament. A third Address came from the Company of Scotland, who opposed the treaty

---

<sup>38</sup> Queensberry was jeered every night he left the Parliament House, “cursed and reviled to his face” (L 223), and “savaged with insults and threats” (Clerk 97). Hamilton and his adherents, such as the Duke of Atholl, the Earl Marischal, Lord Andrew Belhaven, Andrew Fletcher, and George Lockhart were greeted as heroes and exhorted by the crowds to stand by Scotland and not to back down (L 222-223). Defoe attests that when an injured Hamilton was carried to and from the House on a litter, “as he came down in his chair from the House, the mob followed him, shouting and crying out, God bless his Grace for standing up against the Union, and appearing for his country...” (1799, 135).

<sup>39</sup> The Country party protested the proclamation, as it allowed soldiers to fire at will on the crowds and usurped the traditional right of the Earl Marischal and the High Constable to dispatch troops to protect Edinburgh. Furthermore, they felt the presence of the guards was solely a bullying tactic on the part of the Unionists.

<sup>40</sup> The pro-Unionists had apparently tried to get their tenants and vassals to sign petitions in favour of the Union but were unsuccessful.

because it called for the dissolution of the Company, which did not seem consistent with the policy of a united kingdom, the treaty's Equivalent would not be enough to compensate them for their losses, and that there was a lack of security in the treaty for any persons or ships, English or Scottish, carrying on trade (L 244-246).<sup>41</sup>

In Parliament and reiterated in his memoir, Lockhart pointed out that if the Union were to be such a boon to trade, whether the "Trading Part of the Nation are such Knaves, or such Blockheads, as not to see the great Advantages that would arise from this Union" (239-240). However, these addresses and concerns were ignored by Queensberry, as if the paper they were written on served "for no other Use than to make Kites, which was the Use my Lord Duke of Argyll was pleased to assign them Publicly in Parliament" (L 235). At the urgings of Seafield and the Court party, the reading of the Articles commenced, and the concerns of the addresses disregarded.

Already one sees emerging here three overarching themes that resurface repeatedly in Steuart's *Principles*: first, the importance of a government knowing the will or "spirit" of the people in regard to its policy, and second, what the proper response of government is when the will of the people is set against its policy, whether said policy is in the people's interest, it is thought to be in their best interest or not, and whether the government is authorized to overturn the law at will in order to take actions it thinks are best.

---

<sup>41</sup> A fourth speech was delivered by the General Assembly of the Church of Scotland. Its members opposed the Union because it did not provide security against the dissolution of the Church, and would make its members take oaths forswearing the Church in order to sit in the new British Parliament. Furthermore, the Union's joint parliament entailed English mp's from the Church of England formulating legislation for the Church of Scotland (L 244).

## 1.6 The Articles of Union and Recurrent Themes

As stated above, the purpose of presenting the details of the Union is not to overburden the present work with historical detail but to show that there is a continuity between the issues raised, questioned, addressed, and created in this time and those addressed in Steuart's and Smith's works, as the economy with which they dealt was a direct result of the policies fashioned during the Act of Union debates.

Article I called for a Union between the two countries, which opened debate as to whether such a thing was legal or desirable. The major questions the opposition posed were whether Parliament could legally enact the death of the country against the will of the people and whether the loss of local representation and respect for local tradition and circumstance that Union entailed was necessary or desirable.

It was already clear at the drafting stages of the treaty that the Scots would not be treated on equal grounds with their English counterparts. Politically and economically the Articles themselves proved this, as did the propaganda surrounding it. Despite Defoe's pamphlets to the Scots that the Union was a happy conjunction and a marriage of peace, he wrote in pamphlet to the English audience that, "In this Union here are Lands and People added to the *English Empire*" (1706, 5, emphasis Defoe's). Apparently, as Pittock claims, "Equality between England and Scotland was always a Scottish idea" (2001, 56).

The importance of the issue of under-representation cannot be overstated. For many this was the point of the treaty upon which most disgruntlement was hung. The disregard for the Stuart succession was another major issue. For many this was not an issue of loyalty to the Stuart family, but of the right of the Scots to control their own policies and to continue to maintain hundreds of years of Scottish culture and tradition. In the end, the Parliamentarians had to weigh whether the gains from Union were worth

surrendering what the Scots had taken years to build. Hamilton appealed to Scotland's valorous past in gaining that right in the first place, challenging his fellow ministers,

shall we in half an hour yield what our forefathers maintained with their lives and fortunes for many ages? Are none of the descendents here of those worthy patriots who defended the liberty of their country against all invaders...?" (Lockhart 1995, 160).<sup>42</sup>

Below I shall examine the Articles of Union and themes that were debated in the final Scottish parliament in the framework of the major issues that I believe recurred in Steuart's and Smith's work.

### **1.6.1 The Succession and the Loss of Scottish Culture and Tradition**

While the matter of the succession was not as large a matter to some as the loss of Scotland's sovereignty, to most the end of the Stuart line was reflective of a cultural as well as political loss for the Scots. The Stuarts were the only direct legitimate heirs to the thrones of England, Scotland, and Ireland, and Anne had at least been a Stuart. However, Article II of the treaty settled the succession on Sophia, Electress of Hanover, a distant cousin to Queen Anne. Investing the House of Hanover with the throne required the removal of 51 direct claimants from the line of succession. However, doing such ensured a Protestant succession and ended fears of a legal Stuart restoration. Getting the Scots to acquiesce to the succession permanently eliminated the possibility of a separate sovereign for Scotland, forever shackling the Scots to English foreign policy.

Knowing this, the Country party submitted a measure to put limits on the English crown before the succession would be agreed to. The Court party fiercely opposed this

---

<sup>42</sup> Other memorable speeches included Lord Belhaven's famous "Caledonia" where he likened the union to murder. For the pro side, William Seton of Pitmedden made an eloquent appeal in favor of increased trade. However, it was Hamilton and Belhaven's speeches that were circulated in the press and embraced by the people (Scott 191). The full text of "Caledonia" is reprinted in Lockhart's *Memoir* (1714).

measure, arguing that any limits placed in this session would be unalterable by future Parliaments, and thus too great a risk to take. Undeterred, the Country party requested the vote on the Article be delayed until Queen Anne could be informed of the negative opinion of the Scots people towards the treaty, as had been evidenced by riots in Edinburgh and elsewhere, but this motion was defeated by the Court party.

Unexpectedly, Hamilton then placed a new motion agreeing to settle the succession on the house of Hanover, but requiring that the rest of the treaty be renegotiated. The Jacobites were furious. Pro-unionists saw the motion as a move by the Country party to split the Court party vote, and still others saw it as an attempt by Hamilton to allay suspicions that he was after the throne for himself.<sup>43</sup> Whatever the motive, it was the Country and not the Court party that split over this issue, and when the Article came to be voted upon it passed by a majority (L 259-260; Clerk 122-126).

The settlement of the succession on the House of Hanover was not acceptable to the majority of the Scottish people who preferred to have their traditional monarchs on their throne. Popular sentiment, not only in Scotland but also in Wales, England and Ireland, continued to support the legitimate monarch, and therefore the Stuarts remained a credible threat.

Again at issue with this article was not only the loss of Scottish tradition, but also the loss of Scottish sovereignty. A continued joint monarch with England meant that the Scots would not only have to continue to have to suffer English foreign policy, but also a

---

<sup>43</sup> Hamilton was in the next line of the Stuart succession after James and Charles. He had formerly served as an ambassador under Charles II and commander of the royal horse under James VII. Coincidentally, in 1683 he was granted the forfeited estates of Coltness, North Berwick, and Goodtrees. These had formerly belonged to the political exile Sir James Steuart, who was able to reclaim them by the time he was created Lord Advocate (Clerk 57).

monarch residing in London who put the interests of the larger kingdom first. Already looming here is the issue of absent governance and the loss of the local, which resurfaced more strongly in the Articles concerning representation and the new joint parliament.

### **1.6.2 A Federal vs an All Consuming Union**

If the legitimate monarchy could not be salvaged, the second line of defense for the opposition was to save Scotland's political independence and local sovereignty. As noted above, Fletcher and others called for a federal union at the draft stage, so as to maintain separate institutions, regardless of the Hanoverian succession.

The Duke of Atholl also argued for a federal union due to the illegality of the Union outlined in the Articles, which violated both Scotland's Claim of Right that had been granted by King William, and the Scottish constitution, which did not give Parliament the power to dissolve itself (Clerk 117). Following this speech, the Marquis of Annandale proposed two amendments, the first of which called for a federal union that would unite the nations in war, succession, alliances, and trade, but would maintain the independence and sovereignty of Scotland, as well as a separate Church and government. Annandale's second proposal, if the parliament did not approve of the former, was that they consider agreeing to the succession, but on the condition that their sovereignty, independence, and current rights and privileges be maintained. Both proposals were rejected (L 255-257). Despite a final impassioned speech by the Duke of Hamilton against it, Article I passed by a vote of 115 to 83 (Clerk 118 and L 255).<sup>44</sup>

---

<sup>44</sup> So that the Scottish public could see which ministers had voted for and against, it was approved that voting lists be published, which had never before been done in Scotland (Clerk 118 & L 255).

However, pressure for a federal union persisted in the discussion of Article III, which created a joint Parliament for England and Scotland. The new Parliament was to meet in London only, drastically reduce the current number of Scottish representatives, and yet maintain the current number of English ministers. The Country Party protested, and tried to delay discussion of this article until they also discussed the 22<sup>nd</sup> article, which dealt with the number of representatives. They argued that this article would deny Scotland all sovereignty and independence, and therefore also all ecclesiastical and civil rights and security (L 261-267). Fletcher again lauded the superior benefits of a federal union for Scotland, as it would allow a place for the redress of Scottish grievances.

An incorporating union was not feasible, Fletcher believed, because the two countries were not being treated as equals. He stressed the imbalance of power the English had written into the union treaty, stating that “what they offer is not an alliance but dominion” (Clerk 127). A fully incorporating union, Fletcher maintained, counter to what the pro-unionists promised, would result only in unbalanced economic growth in England’s favor. Money and title would flow to London where the wealth would concentrate around the court and parliament, draining such from Scotland and Edinburgh. Fletcher felt that this outcome was not only unjust but unnatural: “That London should draw the riches and government of the three kingdoms to the south-east corner of the island, is in some degree as unnatural, as for one city to possess the riches and government of the world” (1997, 213).

Fletcher also stated that Scotland should not, as the Court party had done, look to Greece and Rome for examples of profitable unions, but to Holland. This was challenged by the Earl of Stair, who said the situations were not comparable; the Dutch had taken



power from the crown, and the Scottish Parliament had no intention of doing so.<sup>45</sup> Maintaining separate governments, Stair argued, would surely lead to war. Despite the debate, the Article passed without any of the amendments suggested by the Country party.

### **1.6.3 Free Trade vs. Protection of Domestic Industry**

Article IV purported to grant freedom of trade and navigation between the two nations. Free trade was presented throughout the Articles as a necessary condition for Scotland's future and present prosperity. Arguments were made to the contrary by the anti-Unionists, citing the finer details of the treaty and the realities with which Scotland was faced. According to the minutes, as reported by Clerk, Fletcher and Hamilton, among others, Article IV was a red herring; England offered free trade, but intended to maintain her overseas monopolies and so keep the Scots out. Further, the trade with the Indies, which was represented as a gift to the Scots, was essentially useless, as there were none there with whom the Scots could trade who were not already supplied by other nations. Even if trading in raw materials, the Scots had little gold to purchase such goods and the European markets already held a surplus of raw materials from the colonies.

Another major concern of the opposition was that free trade would lead to ruinous competition for Scottish industries and the repeal of current laws protecting infant Scottish industries from English competition. If these industries were to be allowed to collapse, then the large investments many had made in them would be lost. The opponents of Union also felt that if Scotland were prohibited from exporting raw wool, as the treaty's strictures maintained, then a large part of Scotland's current revenue would be lost (Clerk

---

<sup>45</sup> Stair's specific point being that in Scotland the right to make war and alliances were royal prerogatives and the parliament was not going to take these away from the sovereign as the Dutch had done.

133-135). These sentiments were seconded by the Address given by the Royal Commission of the Royal Burroughs in which the Commissioners of Trade reiterated that there was indeed an imbalance of economic strength, and therefore terms of trade, between the English and the Scots, and that a completely free trade would drive Scottish industries out of business (L 268).

The pro-Unionists argued that free trade was for the public good and would have been a part of any federal union as well. They argued that the public good should not have to suffer in order to support inefficient Scottish industries; Scottish workmen would simply have to raise their standards to English levels or suffer the economic consequences. Port access granted by the treaty, they claimed, would increase the Scottish linen trade, and the ban on wool export would allow more raw materials to stay at home. The Earl of Stair concluded the pro side's arguments with an appeal to both virtue and commerce, asking:

Are you then willing to liberate yourselves and your descendants, to find a wider field for the exercise of virtue, open new avenues of trade, give skill and hard work better opportunities? All these lie within your reach. This article opens up a road which will carry this country to the heights it dreams of (Clerk 134-137).<sup>46</sup>

The Article passed, allegedly ensuring that there would be free trade. However, Article V ensured that such trade would be limited. It called for all ships even if foreign built to now be considered ships of Great Britain. All ships engaged in trade had to be registered in London, thus preventing the Scots from building or chartering ships in other countries as was their custom (Defoe 1799, 49; Clerk 137).

---

<sup>46</sup> Although an appeal to virtue may seem strange to modern ears, such an argument was commonplace in civic humanist/classical republican rhetoric, which shall be explored in detail in conjunction with Stuart's place in civic humanism in Chapter Eight.

“The previous article gave us free trade;” the opposition speech declared, “this one ensures we shall lack ships to carry it on...What is the value of trading privileges that we are prevented from using?” (Clerk 137). The Court party again used the free market competition counterargument that the English were the best shipbuilders in the world, and so it would be best for the Scots to buy ships from them (138).

Although the Article passed, proceedings were delayed by a reading of various letters from the shires throughout Scotland, again exhorting the Parliament to abandon the treaty. There were still no letters or addresses from the merchants, tradesmen, or common people of Scotland in favor of Union.

#### **1.6.4 Taxation & Excises**

Article VI mandated that both countries follow the same laws of trade, and so also required the implementation of a uniform excise policy, or more precisely, Scottish uniformity with present English excises. The Country party argued that the taxes in England were much higher than in Scotland, and, even if they were imposed gradually, would be ruinously high for Scotland’s trade. However, the Court party argued that most of these taxes were on luxuries and so the incidence would fall on the rich, who could afford them. Higher taxes, the Earl of Stair argued, were simply Scotland’s part of the burden of the Union to bear. Besides, he stated, equal taxation would be needed even for the federal union that the opposition continued to champion (Clerk 139-142). A committee was formed to determine the extent of the difference of English tax rates and found that they were “not much greater” than the Scottish (Clerk 142-143). The Article was passed.<sup>47</sup>

---

<sup>47</sup> Before approval the article was amended such that: 1) there would be no duties on goods imported or exported to private individuals; 2) Scottish cattle sent to England after Union not be subject to export

Articles VII and VIII also called for uniformity of taxation on all liquors and salt imported into the two countries. The liquor tax was opposed on the grounds that it was unfair that the ale that the poor drank in Scotland would be taxed at the same rate as the best ale in England. After much debate, the article was approved with an amendment that the taxes were not to exceed the maximum amount the poor could bear.

There was equal concern for the poor in the salt tax, as well as for the majority of Scots. Salt was a necessity of the Scottish poor and the fishing industry, and the Scots used much more of it than did the English. Salt was also a major Scottish export and there was a fear that “by taxing it, the Dutch, who have no Duty upon Salt, can and will easily undersell them” (L 269). Article VII also provided for high duties upon the importation of tar, linseed, iron, and timber, which the English had in abundance but the Scots imported. Importation of English cloth and other goods was allowed, but the article did not allow Scottish wool to be exported to England, which “did all stand in direct Opposition to Scotland’s Welfare” (269). After compensatory amendments were made to the Article, including granting subsidies or “encouragements” to Scottish fish-exporters at the same rate as those granted to English fish-exporters, it was approved (Clerk 145-147).

Article IX called for Scotland’s land tax to increase from £36,000 per year to £48,000, as determined without explanation by the English commissioners at the treaty drafting.<sup>48</sup> The opposition argued that Scotland should not have to pay more than £36,000, but after much debate the article was passed with no amendments.

---

taxes; 3) exporters of oats should receive a certain “encouragement” or subsidy when the price of English oats was not greater than 15 shillings sterling because oats had not been mentioned as one of the grains under consideration; 4) English and Scottish barley should be taxed at the same rate; and 5) the embargo on the importation of grain to Scotland be retained for the time being so as to prevent the ruination of their grain industry. The opposition tried to also add an amendment allowing for the continued ban on wool imports and not on exports, but the committee rejected this option (Clerk 142-143).

<sup>48</sup> England’s share was assessed at just over £1 million.

Clerk says Articles X-XIII “offered little room for dispute and created the impression of a truce” (147). Indeed, these articles stated that Scotland would be taxed at a lower rate than the English on paper products, windows and lights, coal and cinders, and malt. Article XIV granted that no further duties would be applied to Scotland except for those agreed upon in the treaty—unless of course the monarch saw fit to do so after the union (Defoe 52-53). These Articles were hastily passed.

### **1.6.5 Local Representation**

As has already been stated, Articles III and XXII were some of the most hotly contested of the overall treaty. It was not only the idea in Article III of a single Parliament that so incensed the opposition, but that Article XXII called for the new body to meet in London only and the reduction of the number of Scottish ministers. As such, the Article met with the most outcry. The Scots were to have 16 peers in the House of Lords and 45 in the House of Commons, while the English would not be reducing the number of their representatives at all. Comparatively, in their own Parliament, the Scots had 239 members in the commons and 67 peers.

The opposition found this proposed Parliament to be impracticable given the needs of the Scots. An anonymous pamphleteer, believed to be Fletcher of Saltoun, wrote that it was impossible that:

these separate distinct Interests and Establishments, can be regulated and supported by one Parliament...It is much easier to corrupt 45 Scots in London, than it is to corrupt 300 at Edinburgh, and besides, there will be no occasion of corrupting them, when the Case shall occur, of a difference betwixt the South-Britons and the North-Britons; for the Northern will be out-voted, without being corrupted...the Scots can be injured in an united Parliament with greater safety...Scots Members may dance round to all Eternity, in this Trap of their own making” (quoted in Pittock 2001, 58).

Arguments were made that not only would Scottish concerns not be properly represented, but also that, meeting in London, the ministers would be too far removed from Scotland to note Scottish concerns anyway. Economically, there was also a concern that sending the representatives to live in London would draw even more money out of the country, further impoverishing it (Clerk 160-161). And yet, if they did not send their representatives to London, the English would settle Scotland's affairs without Scottish input.

These arguments were answered by the Court party's spokesman, the Earl of Stair, who said that the best way to limit the drain of money to London was to limit the number of those representatives, as provided by the Article. He elaborated that the English could not be expected to reduce any of their number because they did not have to; they were dictating the terms of the treaty. He also lamely excused the loss of the current Scottish right to appeals in Parliament because the English people would not have a similar right (161-164).

#### **1.6.5.1 Plans for Protest**

Hamilton knew that this Article was a sticking point for many and planned for the opposition to stage a walkout of Parliament. A motion was to be made to settle the succession on Hanover and to reject the rest of the treaty, which motion the Court would not approve. At this point Hamilton would enter a protest on behalf of all who opposed the Union. Then all the Union opponents were to walk out of the Parliament house, and send the various Addresses and a new protest, signed by as many as possible, to Queen Anne. They hoped to show the English Parliament that the Scottish Parliament was acting against the will of the people and therefore acting with no authority (L 293-295).

Although the draft of the protest was circulated by others, the author of the document was none other than Sir James Steuart, Lord Advocate, who,

tho' he could not be persuaded to speak and declare his Mind against the Union in the Parliaments, yet was heartily averse to it, and as soon as it became under serious Consideration, deserted the House, and could not be prevailed upon, either by the Threats or Cajoling of the Court to return and assist them in promoting it (L 295-296).

There is further corroboration for Advocate Steuart's feelings on the Union, as he made these known to the Earl of Mar and the other commissioners at least by the fall of 1706.<sup>49</sup> Mar writes to Seafield on September 22, 1706:

Your lordship heard formerly that the Queen's Advocate did not like it [the Union], and notwithstanding of all the Commissioners and the rest of the Queens servants can say to him, he continows of his own opinion, and argowd against it to us all together (Erskine 1706, 175).

Steuart's protest is worth quoting at some length, as it illuminates the issues of contention. The first section reiterates that parliament does not have the authority to lessen the number of their representatives or to strip voting privileges from the current peers, and notes that the House has ignored the addresses made by all of the estates. Steuart says that the Articles of Union are "...manifestly tending to subvert that Original, Fundamental, and Indissolvable Constitution, by which the People of this Ancient Kingdom are joyned together in a Society amongst themselves" (L 299-300).

The second main section of the protest is concerned with the movement of the capital to London and the English trade and regulations dictated by the treaty,

as tending to drain this Nation of the far greater part of the product of the Customs and Excise which formerly remained at Home towards paying our own Ministry, and other necessary Charges of the Government, but must hence forward go out, seeing upon the event of this Union, our Government and Ministry must be translated forth of this Kingdom, as tending to ruin the Trade and Subjects of this Kingdom, by engaging them into insupportable Customs and Burdens upon Foreign Trade and Home Consumption, and by involving the Trade of Scotland, under the Regulations of the Trade of England, tho' the Funds, Export and Import, and the common Means of living in the South and North, are of such different

---

<sup>49</sup> John Erskine, Secretary of State for Scotland. He started as a pro-Unionist but felt the final treaty to have been unjust. He later became a Jacobite and led troops at the Battle of Culloden.

Natures, that the Regulations that are necessary in the South, will be ruinous to the Trade and Living in the North...(L 304-305).

Steuart concludes with a reiteration that the protestors will not stand for the dissolution of parliament or the rights that the representatives, burgesses, barons, and freeholders currently enjoy.

The protestors had agreed to walk before the vote on Article XXII. Many eminent citizens and gentlemen came to Edinburgh to escort the protestors out of the House. However, the protest failed when Hamilton developed a convenient toothache. By the time a second speaker was found, many of the opposition had already left the House in frustration.<sup>50</sup> Official protests were launched by Lockhart and five others that the Article violated the rights of the burroughs; that barons and burgesses sat in Scotland as judges in civil and criminal cases but in England one could only go to Justice at the Bar of the House of Lords; that the English were not amending their constitution at all; that Scots' votes would hold little weight; and that there had been no addresses from anywhere in favour of the Union (L 326-331).<sup>51</sup> In the absence of the frustrated opposition, who had believed the vote could not go forward with so many absent, the Article easily passed.

### **1.6.6 The Equivalent and the Final Approval of the Treaty**

Given the rather glaring inequalities already built into the Union treaty, one is understandably led to ask how a majority of Parliamentarians could have approved the Articles of Union with so few amendments. One element that may have swayed many

---

<sup>50</sup> Lockhart says that Hamilton had in fact been threatened the night before by agents of Chancellor Seafield (330).

<sup>51</sup> Additional motions were made that: 1) the Parliament should be held 1 out of every 3 years in Edinburgh; 2) the Abjuration Oath required of the British Parliament not be required of the Scots; 3) that all Scottish holders of public office be exempted from this oath, which the Jacobites especially abhorred since it was their king that was being abjured; and 4) that the Sacramental Test not apply to Scotland. The first 3 motions did not pass and on the fourth there was a stalemate (Clerk 166-167).



was Article XV, which established the Equivalent as compensation for losses incurred due to the Union and set the final calculation at £398,085, 10 shillings. Disbursement of the fund was to be decided by the current Parliament. A committee was formed to perform this function, in which Defoe somehow gained a position as a consultant.

The opposition warned their countrymen not to be swayed by the enticement of the Equivalent, which they likened to the price asked for the betrayal of the country. The Duke of Atholl demanded of his fellow ministers:

Who have promised it? The English. Who are to pay it? A nation of debtors. And if they default, what recourse do we have against superiour numbers? (Clerk 150).

Seafield and the Court party did not answer this very relevant point, but made their own, which was, plainly, that Scotland needed the money.

Article XV also called for the dissolution of the Company of Scotland by 1708. The officers of the company continued to press their case that they had no way to recoup their losses and that their merchants would provide better service to Scotland than the hostile English merchants would (Clerk 151-153). Unconvinced, the majority voted to dissolve the Company of Scotland and ordered the company to turn over their accounts. Besides the repayments to Darien stockholders and the share of England's debt, it was also decided that the remainder of the Equivalent was set aside to assist the wool trade, to encourage the fisheries, develop manufactures and for other projects (154).

In the meantime, there were serious outbreaks of violence in Glasgow, where a group of citizens had forced the town council and provost to sign an address to be sent to Edinburgh opposing the Union. Their main concern was that the sovereignty of the nation was being sacrificed for little gain. They burnt a copy of the Articles in the town square and then affixed a protest to the cross in the market square, declaring that the

“Commissioners of this Nation have been either Simple, Ignorant, or Treacherous, if not all Three...dastardly yielding unto the Demands and Proposals of the English Commissioners...” (L 276-277).<sup>52</sup>

The Country party had asked those whose addresses were ignored in Parliament to arrive in Edinburgh on the same day and make personal speeches demanding that no further decisions be made until the Queen was informed of the people’s feelings on the Union. Lockhart provides the full draft of their address, which again has an economic basis, as the freeholders and barons saw the union as an instrument to “sink the Rents, destroy the Trade, and subject the People of this Kingdom to intolerable Taxes...” (287). They also felt that the treaty would later prove even more harmful as they could not be assured of always having as just a monarch as Queen Anne and concluded their address calling for a new Parliament (288). Before the appointed day arrived however the Court party had discovered the plan and hastily passed a new proclamation against riotous assemblies (Clerk 152 and L 285).<sup>53</sup>

### **1.6.6.1 Final Approval**

In the final Parliamentary session, Hamilton’s party made many speeches against the Union, some of which carry echoes of the future words of Steuart. “We are the servants of the state,” one of the speeches said, “not its masters; fathers and guardians, not

---

<sup>52</sup> Meanwhile, due to the efforts of Hamilton and Lockhart, 7000 men from across political lines from the western shires and the Highlands were ready to march on Edinburgh in protest, and to call for the restoration of James and a new Parliament. However, at the last moment, Hamilton had the uprising desist because the English had moved more troops to the borders and had sent orders to have more men ready to depart from Holland (L 278-284).

<sup>53</sup> In the meantime, the Court party lobbied the Church of Scotland to join their cause. Once the General Assembly were assured that the Church would not be dissolved, they ceased to protest the Union (Clerk 153).

tyrants or traitors” (Clerk 170). He likened the ending of the nation’s sovereignty to a betrayal of the nation of Scotland, and declared that by signing the Union treaty against the people’s will, “what you are doing is to turn loyal subjects into disaffected rebels” (170).

These arguments were answered by the pro-Unionists with a reminder that Scotland’s glory had long since faded with the joining of the crowns in 1603, and that now trade was more valuable than sovereignty. However, in the end there was an admission by the Court party that the terms of the treaty were unbalanced, but that such concessions of sovereignty were necessary for Scotland’s survival. The final speech by the pro-Unionists claimed that it was England’s “policy either to destroy us or to force us into union on well-defined terms. Choose then the role that Nature herself dictates to us” (Clerk 173-174). The majority chose Union.

The Articles were approved on January 16, 1707 (Clerk 175). The English Parliament met and quickly approved the treaty so that by March 25<sup>th</sup> the Scottish Parliament was dissolved.<sup>54</sup> The Union was enacted on May 1, 1707.

#### **1.6.6.2 Self-interest and the Parliamentarians**

One of the more interesting facts that stands out in the aftermath of the vote on Union is the political leanings of those who were compensated by the Equivalent. John Stuart Shaw (1999) has compared the voting records with the compensation records, revealing a striking pattern. Of the £43, 270 that were owed to all Parliament members taking part in the Union vote, £32, 614 went to those who had voted in favor of the Union. Proportionally, although they made up only 58.29% of total voters, 69% of the total

---

<sup>54</sup> Lockhart called this “a handsome new Year’s gift to that Kingdom,” (340), as this was New Year’s Day in England, which still used the Old Style calendar.

reimbursements to parliamentarians for holding Darien stock went to those who voted for Union and to Queensberry.<sup>55</sup> Although Shaw concludes that this does not necessarily make the pro-Unionists opportunists as well, and claims that they were actually more patriotic for having bought more Darien stock, it is difficult to accept his conclusion when he also states that those who voted against the Union did so with the understanding that they would lose their opportunity to be reimbursed for their Darien stock (4-5 & 10-11).

Also of interest is the additional payment of Equivalent funds to Parliament members for unspecified “services.” Payments were made to the commissioners for Union whether they voted yes or no. Curiously, £25,100 total went to Queensberry and those who voted in favor, while only £1500 were disbursed to those who voted no. Of a total of £135, 654 available to Parliament members for other expenses, £80, 714 was paid to Queensberry and the pro group and only £9783 to the opposition (12-13).<sup>56</sup>

Much more damning, and Shaw agrees on this much, are the gifts and awards granted to the pro-Unionists after the act was passed. The Duke of Argyll, for instance, was made a peer in the English House of Lords when he was granted the title Earl of Greenwich and his brother was granted a Scottish earldom. They thus both also became members of the new Parliament. One week before the Union became law in 1707, Lord Henry Scott, heir of Buccleuch and Monmouth, was also given an earldom, and the Earls of Montrose and Roxburghe were given Scottish dukedoms. Queensberry was made Duke of Dover in 1708. However, rewards were given not only for garnering votes for the Union, but also before the votes ever took place. As Shaw relates, “...there are in the

---

<sup>55</sup> Queensberry is not included in the rolls of voters because as Queen’s Commissioner he did not have a vote.

<sup>56</sup> On a per capita basis, the pro side received approximately £701 per person and the anti side received £117 per person.

state papers for months before the union a spate of warrants for grants of royal charters under the Great Seal and gifts out of crown rents and property,” which were for the most part, but not exclusively, given to those who would vote for the union (16).

Much worse than this is the initial £20,000, “to ease the passage of the Union,” granted to Queensberry before he left London in 1706. Queensberry’s personal expenses were already paid for, so thus, as Shaw’s research shows, he kept £12, 325 for his own use. An investigation into the payment by the accounts commissioner in 1711 found that the transaction was not recorded in the official accounts. After Queensberry took his share of the £20,000, payments were made to others who voted for the union but who were not owed money from the civil accounts (15-17).

Although there were thirteen members of the Parliament who consistently voted for the Union and seemed to do so on principle, and without prior bribery, eleven of these were rewarded for their voting after the Union passed (19).

## **1.7 After**

Soon after the Union was enacted, two commissioners came from England to manage the customs and other excises of Scotland. Lockhart reports that, “vast Numbers of Surveyers, Collectors, Waiters, and in short, all or most of the Officers of the Customs and Excise were sent down from England...,” most of whom apparently were former felons and highwaymen who treated the natives poorly, and were more concerned for profit than for the good of the Scots (342). With the 1708 abolishment of the Scottish Privy Council, which had expected to be given the authority of handling everyday matters in Scotland, and the arrival of more English customs officers, the people grew more displeased with

the Union, and more openly expressed their desire for the return of King James.

Unsurprisingly, 1708 also brought the first Jacobite uprising.<sup>57</sup>

In 1712, lay patronage was revived in the Church of Scotland in defiance of the Act of Security which had established that congregations would elect their ministers, and the government in London imposed new taxes which violated the treaty (Fry 1998, 46).

These actions led to the near-successful dissolution of the Union by the House of Lords in 1713, another call for dissolution after Anne's death in 1714, and the Jacobite uprisings of 1715 and 1719. The 1725 imposition of the Malt Tax and other post-Union duties in 1736 led to large-scale riots in, respectively, Glasgow and Edinburgh.<sup>58</sup> The pamphlet war continued as well, with the Union now denounced as "this master piece of villainy," which by "the black designs of the English...constrain'd us to depend upon a remote seat of government..." under control of "ministers of a nation ever intent upon our ruin and destruction" (quoted in Pittock 2001, 64). Hamilton's words predicting subjects becoming rebels were prophetic, as Scottish unrest with English rule at all levels of society did not soon dissipate and culminated in the 1745 Jacobite rebellion.

In the years after the treaty, the hoped-for economic boom did not occur and Scottish industry suffered. As the governments of the two nations merged, many offices disappeared and therefore many of the Scottish middle class state and military workers lost their jobs (Fry 47). The old Parliament courts in Edinburgh were turned into law courts, as they remain today. The promised free trade did indeed have its limits, and

---

<sup>57</sup> A French naval force was to land James on the Firth of Forth, where he would meet a body of supporters, march on Edinburgh, seize the Equivalent, nullify the treaty of Union, and call a new Parliament. The ships got very close in the end to the Firth, but had to turn back due to bad weather and an eventual failure of French nerve (L 346-380).

<sup>58</sup> The 1736 riots are known to history as the Porteous Riots, and to literature as a plot point in Sir Walter Scott's *Heart of Midlothian*.

Glasgow seemed to be the only beneficiary of the open markets. Domestic producers suffered from the influx of cheaply priced English goods (Pittock 2001, 64-65). Only in the last fifty years of the eighteenth century did widespread economic growth take place. The only two industries which benefited from the open markets of the Union were cattle and wool manufacture, which then caused the social upheaval of the clearances in the eighteenth century, as landlords ejected their tenants to replace them with profitable livestock (Smout 1983).

Even Defoe, who had claimed that free trade and Union would be a boon for Scotland, had to confess twenty years later, “that this is not the case, but rather the contrary” when he made his tour of Britain (1727, 33).

### **1.7.1 Governance, Great Britain, and Steuart**

Scotland had been conquered without the fall of a single swordstroke. From the outset of the events that led to the purely political triumph of England over Scotland, and the changes that this entailed for the Scottish government, several crucial issues concerning governance emerge that shall be seen to be vital to our investigation. First is the general question of what constitutes good and proper governance over a people. Reasoning from the perspective of their trade, military, and political goals, the English government felt that a single parliament with power centralized in London was best. Meanwhile, the Scots argued from a desire for self-rule and for economic development, and so felt that this could be best achieved by an adherence to their ancient constitution and independence. Second is the issue of the proper relationship between a government and a people. Is it possible and even desirable to have a distant and larger government or to have a smaller and more local legislature? These questions had been raised since the union of the crowns. Fletcher, Atholl, Hamilton, Advocate Steuart, and the majority of

Scots were certainly in favor of a local legislature over a distant, centralized government in London. Third is the question of the extent of the state's responsibility for knowing and acquiescing to the will of the people. If the people oppose a policy, even if it is thought to be in the nation's best interest, does the government have the right to pursue it? Does the government have the right to overturn the law of the people at will, as the Parliament of 1707 did in enacting the union, despite the outcry of the people?

The events surrounding the Union also give rise to the issue of what constitutes the proper relationship between government and the economy. Can a generalized policy work for two different nations or will one always have the advantage? Should local considerations matter if a policy is thought to be generally beneficial? Does the government have a responsibility to intervene to protect domestic industries from foreign competition and to promote overseas ventures? The major economic topics brought to the fore in the Union debates, such as free vs regulated trade, the effects of competition, fair taxation, coinage, the establishment of colonies, the proper use of a standing army, local versus a distant government, fair representation, and economic responses to outside aggression are, in essence, topics concerning the proper and necessary policies a government should formulate, and the necessary amount of governmental knowledge of the culture and opinion of the people for whom policy is being formed, for a small nation in the midst of larger, competitive neighbors.<sup>59</sup>

---

<sup>59</sup> Although not strictly part of the Union debates, the Darien colony and England's role in its failure continued to be of importance in the drafting of the Treaty and in the calculation of the Equivalent. Also, although not part of the treaty, the movement of troops to the Scottish border, as well as the use of troops without the permission of the Earl Marischal, were part of the background and spoken of in weighted terms in the debates themselves. The matter of a standing army versus a militia is one of the aspects of civic humanism argued for by Fletcher of Saltoun and shall be shown to influence the work of Steuart in Chapter Eight.



More simply, the injustices and imbalances of the Union negotiations and debates raised the question of the proper relation and duty of government to the people and the economy of a nation in the modern commercial era. Lest one believes that the thread of the tale has been lost, I see this question as the starting point of the discipline of political economy as it was originally envisaged by Sir James Steuart. He confronts these issues in the first half of the Introduction to *The Principles of Political Oeconomy*:

The statesman (which is a term used to signify the legislature) is neither master to establish what oeconomy he pleases, or...to overturn at will the established laws of it...

The great art of political oeconomy is, first to adapt the different operations of it to the spirit, manners, habits, and customs of the people; and afterwards to model these circumstances so as to be able to introduce a set of new and useful institutions (1966, 16).

The above noted economic issues raised by the Union and surrounding events are addressed in detail in the rest of Steuart's work. I am suggesting, therefore, that *The Principles* be read as a response to the problems raised by the Act of Union, a response making use of the idea of national economic action,<sup>60</sup> which is at once an alternative to Union, as well as a solution to the economic, political, and societal problems created by the Union.<sup>61</sup>

It is to an in-depth exploration of Steuart, his early life, and the influences that drew him to write on this topic that I shall now turn.

---

<sup>60</sup> As I shall argue further in Chapter Three, it is this aspect of "mercantilist" policy that Steuart adopts and adapts, rather than the truly mercantilist emphasis on trade that has been, wrongly, ascribed to him.

<sup>61</sup> By societal problems I mean those caused by the emergence of the ephemeral commercial system, complementary to the new political system, which sundered or weakened the ties of the traditional system of social obligation upon which the former exchange economy had been founded. Again, these will be addressed more thoroughly throughout the work, but especially in the oft-promised Chapter Eight.

## CHAPTER 2

### THE GRAND TOURIST:

#### STEUART AT HOME AND ABROAD

1712-1745

##### 2.1 Introduction<sup>62</sup>

The former estate of Coltness, one of the traditional homes of the Steuart family, lies in the Clyde valley between Edinburgh and Glasgow in the old county of Lanark.<sup>63</sup> From the air and from the ground the land lies golden in the spring and remains largely countryside. Today, Coltness House has been mostly disassembled, serving over the years as a hospital, apartments, and businesses, the stones incorporated into new buildings, and the once-extensive lands themselves incorporated into the present-day town of Wishaw.

---

<sup>62</sup> The sources for the majority of this section are: *The Coltness Collections* (1842), which are a printed selection of original family papers from the Coltness Manuscripts in the Edinburgh University Library special collections, *Memoirs of the Life of Sir James and Lady Frances Steuart* (1818), David Steuart Erskine's *Memoir* of Steuart in the Murray MS in the archives of the University of Glasgow, *Anecdotes of the Life of Sir James Steuart* (1805), extracts of Lord Elcho's *Journal* in Charteris (1907), The Caldwell Papers (Mure 1854), and various letters from the archives of the University of Edinburgh. Letters and direct quotes are cited by source. The primary biographical information is common to all of the sources here cited.

<sup>63</sup> Coltness was one of three traditional homes of the Stuarts, the others being Goodtrees and Kirkfield.

However, older pictures show a different story of how life there must have been.<sup>64</sup>

Bounded by the River Calder and surrounded by woodland, Coltness House appears to have been much less ostentatious and more cozily situated than the nearby Hamilton Palace and Wishaw House that spring unexpectedly out of the ground.

Although Steuart would spend almost as much of his life away from his estate as he did living in it, it is easy for the casual eye to see even today how he could have become so attached to this soil, and how then this estate and its location would play so great a role in his life. It was in this strip of land, suspended between forest, field, river, and town, that the Steuarts maintained their country residence since the scion of the family, James Stewart, brought the family to prominence, and that our Steuart ever sought to return to during his long exile on the Continent.

In this chapter, as the facts of Steuart's early life are related, they are done so with an eye not only towards retelling the tale, but also towards exploring several general themes in Steuart's life and influences and how they relate to his political economy. Steuart's attitude towards Coltness is just one of these, reflecting his deeper beliefs on adherence to the soil and good stewardship. As shall be explored in the sections below, a second theme is the family legacy of participation in politics, law, and activities outside the law. A third theme is the importance of history, as was emphasized in Steuart's early education. Fourth, and perhaps most importantly, is the theme of cosmopolitanism combined with patriotism that is most evinced by Steuart's five year tour of the Continent. As shall be seen below, Steuart's experiences on the Grand Tour not only piqued his interest in economic issues but also cemented his belief in Jacobitism. More than

---

<sup>64</sup> I am indebted to David Mooney, rector of Cambusnethan Parish, for helping me to locate the remains of Coltness House and sending photos of the same which are included in Appendix A.

biographical trivia, this chapter shall illustrate various factors which I claim are what brought Steuart to a very different view of economic subjects than Adam Smith would later have. Again, however, before this point can be reached, one must move backwards somewhat to move forwards, and so section 2.1 begins with the Steuart family itself.

## 2.2 Ancestors and Antecedents

James Stewart rose to prominence as a merchant and banker in Edinburgh in the seventeenth century. Descended from the Bonkill family, the original Stewart could trace his ancestry to Walter, Steward of King David I of Scotland.<sup>65</sup> He married Anna Hope, who was also of a family that had distinguished itself in business and politics.<sup>66</sup> As his fortunes increased, Stewart became involved in the civic life of the city. Formerly Town Commandant of Edinburgh in the 1630's, he was made Lord Provost of Edinburgh in 1648 and also represented the city in both Parliament and the Convention of Royal Burghs. A man who mixed politics and finance, much as his descendant would, concurrently with his political duties, Stewart also served as the Collector of the Excise and Accountant-General for the Scottish army under General Lesley.

A firm believer in the traditional rights of the Scots to choose their own leaders and their own religion, Stewart was a fierce Covenanter and prevented the absolutist Charles I from entering Edinburgh in 1633. Given his beliefs, he was faced with conflicting loyalties once Cromwell invaded the country. After the Scottish army was defeated at Dunbar, Steuart headed a deputation to confer with Cromwell. He took these

---

<sup>65</sup> There was some debate about the veracity of this vaunted lineage in the early nineteenth century in two articles in *Blackwood's Magazine*. The evidence of later works indicates that the Steuarts' version is correct, and thus is the version I use here (see Candidus 1817 and JR 1817).

<sup>66</sup> She was the granddaughter of Sir Thomas Hope, Lord Advocate of Scotland under Charles II (*Anecdotes* 362). *The Coltness Collections* tell us that her father Henry Hope was "a foreign merchant" (337).

actions not wholly willingly, but “in the [town] counsell’s name” (*Coltness Collections*, 338).<sup>67</sup> In May 1650, in his role as Provost, he oversaw the execution of Montrose, apparently against his conscience as it was “a duty from which his amiable character recoiled, but to which his political consistency...was clearly pledged” (CC, 338).<sup>68</sup>

However, in early July 1650, once news had reached Stewart that Charles II had accepted the Covenant, he sent a deputation to invite Charles to Edinburgh. Receiving word meantime that Cromwell’s army approached the city, Stewart rallied the citizens to hold the city for Charles against the army. He sent a warning to Charles of the approach of Cromwell’s men and also a gift of money as a sign of respect “for his Majestie’s service in the preservation of religioun, King, and kingdoms” (CC 339). Once Cromwell came fully to power, Stewart, in keeping with his political beliefs, refused to serve under the Protectorate and stepped down from his multiple civic posts. Upon the Restoration in 1660, he drafted an address to King Charles of his loyalty, but due to his strong ties to the Covenanters, he had to retire from the town council. He also found himself facing a charge of treason for 200,000 pds Scots which were mislaid when he was Commissary General. After paying a fine of 1000 pds Scots he was released from prison. His ability to pay this fine and live again as a free man indicates the family business fortunes had continued to increase, even if his favor with the King fluctuated.

Running afoul of the government seems to be an unfortunate inheritance for the Steuart family. Provost Stewart was defended in the treason case by his second oldest son, also James, a talented lawyer who had just passed the bar. However, defending his

---

<sup>67</sup> *The Coltness Collections* will hereafter be cited as CC.

<sup>68</sup> Montrose was Charles II’s Lieutenant of Scotland, who raised an army of Highlanders in a failed attempt to take back Scotland for the king. The standard work on Montrose’s complex career remains Buchan (1928).

father put James very much out of favor with the Duke of Lauderdale's administration.<sup>69</sup> Realizing his career would be severely limited in Scotland, James decided to leave the country in 1671. He moved to Rouen where he helped his brothers Robert and Henry with their commercial ventures. It is this Stewart who changed the spelling of the family name to "Steuart." Under the pseudonym of Graham, he occupied himself thus for some time, traveling often on business between France, Scotland, and England.

His other occupation during this time was to write a series of inflammatory pamphlets that did nothing to further endear himself to the government in Scotland.<sup>70</sup> *An Account of Scotland's Grievances, by reason of the Duke of Lauderdale's Ministry* (1675) caused a warrant to be issued for his arrest and his papers seized. Steuart escaped Scotland before the authorities could seize him, but surprisingly resurfaced in London where he ran a successful law consultancy still using the name of Graham. Through the intervention of friends in the government, the charges against him were dropped in 1679. However, in 1681 he was forced into exile once more and his lands declared forfeit when authorities discovered that he had given legal assistance to the Duke of Argyll in his protest of the test-oath.

Steuart fled to Utrecht where he joined a community of exiles and continued to write of his displeasure with the Scottish government. His pamphlet *Salus Populi Suprema Lex*, as referenced in Chapter 1 above, upheld the traditional sovereignty of the will of the Scottish people over the will of the king. Ironically, it was while in exile in

---

<sup>69</sup> John Maitland, Secretary of State under Charles II. He had almost complete power in running Scottish affairs and was known for his unscrupulous behavior. Lauderdale is the "L" in "cabal," figuratively and etymologically (see *OED* 1989).

<sup>70</sup> The earlier pamphlets, *Ius Populum Vindicati* (1669), and *Naphtali, or the Wrestlings of the Church of Scotland for the Kingdom of Christ* (1667), upheld the people's rights to religion and national defense. The *Ius Populum* was banned by the Privy Council.

Holland that Steuart began his Scottish political career in earnest.<sup>71</sup> His letters to the Pensionary Fagel of Holland, which advocated freedom of religion, and the abolishment of the penal laws and test oaths, endeared him to King James (Steuart 1688, 1 & CC 366-367). He had enough influence among the dissenters in Scotland to use his connections to halt the advance of the Duke of Argyll's rebellion against the Williamite government in 1685.<sup>72</sup> In 1686 he formed a close friendship with William Penn, at this time King James's envoy to Holland, while he also contrived to become a confidante of Prince William of Orange. Penn gained a pardon for Steuart, who returned to Scotland to a warm reception by James II's court.

Although his friendly relations with James's court had been held in suspicion by his friends in revolutionary circles, Steuart's continued legal advice to William's party after the revolution and his assistance in establishing the Presbyterian kirk caused him to be appointed Lord Advocate in 1692 and created a baronet in 1695.<sup>73</sup>

After purchasing the estates of Kirkfield and Coltness from his nephew Sir David Steuart in 1712, James became head of this branch of the Steuart family. A successful advocate and politician, he remained Lord Advocate for the next 20 years.<sup>74</sup> He performed this service even despite his intense opposition to the Union, which caused him the day of its passage to have what appears to be a stroke, as he regained the use of his

---

<sup>71</sup> In the meantime he was joined in Holland by his older brother Thomas, who had been charged with treason in 1685 for supplying the rebels before the Battle of Bothwell Bridge. He was pardoned by King James in 1687.

<sup>72</sup> Steuart's nephew, Sir David Steuart, son of Thomas, was condemned to death for his role in the rebellion, but was later released due to his uncle's intervention.

<sup>73</sup> Steuart's political deftness earned him the nickname "Jamie Wylie" (CC 365).

<sup>74</sup> Steuart was such a fixture in Edinburgh public life that the Advocate's Close off the Royal Mile in Edinburgh originally referred to Advocate Steuart's lodgings there (*Gazeteer for Scotland* 2004).

speech “but never his limbs”(CC 369). He did not believe that the Union would actually last, as according to Wodrow’s *Analecta*:

He was putt upon to speak upon it, but declined; and after that night he fell very ill...He was never for the Union and was blamed for his silence at that time; but considering he sate in the House as the Queen’s servant, it was much he did not appear for it, as I believe many would have done, had they had his post. He used to say it would never stand twenty year, and the inconstant humore of England would never lett it continou! (quoted in CC 369-370).

He retired from his post in 1708 but retook his seat in 1711 when his successor proved incompetent. An immensely popular man, Steuart’s funeral was lavish and so numerous attended that several people were trampled in the crush of bodies trying to view his casket.

His son, also named James, was a successful lawyer and served as Solicitor General for Scotland under both Queen Anne and George I. In 1713 he was elected to represent Edinburgh in Parliament. However, an act passed soon after that declared all parliament ministers must also be merchants, caused Steuart to resign his post to Robert Dundas. There is little written on the life of this Steuart, who, “Born in better times, his life had less of change and adventure, than marked the career of his father and grandfather, and no memorials of him remain in the family papers” (CC 374).

Nevertheless, this Steuart was very well regarded: “As a public man, he inherited his Father’s popularity, and his private character was adorned by many virtues” (D. Erskine 93). He was made a baronet in 1705 and given the privilege of having the honor descend to all of his male heirs.<sup>75</sup>

Steuart wed Anne Dalrymple, the daughter of Hew Dalrymple, the longtime Lord President of the Court of Session, who was himself the son of James Dalrymple, the Earl

---

<sup>75</sup> He had two sisters. Marion married George Lewis Scott, a diplomat in Hanover and Berlin, who would later help our economist in exile. Anne married William Mure of Caldwell and also assisted the economist in the initial days of his exile, as shall be seen below in Chapter Four (CC 376).



of Stair who had been the spokesman of the Court party.<sup>76</sup> They had five children, of whom Sir James the economist was the first and only son. After James was born, the family soon expanded to include four sisters to whom he would remain close throughout his life: Elizabeth, Margaret, Agnes, and Marriane. As all the Steuarts before them, the family lived at Coltness and Goodtrees.

Our Sir James Steuart was born October 10, 1712.<sup>77</sup> As one can see above, he inherited not only an aristocratic, but also a legal and political legacy from both sides of the family. While other authors, such as Skinner (1999a and 1966b), focus on the lack of affinity for the House of Stuart among Steuart's politically active ancestors, I suggest that the focus instead be shifted to the actual politics of the Steuarts. It is not necessarily an inclination for the Stuart family that one should search for, but an adherence to the protection of the rights of Scots against abusive powers, Stuart or otherwise. Such a stance is present in the first Steuart's lockout of the absolutist Charles from Edinburgh and again in his defense of that city against Cromwell. It is also present in his son's tracts against the corrupt ministry of the Lord of Lauderdale and in the participation of the extended family in various rebellions. Loyalty to the Stuarts does play a role, but it is in the context of the defense of the rights of the Scots to choose for themselves how they will be governed and by whom, as one can see in Provost Steuart's refusal to serve under the Protectorate and in Lord Advocate Steuart's refusal to either acknowledge or promote the Union. If Steuart thought that Scotland in the 1740s was now under the abuse of a corrupt

---

<sup>76</sup> Anne was the niece of Janet Dalrymple, who married David Dunbar of Baldoon, upon whose tragic story Sir Walter Scott based *The Bride of Lammermoor*.

<sup>77</sup> In the New Style. There has been some controversy in the past as to why sometimes Steuart is listed as having been born on a different date and in 1712, but this is because Scotland had already adopted the present system of calendar-keeping, whereas the English still maintained the Old Style, which was a year and eleven days off from the now-universal New Style.

power, and that Jacobitism would alleviate that abuse, then Steuart the economist's later actions are not inconsistent with either his forebears' beliefs or, as shall be seen below, his own training and education. Rather they are a conclusion reached from all of these influences, coupled with his own experience.

### **2.3 Early Schooling & Influence**

When time and age required, James left his home to attend the parish school at North Berwick, which was chosen because it lay within the demesne of his grandfather Hew Dalrymple. At the school he was esteemed for his "lively sensibility and penetrating spirit" (Erskine 1792, 94). He studied under James Purdie, who was famed as a grammarian and was later the rector of the grammar school at Glasgow. Purdie was apparently a harsh disciplinarian, but Steuart's charm and vivacity, which was to serve him throughout his life, soon made him Purdie's favorite, and a favorite of the class as his influence "was exerted in rendering their situation more comfortable and cheerful" (CC 281).

"Celebrated as a tragedian, before he became remarkable as a scholar," Steuart did not necessarily show academic promise in his early years (*Anecdotes* 1967, 362). However, he received particular praise for his acting, especially his portrayal of Henry IV in the school's production of the Shakespearean play. Despite being younger and less accomplished than his schoolmates Steuart won the role due to his superior memory, carriage, voice, and delivery. These were talents that were to stay with him throughout his life and would definitely be of use to him as a lawyer, politician, and social companion.

Unfortunately, Stuart's studies at North Berwick were unexpectedly interrupted in 1727 when he was called home to receive the blessing of his dying father.<sup>78</sup> The elder Stuart died on August 9<sup>th</sup> of that year, at only 46 years of age, leaving behind his wife and five young children.<sup>79</sup> At only 14 years of age, Sir James was now the heir and master of Goodtrees and Coltness.

Due to his own need to be close to his family and his new duties as head of the Stuart family, James transferred to the schools of Edinburgh, where he studied languages, history and philosophy. All three of these subjects were to prove to be lifelong interests to the budding scholar. He entered the University of Edinburgh, where he "was highly conspicuous for capacity and application" (Erskine 1792, 94). In keeping with family tradition, he studied history and law.<sup>80</sup>

To the delight of his professors, Stuart began to blossom academically. This was perhaps due to the proximity of his family and to the influence of his mentor Robert Dundas, third Lord of Arniston. Arniston, whose family had established a political dynasty in the county, if not the entire country, was initially something of a second father to James after the death of the elder Stuart and guided his legal studies. As a consequence, Stuart became well acquainted with the entire Dundas family, especially with Robert Dundas the younger who was his same age and also studied law at the University of Edinburgh. At this time Stuart also cultivated a romance with Henrietta

---

<sup>78</sup> The circumstances of Solicitor General Stuart's sudden illness are unknown to me and are not mentioned in the primary and secondary sources I have referenced.

<sup>79</sup> Although he omits Stuart, Camic's (1983) curious observation that the majority of the Scottish Enlighteners lost their fathers early in life applies to Sir James as well.

<sup>80</sup> More specifically, he studied Scots Law under Alexander Bayne and Constitutional History under Charles Mackie (Skinner 1999a, fn 4).

Baillie of Lamington (Mure 1787, 116). All of Steuart's prospects, professional, political, and romantic, were seemingly on the rise.

Studying at Edinburgh, Steuart was close enough to Goodtrees to commute to and from the university every day.<sup>81</sup> The fundamentals of commuter college student life do not seem to have changed overmuch from Steuart's time to ours, as his friends were often allowed to visit Goodtrees and to live there as well. Two of his friends who were of particular help to him were Hercules Lindsey and Robert Steuart.<sup>82</sup> The friends studied closely together at Goodtrees and often took excursions into the country.

Steuart had the talent to still be "the delight of his family and companions by his sprightly and cheerful conversation" despite spending several hours in study (CC 282). Steuart seems to have approached academia with the proper degree of seriousness and application, yet was able to set it aside when his study hours were over. Perhaps this was because at an early age he had already dealt with the gravity of real-life issues, such as the death of his father. Another of James's close friends at this time was Alexander Trotter, the son of a neighbor and also a relative of Steuart's. Trotter's death at Coltness House after a short illness was a large blow to Steuart and weighed on him for the rest of his life (CC 283).<sup>83</sup>

---

<sup>81</sup> Goodtrees lay three miles southeast of the city center of Edinburgh. Latterly called Moredun House, I have been unable to ascertain if this is the same Moredun House that is presently part of the grounds of the Fettes College preparatory school in Edinburgh.

<sup>82</sup> Lindsey later became a law professor and Steuart a professor of natural history, both at the University of Edinburgh (Skinner 1966b & *Anecdotes* 371).

<sup>83</sup> Trotter had promised Steuart that he would appear to him after his death on a particular date in an enclosure in the garden where they used to study. He also promised that he would appear the same as he did when alive and would try to wear a familiar outfit. Steuart loyally returned to the enclosure on the appointed date every year he lived in Scotland until his own death in 1780 (CC 283).

The majority of Steuart's college vacations were spent either at Coltness or at the Hamilton estate, which adjoined the lands of Coltness.<sup>84</sup> Apparently the Steuarts and the Hamiltons remained close after the failed struggle of Lord Advocate Steuart and the late Duke of Hamilton to stop the Union. The present Duke, son of the anti-Unionist, provided a surrogate father-figure to the young Steuart, and also often hosted Steuart's mother, who was a frequent visitor to the Hamilton farm.<sup>85</sup>

While Steuart was making important social and political connections outside of school in his friends and mentors, such as the Hamiltons and Dundases, he was also being molded academically.

### **2.3.1 Charles Mackie & the Proper Study of History**

There is one Edinburgh professor who seems to have had the most influence on Steuart's future work. From 1729-1732, Steuart studied under Charles Mackie, the first Chair in Universal History at Edinburgh (Skinner 1999a, 18fn 3). Although Mackie himself did not become a famous name, many of his students appear in the *Dictionary of National Biography*.<sup>86</sup> Like many Scotsmen of the time, Mackie took his academic training in the Netherlands. He studied at Groeningen in 1707-08 with Michael Rossall, who taught history, and also at Leyden in 1715 where he studied law and history with

---

<sup>84</sup> Interestingly, the primary and secondary sources fail to mention that Coltness was in close proximity not only to Hamilton Palace, but also to Wishaw House, the seat of Lord Belhaven of the "Caledonia" speech from the Union debates. One assumes Steuart was also influenced by this family, which would have contributed to his anti-Union stance in 1745. All three seats are contained within the present-day town of Wishaw. (*Gazetteer for Scotland* 2004 & Taylor and Skinner 1776).

<sup>85</sup> Anne Steuart apparently engaged in coal work on the Hamilton farm to keep herself occupied (CC 283).

<sup>86</sup> Several of these include the Earl of Leven, Lord Haddo, sons of the Duke of Gordon, Marquess of Lothian, Earl of Rothes, Earl of Lauderdale, Colquhoun of Luss, Johnston of Westerhall, Oliphant of Gask and William Robertson (Sharp 1962, 43-44).

Pieter Burmann (Sharp 28-29). Mackie then came to Edinburgh and was established as the first Chair of Universal History.<sup>87</sup>

Some of the syllabi of Mackie's classes have been preserved in Edinburgh and also printed in the *Scots Magazine*. Therefore the major themes that Steuart learned during his college years can be reconstructed. In contrast to nineteenth and early twentieth century historians such as Seeley (1883) and Hume Brown (1914) noted in Chapter One, Mackie emphasizes a cyclical rather than a linear view of history. Beginning the class with a study of the "great revolutions that have happened in the world" from the beginning of time to the rise of the Western Roman Empire, Mackie taught history as a series of ever changing circumstances rather than as a linear narrative of the progress or dominance of particular nations (*Scots Magazine* 1741, 372). Again stressing revolution and fluctuation, Mackie then lectured on migrations, nations that developed and challenged the Empire, and the different forms of government of each, "upon the ruins of which," Mackie stressed, "the present constitutions of most countries in Europe are founded" (372). The course also included a study of the progress of the Catholic Church.

While history is presented in Mackie's syllabus partly as a tale of progress, it is a tale that stresses that this progress has often been made on the bones of an earlier civilization or mode of thought. Here there is no security for powerful nations, as Mackie emphasizes the impermanence of empires. Rather than the endurance of nations or systems, the only constant in Mackie's history is change.

Another major theme of the course makes itself known through Mackie's integrative methodology. He stressed that only certain sources are reliable in establishing

---

<sup>87</sup> The following developed from this chair: Chairs in Scottish History, Ancient History, History, and Constitutional Law & Rhetoric and Belles Lettres (Sharp 29)

historical claims. Through the liberal use of primary contemporary sources from both history and all other subjects, references from the great classical historians, “other authentick vouchers, particularly the ancient treaties and alliances between Sovereigns, the foundations of several claims of Princes to particular territories, etc,” and contemporary language, Mackie led the students to an understanding also of the changing customs that underlie particular histories (372). For example, in the section on Roman Antiquities, the class covers the “Manners, Customs, Religion, Civil Government and Military Affairs of the Romans...” and Mackie explains the traditions necessary to understanding Roman law. Taught exclusively in Latin, this section of the course makes extensive use of classical authors, “and explains particular customs to which their peculiar forms of expression allude” (Sharp 1962, 31-32).

Part of Mackie’s stress on using such a variety of sources and subjects, and knowing the original language, is to implant in the students a clear sense of the customs of the period which they are studying, and to uncover the history of learning. Another is to enable students to uncover errors in historiography, which Mackie addresses in a great portion of his syllabus. Some of the sources of error in historiography that he identifies include: fondness for high antiquities; fondness for the marvelous; travellers’ tales; prejudice for one’s country or religion; and ignorance, laziness, or negligence (34).

So the syllabi reveal that Steuart was engaged in the learning of history. What has this to do with our purposes here? While it has been well noted by Skinner (1966b and 1999a) and Taylor (1957), as well as the contemporary sources, that Steuart attended Mackie’s classes, the intellectual connection between them has gone unremarked. I suggest that not only does Steuart take Mackie’s lessons to heart where history is concerned, but he also adapts them to his study of political economy, applying the same

principles he learned for the proper study of history to the proper study of the economy. What emerges overall from a study of Mackie's syllabus are ideas that recur in the *Principles of Political Oeconomy*, as well as Steuart's other works. Prime among these are a recognition that nations change and develop, that every country, and indeed every era, has its own unique customs and traditions, and that none of these is necessarily superior to another, and so the scholar should not regard the customs of his own country as being superior to those of another time or place. From Mackie's syllabi one can start to see the formation of Steuart's tendency to rid oneself of prejudices for one's country, to collect as many facts as possible, and to include historical facts in his examples.

Thus, in the *Principles* political economy becomes another kind of history. What Mackie taught as errors in historiography, Steuart also presents as errors in the formulation of public policy, which he attempts to rectify in his own work. According to Steuart, in order to form perfect policy the statesman must be familiar with the customs and habits of the people, use proper sources to gather his information, be aware that trade and industry will rise and fall, and that the application of the ingenuity of men to the soil and to manufactures will produce new economies on the bones of the old. Overall, Steuart also emphasizes the cyclical nature of economies, acknowledging that a nation that gains international dominance will not necessarily continue to do so. Therefore, Steuart uses Mackie's historical methodology to create an economics that is also a study of history. And why not? Policy formation and economic growth are a future history after all.

Before leaving Mackie's classroom, it should be noted that Mackie's class may also have been an early influence on Steuart's belief in Jacobitism, and certainly it was in this class that Steuart became acquainted with others of a similar bent. Sharp attests that he has found in Mackie's papers "eyewitness accounts of events in the 'Fifteen and



‘Forty-five’ as well as “proposals for raising four regiments of women in the three Lothians’ in the Forty-Five who would need to show “proof of shot and be able and willing to parry a thrust” (39). Other prominent future Jacobites, such as Alexander Oliphant of Gask and John Murray of Broughton, also attended Mackie’s classes just years after Steuart (Sharp 44 and Skinner 1999a, fn 3). Whether Mackie himself espoused any Jacobite beliefs, or if he just had an inordinate amount of former students who sent him reports of their involvement in the ’15 and ’45, is difficult to ascertain from the evidence.<sup>88</sup>

What exactly Mackie taught on the Union would also be interesting to know since he had married into Lord Belhaven’s family (Sharp 24). Also of interest would be the opinion of Mackie on his former student Steuart, with whom he continued to correspond after Steuart graduated from the University and embarked on the Grand Tour.

## 2.4 The Grand Tour

With an eye ever towards his becoming a lawyer, Steuart’s early education was directed by his mother and his tutors. After he had fulfilled his basic academic requirements, Steuart was allowed to create his own plan of study, with assistance from Hercules Lindsey. The plan was apparently successful as Steuart finished his schooling at the University of Edinburgh, and passed the bar on January 25, 1735 when he was 23.<sup>89</sup>

Like many young gentlemen of his day, flush with his success, Steuart embarked on the Grand Tour. However, his nephew David Erskine relates that Sir James had higher motives than most in making his tour; he went

---

<sup>88</sup> Although he is known to have been a Whig and to have had a picture of William and Mary at his house, Sharp notes that Mackie was not known for any “high party spirit” (45). And such does not mean that the ideas he disseminated to his students did not also in varied ways coincide with those of Jacobitism.

not to import the newest Minnet de la Cour, French Opera Girls, or the Fashions and Foppiness which are to be found in all Countries, but...to study the Laws, Manners, Customs, and desirable improvements of the Counties and Cities thro' which he passed or in which he resided (277).

*The Coltness Collections* concur, telling us that Steuart studied the fine arts and classical antiquities of the countries he traveled in, as well as learning the languages thereof “with uncommon facility” (CC 284). In every country he studied

the manners, customs, laws, and spirit of the people; examined into the state of science among them; and paid particular attention to the nature and forms of their respective governments, and to the history of ancient and eminent families (284).

Erskine adds, “He examined into the state of Science, made himself master of the nature and form of their respective Governments, and paid particular attention to the history of antient and eminent Families” (97).

Steuart remained thus occupied on the tour for five years. However his immediate objective in undertaking the tour was to deepen his understanding of the law.

#### **2.4.1 The Netherlands**

Steuart studied law a further two years at the Universities of Leyden and Utrecht. At Leyden, Steuart had hoped to meet his friend and schoolmate Robert Dundas of Arniston, but when he arrived he found that Dundas had already departed (*Anecdotes* 364). However, the *Anecdotes* glosses over the fact that Dundas was not on the friendliest of terms with Steuart at this time. Before he had embarked on his own Tour, Robert revealed that he had fallen in love with Steuart’s sweetheart Henrietta, and according to Steuart’s cousin Elizabeth Mure, “Their parting was cold.” Dundas took a different course from Steuart after Leyden, travelling to France whereas James went on to Spain (Mure 1787, 116). While it at first appears a minor matter that should have ended there,

---

<sup>89</sup> He was examined on specific legal restitution (*Anecdotes* 363).

the enmity between the young men would have repercussions on Steuart's political future in Scotland.

After a year in Leyden and another in Utrecht, Steuart set aside university study to continue his tour in France, where a supposed chance meeting would change his life forever.

#### 2.4.2 France

According to the *Anecdotes*, Steuart and his friend James Carnegy of Boysack, "wandered through France" until they reached Avignon (364).<sup>90</sup> One questions whether Steuart did not already have Jacobite leanings before he set off on the Grand Tour. Although Avignon would have been a good destination for many a young gentleman traveler, the fact that it was formerly the city of the exiled Stuart court could not have escaped Sir James. Despite the insinuation in the *Anecdotes* that Sir James had come to Avignon by chance, Paul Chamley's conclusion from working with primary documents says that Steuart and Carnegy made *without delay* to the south of France and that Avignon was their first major stop (1965, 36).

It was in this famous city of Popes that Steuart met James Butler, 2<sup>nd</sup> Duke of Ormonde, a highly influential Irish Jacobite in exile who maintained a residence there. The author of the *Anecdotes* tells us that from Ormonde, Steuart "may possibly have acquired gracefulness of manner, without illumination of intellect, or axioms of prudence" (364). The Duke was considered to be an important personage in Avignon and his potential influence for the young man was substantial. At the time Steuart met him in 1737, Ormonde was living with the Marquise de Vaucluse in the hotel of the Marquis de

---

<sup>90</sup> Carnegy was a fellow law student who passed the bar in 1733. Steuart maintained a friendship with him throughout his life (Skinner 1966b, xxv).

Donis. Here he hosted the toast of Avignon society, and must have invited Steuart and Carnegy to one of his nightly dinners of a dozen or so people of various classes but all of sparkling conversation, or to one of his twice a week “salons.” Lady Mary Wortley Montagu reported on the Duke’s lifestyle after she met him in the 1740s, and describes “the intense life in which balls, suppers, receptions, and entertainments unfolded endlessly,” and the duke who “lived lavishly and twice a week presided over gatherings of the most important” (Moulinas 2000, 261).<sup>91</sup> At the hotel he received the local nobility as well as many Irish, Scottish, and English visitors, of both Jacobite and non-Jacobite persuasion, and both Catholics and Protestants alike.<sup>92</sup> The Duke was himself a Protestant and this must have made the Jacobite society seem even more open to one such as Steuart. There were many diversions for Steuart and Carnegy in the Avignon of Ormonde such as the Fontaine de Vaucluse and the theatre that had been founded by the nobles in 1732 (260-261).

Besides being very sociable, Ormonde was also a well-travelled and very politically experienced man. The grandson of James Butler, 1<sup>st</sup> Duke of Ormonde, Irish statesman and soldier, his credentials alone would have been quite impressive to a young man on the make. Ormonde had been lord lieutenant of Ireland; chancellor of Oxford University and Trinity College; high steward of Westminster, Bristol and Exeter; lord lieutenant of Somerset and Norfolk; constable of Dover Castle; knight of the garter; colonel of the 1<sup>st</sup> foot guards; and the successor to the Duke of Marlborough as captain-

---

<sup>91</sup> Lady Mary also became close friends with Steuart during his exile, and played a role in obtaining his eventual pardon. He dedicated the original manuscript of *The Principles* to her, and remnants of their correspondence are preserved in *The Complete Letters of Lady Mary Wortley Montagu* (1965).

<sup>92</sup> As such he should not have been allowed to reside in a papal territory but his heresy was overlooked in exchange for Ormonde’s loyalty to the Stuart cause. The Pope did issue Ormonde a reprimand for failing to fast and for serving meat on the days proscribed by the Church (Moulinas 262).

general of the army (Cruikshanks 2000, 243-246). He had of course served in Parliament, was a favorite of the Tory party, and led troops into battle.<sup>93</sup> A staunch supporter of the Stuarts over the House of Hanover, he was appointed by King James III as captain-general of the Jacobite troops in the 1715 uprising and the Spanish-backed 1719 attempt.<sup>94</sup> In exile, he had served as King James's envoy to Tsar Peter the Great and to Charles XII of Sweden (Moulinas 258). Besides his impressive political and military accomplishments, Steuart must also have been taken with the graciousness of the man who contemporaries claim that, despite the many setbacks he faced, had:

a greatness of spirit that no reverse of fortune could alter, the nobility and courage of a grand seigneur, faithfulness in all trials and complete loyalty to King James and his party...He was much sought after and kept an abundant and excellent table for noblemen and officers...He was deeply attached to the Anglican religion, and invariably refused great offices offered him in Spain which would have meant abandoning it (quoted in Cruickshanks 2000, 247-248).

When Ormonde pronounced that Steuart had great potential as a servant of a Stuart state, Steuart must have seen that a restoration of the Stuart monarchy would provide him with a more generous life, a more politically active life that would continue to be denied to him under the current political situation in Scotland and the ascendancy of Robert Dundas.

### 2.4.3 Spain

With Carnegy, and perhaps Ormonde as well, Steuart set out for Spain to meet the Earl Marischall in Madrid (Chamley 1965, 36). In the meantime Steuart's tour included a

---

<sup>93</sup> Ormonde was stripped of his offices in the purge of the Tories just before the 1715 elections. He remained a popular figure as the cry of "High Church and Ormonde" was used from the 1710s-1730s (Cruikshanks 2000, 244). Lord Stanhope moved to have Ormonde accused of high treason for not asking for pardon for not signing a declaration of loyalty to King George. Ormonde chose exile rather than asking pardon from George, who he did not recognize as king. His English and Scottish lands were forfeit, and his Irish lands became property of the crown.

stop in Seville, an investigation of the irrigation system in Granada as well as an exploration of Moorish culture, Roman antiquities, and a stop in Cadiz where he was entertained by a priest who was a remarkable story teller and historian (Skinner 1966a, xxv).<sup>95</sup> He wrote to Mackie of the sites in Spain and displayed his continued interest in learning as he bemoaned the fact that there were few books on civil law, but that he had “made a collection of some of the best histories and other books in Spanish” that he intended to “feed on in the South of France” on his return journey (Steuart 19 March 1737).

The Spanish circuit seems to have made a lasting impression on Steuart in terms of economic matters. While he was there, Andalusia was in the grip of a severe drought:

Since the beginning of December there has not fallen one drop of rain, and all the while violently hot weather, so much so, that the corns are entirely burnt up, and the ground seems brick to walk upon (1737).

He predicted the year to “fall heavy on the people” due to a grain shortage, as Andalusia “is the Granary of Spain.” His letter from Seville to his brother in law Thomas Calderwood seems to be the first instance in his writing of interest in economic matters. He notes the importance of the local Guadalquivir River: “no doubt you have heard of as one of the finest in Europe for Trade.” He also discusses the effect of the drought and expected shortage on the current behavior of grain merchants, who were instructing their buyers to create a surplus and buy up all the grain now, regardless of price, to meet the impending increase in demand.

In the letter he also writes of Spanish politics and how the country is still run along mostly feudal lines. Of the local nobility Steuart that, “The present Duke is always kept at

---

<sup>94</sup> The 1719 attempt is more popularly known as the Atterbury Plot after Bishop Atterbury, who attended to James III’s concerns in England (Cruikshanks 2000, 246).

<sup>95</sup> While in Seville, Steuart received the news of his mother’s death in November 1736.

Court, and knows nothing about his affairs.” However, he did have praise for the Duke’s palace, where “he has made a fine collection of statues and pillars, which his family, both the richest and greatest in Spain, had interest to have brought from Rome.” His observations of the Cathedral also have a financial bent, when after describing the architecture, he notes that, “The Revenue of it amounts to upwards of 80,000 pistoles a year” (1737).

Instances and observations from his fifteen month stay in Spain pepper the contents of the *Principles*. In some ways the letter to Calderwood is an example of the *Principles* writ small. With its injunction against absentee or disinterested rule, and acknowledgment of very imperfect markets, emphasis on famine and dearth, growth and development, and the impact of political systems on the economy, the larger issues of the *Principles* may have been formed by Steuart’s Spanish spring.

Besides clearly piquing his interest in basic economic matters, Steuart’s visit to Spain also further involved him in politics. In Madrid he met the exiled Jacobite, George Keith, 9<sup>th</sup> Earl Marischal. Although trained as a lawyer, Keith was better known as a military commander, who had, with Ormonde, led the Jacobite troops in the 1719 attempted restoration.<sup>96</sup> An experienced politician with a keen eye for the needs of a possible Stuart administration, Keith was impressed with Steuart, and “realized what an acquisition this bright young man would be to the party...” (Wemyss 1988, 92). With the

---

<sup>96</sup> Keith had led the failed Spanish Jacobite invasion of 1719 and was exiled thereby. He lived in Spain before settling in Prussia where Frederick the Great appointed him ambassador to France. His brother James Francis Keith became a famous Field Marshal in Frederick the Great’s army. He also served as ambassador to Spain in 1758 and was Governor of Neufchatel in 1752. His ancestor George Keith, 5<sup>th</sup> earl Marischal founded Marischal College in Aberdeen (Coull 2000).

approval of Ormonde and now the Earl Marischal as well, Steuart prepared to depart for France.

However, as noted above regarding Avignon, Steuart's travel in Spain hints at a definite Jacobite tour. Steuart wrote his letter to Calderwood from the lands of the Duke of Medina Coeli, he of the absenteeism who was always at court. The Duke happened to also be very well-known to Ormonde, who had stayed with the Duke in 1719 as preparations took place nearby in Bilbao for a Spanish-led Stuart restoration.<sup>97</sup> Steuart's course on the Grand Tour coincides strangely with major Jacobite centers on the Continent. It is surprising that no suggestion has been made before in the Steuart literature that, far from a random meander through the Continent, Steuart's Grand Tour seems to have been a calculated tour of the Jacobite centers of interest from the start.

He and Carnegy now set off for the most important Jacobite center of them all: the Stuart court in Rome.

#### **2.4.4 Italy**

In a 1747 painting now hanging in the Scottish National Portrait Gallery one can see the old Stuart palace in Rome, the Palazzo Muti, part of a complex that was a gift from the Pope. The painting shows Henry, the Duke of York, newly made cardinal, being received by his father King James III and the celebrations of the Stuart court.<sup>98</sup> The Palazzo Muti can still be seen, much diminished today, as it was then: a brightly painted

---

<sup>97</sup> Ormonde claimed it was coincidence that he was present when 400 officers from the Irish regiments were also in the city, which was itself a Jacobite refuge. He had more difficulty explaining the four ships found in the harbor marked with Ormonde's arms, and the 12,000 muskets of the Duke's that were marked with a crowned "JR" (Cruikshanks 2000, 252).

<sup>98</sup> Titled "A View of the Palazzo Muti," the painting was in the collection of the Duke of Hamilton's estate from 1747 to 2001, but is now on display in the eighteenth century wing of the Scottish National Portrait Gallery. A copy of the painting appears as Figure 8 in Appendix A below.



four story palace, windows hung with banners and ribbons, an impressive façade, and a generous courtyard attended by festive nobles in their finery, and, keeping watch from the roof on the revels below, sentinel-like statuary.

Although only the gallery off the library today remains decorated as it did in the eighteenth century, the richly frescoed ceiling and paintings give a sense of how the Stuarts did indeed live like royalty (McFerran 2002). Their plate and decorations were impressive works of Spanish and Italian craftsmanship and the palace was decorated by paintings of the leading artists of the day, whom King James patronized, and the celebrations were attended by talented musicians, also in the King's employ (Corp 2003 12-13). The new court had regular Protestant services, a large number of Scots and Irish in the employ of the court, and a variety of servants from the local area. It was also very heavily infested with Hanoverain spies who reported back to England and from whom the overarchingly negative reports of the court at Rome came and were embellished upon in the early histories of the period (13).

Steuart studied the antiquities of Rome and delighted in the many sites of that city, but the most pivotal event for him there was his presentation to the Stuart court. The journal of David Charteris, Lord Elcho, who met the King just previous to Steuart, tells of his introduction to the court involving a series of ceremonies, feasts, balls, hunts, and special concerts. Chamley believes that the reception given for Steuart must have been even greater than that made for Elcho because, "Steuart était plus brilliant, il passa auprès de Jacques III pour un jeune homme de grand avenir" (1965, 36-37). One can imagine then the reception that was made for Steuart, and how, given his particular taste for music and ceremony, according to Elcho, how the grandeur of the exiled court inspired him (Chamley 1965, 36).

The primary sources try to account Steuart's engagement in the cause to his wide-eyed wonder at the Stuart court, and not to a true loyalty to the cause. However, I would argue that the grandness of the court served only to reinforce what he must have already been thinking before ever coming to Rome. After all, what was to be preferred by a young Scotsman of a patriotic bent: the grace and beauty he had seen in the Jacobite society in Avignon and the court in Rome or the distant Hanoverian king in London and a Scotland governed by the Dundases?

There is as yet no account of what occurred at the initial meeting of Steuart with King James and Prince Charles Edward. As with many family accounts that appeared after Steuart's death, the primary sources are scanty on the details of the meeting, sometimes failing to mention the Stuarts by name, and gloss over Steuart's Jacobite involvement. For instance, the *Anecdotes* say that in Rome,

he was introduced to still greater men, whose attentions weakened, if they did not eradicate, those political principles, which Sir James had acquired from education, and which he had inherited from a line of ancestors, who...had suffered persecution for their personal attachments to personal rights (365).

However, subsequent events show that the meeting was a very favorable one for both parties. A letter from James Edgar, the king's secretary, expresses the King's appreciation for Steuart's greetings and indicates that James III, "was pleased to receive with pleasure this new testimony of your sentiments towards him. He commands me to tell you that he is very sensible of them and to send you his best compliments." Edgar adds that James and Charles had "a very particular remembrance of you" (Skinner 1999a, 4).

After his introduction to the court, if not before, Steuart began to mix in Jacobite society. It is almost certain that he became a member of the Society of Young Gentlemen Travellers, an exclusively Jacobite club that Chamley describes as, "les plus pétulants du club des jeunes Jacobites a Rome" (37). The members had their portraits painted by

Domenico Dupra in 1739, the same year Steuart had his own portrait painted, and five of these paintings were later found in the collection of Gen. Sir James Steuart.<sup>99</sup> Further, the painting of John Drummond, 4<sup>th</sup> Duke of Perth, now preserved in the Scottish National Portrait Gallery is marked on the back with the dedication: “Done for Lord John Drummond, brother to James Duke of Perth and one of the Society of Young Gentlemen Travelers at Rome in the year 1739 and given Sr Jas Steuart Brt.”

Despite the efforts of Steuart’s later biographers, details of his very early Jacobite allegiance can be found in other sources. A friend Steuart had made in Rome traced a picture of Steuart and commented on him in a letter home:

And one young fellow besides, who I think the prettiest most agreeable little Cur that ever liv’d, if he was not such a Jacobite...; his name is Sir James Steuart (Chamley 1965, 37 and fn 3).

Rome had been Steuart’s last major stop in Italy. In 1740 he departed the country to return to France. He and Carnegy paused for several months in Lyons, another center of Jacobite activity, where they met another Scotsman, the aforementioned David Charteris, Lord Elcho. In an extract from his *Journal*, Elcho writes of meeting Steuart, Carnegy, William Pitt, and Lord Rowdon. Yet it was Steuart who made the most favorable impression due to his high spirits; Elcho felt him to be a better person than all the other English and Scotsmen he had met abroad. The two became firm friends on their voyage from Lyons to Avignon, where they parted ways.

Although not yet a very active player in events himself, Elcho and Steuart had more than travel to bind them together. The Wemyss family, of whom Elcho was the heir, had had a loyal connection to the House of Steuart since 1548 when Marie de Guise

---

<sup>99</sup> The painting of Sir James Carnegy reproduced in Chamley’s *Documents Relatif...* was also part of this series.

stayed at Wemyss Castle.<sup>100</sup> The Earl of Wemyss, Elcho's father, was sent as an ambassador by King James to Versailles. Elcho notes that Stuart had just returned from Rome and was an impassioned Jacobite:

Le chevalier Stuart était un homme de beaucoup d'esprit et surpassait à mon avis tous les Anglais et Ecossais que j'avais vus. Nous nous sommes liés d'amitié des alors. Il venait de Rome et il était Jacobite outré (quoted in Chamley 1965, 96).

At Lyons, Stuart let his passion for the cause be known to King James and Prince Charles. Just before leaving for Paris, he wrote to the King's secretary:

I am now at last going to old Scotland, where I hope it may be in my power to be of some service to the good Cause, and I hope when you lay my humble duty at his M...y's feet, you will not omit to assure him, in my name, that my firm intention is to devote myself to his Service, and to omit nothing that in my low sphere can promote his interest, or increase the number of his friends...if I get into Parliament, this may be more in my power... (Stuart 3 June 1740).

With these words Stuart makes clear both his Jacobite intentions and his political ambitions.<sup>101</sup> Both of these ends were pursued almost as soon as he returned to Scotland in 1740. More than just a man about town, Stuart was now also a man on a mission.

## 2.5 The Return of the Naïve: Love and Politics

Stuart returned to Scotland in 1740 and was the toast of Edinburgh upon his return. Ever the sparkling conversationalist, his stories from his time abroad as well as the learning he had acquired made him a most interesting and enjoyable social companion from what the contemporary sources tell us (CC, 284). He returned much more well-

---

<sup>100</sup> Mary, Queen of Scots, met her husband at Wemyss Castle, which was also graced by visits from James VI and Charles II. At Winchester, where young David went to school due to his father's being in Parliament in London, he had a Jacobite tutor and fell in with the Jacobite students against the "Georgites" (Charteris 6-7).

<sup>101</sup> He was also apparently willing to take up arms for the cause as he promised to also: "sharp my broad sword and clean up my Spanish fusie to be ready at the first call" (1740).

travelled and knowledgeable, but he also seems to have returned an idealist, believing the best for his future both in romance and politics.

Steuart settled back into his family home at Goodtrees. However, being so close to Edinburgh was not good for the potential business of one who preferred to socialize than to attend to profits. The *Coltness* author agrees with the *Anecdotes* that ever since Steuart had returned from the continent he had “contracted a certain dissipation of mind which prevented his engaging in any fixed employment” (CC 285). The presence of sociable friends did little to encourage him to turn his hand towards practicing the law, and indeed there was a steady stream of visitors from the city to Goodtrees.

Being in demand socially was equal parts fortune and misfortune. On the one hand, Steuart did not devote the whole of his energies to developing a client list for his law practice, if he devoted any time to establishing a practice at all. Clearly, and as the author of the *Anecdotes* states, Steuart’s extended Grand Tour did little to bolster his inclination towards business. However, on the other hand, he was a great social success and much in demand in party circles. This gave him many social and potential political connections, as “A youth, who had lived five years among the Great abroad, was sure to be a welcome visitor among the Great at home” (*Anecdotes* 365).

One of the great homes in which Steuart was very much welcome was that of the Duke of Hamilton, who was well known to be a major supporter of the Jacobite cause. Revisiting that manse which he had frequented as a youngster, Steuart became a close friend of the Duke, and “he bound himself to the interests of that family with the whole bent of his soul, and maintained his affection for it to the end of his life” (CC 285). Erskine concurs that, “He formed an intimate connection with the Duke of Hamilton” (99). Given Steuart’s talents for oratory and his ambitions, as well as being “a personable

and knowledgeable, cultivated and widely traveled young lawyer..., it was but natural for Steuart to dabble in politics...,” and to become involved in Hamilton’s (CC 293).

Hamilton at this time was engaged in campaigns against Robert Walpole’s administration. Steuart was particularly opposed to Walpole’s excise system, but he would later retract his opposition in the *Principles of Political Economy*.<sup>102</sup> Although Steuart declined to do so, Hamilton urged him to run for the MP of Lanark, Peebles, and Linlithgow. Instead Steuart became Hamilton’s campaign manager and manager of his general political affairs and public appearances in Lanark. However, Steuart was so effective at arguing the points of others that on one occasion when he spoke on Hamilton’s candidate’s behalf, a spokesman for the local magistrates asked, “Why do you not speak for yourself Sir James? That would make all things easy” (CC 286). On the whole, Steuart’s work with Hamilton was a success and boded well for his future as a politician.<sup>103</sup>

As 1741 turned again towards winter, Steuart reencountered an acquaintance from abroad. David Elcho returned to Edinburgh, and he and Steuart quickly renewed their friendship. Indeed, from this time on they were to be lifelong friends and relatives. Ever since he had met Steuart in Lyons, Elcho had thought that his friend would be a good match for his favorite sister Frances. He promised to take Steuart to Dunrobin Castle to meet the Countess of Sutherland, Elcho’s aunt with whom Frances was staying. The following spring, they stopped at Cedar Hall, another of the Sutherland homes, on their

---

<sup>102</sup> Upon the matter “Sir James used constantly to say, that, upon due conviction, he could change his opinions with as much facility as he did his linen” (CC 286).

<sup>103</sup> He also spent this time campaigning on behalf of his cousin, Baron William Mure of Caldwell (Mure 1854).

way to Dunrobin, and several of Elcho's friends and relatives gathered there. All conspired to accomplish Elcho's aims where Frances and James were concerned.

Little conspiracy was needed on Steuart's part; he was taken with Frances immediately, particularly admiring her composure and grace in such a hectic setting. While Frances was just as taken with Steuart as he with her, she wanted him to make more of an effort, as she said she was not one who "would unsought be won" (*Memoirs* 1818, 101). Several impassioned visits followed, and with assistance from Elcho, Frances was eventually won over.

Apparently Lady Sutherland, Frances's aunt also played a large role in getting the young couple together. Steuart thanks her profusely in a letter in 1743:

Blessings upon you for your first friendships for a poor devil who was just between the loosing [sic] and the winning. Lady Fanny is now my own. I thank Heaven for it; and had I lost her, by God I firmly believe I should have been fool enough to have lost my wits.

It was clearly a true love match and not simply one of convenience, as James was eager be communicated to Frances:

she has a notion that I am to love her and make her happy because I promised—I dont know what her sentiments are upon that matter, but I should be very sorry that she loved me only for that reason, or even that that should ever come into her head. It pleases me so far however, as it shows me she does not know what it is to love till I shall teach her.

His flourished signature in this letter, "The Happy Knight," succinctly communicates his feelings on the matter (Steuart 1743).

However, there was still one Wemyss more to convince, the Earl himself, Frances's father, who initially objected to the match on the grounds of James's distinct lack of a law practice and a great fortune. Undeterred, James went to Wemyss Castle to sway opinion in his favor. As ever, in person James proved to be persuasive to his audience and the earl finally had to concede that his daughter would be happier with a

man of James's lively character and elegant address than with a man of greater wealth. He also saw that James had great potential for financial and political success (286-288).

As the *Anecdotes* relate, "Yet, perseverance, and address, in the end, overcame the lady's difficulties and the parents' scruples" (365-366). James and Frances were married October 25, 1743 at Dunrobin Castle. Several weeks later they departed for Wemyss Castle where the Earl happily hosted several parties in their honour.

That winter the newly wedded couple moved back to Goodtrees, and were soon joined by an number of relations. Three of Frances's and two of James's sisters came to live with them there. But perhaps the most welcome addition was their son, also named James, who was born in August 1744 (CC 289 & *Anecdotes* 366).<sup>104</sup>

Although he entered a solid marriage, Steuart had not been so romantically fortunate upon his initial return home. After returning from the Tour, Steuart continued to court Henrietta Baillie and was well received, according to his cousin Elizabeth Mure (1787). However, Robert Dundas made it known that his passion for the young lady had not cooled in the intervening five years. Politics won the day over romance when a Lord Hindford intervened on behalf of Dundas. Elizabeth Mure writes that Hindford was acting purely on his biases regarding local politics. Whatever the case, Hindford's actions halted the match between James and Henrietta. Dundas would win the young woman's hand, eventually making her Lady Arniston (Mure 1787, 116). One assumes that the relationship between Steuart and the younger Dundas was now no warmer than it had been when they parted five years previously.

---

<sup>104</sup> He in the end became General Sir James Steuart, the heir of Coltness and Goodtrees, and heir to the estates of the Earl of Wemyss (CC 289).



And indeed this was not the first time there was a clash between the Steuarts and the Dundases. In 1711 the elder Robert Dundas, on trial for sedition, was prosecuted by none other than Lord Advocate Steuart, albeit unsuccessfully, and 1717 saw Dundas replace Steuart's son as Solicitor-General for Scotland. Robert Dundas the younger was to have this position in 1742, an event that has to have rankled our ambitious Sir James somewhat.

### **2.5.1 Politics at the Heart of Midlothian**

The affair over Henrietta and the falling out with Dundas may seem trivial but they had a definite impact on the once-positive relationship between Steuart and that powerful political family. Apparently young Robert knew how to hold a grudge. Sir Henry Craik presents a rather unflattering character sketch of him:

He possessed less than his father's force of character, but repeated his contempt of ornament in diction...He had no tincture of literature, and seemed to feel the jealousy of a rugged and narrow nature for those who were the chief lights of the brilliant society round him (1911, 382).

As the Coltness author writes, "no former attachments or friendships can stand against the violence of contested elections" (291). He does not mention the violence of contested love matches, but this may have played some role in the Dundas' subsequent treatment of Steuart, as the tensions between Steuart and the Dundas family came to the fore in the elections for the county of Midlothian.

At particular issue for Steuart was the election for the representative of the shire of Edinburgh. Lord Arniston lent his support to the incumbent, Sir Charles Gilmour. He was challenged by two other candidates, a minister and Sir John Baird of Newbaith, a relative of Steuart's. Baird solicited, and gained, Steuart's support and hired him as campaign manager. The *Coltness Collections* tell us that, "parties ran very high on the

occasion” (291-292). If Gilmour were to lose the election then Arniston would lose some part of the political control his family had held over Scotland since the seventeenth century.<sup>105</sup> There was great division in the county and the election promised to be very close.

The electors met in late 1743. As the current representative, Gilmour called the roll of the list of freeholders eligible to vote. Steuart’s name was not called. He demanded to know the reason, and was told that his name was not on the list of eligible freeholders; the name on the list belonged to his father. As his father’s name had been removed on his death and his own had been placed on the list in 1742, Steuart protested that the name on the list was his own. Gilmour however persisted in his refusal to call Steuart’s name.

The roll was next read out by the Praeses of the meeting. Chosen for this session was none other than Lord Arniston, the elder Robert Dundas, Lord President of the Court of Session. He too omitted Steuart’s name from the list. When Steuart protested this action a second time, Arniston produced an even more bizarre excuse than Gilmour’s. He claimed that Steuart had not listed himself as a freeholder who could vote for county representatives. Steuart argued that the current law required only that his name be on the list of freeholders, and that he needed no other title to vote. He further reminded Arniston that it was he, Arniston, who had drawn up and signed all pages of the list of eligible voters in 1742. In addition, Steuart pointed out, several men had only that day been entered on the rolls as freeholders and had been duly allowed to vote. Although very

---

<sup>105</sup> Much has been written on the particulars of the Dundas political stronghold, most notably in *The Dundas Despotism* (Fry 1992).

hesitant to do so, Steuart threatened legal action if Gilmour and Arniston continued to deny him his right to vote. Arniston did not back down.

Steuart launched a formal complaint in a lawsuit in January 1744. The case was of interest to many in the county and the trial was well attended. Part of this was due to the sensational nature of the case. A fledgling, untried lawyer was going to defend himself and his right to vote against his experienced and more powerful colleague. There was also the emotional side to the case: Arniston had after all been an early mentor to Steuart after the death of his father. When the case came to trial Steuart represented himself, arguing that Arniston had denied him his rights of suffrage. Apparently he acquitted himself well as a lawyer, so well in fact that his performance was remembered for years afterward. Steuart had surprise on his side because few had ever heard him declaim in court before, whereas all were familiar with the blandishments of Arniston. However, Arniston, who also defended himself, coming from the bench to the bar, made an appeal to emotion, saying that he was grieved that one who had been like one of his own children was now appearing in this uncommon manner. Steuart in turn then “spoke of Lord Arniston with so much respect and affection, that the hearers were uncommonly moved...” (CC 293).

Despite feeling that the case itself was a mere “quibble,” Ramsay (1888) writes that Steuart “displayed an oratory and ingenuity that did him honour...” (361). The *Anecdotes* agree that Steuart argued “with an ingenuity and an eloquence which made no small impression on the auditory; and is recollected even now with admiration...” (367). In the character “Sketch” in the *Gentleman’s Magazine* after his death, the author says that Steuart’s oratory in the election dispute with Arniston “gave the highest hopes of the most

useful and splendid abilities; but these were crushed in a manner which it is needless to recollect...” (1781, 28).

It is very needful, however, for the present purpose that the outcome of the dispute is recollected here. In taking this course of action, Steuart’s nerve was considerable. Not only did he have to represent himself against a legal giant, but he also was putting his future political career at risk. As the *Coltness Collections* point out, Steurt also placed the other judges in the difficult position of having to cast judgment on their superior. If they found against Arniston, they were also calling into question all the judgments he had formerly made. Although some of the judges felt that Steuart had proved his right to vote, they were not willing to penalize those who had omitted his name. Others of the judges, and these seemed to have the most reasonable case, argued that they accepted the new statute that Arniston argued for now, but questioned whether it could be applied retroactively as it were to 1742 when Steuart’s name had been entered on the rolls (CC, 293-294). The judges, one of whom was Arniston himself, dismissed the case on grounds of insufficient evidence (*Anecdotes*, 366).

Taylor (1957) remarks that Arniston’s reasons for the omission were incorrect. The Steuart family had had a right to vote in the elections due to their ownership of Goodtrees since 1702. Steuart’s father’s right had also been acknowledged despite it being *his* father’s name on the list, and his name remained on the list until his death in 1727. Our Sir James’s name was not yet entered then because he had still been a minor when his father died. However his name had been officially entered in 1742, just as Steuart had argued before the judges (294).

Erskine, Steuart’s nephew, claims that these events “were never harshly remembered by Sir James” (276). The *Anecdotes* concur that the matter was soon

forgotten. However, the *Coltness Collections* mention only that the evening of his defeat Steuart graciously gave a dinner for his counselors and thanked them warmly for their help (294). These family recollections may demonstrate slight revisionism, written as they were in a time when the Dundases reigned supreme in Scotland. There was enough ill will on at least one or the other sides of the case for Ramsay to comment that, “It occasioned a breach between the two families, which would have been soon forgot if not for Sir James’s after-conduct” (1888, 361-362).

Elizabeth Mure again gives us insight from her 1787 letter, which shows that the matter in Midlothian was of greatest import to Steuart. Although she agrees that his performance in pleading his case was genuinely spoken of with admiration, both his pride and his political ambitions were wounded. She feels that Steuart,

could ill submit to act a second part with a rival who had gotten the start of him more ways than one, and who had enlisted himself on the side of government and looked for support from them... (116).

Mure is here referring to Steuart having to always be subordinate to Robert Dundas the younger, since Lord Arniston would continue to hold power in the county. Dundas had already of course gotten the better of Steuart in the courtship of Henrietta Baillie, and now he would continue to do so professionally if Steuart wished to enter Scottish politics.

Of course, that assumed that he would be working within the current, accepted government. Chamley concludes that Steuart, faced with the choice between being the object of the vendettas of the Dundases and their supporters in continued political contests or of being a highly placed councilor to a new sovereign, chose the latter (1965, 38-39). His position was already in a manner a foregone conclusion since he was from childhood a close associate of the Jacobite Duke of Hamilton, and had won favor with the Stuart court, not to mention marrying into the steadfastly Jacobite Wemyss family. Far from

seeing the Midlothian struggle as a “quibble” easily forgotten by Steuart, Elizabeth writes further, “I look on this as the foundation of all his after conduct, for had that revolution taken place which he wished, he would have been the first man in the state” (116).

Soon after the case was decided, Steuart returned to Coltness, and thus brings us back to where our chapter began.

### 2.5.2 Departure from the Law

After the case was lost, Steuart decided to move away from the law in more ways than one. He retired from the bar and returned to his home at Goodtrees. Very soon after, in November 1744, he moved his family to Coltness. Ostensibly, he did so to begin to cultivate his extensive holdings on the estate and to become better acquainted with the tenants and neighbors (CC 294-295). He also wanted to have time away from the intense social life of Edinburgh, which, his wife hints in her memoir was becoming prohibitively costly for the young couple:

we began to find that so hospitable a family composed of so many agreeable young folks by living at the Goodtrees only 3 miles from Edbr drew such friends of company as was irresistible to the expence which ought to afford to the proper economy of a small income such as ours was. And we therefore resolved to go to live at Coltness...& we came to it in the month of November following (Frances Wemyss Steuart 1785, 10).<sup>106</sup>

Such are the “official” reasons for the move to Coltness.

However, Steuart clearly had other motives. Despite his supposed reasons for departing Edinburgh, *The Coltness Collections* say that Steuart continued to entertain a steady stream of visitors. No mention is made in the Coltness papers, however, of who

---

<sup>106</sup> Frances’s memoir is in the Coltness Papers in the archives of the University of Edinburgh. Although the university acquired the text in 2002, the work remains uncited in the Steuart literature to date. The memoir is written in a journal and the pages are unnumbered, and so all page numbers cited are my own.

the visitors might have been. Here Elcho's journal helps us once again. While there were assuredly some visitors making purely social calls, Elcho tells us that Coltness became a major meeting place of the Jacobites in Scotland. In fact, he claims that here Stuart "received the world." Furthermore, Stuart had so many social gatherings that he was able to convert many people to the cause through the sheer force of his personality. Far from a retreat from the demands of Edinburgh society, Coltness became a hive of Jacobite activity.

As 1745 and word of an invasion approached, the activity only increased both within and without Coltness. Elcho and Stuart became ever more frequent visitors to Hamilton's estate. The very highly placed John Murray of Broughton, secretary and advisor to Prince Charles, also arrived in Edinburgh where he hosted the Buck Club every week for dinner.<sup>107</sup> In early 1745, Murray informed the members of Prince Charles's intention to invade Scotland in the summer and solicited suggestions for preparations from the members. Among those whom Murray later names as present in this meeting were the Lord Buchan, who was Stuart's brother in law, and Sir James Stuart himself (Murray 1898, 101-102).<sup>108</sup>

## 2.6 Summer 1745

Stuart returned to Edinburgh in March 1745. The recollections of friends and family in public works such as the *Anecdotes* and the *Coltness Collections* deny that this had anything to do with the increased Jacobite activity in the city. Even Frances, loyal to

---

<sup>107</sup> Founded in 1744, the club was a very select Jacobite society whose new membership had to be unanimously approved by the other members (Skinner 1999a, 5).

<sup>108</sup> Lord Buchan of Cardross is David Erskine, who had married Stuart's sister Agnes. His son, David Stuart Erskine is the author of the Erskine MS on the life of Stuart from the University of Glasgow archive used for this chapter.

the end, claims in her memoir that the couple went to Edinburgh only for medical help after she became ill from a miscarriage.<sup>109</sup> While they were leaving Edinburgh in July 1745, she was “suddenly seared with a malignant fever at John Traills house at the foot of the Lawnmarket Close,” which necessitated the couple’s remaining in the city (F. Stuart 12).

Coincidentally, also in July 1745, Prince Charles sailed from France to raise a Jacobite army with his “Seven Men of Moidart,” who included Murray of Broughton. By the time the advance guard of Charles’s army was within the city, Stuart had moved into lodgings in the Parliament close, less than half a mile of the Royal Mile from Holyrood Palace, the traditional residence of the House of Stuart. Rather than fleeing from the city or helping the government troops who were running to safety in Edinburgh Castle, when Charles’s soldiers entered the city on September 21st, Stuart was to be found with Alexander Oliphant, another Jacobite friend, enjoying a leisurely breakfast.

Although Stuart was a Jacobite since at least 1739, his actions and associations since the 1744 court defeat became more and more overtly beyond the pale of one who wished to operate within the current political system. Whether politics and his court defeat were the only reasons for this allegiance, however, has already been contested above and shall be further examined in the next chapter, which follows Stuart into the pivotal Jacobite uprising of 1745.

---

<sup>109</sup> Frances explains that, “March 1745 began our troubles by a most dangerous miscarriage we made of a daughter in the 6<sup>th</sup> month and by which my dearest husband was for many hours in the utmost agony of anxiety” (11).



## CHAPTER 3

### JACOBITE INTERLUDE OR CONTINUUM?:

#### STEUART AND THE '45

1745-1749

### 3.1 Introduction

Despite the failure of the 1715 Jacobite uprising, rumours and hope abounded for the next thirty years for signs of the next large-scale uprising.<sup>110</sup> In 1745 hopes became reality and rumor became truth when Prince Charles Edward Stuart, known to history as Bonnie Prince Charlie, sailed from France to Scotland in late July 1745. Against the advice of many, including his father King James, Charles sailed from France with only fifty men and one boat. Upon landing, Charles immediately set out to raise an army in the Highlands.

The prince's agents had already been active through the preceding spring in alerting the Jacobite leaders in Scotland of the Prince's immanent arrival and so the Jacobites were able to mobilize quickly when news reached Edinburgh on August 2nd that Charles was in the country. Although word also reached the government ministers of the British crown, they did not take the threat posed by the rebel army seriously. Rather than fielding troops, the British government's first action was to place a bounty of £30,000 on

---

<sup>110</sup> As mentioned in the chapters above, there were several other smaller scale and failed uprisings from 1707 onwards.

the prince's head.<sup>111</sup> Sir John Cope, Commander in Chief of the British army in Scotland, was dispatched to deal with the rebels, but was prevented from taking quick action by the need to organize troops that were scattered throughout the country (Black 1990, 80). In the meantime the rebel army took Perth and Dundee without a struggle. By late August, Cope's army was in retreat from Charles's army of Highlanders in Inverness (Hook and Ross 1995, 21-35; Chambers 1860, 50-52).

On September 16th Charles's army were marching inexorably to Edinburgh. Although Charles' intention was to engage in a pitched battle with the government troops of Colonel Gardiner, the British dragoons, "whenever they perceived the Highlanders, were struck with such a pannaick, that they wheel'd about and galloped away in the greatest confusion..." (Charteris 1907, 255). Gardiner's mounted dragoons continued to retreat in a very disorderly fashion and eventually fled to Edinburgh.

Within the city walls, there was persistent disorder as the magistrates received conflicting reports of both the numbers of the rebel army and its distance from Edinburgh. Due to the gathering of government troops to Cope's army, there were also few government soldiers left to defend the city.<sup>112</sup> A group of volunteers was hastily armed and assembled (Hook and Ross 47-48; Murray 1898, 193-195; Chambers 65-67).<sup>113</sup>

When Charles's letter demanding the surrender of Edinburgh arrived, Provost Stewart and the town council's deliberations lasted only a day, amidst the sight of

---

<sup>111</sup> Charles in return jokingly offered a bounty of £30 for George II (Hook and Ross 1995, 33).

<sup>112</sup> City leaders had also departed the city. For instance, both Lord Arniston and Robert Dundas the younger had earlier left Edinburgh to join Gen. Cope's British army at Aberdeen (Charteris 264 & fn).

<sup>113</sup> George Drummond, the Commissioner of Excise had decided to meet the army before it could attack Edinburgh, but then encouraged some of the men to stay behind to defend the city. As the volunteers marched farther from the city limits their numbers dwindled as they began to realize the gravity of their situation. In the end Drummond ordered the volunteers to return to the city and put away their weapons (Hook and Ross 48).

Gardiner's fleeing troops and cries of the citizens to surrender the city. At noon on September 17th, the Prince's advance army entered the city as victors.

The ease with which the city was taken has been debated as being due to either the complicity of Jacobites within the city or to the incompetence of the government troops against the Jacobite army. The result is probably not one of either/or but both combined. It is not wholly our purpose here to discover that, but only to what extent Steuart was involved in what happened there.

Our purpose in this chapter is to illuminate the extent of Steuart's involvement in the cause, as well as to explore the dates of his involvement, both of which I shall argue, had a direct influence on what Steuart wrote in the *Principles of Political Economy*. Far from seeing Steuart as using the Jacobite rebellion solely as a means of self-advancement, I seek in sections 3 and beyond to find parallels between the thought espoused in the *Principles* and in the principles of Jacobitism itself. As has also been shown above in Chapter 2, there is a continuity of thought between what Steuart's forebears believed, what he learned from education and experience, and the ideals that the 1745 rebellion claimed to uphold.

What follows below is an explanation of the events that took Steuart from his home in Scotland to a life of exile that would lead to the drafting and completion of the *Principles*.

### **3.2 The Return of the King**

News had reached Edinburgh of Prince Charles's landing on August 2<sup>nd</sup>. At this time Steuart had already moved into the house of a bookseller named Robert Traill "at the foot of the Parliament Close in the Lawnmarket" according to his wife's memoir (1785, np). In Chapter Two it is related that this was because Frances had been "seared with a

fever” just outside of Traill’s house. However, this particular location, as any map of the Royal Mile shows, placed Steuart in an ideal location to receive news and to observe events as they unfolded. He was also in close proximity, as has been noted by Skinner (1999a), to his cousin the Lord Provost, Archibald Stewart.

As news arrived of the approach of Charles’s army, the Provost was seen to be slow to arm the city, and was accused of making only a token protest when the letter for surrender arrived (Charteris 252 fn; Carlyle 1910, 131-136).<sup>114</sup> Stewart was a wine merchant by trade and a member of Parliament for the city, as well as the leader of the Town Council’s Jacobite party (Buchan 2004, 29).<sup>115</sup> Truthfully, Provost Stewart did deliberate with the town magistrates and attended to the pleadings of the frightened citizens that the city should be surrendered peacefully (Hook and Ross 48; Chambers 66). As Murray of Broughton relates, Charles made “himself master of the Capital without shedding a drop of Blood...” (1898, 195).

There is no record as to whether Steuart witnessed Charles’s triumphant entry into Edinburgh at noon with Steuart’s friend and brother in law Elcho on his left and the Duke of Perth on his right. The Prince returned was greeted with joy and enthusiasm. Elcho tells us that, “‘God save the King’ was echoed back from all quarters of the town” (Charteris 77-78). As Charles and his party made their way to his ancestral palace of Holyrood, he was met with thousands of people who “fill’d the Air with their Acclamations of joy” (Charteris 259). Charles moved into the Duke of Hamilton’s

---

<sup>114</sup> In 1747 Provost Stewart was tried for treason, but acquitted, for his role, or lack of it, in defense of the city (Pittock 1998, 99).

<sup>115</sup> The Town Council was also in the midst of its elections, which were a lengthy process, as was the eventual decision to raise troops to defend the city, which had to wait, it was argued by several lawyers present, on King George’s approval. Colin Maclaurin, a mathematician at the University of Edinburgh, oversaw the city’s defense (Buchan 29-30).

apartments at the palace where he stayed the entire time he was in Edinburgh. *The Caledonian Mercury*, which to this point had observed events impartially, now reported that 20,000 were on hand to cheer the prince's arrival and that "Greater Demonstrations of Joy was never seen since the Restoration of King Charles II" (Hook and Ross 52).

Charles left the city on the 19th to meet Cope's army at Prestonpans. As newspapers and eyewitnesses attested, before leading the army out of the city, the Prince drew his sword and proclaimed, "...Gentlemen, I have flung away the Scabbard, with Gods assistance I don't doubt of making you a free and happy people" (quoted in Buchan 45; Murray 1898, 200).

As we left him in the last chapter, the morning of September 21<sup>st</sup> found Sir James breakfasting with his friend and old schoolmate Alexander Oliphant of Gask.<sup>116</sup> Their morning idyll was interrupted by the sound of running footsteps. On the High Street, four dragoons under the command of Colonel Gardiner were running to find safety in the government-held Edinburgh Castle (Oliphant 1870, 113). The outnumbered rebel army had routed the government forces at Prestonpans and were on the march back to Edinburgh.

Upon his return, Elcho met with Steuart and Buchan and told them of the details of the battle. Buoyed by this news, Steuart went to the palace with Buchan in tow to present them both to the prince. For reasons that have yet to be fully explained, Elcho suggested to the pair that they employ some theatrics in getting to the palace. Henry Steuart Allanton, Steuart's nephew, later opined that, although Steuart "was disposed to join the enterprise of the Prince," he did not want to "appear quite a free agent" (Chambers 1898

---

<sup>116</sup> Oliphant also happened to come from an old Jacobite family. Carolina Oliphant, Lady Nairne, was the authoress of the Jacobite songs "Charlie is my Darling" and "Will Ye No' Come Back Again?" (Henderson 1908 & Devine 2001).

chpt. xxiv).<sup>117</sup> Steuart and Buchan were seized as they walked to the cross in the city center and were taken to Holyrood. When the Prince was told this story, he had delivered to the pair in the antechamber the message that if they were completely willing to join the cause, he would “be proud and happy to see them, but not otherwise” (Chambers, chapter xxiv). Buchan, somewhat offended, sent his regards to the prince and departed. Steuart remained and was presented formally to the Prince.

From this point there was no going back, and Steuart was immersed in work on behalf of the cause. As his cousin Elizabeth relates, “he was consulted in everything, he wrote the Manifesto, and several little things in the public papers” (Mure 1787).<sup>118</sup>

The next day, September 22<sup>nd</sup>, Charles’s official itinerary shows that a council was formed at Holyroodhouse which met every day thereafter. In a letter to his brother, Lord George Murray<sup>119</sup> provides a list of those on the council:

the Duke of Atholl, President; Earl of Wemyss, Lords Strahallan, Arbuthnot, Kenmure, and Cardross, Sir James Stewart of Goodtrees, Wauchope of Niddry, Hamilton of Boag, Stirling of Keir, Graham of Airth, and Lord Provost Stewart (Blaikie 1916, 17).<sup>120</sup>

---

<sup>117</sup> The point of the ruse is unclear and while some did see through it directly, such as the author of the Woodhouselee MS who commented, “It is an insult upon common sense, Sir James his practice, he has been an open tool...” (quoted in Chambers 1907, 49). But others close to the family did believe the pretense. Miller of Glenlee wrote to Baron Mure in November 1745 that Steuart was still under parole but about to return to his family (Mure 1854, 71).

<sup>118</sup> Steuart’s coauthorship with Thomas Sheridan of the Second Declaration and the Prince’s Manifesto was confirmed by John Murray of Broughton’s 1746 interrogation in the Tower of London (Stone 1746, 433).

<sup>119</sup> The son of the 3<sup>rd</sup> Duke of Atholl, Murray had participated in the 1715 and 1719 uprisings and had strong ties to the Jacobites through his own and his wife’s family. Murray married Catherine, daughter of the Duke of Hamilton. A very skillful general, he was instrumental in the victory at Prestonpans and Falkirk and would later lead the retreat from the field at Derby when the English Jacobites failed to offer their assistance (Thomasson 1958).

<sup>120</sup> Steuart’s brother in law the Earl of Wemyss, and his cousin the Provost were also on the council, as was Buchan, Lord Cardross, despite leaving Steuart the day before at Holyrood.

In early October the Prince met with Jean-Baptiste de Boyer, the Marquis d'Eguilles, who was a secret envoy of the King of France (Buchan 52). Perhaps displeased with the dissembling of Boyer, who would not commit to the Prince's request for a diversionary force from the French so that the Jacobites could march to London, Charles decided to send his own ambassador to France to replace George Kelly.<sup>121</sup> He selected Sir James Steuart.

### 3.3 Steuart's Role in the Cause

As has been noted by scholars such as Cruickshanks (1982), there is always a problem for the researcher in Jacobitism. Due to the secretive nature of the cause and the legal consequences that such involvement entailed for those who were members, most of the best original sources were destroyed. Szechi (1997) points to the difficulty applicable to the scholar searching for evidence about Steuart's Jacobitism:

The natural exigencies of participation in eighteenth-century conspiracy necessarily militated against record-keeping and memoirs of this kind...Sensible Jacobites still resident in Britain generally tried to keep their business oral and burnt their correspondence whenever they feared the government of the day was about to embark on a Jacobite hunt (979).

Additionally, the records that do exist then obscure the information one is looking for or alters it altogether. The *Coltness Collections* and the *Anecdotes* claim that Steuart did not truly become entangled in the cause until 1745. Even Frances in her memoir claims that while Steuart was hesitant to do so, it was the "most violent solicitations" of his friends that impelled him to join the cause. She continues that Steuart relented due to

---

<sup>121</sup> Kelly had been one of the Seven Men of Moidart and also was famously one of the few people to escape from the Tower of London, where he had previously been imprisoned due to his part in the Atterbury Plot. However, Kelly was also from all accounts a very difficult person and so not the best suited to treat with Versailles.

the friendship he had with many of those who had been at Rome and with the Prince, but that he felt “the present undertaking...was rash, unpremeditated...” (14-15).

While Steuart may have had reservations as to the timing of the rebellion, contemporary evidence belies the “official” dates of his involvement. Despite what the official family papers might have us believe, and as has been already shown in the last chapter, Steuart’s involvement in the cause predates the 1744 entry of the Prince into Edinburgh. As shown in Chapter Two, Steuart’s correspondence with King James dates from 1740, when he promises to do what he can to advance the cause in Scotland. In a 1741 letter from James Edgar, the King’s secretary, says to John Murray of Broughton, he would be glad to know if Murray were “acquainted with Sir James Stewart and Mr Carnegy,” and asked for Murray to show them the copy in Murray’s possession of the King’s sentiments on government (June 29, 1741). Elcho has already told us in the previous chapter that Steuart’s estate at Coltness became a center for Jacobite meetings up to 1745. Once Steuart took lodgings in Edinburgh, he was even more closely involved in events.

According to John Murray of Broughton, Steuart was involved in the meetings involving the sailing of the Prince to Scotland in the first place. Broughton came to Edinburgh in the winter of 1743 to brief the Jacobites in the city on the immanent invasion (Buchan 28-29). Of the meetings in the winter of 1743, Murray reports:<sup>122</sup>

Lord Elcho was now come to town, and several of the most considerable of the King’s friends, with whom I had frequent meetings; and convinced him, Lochyell, Sir James Stuart, Glengarry, and others of the necessity of Lord Traquair’s going to England, begging they might use their influence with him... (1898, 113).

---

<sup>122</sup> Murray became a government informant in 1745 and the following information comes from his deposition of that year.



Murray carried a letter to the Prince from Sir James on the “written opinions of the principal people concerned in relation to the Prince’s intended expedition into Scotland...” (116). Steuart advised Murray to tell the Prince to delay his departure until he could come with an armed force (116 & fn).<sup>123</sup> Murray also recalls that the principles of the party were present when the packet of letters was given to the Earl of Traquair to carry to the Prince. The meeting took place “in the tavern under the Piazzas of the Parliament Close, where were present the Duke of Perth, Lord Elcho, Lochyell, Glengary, and Sir James Stewart...” (117).<sup>124</sup>

Once it was clear that Charles was intent on his course, the Jacobites met to discuss what measures could be taken to gain financial assistance from the English Jacobites. The packet mentioned above contained letters from the others pressing the Earl to go to England to muster support for the Prince and also to test again the temperament of those who were sympathetic to a Stuart restoration. At this meeting Murray also discussed obtaining more funding from the Duke of Hamilton, but was informed by both Steuart and Elcho that they had already talked to the Duke, to encourage his continued funding of the Earl Marischal, with little success.<sup>125</sup>

---

<sup>123</sup> Murray reports that all of the party were of similar opinion, except the Duke of Perth who felt that if the English Jacobites would mobilize, an armed French force would be unnecessary (116).

<sup>124</sup> Aeneas Macdonald, a Jacobite banker, also testified about the meetings at Mrs Walker’s Tavern that he attended with the group: “that during his stay at Edinburgh he dined at a publick house in company with Provost Stuart, Sir James Steuart, Lord George Murray, Lord Kinross, Lord Elcho, and others at Mrs Walker’s...” where they drank their toasts to the Stuarts and that they talked of commonplace things (Bell 1898, 431).

<sup>125</sup> Hamilton did eventually come through financially though. He was very much his father’s son, as Murray relates a conversation between Hamilton and the Earl of Wemyss, Frances’ elder brother: “that when we were talking of the union and of the indignities imposed upon Scotland by the English since, his Grace expressed himself strongly upon the subject, and concluded by saying, let us now act as becomes Scotsmen, and set our feet on the backs of the English” (123fn).

Steuart was held in high esteem by Murray, who commented:

I had likewise occasion to talk to Sir James Steuart upon the same subject, whose opinion (I must acknowledge) I would at all times have been ready to prefer to that of my Countrymen (119).

When a packet of letters pertaining to the Prince's plans was intercepted on the way to London, Murray stopped at Coltness: "I went to Sir James Steuart's and informed him of what had happened with the letters and instructions I had received from the Prince" (138).<sup>126</sup>

In 1744 Murray writes to Prince Charles, using Steuart's code name, of his recent meetings with Sir James and his later attempt to inform Steuart of the progress made with Lord Traquair (Murray 1898, 64).<sup>127</sup> That Murray so trusted in Steuart's aid and discretion is undoubted and this evidence alone would be enough to condemn him in a determined government court.

However, it does seem that Steuart did not know for certain that the Prince was going to be in the country until 1744, when it is clear that news of the Prince's movements were being directly reported to him. Murray reported to the Prince from Senlis on September 21, 1744 about a letter from a Dr Barry in Paris about the possibility of the Prince's going first to London and having a conference there, and how the principles should take no action until the Lord Marischall had landed, so as not to be put "in the Power of the Government." He continues, "Upon receipt of this I acquainted my Lord

---

<sup>126</sup> The Earl of Buchan was also there at the time and Steuart said that Murray could speak freely in front of him, as he was also the King's man. So Murray told them of his plans to intercept the captured packet in London. The two brothers-in-law approved the plan and Murray proceeded to London (138).

<sup>127</sup> "Upon the sixteenth, I went with an intention to see Sir 1293, 43C, 1055, 1744, 1045, 1948, 1679, 1778, and inform him fully of Mr. Burnet's resolutions but found that he was in Fife and his family uncertain of his return and so proceeded to Edinburgh..." (Murray 1898). The number is Steuart's. Mr Burnet was a code for Prince Charles, according to William Blaikie (1916, 64).

Kenmure, Sir James Steuart, and some others in the Low Country, and went immediately along with my Lord Traquair to the Duke of Perth's" (Murray 1898, 382).

Given that the Jacobites had to understate their participation in the cause in the years after the rebellion, the extent of Steuart's involvement presented in public works such as the *Anecdotes* and the *Memoir* and the apologetic tone of the obituary articles in the *Gentleman's Magazine*, for instance, it should be established that Steuart's role in the cause was much more extensive than these writings would allow us to believe, and indeed than even twentieth-century scholars, such as Tayler (1939), have allowed.

### 3.3.1 Ambassador to France

Steuart's appointment as ambassador was approved by both Lord Lochiel and Lord George Murray, who considered Steuart to be a "very proper person" (Thomasson 63). So our future economist left Edinburgh for the port at Stonehaven.<sup>128</sup> Again for reasons unknown, he utilized his acting skills in departing the country. Although slight mention of this incident is scattered throughout different accounts of Steuart's life, the depositions of seven Jacobite prisoners after the war are collected in Blaikie (1916) and tell parallel stories about Steuart's actions at Stonehaven.<sup>129</sup>

Using the name of Brown, Steuart pretended to be a captured officer of the government army. The purpose of the ruse is unclear, but the Jacobites maintained it for a considerable time. Steuart was seen with the deputy governor of Stonehaven, but was

---

<sup>128</sup> On his way to the coast, Steuart stopped in Montrose where he wrote to Frances about the hoped-for arrival of fresh troops and also about a special mark that would be on his letters that were to be held up to the fire (Skinner 1999a, 7). Whether this mark was to reveal the letters' contents or to signal that they should be destroyed is unclear.

<sup>129</sup> The depositions were given for the trial of Alexander Garioch in 1747, the Jacobite deputy governor of Stonehaven.

under no restraint whatsoever and was also seen dining with Lord Lewis Gordon, who had drunk to his “prisoner’s” health.

John Maule, a writer in Stonehaven and an ensign in Lord Ogilvy’s regiment in the Jacobite army, stayed in John Falconer’s public house with Steuart and then was given the task of guarding the “prisoner.” Maule did not realize that Steuart was on the Jacobites’ side until the British attempt to invade Stonehaven by sea, when Maule reports that Steuart was:

very active in assisting and directing the French crew about the manner of Planting their Battery and Defending the Harbour in which he seemed to have skill...[Steuart was] so very active in giving directions about planting the Cannon against the King’s Boat which attempted the Harbour he did then and not till then suspect that his being a Prisoner was a Farce (Blaikie 1916, 427).

When Steuart finally was about to go into the ship and was bidding farewell to others there, Maule reports that Steuart came up to him and, “embracing him very kindly, told him that he was very sensible of his civilities, and would represent his good Behavior to people that he did not then think of...” (426-427). Only after Steuart had departed was Maule told by others who he truly was.

While on the surface this farce seems ridiculous, there must have been some serious purpose behind it. The ruse required pre-planning from the time that Steuart had been in Montrose, and required the cooperation of Black and Garioch and his men, who in such a time of war, one would not think would have bothered unless there was some sensible motive behind Steuart’s actions. However, none of the primary sources has offered an explanation. What the story does clearly tell us though is that Steuart was highly enough placed in the Jacobite ranks as to be known by name alone to regular

Jacobite soldiers when the deponents were told who their prisoner had truly been.<sup>130</sup> Rather than some half-hearted, accidental follower of the cause, as the *Anecdotes* and *Coltness Collections* would have us believe, Steuart was a highly placed member of the Jacobite court, as is further seen in his activities in France.

### 3.3.1.1 Culloden

Steuart arrived at Dunkirk in early December to help in the preparations for an invasion, hoping to convince those concerned that it should come from the east coast. He then left for Paris, “where his knowledge of the world and of languages, his talent of dexterity and eloquence, qualified him highly for the station of a political intriguer” (*Anecdotes* 368). There he met with James’s envoy, Daniel O’Brien, who told him that the French were willing to lend all assistance necessary (Skinner 1999a, 7).

By December 8<sup>th</sup>, Steuart reached Versailles and presented himself to the French king, who assured him that all assistance possible would be made available to Charles. However, Louis was concerned over the small number of men the Prince had taken with him to Scotland. Steuart told him that up to half the landed interest of England would join with Charles if they saw the French were helping (8). After seeing the King, Steuart met with Cardinal Tencin, to whom he explained the Prince’s movements. In his correspondence, the Cardinal describes Steuart as “an understanding capable man” (Chamley 1965, 103).

The Prince’s commission of December 1745 makes Steuart’s orders plain. He was given full power to be the Prince’s exclusive negotiator in Paris and was exhorted to keep

---

<sup>130</sup> For instance, another of the deponents reports that after Steuart departed, he asked Garioch about the prisoner, and was told that it had been Sir James Steuart, “and Jocked at his ignorance in Imagining that he was really a Prisoner” (428).

his mission a secret from all except the French king and his ministers. And yet even then he was not to hand over his credentials “until you are call’d upon to receive proposals for our service. You will then be able to judge of the sincerity of their intentions of which you must inform me.” Steuart was also instructed not to be drawn into protracted negotiations, and to obtain tokens of the French king’s sincerity before believing the promises of his ministers.<sup>131</sup> If the French were cold to Steuart’s ideas, he was to leave the court until opinion should be in his favour. Lastly, he was instructed not to agree to any plan that seemed only to benefit France “by occasioning a diversion on the part of Great Britain, but on the contrary to take all possible measures to prevent and disappoint any such scheme” (reprinted in Browne 472-473).

Besides gathering financial support and armaments for the rebellion, Steuart’s orders also concerned the movement of troops. Not content with recovering the throne of Scotland, Charles had decided to invade England. He therefore instructed Steuart to tell the French that all additional troops should be sent to meet his army in England and not to send any more men and arms to Scotland (Cruikshanks 1982, 93-94). His further orders included encouraging the above-mentioned invasion from the east coast so that Marshall Wade would be drawn into battle.

Elcho says that Steuart was “greatly appreciated at Versailles” (Chamley 1965, 103). This sentiment was strongly echoed by James III himself in January of 1746, when he wrote to Steuart that:

I am extreme sensible of the many and different proofs you have given to us on this occasion of your zeal and affection, and take very well of you the clearness and distinctness with which you inform me of our affair... The choice the Prince made in sending you into France was very agreeable to me, your presence has

---

<sup>131</sup> Among the suitable tokens Charles suggested were, “either his daughter in marriage or a large sum of money.”

certainly forwarded our affairs...and I am glad to remark that by your behaviour since your arrival...you have made yourself personally agreeable to the ministers (Stuart 1746).

All was not completely smooth as far as diplomacy was concerned though. Stuart had several disagreements with Baron Maurepas, the French naval minister, who was hesitant to commit French troops to the Scottish fight. As the Jacobites had drawn English troops away from Flanders, Stuart argued, the French should now return the favour by helping the Scots.<sup>132</sup>

While in Paris, Stuart had the opportunity to speak again with the Earl Marischal, who warned him that he did not trust the French.<sup>133</sup> Despite misgivings on both sides, Henry, Duke of York, left for St Omer to meet with Richlieu to oversee an invasion. Although he expressed his doubts to Frances that this newest invasion attempt would ever occur, Stuart traveled to Dunkirk in late December to aid in the preparations for the hoped-for invasion.

However, the port of exit for the invasion was changed to Calais and then to Boulogne. By mid-January there were widespread doubts that the invasion would take place. In the end, predictably, the invasion was cancelled altogether. Stuart found himself downcast and still in France, entangled in the knotty web of French court intrigue and the quarrels of the other Jacobites. Cardinal Tencin complained of these ongoing disputes and rivalries to King James. In April, Stuart writes of Tencin's complaints against the others as well as himself, the Cardinal having told Stuart that the money he oversaw "was in a very bad channel" (Skinner 1999a, 8-9). The ongoing quarreling of the

---

<sup>132</sup> He apparently then cheekily made the argument that if the French would not help, the Jacobites would be forced to ally with the English (Ewald 1904, 222).

<sup>133</sup> He also informed Stuart that O'Brien had been unable to secure further assistance from the Spanish, which Stuart was later to manage to secure on his own (Skinner 1999a, 8).

court and the Jacobites themselves exasperated Steuart, who felt that he was being prevented from completing the work he had been sent to France to do. He wrote of these frustrations to King James in late April:

I am heartily sorry it is so little in my power to be of service to your Majesty, it is the only thing I wish for, what I left Scotland for and what I hope shall ever be my aim (Steuart 1746).

### 3.4 After Culloden

Just eleven days after Steuart sent his letter, Charles's forces were in retreat. Plied with disinformation by English spies within the Jacobite ranks as to the movement of English troops, the Prince had the army retreat from England. On April 16, 1746 the Jacobites engaged in their last major battle. They met the troops of George's ruthless son William Augustus, Duke of Cumberland, in battle on Culloden Moor and suffered a crushing defeat. Final confirmation took some time to reach King James in Rome, and in the end it fell to Steuart to confirm the worst. In a letter from Paris dated May 23, 1746, Steuart offers his condolences:

I beg that your Majesty may believe that none of your faithfull subjects, more sincerely sympathizes, or more sensibly feels the loss your Majesty's affairs have suffered by this unlucky stroke than I do myself.

Steuart further expresses hope that the situation will turn if the army can hold together long enough for the promised arrival of the French fleet.

Steuart also discusses the problems he faces in getting certain money owed the Jacobites moved to its intended destination. He relates that he had to use the authority granted him by Charles to get O'Brien to disburse the money given by the Spanish government. Other money had been stopped on its way to him in Paris due to news of Culloden, but he assures the king that he will procure that money anyway.



He also reports that the frigates had been given orders not to leave the coast of Scotland until ordered to by Prince Charles. Although he writes that two French frigates did sail out from Brest, he was doubtful as to whether they would be able to do anything in time, or at all. Steuart opines that if matters continue to deteriorate, the frigates can still carry off the Prince and any remaining Jacobites. He did offer the smaller comfort though that “in a country like Scotland there cannot be any great danger of HRH’s Person” (Steuart May 1746). However, the same could not be said for the remainder of the Jacobites in Scotland, who were now considered to be outlaws.

Steuart remained in Paris for some time, continuing to serve the king and the seemingly endless stream of Jacobites who were fleeing every day to France.<sup>134</sup> Parts of his official duties were much like the large-scale householding of his later statesman: to feed and find useful employment for those who were under his care and authority. Steuart was in charge of distributing money to the newcomers and reporting new arrivals to the court. He also took some pains to try to convince the French court to raise regiments to allow for some means of subsistence for the exiles. Steuart himself did not seem to be in the financial straits of many of the others.<sup>135</sup>

The disbursement of funds to the exiles was a difficult task in financial management as thousands of Jacobites and their families came to the court in Paris looking for some means of subsistence or gainful employment. There simply were not enough positions and funds not only for the court but also for all the new arrivals. James

---

<sup>134</sup> In 1746 he was also reunited with Elcho, who had escaped from Scotland in June. Elcho was trying to recover the £1500 he had loaned to Charles before the voyage to Scotland. Steuart wrote to the prince on Elcho’s behalf, but he was unsuccessful on this account, as Charles maintained that Elcho’s “loan” had been a gift (Pittock 1998, 85).

<sup>135</sup> Ironically, the command of a regiment of the Scotch Brigade was offered to him, but he declined it and recommended his friend Lord Ogilvie of Airly instead, who accepted (*Memoirs* 108 & fn).

and Charles were being supported only on the largesse of the French and Spanish courts and the Vatican and had limited income of their own. Despite sometimes having hardly enough to eat, many of the exiles still strove to maintain the outer trappings of an aristocratic existence. The court continued to have feasts and balls with the French nobles, but little could hide the truth of their poverty (Chamley 1965).

In the meantime, Frances found herself in a difficult situation indeed. Stuart had left the country in 1745 while she was still ill, and sent her instructions as to how to settle their affairs in Scotland before she was to join him in France. Few of the secondary resources quite convey the danger to Jacobites in Scotland as does Frances's first-hand account, which reveals a frightened but determined young woman, who has to take matters into her own hands in the absence of her husband. On the outbreak of the uprising, the British government sealed the borders and outlawed Scots from leaving the kingdom. Frances very quickly settled what business matters she could, had to leave her son James in the safer hands of the Mure family, and had to find a way to get herself out of Scotland. With the help of friends, Frances secured a Dutch passport and sailed in dangerous wintry weather for Rotterdam, where after several tense days her husband met her to accompany her back to France in April 1746.

They lived in Paris until that summer, "allwise unsure of the Event of what was going on in Scotland..." (33). In May they took a house six miles from Paris, in the village Fonteney-Aux-Roses where, other than their uncertain political situation, they were well content.<sup>136</sup> However their idyll could not last as,

---

<sup>136</sup> Frances remembers their time there fondly: "The house stood in the middle of a fruitful garden. All the fields and country round were in the height of cultivation and riches all serving as garden to Paris. Here we went to live cheaper...and more pleasantly during the summer and accordingly we did live in the most pleasant country home possible, a most faithful friend to my dearest husband having begged to be with us and to contribute to our expence and being young we kept no carriage but were constantly in those beautiful

The prince's affairs in Scotland soon were all at an end, and we were wrot to, to leave France as he was to come there, and all his followers, and Bills of Attainder were expected to be ill used by the British Court against all his partisans...so we were obliged to break up from our pleasant habitation, and by the advice of friends we were even to go out of France (34-36).

### 3.4.1 Trial and Exile

Despite the depth of his participation in the uprising, Steuart was strangely confident that he would escape the hardships of Paris and return to Scotland. In 1746 he wrote to King James, telling him of his conflicted feelings in having to abandon Paris and the king's court. But the king responded that Steuart had already served him well and did not want him to suffer more than he already had, "for I am sensible of what you have done for the Cause, not to be desirous that suffering should at last increase no more" (Stuart 1746).

With the king's apparent blessing, the Stuarts moved from Fonteney-Aux-Roses, to Charleville, in the region belonging to the Duke of Bourbon, and at the time technically outside of France. They moved quickly then to Sedan, and were joined there by two Jacobites who were also trying to find a place to live where English travelers were unlikely to find them. In the meantime, the Stuarts attempted to have their son sent to them from the Mures in Scotland. Sir James's health also began to suffer as this stormy region caused him to have "violent headaches," which in Frances's description sound like migraines (1785, 39).

It was in Sedan that Steuart received the news that he had not been found guilty under the Act of Attainder passed against the more prominent Jacobites (CC 296). His family and friends in France and abroad were relieved. Although he was condemned to

---

fields, and taking (I may say) journeys on foot...with a servant and our cold dinner with us. We also walked frequently to Paris, and had good friends who keepd coaches, who came to see us, and take us with them there, & we were in a state much more happy then most worldly scenes afford..." (34-35).

exile for three years under the Act of Indemnity, Steuart's loved ones remained hopeful that no further charges would be brought against him. The man himself remained almost bizarrely optimistic in a letter to his cousin:

I am sure there cannot be the least proof against me of high treason... That I am deeply suspected I know very well, and that I was looked upon as a furious Jacobite by many—but, good God, is that a reason to class me in a bill of attainder without having some sort of evidence of my being guilty of high treason?... If I had a mind to take up arms, as many others did, I might have done it—it was not for want of them. If ever I had a mind to have furnished them to others, I had it in my power at a time when they were most wanted... (in Mure 1854).

It should be noted that Chamley sees this as more of Steuart's dissembling to keep the government from condemning him further (1965, 42).

Indeed, the evidence was greatly against Steuart, and one must concur with Skinner's conclusion that it is hard to see how he escaped the initial Act of Attainder (1999a, 10). The extent and longevity of Steuart's involvement did not escape the notice of those gathering evidence, who seemed intent on obtaining a guilty sentence.

In light of Steuart's actions prior to 1745, and his work on behalf of the Stuarts afterwards, it is puzzling that he thought he would be able to return to Scotland as a free man. Of course, since he had escaped the Attainder, despite his actions having "undergone a severe examination, and that every method had been used to ascertain his culpability," he perhaps thought the worst was behind him (CC 296-297). He was prepared, on the advice of his friends still at home, to live his original three-year exile under the Act of Indemnity quietly in France. In May 1748, Frances's sister and an old Steuart family servant brought his son to France, and the family moved to Angoulême. There they had constant company from the area, prompting the family to later move to the

quieter countryside in Guiscal where they purchased a house from an order of nuns and lived in quiet happiness (Steuart 1785, 46-47).<sup>137</sup>

### 3.4.2 The True Bill

The relief of Steuart and his friends was to be short-lived, however. In 1748 a special Court of Oyer and Terminer was held to reexamine the case against Steuart. As Frances says, “My dear husband was the principle of their object” (1785, 54). Although no new evidence was produced, the court found a True Bill against Steuart. This was much more damning than the Act of Indemnity had been. In effect, it removed the possibility of a hasty return to Scotland, and entailed the forfeiture of his lands. Steuart now found himself in danger of losing his lands and fortunes, charged with treason, and exiled indefinitely (CC 296-298).

However, he still maintained hopes of receiving a pardon because he had never borne arms against the government.<sup>138</sup> If he could receive his pardon, not offend the government further, and wait out the end of his original exile, he could go back to Scotland. Steuart’s uncle, Hew Dalrymple, President of the Court of Session, advised his nephew that “there is no room for treaty in this case” and for “Sir James to make the terms of his submission so clear and full as to at once give absolute satisfaction” (Dalrymple 1748).

In Frances’ view, the True Bill had been found against Steuart due to the events of the election in Midlothian many years previously. The Court of Oyer and Terminer was

---

<sup>137</sup> Frances says they enjoyed the company of their French friends who they considered a “joyous people...compared to the British who have less levity.” However, they found that constant company “becomes rather a fatigue!” (47).

<sup>138</sup> He had however directed others in the use of arms against the government in the battle at Stonehaven, as attested to above by Stone and MacDonald.

overseen by Robert Dundas, whom she says “was the prompter to this before unknown method of procedure, by which my dear husband was found guilty” (Steuart 1785, 54-55). The witnesses and jury were sworn to secrecy as to their procedure and decision-making process. The True Bill prevented Steuart from returning to Scotland for at least three years. Any return after would require a successful application for pardon.

Steuart studied the Accounts of the Procedure against him, but too late to escape the Bill, and only months before the original three year sentence expired. Frances reports that Steuart received his sentence,

with that coolness and complacency for which during his whole life he was remarkable and employ'd his exile in the study of a very elaborate performance (which is well known) in view to the good of his country-- (1785, 57).

The “elaborate performance” in question is of course the *Principles of Political Economy*.

Early in 1749, Steuart took the opportunity to write to James, as he had continued to do since he remained in the King’s employ. As the end of his three years’ exile approached from the first Act, he explained the new charges against him, and again expressed his desire to return to Scotland, even if only for a short time:

I take the opportunity of sending to your Majesty, the most lively assurances of my duty and unshaken loyalty... I have lived by the advice of my friends as privately as possible in this country, hoping that under the protection of the laws at home I might have returned after the elapse of three years, but the unrelenting bitterness of your Majesty’s enemies has thought fit to mark me particularly out for an object of their resentment, by having a bill of treason found against me without any proof and merely by the force of power...

From this your Majesty will easily see the hardness of my present situation, where the solicitations of my friends to save my family from ruin and the threatening prospect of it, are combating with the character I have of being inviolably attached to your Majesty.

If it be true that the English Government requires no more but a promise to live peaceably I shou’d be more embarrassed than if they were to exact a servile submission as the price of what is my own. The first would look like generosity and might lay me under a restraint in case your majesty’s future service shou’d call upon me. As the second cou’d only be intended to discredit me with your Majesty, and to hurt me in the opinion of honest men, my after behaviour would show that

my compliance was the effect of force, and that I had only given way as many an honest man has done to the violence of my enemys in order to be more able to hurt them at another time.

Both, however, are most disagreeable and nothing but your Majesty's goodness in constructing my actions as they really are...cou'd give me the smallest liberty upon this occasion and an assurance of this from your Majesty would prove to me an infinite satisfaction.

...This contrast of duty and interest shows the deplorable situation of your Majesty's friends at home where they can be of most use to the Royal Cause, and cou'd I be employed by your Majesty abroad and allow'd at present to go home, I cou'd soon dispose of all my effects and immediately come over to be dispos'd of as your Majesty shou'd think fit, but of this your Majesty only can judge... (Steuart 1749).

But the king did not give any definite response. In the end it made no differ, as Steuart in actuality stood little chance of being granted a pardon. Although Steuart may seem to be exaggerating when he writes of being particularly marked as an object of resentment of the government, they did seem to be determined to eventually find a bill of treason against him. Proof of this can be seen in government interrogations of other Jacobites. Often, even if the evidence being gathered is against someone else, questions and anecdotal evidence about Steuart arise, as in the depositions for the Garioch trial collected in Blaikie (1916) and the testimonies of Murray of Broughton and MacDonald.<sup>139</sup>

Despite what his family later wished to promote about him, the English government had other ideas about Steuart's guilt. When the True Bill against Steuart was passed, this was seen "by the friends of the government as the greatest victory which George II had obtained over the Jacobites of Scotland, since the battle of Culloden" (*Anecdotes* 369). This statement provides further evidence of the importance, or at least

---

<sup>139</sup> Although he admitted to being in Edinburgh often at Mrs Walker's tavern with Lord George Murray, Elcho, Steuart, Provost Stewart and others, he denied that they were conspiring to overthrow the Hanovers. John Murray meanwhile, "Being asked whether he ever received any Letters from Sir James Steuart in France he says he never did nor even saw any Letters from him to any other Person in the Pretender's Service" (Blaikie 431).

the perceived importance, of Steuart's role in the rebellion, which has not hitherto been stressed in the literature. What has also not been stressed is the possible effect that such charges would have on the reception of Steuart's later work in Britain, Ireland, the colonies, and the Continent.

### 3.5 Motivations and the Movement

While it has already been shown above that Steuart played a substantial role in the rebellion, it has yet to be shown why, apart from personal political gain, he might have done so. Indeed, Skinner states that there is little, intellectually, to explain Steuart's actions, given the "absolutist pretensions of the Stuarts" (2). Steuart obviously would have stood to gain much, personally and politically, had the rebellion succeeded, and I shall not remark further upon this here. Although two personal reasons for his attachment have been touched upon, i.e. the loss of the election in Midlothian and the gratitude for his initial Stuart reception in Rome, there are also philosophical, political, and cultural reasons why Steuart may have found Jacobitism to be an attractive political and cultural creed. Indeed, I wish to suggest that there is an overlap between Steuart's intellectual development to the time of his joining the uprising, and between the ideals of Jacobitism and the political and economic views found later in the *Principles of Political Economy*.

Contemporary commentary and previous scholarship has shunted this issue aside. It has been surmised that Steuart's involvement stemmed from his early beguilement by and friendship with numerous Jacobites while on the Grand Tour (Ramsay 1888, 361; Skinner 1999a; Steuart 1967, 364-365; *Memoirs* 97). For instance, the editor of the *Caldwell Papers* comments that Steuart's allegiance came about "partly by the influence of his wife's relations, partly perhaps by personal feelings towards Charles Edward..." (Mure 1854, 42fn). However, many of the contemporaries who offer this opinion are



writing at the time either of Steuart's petition for pardon, when it would not behoove Steuart or his friends to trumpet his allegiance to the cause, or shortly after Steuart's death, when again care was taken to deflect the facts of Steuart's early political attachments. Indeed, Skinner says that knowledge of Steuart's Jacobite politics were "well-hidden" by his first biographers (17).

Attributing Steuart's role in the rebellion to youthful folly, or merely as gratitude for the reception he received in Rome is unsatisfactory for several other reasons. Steuart must have been gracious indeed if he allowed his thanks to extend as far as treason in writing and action, if not in open warfare, as well as the potential ruin of his family and forfeiture of his lands. In addition, youthful bedazzlement can last only so long, and when applied to one whose intelligence is clear from the insightful and innovative *Principles of Political Economy*, this theory does not seem compatible with Steuart's personality.

While it is difficult to reconcile Steuart's allegiance with earlier Stuart monarchs, Skinner's statement above overlooks the differences in the political principles of the previous Stuarts and James III and Charles Edward. It also overlooks the intricacies and richness of eighteenth century Jacobite culture, several aspects of which Steuart would have found attractive.

### **3.5.1 The Cultures of Jacobitism: Steuart and Cosmopolitanism**

As has been shown, Steuart was already a widely traveled and well-educated young man, well versed in language and culture by the time he was exiled in 1746. A sentiment expressed by his cousin Baron Mure can easily be applied to Steuart: "A man, by spending some part of his life among people of different characters, becomes in a manner a citizen of each community" (1854, 17). As his letters and writings indicate,

Steuart was always aware of the cultural differences among countries and regions, and this theme of consideration for difference permeates the *Principles*.

The “Spirit of the People,” which is defined as a people’s manners, customs, and history plays a vital role in Steuart’s political economy (1966, 16-22). Because a policy contrary to the spirit of the people will cause them to revolt, or for policy to fail, government has to take the culture of the people into consideration in the formation and implementation of economic policy:

...for there is no treating any point which regards the political oeconomy of a nation, without accompanying the example with some supposition relative to the spirit of the people (23).

Due to his consideration for a people’s culture and circumstances in policy formation, and a repeated warning against general rules, Steuart’s book is therefore applicable to many countries and not intended solely for English consumption. This cosmopolitan aspect of Steuart’s work was criticized, especially by the unnamed reviewer of the *Monthly Review* who,

cannot help lamenting that the circumstances into which he has been thrown, and which have furnished him with a more ample fund of intelligence than ever falls to the lot of local writers, have likewise given birth to, or confirmed some principles, we had almost said prejudices, that perhaps may not appear unnatural, if his work is considered as an impression resulting from the influence of European policy in general; but they are by no means consistent with the present state of England, and the genius of Englishmen...(1767, 464).

Steuart may have learned this respect for other cultures not only from his own travels, but as mentioned in Chapter Two, from his history professor at the University of Edinburgh, Charles Mackie, who taught that prejudice for one’s own country or religion was an error in historical scholarship (Sharp 1962, 34). In keeping with this sentiment, Steuart answered the above and other critics in the preface to his second edition:

It has been alleged that I have *imbibed prejudices abroad, by no means consistent with the present state of England, and the genius of Englishmen*. To which I

answer, that I flatter myself to have imbibed no prejudices either abroad or at home, at least I think I have exhibited none of them in my work...Can it be supposed, that during an absence of near twenty years, I should in my studies have all the while been modelling my speculation upon the standard of English notions? If, from this work, I have any merit at all, it is by divesting myself of English notions, so far as to be able to expose in a fair light, the sentiments and policy of foreign nations, relatively to their own situation (1966, 4-5, emphasis in original).

In the *Principles*, therefore, it is never Stuart's intention to create policy applicable only to England or using English mores. Stuart wrote general policy prescriptions that could be adapted to specific circumstances. He also repeatedly and explicitly acknowledges that all countries and peoples are different, and that it is up to the discretion of their governments to recognize this and to act accordingly.

Given his inclination towards countries and customs, Jacobitism may have proved attractive to Stuart for its multicultural aspects. Jacobite society offered Stuart a rich array of opportunities to exercise not only his language skills, but also his considerable conversational and diplomatic skills, especially when he became James's envoy to the courts of France and Spain.

Inferring that the Jacobite movement was simply an attempt to put absolutist monarchs on the throne does an injustice not only to the complexities of the movement, but also to its followers. It was not only aristocrats who stood to gain from a Stuart restoration. The armies that rallied at Preston, Falkirk, and Culloden were made up of commoners and highborn alike. While the aristocrats and landed gentry may have seen the success of the Jacobite movement as a way of maintaining their traditional rights and privileges, the common people looked to the movement to restore the rights that they had lost under William of Orange. This was especially the case in Ireland where everyday intransigencies and petty crimes since the 1715 uprising had been met with the harshest punishments, ostensibly on the suspicion of the perpetrators being rebels. As O'Ciardha

(2002) states, “The Jacobite threat was used to justify the maintenance of the penal code while the Irish poets, priests and Jacobite supporters of the Stuart king saw his restoration in terms of its alleviation” (29).

The Stuart restoration was supported not only by a variety of people from all social classes, but also by a variety of people in the Three Kingdoms and elsewhere.

Given the nature of the Stuart exile and who stood to gain from it, as well as the patterns of Hanoverian oppression, the Jacobite movement was not simply a Scottish affair. There were important Jacobite centers in Rome and other Italian cities, various locations in France and Spain, as well as in England, Wales, Ireland, and Scotland. With its own literature of songs, poetry and oaths, and its own system of rituals, Jacobitism developed a culture of its own (O’Ciardha 23-32 and 53-64; Pittock 1994 & 1991). More striking is that Jacobitism did so within other cultures, each contributing its unique stamp to the common goal. Again, this multicultural aspect would have been attractive to someone who not only was a student of culture but also enjoyed such interaction.

Additionally, despite the traditional Catholicism of the Stuart monarchs, the movement was not restricted to the Catholic religion. Due to the multicultural and cross-class makeup of the movement, tolerance was implicit in the movement itself. Having attained further schooling in Leyden and Utrecht, Stuart was also influenced by the principles of religious, political, and cultural tolerance that were promoted there. To one with such a background, and given the emphasis on the spirit of the people in the *Principles*, the Stuarts’ promised tolerance of Catholics, Dissenters, and others would not have been shocking. Rather it was the revolutionary displacement of the Stuarts, the imposition of the penal laws, the oppression of Catholics and suspected Jacobites, and the

levying of heavy taxation that came in the wake of both the Glorious Revolution that would have been unpalatable.

Perhaps due to the fact that the hope for a second Stuart restoration entailed the cooperation and interaction of many peoples in several countries, Jacobitism was necessarily multinational, multilingual and multicultural. Dissimilarly, in the Hanoverian court, “others” were not acceptable and even the Scots had a difficult time gaining positions and having their concerns heard in the ministries of the Georges. Therefore, for a young man who had traveled to many other countries, and was schooled in the acceptance of other cultures, it is logical that Steuart would have been attracted to Jacobitism for its cosmopolitan nature. Interacting with the Jacobites in general provided Steuart a chance to meet a wide variety of people both common and highly placed of a variety of backgrounds and beliefs.

Another factor that should not be overlooked is that not only did Steuart himself have a history of living in other countries, but so did his family. This in itself is not unusual for an aristocratic family of the time period. However, the Steuart family not only had a history of travel, but also a history of travel due to political necessity, as has been shown in Chapter Two. *The Caldwell Papers* editor says, “His own principles, like those of his ancestors, had hitherto been favorable to the revolution settlement” (Mure 1854, 42, fn1). Steuart’s Whig antecedents are cited by the *Anecdotes* as a reason why it was out of the ordinary for Steuart to have become a Jacobite (Steuart 1967, 364-365). However, as has already been shown, Steuart’s family background, of exile in service to Scottish patriotism, rather than a deterrent to his joining the cause, may have in fact encouraged Steuart to rebellion.

### 3.5.2 The Political Aims of the Jacobites

While the specific aims of the Jacobites differed across the Three Kingdoms and Wales, the Jacobites all had shared political, religious, legal, and traditional reasons for desiring a Stuart restoration. For the Scots, the restoration would bring a return of the country itself, with the dissolution of the Union, and restoration of the traditional Scottish law. As has been shown in Chapter One, the Union had been contracted under what many Scots considered to be an unlawful government, and the Act of Settlement was seen as a violation, not only of the Scottish constitution, but of primogeniture itself.

Restoration also promised a return of self-rule and the former rights of the people. No longer would Scotland be governed by ministers in England. As for England and Ireland, they would no longer be ruled by a king who lived most of the year in Hanover, and who employed foreign troops to defend the country. Restoration of the rights of the people included the specific goal, promised by James III and Charles Edward, of the repeal of the penal laws that had been enforced against Catholics, Non-Jurors, and Jacobites alike. Another goal of the movement was to end the Church Settlement, which had marginalized the Scottish Episcopalians and prevented any who would not swear the oaths of abjuration and allegiance from holding office.<sup>140</sup> For those who were oppressed under laws enacted since the Glorious Revolution, the Stuarts were supported as messianic kings who would save the people from the persecution they currently suffered.<sup>141</sup>

The Stuarts were also seen as saviors in an economic sense. Rather than showering the Scots with the prosperity the English ministers had promised, post-1707

---

<sup>140</sup> The Church Settlement had been enacted as part of the Act of Union.

<sup>141</sup> According to Lenman (1982), the Scottish Episcopalian clergy especially promoted the messianic aspects of a Stuart restoration (49). Szechi (1997) concurs that many Jacobites saw Scotland as having

Scotland experienced a recession that did not end until the 1750s. The wake of Union also brought high taxation that was seen as a means to service England's massive foreign debt and to finance Hanover's wars. In the minds of many, the displacement of the Stuarts had incurred divine displeasure and years of economic misfortune, which attitude is reflected in the poetry of the period, not only in Scotland, but in Ireland and England as well (O'Ciardha 2002; Pittock 1991, 41-72; Smout 1983; Campbell 1964).

In summary, one could say that the goals of the Jacobite movement, especially in Scotland, were for a restoration not only of the Stuarts but also of traditional law, a lawful and interested monarch, and a local oversight of local affairs. Interestingly, many of these same themes can be found in Steuart's discussion of the role of the government in his work on political economy.

### **3.5.3 Government in the Manifestoes and The Principles of Political Economy**

Pittock (1998) states that the Stuarts offered an alternative to the Hanoverian state (136). This alternative could not have been one of absolutism. If James II had been such an unbearable absolutist it seems incredible that he could have maintained the support of the Scots for so long, and that they would have cleaved to his heirs for the sake of tradition alone. One should not forget that the Scottish people had already had experience of the exiled James II as a leader and administrator in his previous dual roles as the Duke of York and King of Scots. As such, he pursued active and very enlightened policies, such as replacing the Restoration era policy of "fiscal repression in favour of judicial conciliation," which was particularly attractive to the clans in Scotland (Macinnes 1999, 75). He had also sought to develop the Scottish economy through the establishment of

---

suffered for James VI's never avenging the murder of Mary, Queen of Scots by Elizabeth I, and thus seeing a Stuart restoration as the saving grace (994-995).

colonies in America rather than through a free trade union with England. James had also ended the oppressive penal laws against Catholics in Scotland in favour of full toleration, which benefited Catholics and Protestants alike. When he became, by law, King of England as well as King of Scots, James was more involved with English concerns than Scottish, but there was still such widespread support for him in Scotland that the government eventually had to end their policy of forfeitures against Jacobite loyalists or face a Highland army revolt (75-76).

What his son James III would have done had he ruled as monarch of the Three Kingdoms, and what Charles would have done had he succeeded to his father's thrones, cannot be known. However, what is known is what was promised to the people in James' and Charles' manifestos, which, as shown above, Steuart had a hand in authoring.

King James's manifesto of May 16, 1745 begins with a general pardon for all offenses committed against the Stuarts, and invites those of all parties to now join their service. The document declares the king's promise to restore both the civil and religious rights of his subjects:

His Majesty being fully resolved to maintain the Church of England, as by law established, and likewise the Protestant churches of Scotland and Ireland, conformable to the laws of each respective Kingdom; together with a toleration to all Protestant Dissenters; he being utterly averse to all persecution and oppression whatsoever, particularly on account of conscience and religion...that all His Majesty's subjects, shall be by him and us maintained in the full Enjoyment and Possession of all their rights, privileges, and immunities, and especially of all churches, universities, colleges, and schools conformable to the laws of the land... (in Wiener 1974, 232-234).

This first manifesto is remarkable for its tolerance. In a period of religious conflict, the Stuarts are far from exercising the despotism of their pre-Restoration forebears. The document also shows a great deal of grace, as it would have been easy, if impolitic, to issue a manifesto that promised reprisals on Church of England Protestants



for their actions against the Catholics, as well as upon any soldiers or authorities who had worked for William. The work is also significant for its promises of the restoration of the people's civil and ecclesiastic privileges, which were taken away after the Glorious Revolution.

### **3.5.3.1 The Laws of the Land**

An aspect of this document that stands out for our present purpose is the repetition within of the phrase “conformable to the laws of the land.” As mentioned in Chapter One, one reason for the tension between the Scots and the English ministers in the drafting of the union treaty was due to their very different valuations of the law, rights, and traditions. Macinnes (1999) shows that, traditionally, the Scots emphasized the supremacy of the fundamental law, whereas the English emphasis was on the supremacy of Parliamentary sovereignty. Therefore, the actions taken by the Scottish parliament in dissolving themselves and joining the parliament of England would not have been seen by the English ministers as an infringement on Scots' rights, but was anathema to the Scots ministers who were schooled in the belief that the law itself, and not the lawmakers, was supreme. The legality of the actions of the 1706 Scottish parliament, as well as the subsequent union parliaments continued to be a major point of contention of the Jacobites with the Union government (Clerk 1993, 85-95; Lockhart 1714, 261-270).

Another reason why the phrase “conformable to the laws of the land” stands out is because this is in keeping with Stuart's affinity for the supremacy of the law of the land. In the *Principles*, Stuart explains that the law is superior to the vagaries of changing governments because morals, government, and manners form the basis for all laws. The law therefore is unique and conformable to the spirit of the people. He states that, “the

only fundamental law, *salus populi*, must ever be relative, like every other thing” (12). Accordingly, any changes made to the law must be made consistent with the spirit of the people. Steuart concludes then that laws cannot be successfully imposed by a conquering or usurping nation or government because they lack knowledge of or sympathy with the spirit of the people: “From these considerations, we may find the reason, why nothing is more heavy to bear than the government of conquerors, in spite of all their endeavours to render themselves agreeable to the conquered” (23). Examples abounded in his own time and experience, of Scotland and Ireland being ruled from England, and England herself being ruled from Hanover.

Steuart also opposes revolutionary changes in the law, particularly condemning an overturning of the law by a usurping or conquering government. All changes to the law should occur incrementally and with an understanding as to whether they are appropriate for the people: “Sudden revolutions are constantly hurtful, and a good statesman ought to lay down his plan for arriving at perfection by gradual steps” (89). Likewise, neither does he believe that the statesman or legislature of any country had the right “to overturn at will the established laws of it, let him be the most despotic monarch upon earth” (Steuart 1966, 16). Any people who are subject to revolutionary changes in the law are not free, as Steuart defines a free people as being:

...governed by general laws, well known, not depending upon the ambulatory will of any man, or any set of men, and established so as not to be changed, but in a regular and uniform way; for reasons which regard the body of society, and not through favour or prejudice to particular persons, or particular classes (206).

Thus, public liberty is in danger insofar as the government arbitrarily changes laws that have long governed the public.

Therefore there is a clear line of thought from the manifesto to Steuart’s later *Principles*. The restoration of the Stuarts was not a revolutionary change; the

revolutionary change was James's forced abdication from the throne and the Union between Scotland and England. The law had been radically altered to allow all three to occur: for Parliament to depose James, for the Scottish Parliament to dissolve itself and join with England, for the traditional law of Scotland to be ignored, and for the Parliament to withhold privileges from and to impose penalties upon Catholics, Dissenters, and others.

As has already been stated, Stuart was trained as a lawyer and came from a family of lawyers. Therefore, perhaps the most compelling reason for Stuart to join the Jacobites were the abuses of the law, both perceived and real, that had occurred since the Glorious Revolution. The forced abdication of King James I from the throne in 1688-91 was seen by many Scots as unlawful, as the replacement "of a lawful king with a usurper" and "also arguably the end of a whole system of caesoropapist sacramental monarchy" (Pittock 1998, 132). For perhaps the first time since the Conquest, the Stuart kings had had the first clear and undisputed claim to the thrones of Scotland, England, and Ireland. On the other hand, George I of Hanover was 58<sup>th</sup> in line for the throne. The Union treaty settling the succession on Hanover, and barring Catholics from inheriting the throne, were a "matter not of setting aside one heir or two, but a whole company of them, and on the grounds of their religion alone. This was a major innovation..." (Pittock 1998, 133). As Pittock further relates, this displacement of heirs was viewed as an offense to the laws of property,

since primogeniture had been so completely laid aside: the perceived rise of the new class of moneyed men, themselves the beneficiaries of new financial instruments introduced by the post-1688 regime, intensified this feeling, as did the overt suspension of rights of primogeniture in the case of Catholics under the penal laws passed by the new state (134).

Coincidentally, another who questioned the legality of the union and who argued against it on the basis of the traditional rights of the Scots during the debates of 1706-1707 was Lord Advocate Sir James Steuart, the economist's grandfather and namesake. His draft protest, which is referenced above in Chapter One, begins with a denouncement of the illegality of parliament dissolving itself and its rights, continues to speak of the usurpation of legal rights, and of the Union as a gross violation of the Scottish constitution:

I do therefore...Protest against this Union...as manifestly tending to subvert that Original, Fundamental, and Indissoluble Constitution, by which the People of this Ancient Kingdom are joyned together in a Society amongst themselves, and tending thereby to divest our Establishment, Civil and Ecclesiastical of all manner of Security, as tending to lessen and forfeit the Right of the Peers of this Nation without Crime or Impeachment, by inverting their proper Rights of a constant share in the Legislature to a precarious Right; as tending to expose the whole Rights and Property of the Nation to be forfeited and taken away upon pretext of bettering the Condition of the Nation; which precedent might be of dangerous Consequence, and might one time or other affect the whole Rights of the Nation, from these of the meanest Subject, to the Sovereign Rights of the Crown...as tending to translate, surrender, and subjoin the Power of our Legislative and Parliaments (after they were thus dismembered and lessened) to the entire Parliament of another Nation... (L 1714, 296-301).<sup>142</sup>

This is strong language indeed and a strong condemnation of the Union and its possible legal consequences.

As a lawyer and student of history, Steuart must have been aware of the legal infringements that had occurred to kings and commons alike since the Glorious Revolution and of the strictures against those with Jacobite tendencies. He must also have been aware of the role his grandfather attempted to play in the Union debates, and, specifically, his legal argument against the Union. Therefore, not only can one find Steuart family bias for a viewpoint very much present in Jacobite rhetoric, but one finds

---

<sup>142</sup> The entire draft can be found in Lockhart (1714).

there is also a strong legal argument attractive to Steuart as well. In the end it may not have been Steuart's loyalty to James and Charles alone that caused him to enter their service, but his loyalty to the law and constitution of Scotland itself.

### 3.5.3.2 Family, Economy, & the Local

Charles's declaration of October 10<sup>th</sup>, is of a more economic nature, and, again, in it can be seen the beginnings of some of the sections in the *Principles* on similar topics.<sup>143</sup> The declaration begins with a reiteration of the restoration of the people's "religion, Laws, and liberties," as referenced in the last section, and declares that the Stuarts are seeking not:

to enslave a free people, but to redress and remove the encroachments made upon them; not to impose upon any a religion which they dislike, but to secure them all in the enjoyment of those which are respectively at present established among them..." (in Browne 1838, 105).

The manifesto addresses James III's feelings that the national debt was "contracted under an unlawful government," but recognizes that the debt was contracted for the people whom James now pledges to serve and protect, and so will take the advice of Parliament concerning the handling of the debt. The document continues that the same will apply to the disbursement of funds, as a free and legal Parliament shall consult with the King and approve such plans. As for "the pretended union of the two nations," the document declares that the Stuarts "cannot possibly ratify it," due to the outcry against it from the people of both England and Scotland. Therefore, any further actions intended to jointly benefit both countries would have to be requested and assented to by both Parliaments to receive the King's approval.

---

<sup>143</sup> This manifesto was of particular interest to the British government after Culloden and especially known to have been written by Steuart (see Stone 1746, 433).

In the voice of Charles, the document then addresses the aspersions that have been cast upon himself and his father, “Is not my royal father represented as a blood-thirsty tyrant, breathing out nothing but destruction to all those who will not immediately embrace an odious religion?” He explains his coming to Scotland using his own money, “with pardon in one hand, and in the other liberty of conscience, and the most solemn promises to grant whatever a free Parliament shall propose for the happiness of a people.”

He asks then whether the nation has truly prospered in the 57 years since the Stuarts have been in exile:

Have you found reason to love and cherish your governors, as the fathers of the people of Great Britain and Ireland? Has a family, upon whom a faction unlawfully bestowed the diadem of a rightful Prince, retained a due sense of so great a trust and favour? Have you found more humanity and condescension in those who were not born to a Crown, than in my royal forefathers? Have their ears been open to the cries of the people? Have they, or do they consider only the interest of these nations? Have you reaped any other benefit from them, than an immense load of debts?...Why has the nation been so long crying out in vain for redress against the abuse of Parliaments, upon account of their long duration, the multitude of place-men, which occasions their venality, the introduction of penal Laws, and in general, against the miserable situation of the Kingdom at home and abroad? (106-107).

There is here a marked theme of paternalism that is echoed in Stuart’s theory of the ideal statesman, whom he likens to the head of a family:

What oeconomy is in a family, political oeconomy is in a state: with these essential differences however, that in a state there are no servants, all are children: that a family may be made when and how a man pleases...; but states are found formed, and the oeconomy of these depends upon a thousand circumstances (15).

The statesman is assumed therefore to act always in the interests of the state and not himself. Indeed, for the statesman, “Self-interest, when considered with regard to him, is public spirit; and it can only be called self-interest, when it is applied to those who are governed by it” (142). The statesman has a duty to serve the people rather than a despotic power over the people. Self-love for the statesman cannot exist, unless he were

the sole subject in a one-man state. Like a father subsumes his personal desires for those of his family, and a judge gives up personal interests to serve the community, so does a statesman subsume all personal desires to the desire for the people to prosper (11).<sup>144</sup>

The Manifesto next addresses the fears circulating among the population that the restoration would cause Scotland and England to be controlled by France and Spain. He tells the people that he made his voyage without the aid of France and Spain, and it is far more alarming to him to see an army of “Dutch, Danes, Hessians, and Swiss the Elector of Hanover’s allies, being called over to protect his government against the King’s subjects...,” and therefore sees no wrong in accepting the aid of other nations in his own fight. The Manifesto also makes the case that the monarch who shall be truly independent of foreign powers is the one who can take his throne back from the usurper with the help of his own people, rather than the one who needs foreign allies to protect his own country. He issues a challenge to George I: “Let him, if he pleases, try the experiment, let him send off his foreign hirelings, and put the whole upon the issue of a battle.” The declaration concludes with an appeal to his friends and allies not to give in to their party-rage (107).

Throughout the *Principles*, one of the most striking aspects of Steuart’s ideal statesman is that statesman’s knowledge of the people he is governing, a knowledge of their history, habits, and customs. These are aspects of a people that cannot be easily obtained by a foreigner. Therefore, local knowledge becomes vital to the proper exercise of a statesman’s power; local knowledge is necessary to fit governance to the spirit of the people and to ensure their welfare. This is not a function that can be easily performed

---

<sup>144</sup> Steuart acknowledges that having a statesman free of all partialities does not occur in every, if any, country but offers this definition of the statesman as a philosophical ideal (1967, 200).

then by either a foreign or a distant government. As Stuart himself says, bad effects result when rulers look to the policies of other nations and apply them without thought to their own, but "When strangers are employed as statesmen, the disorder is still greater..." (27). Change imposed without regard to the spirit and laws of the people, result not only in disorder, Stuart predicts, but revolt. Such revolt is to be expected, he claims, when all that is that is offered to a conquered country in return for their laws and traditions are new laws and taxes contrary to their spirit and interest, in the name of the vague possibility of national good (28). It is hard not to interpret this explanation as an allusion to the new laws and taxes that followed in the wake of Union, but Stuart's explanations still easily applies to all nations placed in such a situation.

Stuart's general aversion to foreign overlords in favour of a local, knowledgeable government is seen again in his study on the coin of Bengal, contained in volume 5 of the *Works* (1967). Here he faults the governance of Bengal by the foreign East India Company for the flagging economy of the city. He explains that the Company's loyalty is not to the people of Bengal but to itself and its governors, whose goal is an eventual return to England, thus causing a drain of bullion from India to England (62-69). Stuart makes further reference in the *Principles* to a similar problem of outflow of specie and foreign landlords in Ireland (370-371).

In Stuart's condemnation of the situations in India and Ireland, there are echoes of the situation that Scotland faced after the Union and which the Scottish Jacobites were opposed to: the governance of Scotland by a distant and foreign government. Although not mentioned in the *Principles*, the English investment in, and governance of, Scotland after the Union was still fresh enough in readers' minds, and Stuart's pardon too recent, to need sharper allusion. As far as the issue of kingship, Stuart's work also parallels



another main plank of the Jacobite platform in that the Hanovers were foreign kings who could not properly or fully know the spirit of the Scots people or of the British people as a whole, as the Stuart monarchs could have. As can be seen when comparing the sentiments of the importance of local knowledge and the concept of the statesman-as-father in the *Principles* and *Works* above with the proposed policies of James and Charles, there is no incompatibility between what Steuart published in 1767 and what he helped to write in 1745.

In considering both what was written in 1745 and 1767, one also should not forget that Steuart regarded his native country with much affection. To a patriot, the political aim of restoring Scotland as an independent state would have been paramount. Through this lens, *The Principles of Political Economy* can be read therefore as a result of the belief in an alternative identity for Scotland as an economic power in its own right rather than as a mere appendage of England. Scotland could maintain her independent national identity economically, if not politically, if it had an interested, local, traditional, lawful, and knowledgeable government to steer the ship of state. These issues shall be covered in more detail in Part II of the dissertation.

What Steuart prescribes, in terms of a paternal, local, knowledgeable statesman, in both the declaration above and the *Principles* is of course in opposition to the course Scotland was then being steered under, with the majority of its policies being dictated from London. Therefore, the “Jacobite critique of a centralized and centralizing state and its thirst for war and Empire...” that Pittock identifies must have resounded with Steuart in the 1730s and after (1998, 136).

### 3.6 Conclusion

The discerning and skeptical reader could use Steuart's repeated protestations in his later appeal to King George that he no longer is a Jacobite, that are to be found in the *Coltness Collections* (377-378) to counter what I have above argued. However, Steuart's dissembling in attaining his petition served its purpose of self-preservation and preservation for his family. It is unclear that Steuart ever set aside his loyalty to the Stuarts as the rightful monarchs of the Three Kingdoms. In fact, in a letter sent to his cousin, William Mure, Hew Dalrymple of the Court of Session, also Steuart's cousin, advising on the writing of Steuart's petition, stresses that,

it will be absolutely necessary for Sir James to go great lengths in his submission...and deep sorrow professed for his accession to the late rebellion. He must declare off in the clearest terms with the enemies of his Majesty's person and government...and assure his Majesty, that, while he lives, he will behave himself as a faithfull peaceable subject to his Majesty and the royal family (Dalrymple 1748, 87).<sup>145</sup>

Surely such instruction would be unnecessary to one who had completely divested himself of Jacobitism? Although Steuart did eventually receive a full pardon, it is unknown as to whether he ever truly renounced his Jacobite principles.

Indeed, why should he have when those principles were based on, or coincided with, a network of principles that Steuart had built over his life? Not only is there a Steuart family history of rebellion, but there is also a close Steuart family connection to opposition to the Union. In Steuart's own young life he was taught by Mackie to consider and respect the religions and customs of others, and he studied such customs closely while on the Grand Tour. The extensive network of Jacobites in the Three Kingdoms and on the Continent allowed him more interaction with other cultures and also allowed himself to

---

<sup>145</sup> Dalrymple was also a cousin of Steuart's. Steuart's mother was the sister of the Lord President of the Court of Session, Dalrymple's father (*Caldwell Papers* 1854, 86 fn2).

display his own talents at languages and diplomacy. Being from a Whig family was not incommensurate with being a Jacobite and so there is no reason why Steuart would not have seen his joining the party as necessarily abandoning the beliefs of his ancestors. As has been shown, the promised policies of James and Charles, rather than absolutist or despotic, were respectful of the law, the economic conditions, the history and, indeed, the spirit of the Scottish people. Just as James, Charles, and a majority of the common people believed, both the Union and the settlement of the Hanoverian succession had been illegally enacted, and Steuart as a lawyer would have seen this.

Therefore, in light of such evidence, one can no longer consider Steuart's allegiance to Jacobitism as an aberration or a youthful folly. What I am suggesting is that one allow the possibility that his joining the cause is a logical result of Steuart's training as a lawyer, a probabilistic outcome of being part of a patriotic political and legal family, and, perhaps most importantly, as one who later advocated national policy founded on cultural context, and therefore a respect for the established laws, customs, and history pertaining thereto, as a logical progression in his intellectual development as a scholar and political economist.

Steuart's involvement also shows that his allegiance to Scotland was steadfast, and that he both wished and intended to return soon. Although he believed a pardon was forthcoming, it was however to be many more years before Steuart could safely come back again to Scotland.

## PART II

### THE OTHER LIGHT:

#### Sir James Steuart and the Continental Enlightenments

#### II. The Other Light

After the defeat of the '45, Steuart was to live in exile on the Continent for eighteen years. According to his own words in the 1767 edition of the *Principles*, he began to draft the work in 1749 while residing in France (646). It was in continental Europe and not Scotland that he completed the draft of the first two books of the *Principles*, as well as his first academic writings on Newton's *Chronology* and on the German coin.<sup>146</sup>

Part II of the dissertation seeks to examine what connections, if any, there are between Steuart's economic and political thought and contemporary intellectual developments on the Continent.

A false dichotomy was established by Steuart's English reviewers in the eighteenth century, and is still employed by writers of our time, such as Anderson and Tollison (1984), Blaug (1985 & 1986), Meek (1958), and Niehans (1990), to name a few, who label Steuart's work as mercantilist and absolutist, and therefore unenlightened. The basis

---

<sup>146</sup> *A Vindication of Newton's Chronology* (1757) and *A Dissertation upon the Doctrines and Principles of Money Applied to the German Coin* (1761), respectively.

of evaluation of Steuart's work should not lie in the "unenlightened" Steuart vs. "enlightened" Smith distinction. Instead, a view will be offered here that Steuart followed not a false or a faulty economic tradition, but a *different* Enlightenment tradition from that of his fellows in classical political economy. Enlightenment, after all, was not just the province of the French and the Scots.

Unlike some recent scholars, such as Rorty (2001), Pocock (1999) and Schmidt (2000), who claim that there cannot be said to be one movement called the Enlightenment, here I use the term "Enlightenment" to refer to that movement in the eighteenth century, that occurs both within and across countries, that is at once philosophical, political, economic, and cultural, whose members seek progress for mankind through the application of rational principles. While Robertson (2005) draws attention to the fact that this definition has been under attack by modern postmodern scholars, and although I do not believe that there was an organized movement across countries to promote specific Enlightenment ideals, I am more in agreement with him and predecessors such as Gay (1966), Hampson (1963), and Cassirer (1965) that one can refer to a period from the late seventeenth to the late eighteenth century where scholars engaged in such a project and did so by sometimes different and sometimes similar means. Therefore, the Enlightenment is further assumed here to be the confrontation of the eighteenth century republic of letters across countries in Europe with the realization that the rise and spread of the market could be a force for bolstering the progress of mankind or a source of its decay.

While one can identify a uniformity of the promotion of the progress of mankind among the eighteenth century enlighteners, the forms and particular concerns with the ways in which that progress could be understood and attained differed across countries

and communities in eighteenth century Europe. The assault on the Christian hierarchy and traditional social structures that took place in France, for instance, was not a necessary or always replicated form of enlightenment in many other European countries. The contributions of each nation or group of writers are different, but this does not negate the idea of a common purpose of the eighteenth century literati.

Although in his most recent work he is at the forefront of current scholars questioning the diversity of Enlightenments, Robertson (2000) himself points to the special contributions the Scottish made to the Enlightenment, namely in moral philosophy, historiography, and political economy. For our purposes here the Enlightenment project as it relates to economics specifically addresses the problem of social ties and obligations that were severed with the passing of the feudal system and the central problem of providing for the general welfare, given the spread of a market based on self-interest. So, while there is a general unity of purpose that can be traced through the Enlightenment era and across all national “Enlightenments,” marked by a belief in progress and betterment of mankind through various means, the movement was catalyzed by the emergence and spread of capitalist markets. How people dealt with the emergence and spread of commerce, coupled with the loosening of old social ties, is the central crossroads of Enlightenment thought. While society could use such changes for progress, they could also use them for ill. Political economy is a natural outgrowth of dealing with both such potential opportunities and problems.

If, as the dissertation has contended thus far, Steuart uses political economy as an alternative way to envision a modern nation, it behooves one to ask what sources were available to him to create such a discourse and how did they shape his work so that it differs from what came to be accepted as the mainstream. In the three chapters that

follow, these questions will be answered by exploring previously overlooked, or underemphasized, aspects of Enlightenment thought on the Continent.

As alluded to in the introductory chapter, the three chapters contained in this section are an exercise in connecting the margins. Despite his being an Enlightenment thinker in eighteenth century France and Scotland, the aim of this section is, first, to state that Steuart is not firmly part of either intellectual movement, and then, second, to place Steuart in more appropriate Enlightenment milieus. In the pivotal years when he was formulating, drafting, and revising the first edition of the *Principles*, Steuart neither lived in Scotland or France, nor did he move in French salon or Scottish academic circles. Rather than trying to fit Steuart into the confines of the French and Scottish Enlightenments, the Continental scientific cultures and schools of thought with which he was familiar, and would have been more comfortable, will be explored. In the pivotal years in which he formulated, drafted, and revised the first edition of the *Principles*, Steuart lived in Germany, the Netherlands, and Flanders and thus it is in these locales where his influences may be found.

The first chapter below covers the disjuncture as I see it between Steuart and the French Enlightenment, followed by a similar treatment of the Scottish Enlightenment, before rejoining the Steuarts as they move to Germany. Chapter Five provides an in-depth comparison between Steuart and the cameralist doctrine, and then moves to the lesser explored Dutch enlightenment and Steuart's possible connection to Dutch thought and culture in Chapter Six.

But first it must be explained why Steuart can be said to fall outside of the standard Enlightenment traditions of the French and Scottish, and so Part II rejoins Steuart

as he settles in for his long exile in Angoulême in the province of Poitou Charentes in western France.



## CHAPTER 4

### ALL CONSUMING FIRE:

#### SIR JAMES STEUART AND THE EIGHTEENTH CENTURY LUXURY DEBATE IN FRANCE

##### 4.1 Introduction

Steuart remained in Angoulême for some time. Although Frances speaks of the domestic bliss of life there, with their son and many visitors, some even from Scotland (48), Steuart soon became restless. Excursions in the Lyons countryside did somewhat to abate his restiveness, as this country was little visited and he learned much of the history and manners of the people there (CC 301). Nonetheless, life in remote Guissal did not compare to the years he had spent acting on behalf of the Jacobites. Steuart's political life had come to a standstill, and, as he wrote to James Edgar, they were so far out of the way of the world as to be "without the least prospect of changing it for the better" (Skinner 1999a, 13).

However, the social scene of Angoulême changed in 1749 when more than twenty-three members of the Parlement of Paris arrived in the city, including three of its presidents (CC 301). The French *parlements* were law courts that heard criminal and civil cases and had the power to either pass the king's edicts into law or to protest them by registering remonstrances against the king. The Parisian *Parlement* was the most powerful and thus when it registered continued remonstrances against the king in 1753 in

the *Unigenitus* controversy concerning the denial of sacraments to Jansenist parishioners, Louis XV had them exiled to far away towns (Garrioch 2002, 146-158).<sup>147</sup> Among these lawyers and policymakers, Steuart found others with whom he could engage in intellectual topics and also gained a great deal of information about the state of French affairs.

Perhaps due to the intellectual stimulation of the *Parlement*, it was during this period of exile that Steuart first turned his attention to academic pursuits. While in Angoumois he composed and published his first academic work, *A Vindication of Newton's Chronology*. Newton's *Chronology of the Antient Kingdoms Ammended* had been published posthumously in 1728 and created a stir in England and France as it attempted to redate the Assyrian, Greek, Egyptian, Persian, and Babylonian empires using astronomical data (Fox 2005).<sup>148</sup> Steuart's *Vindication*, originally written in French, was published later in Paris in 1757, and he also defended Newton in the French journals of the period (CC 302). Steuart was in good company, as Edmond Halley also defended Newton's astronomical calculations (de Fontenelle 1728, 27). While there may be no connection between Steuart's defense of Newton and the development of political economy, the *Defense* is significant in revealing a theme to Steuart's work. The theme of the importance of actual, rather than conjectural, history recurs throughout Steuart's

---

<sup>147</sup> *Unigenitus* was a papal bull requested by Louis XIV to suppress the spread of the Jansenist heresy. Since its appearance in the seventeenth century the French lawmakers felt it impinged on the rights of the parlement and the French Church to approve all papal documents before they were signed into French law. The issue arose again in the 1730s and 1750s when sacraments were denied to parishioners and clergy who could not produce certification that they had non-Jansenist confessors (Rogister 1995 and Sheenan 1998, 293-307). The Parlement of Paris had registered at least three remonstrances against the king on this issue, two of which were in 1751 and 1753 (Flammermont 1888).

<sup>148</sup> More specifically, using a the Greek *Astronomy* and the description of the fixed stars in the Iliad and the tales of the Argonauts, Newton attempted to trace the time of the expedition of the Argonauts and the Battle of Troy. His calculations placed the time of the ancient Greek civilization some 500 years closer to the birth of Christ than was currently believed (de Fontenelle 1728, 78-79).

works. Its appearance in, and importance to, his political economy shall be delineated in more detail in Chapter Seven below.

Meanwhile, Steuart spent much time in social and intellectual discourse with the members of the Parlement. Indeed they had become such friends that when the body was recalled to Paris, all the members reported in a group to Steuart's house, "to pay him a visit, and to express their sense of his civilities and his merit" (CC 301). Their friendship continued when Steuart made visits to Paris with his brother-in-law Lord Elcho, who reports in his journal that the *Parlement* "often invited us to dinner and supper at their houses" to repay Steuart's kindness to them in exile (82). When the Stuarts moved from Angoulême to Paris for good in 1755, they were warmly welcomed into the social and intellectual scene of the Parlement (F Steuart 59). Elcho reports, "Among them figured M. de la Riviere, a wealthy man from St Dominique who had a fine house in Paris which I frequented" (83). The man in question is none other than Mercier de la Riviere, a Physiocrat of Quesnay's inner circle.

Through de la Riviere, Steuart met Montesquieu and, according to Skinner's conjecture, Mirabeau, "whose *Friend of Man* was one of the sources which most affected the shape of Steuart's future work" (13). While there is a similarity in layout of the first two books of the *Principles* and Mirabeau's work, as Skinner points out (1966a, xxxvii), Mirabeau's work served a completely different purpose, which is addressed in a section below. Skinner supposes that it was through these men that Steuart also encountered the work of Cantillon. However, it is equally likely that he knew of Cantillon's work through the Jacobites, as Cantillon came from a Jacobite family who provided banking services for the Stuarts once they and the Cantillons were exiled to France, and Cantillon was a close friend of the Jacobite Lord Bolingbroke (Murphy 1986).

Whatever the case, it was at this time that Steuart began his study of political economy in earnest. In such company he could hardly have escaped it. One could assume that Steuart's turn to intellectual concerns was greatly influenced by the intellectual, political, and commercial events that were unfolding around him as he interacted with the citizens of Paris. One could also assume that Steuart had to have imbibed many of the influences of the Enlightenment influences that abounded in his social circle. Indeed, this chapter maintains that there was a definite influence, but not as one might expect.

#### 4.2 Steuart and the Intellectual City of Lights

Steuart can be said to be part of the overall Enlightenment, when it is seen as a philosophical movement composed of a group of thinkers in the eighteenth century who felt that man could triumph over the vagaries of nature through reason. But he cannot truly be said to be part of the French Enlightenment.<sup>149</sup> Although Steuart began his academic writing in France and knew these early Physiocratic thinkers, I suggest that Steuart took little influence from them, except insofar as the works of the philosophes and Physiocrats gave him ample material to react against. As stated above, it was in Paris that Steuart turned to intellectual topics and encountered several economic writers. Clearly the *Principles* and its emphasis on the spirit of the people is influenced by Steuart's encounter with Montesquieu's *Spirit of the Laws*. So in that he was present and somewhat influenced by the intellectual currents in eighteenth century France, Steuart certainly had a connection to the French Enlightenment, but he was not a part of the mainstream

---

<sup>149</sup> In terms of methodology he made this clear himself in his severe criticism of French systemes, which he characterizes as:

...no more than a chain of contingent consequences, drawn from a few fundamental maxims, adopted, perhaps, rashly. Such systems are mere conceits; they mislead the understanding, and efface the path to truth. An induction is formed, from whence a conclusion, called a principle is drawn and defined; but this is no sooner done, than the author extends its influence far beyond the limits of the ideas present to his understanding, when he made his definition (8),

movements. Before this divergence can be explored in more detail, as will be done below, a definition must be offered of what is meant here by “the French Enlightenment.”

If the definition of the French Enlightenment is narrowed to those beliefs encapsulated in the works of three main groups of French thinkers, one can see that those aspects of the French enlightenment that recur in the works of Scottish Enlighteners in terms of general methodology and in economic thought, such as Hume and Smith, are absent from Steuart, when they are not also countered by him altogether. Here I shall utilize SR Sen’s (1957) very useful distinction between three groups of French *philosophes*: the Encyclopedists, the utopians, and the Physiocrats.

In his attempt to produce a systematic treatment of economics as its own unique science and art, Steuart follows the scientific spirit of the project of d’Alembert’s *Encyclopedie* (Chamley 1963, 50). While advocating scientific progress by delineating the boundaries of political economy, Steuart also charts the progress of mankind to the commercial era in his book itself. Here he is in agreement with the Encyclopedists that modern science had advantages to offer over the past. However, the Encyclopedists (Diderot, D’Alembert, Helvetius, and Holbach) and Voltaire valued reason and modern progress above all, especially above the tradition of the *ancien regime*. On the contrary, in all things Steuart is an advocate of gradual change. Additionally, in his belief in the positive role of tradition in shaping the spirit of the people and the necessary role of the state, as evolved from a traditional historical process, Steuart does not fall into this category.

Although he was familiar with Physiocratic writing, Steuart is not a Physiocrat. It is also questionable whether Quesnay’s *Tableau Economique* could have been a major

---

which cause people to fall into error in political economy by generalizing instead of, “attending to the influence of concomitant circumstances, which render general rules of little use” (7).

influence on him since it was not published until 1758, when Steuart had already finished drafting the first two books of the *Principles*, and Physiocratic writing had not yet been widely circulated (Skinner 1999b, 140). In terms of economic thought, Steuart does not fit the Physiocratic strain because he does not place emphasis on agricultural output alone as the sole source of “net product” for society, and he certainly does not value the economic individual, or the individual landowner, above the nation. Whereas the Physiocrats saw agriculture as the only productive sector of the economy, Steuart views agriculture as an important, but interdependent, support of the economy, intimately tied to manufacturing for economic growth. In addition, the Physiocrats’ advocacy of laissez-faire policies to free the circulation of economy, thus freeing the natural order of the economy from the taxation and subsidies imposed upon it by the *ordre positif*, or the order imposed by government, is the opposite of Steuart’s belief that the economy cannot maintain order naturally and needs the eye of government. When there is laissez-faire in Steuart it is only because the watchful eye of the statesman has deemed it right that such a policy should be followed. Therefore, Steuart always attaches concomitant circumstances rather than a general rule to allow for laissez-faire, such as when an economy has moved out of the infant industry stage in trade:

When a people have fairly taken a laborious turn, when sloth is despised, and dexterity carried to perfection, then the statesman must endeavour to remove the incumbrances which must have proceeded from the first part of his plan. The scaffolding must be taken away when the fabric is completed (Steuart 1767, 74).

Steuart’s *Principles* also are not compatible with those of the third group of *philosophes*, the utopians, such as Rousseau, Morelly, and Mably, who wished to create society anew on the basis of equality. Steuart shows that the modern economy arises naturally out of a historical process. Likewise the different classes also arise out of the same process. Hence there is no “natural” state to which mankind can return, and the

modern economy is dependent on the existence of social inequalities. As traced throughout Book I, without the landlord class there is no initial spur in consumption and thus also to production. Without the farming class there is no provision of agriculture, or agricultural surplus that allows the emergence of freehands. And without the class of freehands there are no manufactures. Economics and society thus have an interdependent effect on each other. Economic power relations do not just play a vital role in social relations among the classes, but, as he traces throughout history, also in politics. For example, Steuart shows that the emergence of the modern market caused the class transformation from subordination to independence in feudal and modern times, “by the introduction of industry and circulation of an adequate equivalent for every price (209). On a national scale, modern commerce frees people from their traditional political masters, i.e. royal authority, because “the people having the fund of the Prince’s wealth in their own hands, have it also in their power to shake off his authority” (216).

Indeed, Steuart predicts that some form of inequality is necessary in order for men to be happy. In the new era of luxurious living and court appointments, Steuart says that those upon whom titles are bestowed are perceived to have distinction and respect and to be on the path to further advancement:

It requires a great stock of philosophy and good sense, not to be dazzled with these advantages. Independence, compared with them, is but a negative happiness. *To be truly happy, we must have power, and have other people to depend on us* (309, emphasis mine).

Further, Steuart has no Utopian ideal that he wants to manifest in the world. He describes Lycurgus’s Sparta as “the most perfect plan of political oeconomy, in my humble

opinion, anywhere to be met with, either in ancient or modern times” (218). However, this is not a society or plan that he seriously wants to recreate in the present.<sup>150</sup>

Steuart’s theory of the modern state was of a nation in an ongoing crisis, or on the verge of crisis. There is no state of nature to return to that will solve the problem. In fact, Steuart negatively addresses the concept of the original contract directly, as he feels that history shows that the rights of kings arose from different circumstances:

The rights of Kings, therefore, are to be sought for in history; and not founded upon the supposition of tacit contracts between them and their people, inferred from the principles of an imaginary law of nature, which makes all mankind equal: nature can never be in opposition to common reason (209).

According to Steuart, if the theory of the “social contract” were true, all governments would be similar and all conflicts between ruler and ruled that threaten the liberty of the subjects would be seen as equally tyrannical in every country, whereas his own belief admits of many different governments, and that “the prerogative of one sovereign may, from different circumstances, be far more extended than that of another” (210).

Rather than an equality of persons or distribution of goods, Steuart’s ideal modern state is one where there is an equality between what an individual contributes and what the individual draws from the state:

The political oeconomy of government is brought to perfection, when every class in general, and every individual in particular, is made to be aiding and assisting to the community, in proportion to the assistance he receives from it. This conveys my idea of a free and perfect society, which is, a general tacit contract, from which reciprocal and proportional services result universally between all those who compose it (88).

Besides the examples given above to demonstrate the general conflict between Steuart’s principles and those of the philosophes, there are of course various ways in

---

<sup>150</sup> Although Steuart spends Chapters XIII and XIV of Book I on Lycurgus’s Sparta, at the beginning of Chapter XV, he states that the previous two chapters were “introduced purposely to serve as an



which the details of his economics differ from theirs as well. A simple way to demonstrate the divergence in economic thought between Steuart and the groups of French Enlightenment thinkers is to explore the different groups through the lens of their opinion on a major topic of concern to French philosophers and economists, and indeed to all commercially developing countries in the eighteenth century.

### **4.3 All-Consuming Fire: Steuart and the Eighteenth Century Luxury Debate**

Mired in debt from their wars with Britain, France in the 1750's was also in the grip of a consumer frenzy. The appearance of new luxury goods and the growth of the merchant class both changed patterns of consumption and blurred the lines between the classes. Whereas previously, class distinctions could be made on the basis of dress and possession of luxury goods, the rise of the merchant class and manufacturing allowed the lower classes to consume luxuries as well. The increase in consumption, however, was a nationwide phenomenon and not just confined to the new merchant class. Faced with a large debt, defeat in the Seven Years War, and the prospect of a declining population, French thinkers began to wonder whether France's current difficult economic and martial state was the fault of luxurious consumption.

Writers on luxury and consumption had by this time split into two main camps. On the one hand were those, such as Mandeville, Melon, and Voltaire who promoted luxury and increased consumption as means to promote the social good. Not only did seemingly selfish acts of increased consumption result in unintended economic benefits, such as increased employment, increased food supply and thus increased population, and an increased diffusion of wealth, but also resulted in unintended positive social benefits.

---

illustration of general principles, and as a relaxation to the mind, like a farce between the acts of a serious opera" (227).

Voltaire felt that if a society had an increasing demand for ever more refined luxuries and commerce, this implied an increased sensibility or civility in those societies. Therefore, the increased consumption of luxuries was interpreted not as a sign of decline in a state, but rather as a sign of the continued progress of mankind, in particular a progress or refinement of the tastes of man. Luxury, therefore, could improve a nation's standard of living, its distribution of income, and its civility.<sup>151</sup>

On the other hand were Rousseau and his adherents. In his *Discours sur les Sciences et les Arts* (1750), Rousseau contended that luxury and increased consumption had corrupted the French culture and nation. Not only had luxury made men physically weak, but it had also made them forget civic virtue. Regardless of how he himself lived, Rousseau advocated a return to classical republican principles to restore the vitality and order of France. Only a return to stark simplicity could save the French nation.

Victor de Riqueti, the Marquis de Mirabeau entered the fray in 1756 with the publication of the first part of his book *L'Ami des Hommes, ou la Traité de la Population*. Mirabeau is known today as a member of Quesnay's inner circle who disseminated his master's ideas and helped found the Physiocratic school of thought, through the first publication of the *Tableau Economique*, which appears in part 6 of *L'Ami des Hommes* (1760). However, in his own time Mirabeau's approach to the luxury debate catapulted him to high celebrity status.<sup>152</sup> Schumpeter remarks that Mirabeau's fame in his time was greater than that enjoyed by any economist before or since (1961, 175n6). Such celebrity

---

<sup>151</sup> These latter notions achieved their full-flowering in the Scottish Enlightenment writing of Hume and Smith on sensibility and will be more directly addressed in Part III of the dissertation below.

<sup>152</sup> As Kwass (2004) relates, "admirers hung his portrait in salons and provincial halls of state; churchgoers paid twelve sous to sit near him at mass; fathers offered up their daughters for marriage; lawyers cited him in court; shopkeepers appropriated the book's title for their signs; and the dauphin of France himself claimed to know the text by heart" (188).

for Mirabeau is even more astounding given that this was a period when publication of French books increased in triplicate. Mornet's survey of private libraries found Mirabeau's to be the 13<sup>th</sup> most popular French book between 1750 and 1780 (Kwass 2004, 188).<sup>153</sup> In short, the *L'Ami des hommes* was both an economic and popular bestseller whose publication "constituted a true cultural event" (189).

Whereas the majority of writing on the luxury debate was locked in an argument as to the morality of increased consumption, Mirabeau uses a more scientific approach. He bases his argument on what he sees as the physical realities of excessive consumption, from which he can then make a moral argument. Allowing room for both economic growth and condemnation of excess, Mirabeau distinguishes between productive and destructive consumption. The latter is consumption that does not contribute to the state, or to its future or present citizens. For instance, the luxurious consumption of the landlords in the form of turning extensive tracts of land into parkland and decorative avenues and gardens, Mirabeau argues, steals potential food and growth from the nation and therefore deprives the state of future citizens (193). The increased consumption of cosmetic luxuries and personal pampering, such as fine clothes, curling hair, and having a retinue of chaises is also destructive because it weakens the vigor of the people, making them physically incapable of conducting their wars (195-196). Echoing later critics of speculation, such as Edmund Burke, Mirabeau also castigates the nobles for the selling of their services and titles, feeling that the nobility "forgets that being a Grand is its own reward, and makes a title of it" (quoted in Kwass 195) that can be bought and sold.

---

<sup>153</sup> In comparison, Diderot's *Encyclopedie* ranked 21<sup>st</sup> and Rousseau's *Discours sur les Sciences et les Arts* 34<sup>th</sup> (Kwass 189).

However, Mirabeau does not criticize the consumption patterns of the nobles only. It is the increased ability of the merchant class to consume goods that had previously been available only to the upper classes that distorts the established social system. Nobles traditionally dressed far more extravagantly and flamboyantly than the commoners and professionals. They were also allowed to carry certain items that were proscribed to the lower classes, such as swords. Previous to the growth of luxurious consumption, those who dressed both above and below their station were regarded with suspicion and contempt (Roche 1994). The distinction between classes was no longer as visually apparent now that the lower classes could afford the same trappings as the aristocrats, and “everyone has become a Monsieur” (quoted in Kwass, 194). Both the nobles and commons are degraded, in Mirabeau’s view, when everyone can be a Monsieur. Consumption in excess of extravagant clothes, furniture, houses, coaches and the like, when they “designate no more than wealth, from that moment on...luxury reigns. Emulation then turns toward wealth, but emulation of wealth is nothing but greed”(quoted in Kwass, 194). Mirabeau is also critical of luxurious consumption on a state level, in the decorations and state-funded works around Paris. Large scale excessively decorative Paris projects, or symbolic capital as Garrioch (2002) calls it, are also wasteful and degrade the capital rather than glorify it. Mirabeau feels that the end result of contemporary French consumption is an erosion of the nation’s moral fibre, an erosion of the nation’s physical well-being, and the waste of resources that could be put to better uses.

Luxurious consumption in and of itself is not seen as morally bad because it connects all aspects of society, as had also been noted by Cantillon and later by Steuart, and provides employment and income. However, when such consumption causes a shift

of resources away from agricultural production, then Mirabeau sees it as an evil, as it means that subsistence is being taken from some present or future segment of society, such that, “The double consumption of an individual is nothing other than the homicide of his neighbor” (quoted in Kwass 192-193).

Given that it could be generated solely from destructive consumption, the mere fact of economic growth is not enough to ensure the prosperity of a nation. Thus Mirabeau concludes, “You who look only for money without taking notice of where it goes or where it comes from, you are the true ministers of chaos” (196). Because decadence and decline are a part of Mirabeau’s cycle of history, there can be no sustained linear progress. While economic maturity in the form of a free commercial economy is desirable, it is only so as long as decadence can be curtailed or prevented.

Mirabeau is sympathetic to Rousseau’s position, but does not believe that such an absolute position condemning all luxurious consumption has to be taken. His own policy prescription is Physiocratic: implement free trade policies to allow goods to circulate more freely and also end the monopoly of luxury goods over agriculture, and therefore restore the market of basic goods. Mirabeau’s political solution is to replace the debt ridden state and its system of spectacular finances with a classical republican state ruled by a monarch. Rebuilt on the idea of honor, sacrifice, and service, rather than payment and finance, and civic virtues, consumers would be encouraged to curb their greedy desires, to think of the greater good, and, in the case of landowners, to promote agriculture (197-201). Such a system would also result in the reduction of taxes, decoration in the capital, debt and interest rates, and the number of superfluous offices in the French administration, thus ending the flow of goods to royal servants, which would now be given to the monarchy as a matter of honor rather than as a matter of purchase (201). Educating the landowners in

republican principles would reduce the competition between consumers because as the landowners would curtail their consumption, so too would the lower classes. The great landowners would also manage their land more efficiently and spend their money in a more productive manner. All people would be investing for productivity, coming largely from agriculture, rather than spending solely for their own gratification and decoration.

Although it is never explicitly addressed, the *Principles* takes direct and spirited part in the eighteenth century luxury debate. Indeed, Steuart does not have to mention the debate as it was a well-known issue in political economy and moral philosophy and in society overall to his eighteenth century audience. References to the debate are peppered throughout the *Principles*. In the Preface to Book I, when speaking of how it is necessary to define terms in order to avoid misunderstandings, he presents the arguments of both major sides of the debate: “Luxury, says one, is incompatible with the prosperity of a state. Luxury is the fountain of a nation’s welfare and happiness, says another” (8). So too is Steuart aware that both sides in the debate were arguing about slightly different definitions of the term:

The first may consider luxury as prejudicial to foreign trade, and as corrupting the morals of a people. The other may consider luxury as the means of providing employment for such as must live by their industry, and of promoting an equable circulation of wealth and subsistence, through all the classes of inhabitants (8-9).

The reader will recognize the first case references here as the opinion of the Rousseauists, and the second as that of the progressive consumptionists.

Within the *Principles* he addresses and casts aside the arguments of both, and at the same time answers Mirabeau’s Physiocratic concerns. Steuart addresses the case of France specifically in Book I.

Steuart first enters the argument by altering the definition of luxury:

By LUXURY, I understand the consumption of any thing produced by the labour or ingenuity of man, which flatters our senses or taste of living, and which is neither necessary for our being well fed, well clothed, well defended against the injuries of the weather, or for securing us against every thing which can hurt us”(43-44).

He relates that he is “no patron of vice, profusion, or the dissipation of private fortunes,” but that he is here considering “only the influence they have as to feeding and multiplying a people” (44 fn2). He reemphasizes in Chapter XX, Book II that luxury is not “superfluity and excess,” but “*the providing of superfluities, in favour of a consumption, which necessarily must produce the good effects of giving employment and bread to the industrious*” (265, emphasis Steuart’s). The appearance of luxury is thus treated as a positive development because it indicates an improvement in human capital and an increase in the demand for workers. Therefore, the poor do not suffer from the appearance of luxuries, as it is the moneyed class who exchange their money for such goods, and thus the poor benefit from the resulting increase in employment, and so he counters the Rousseauists.

However, Steuart is aware that limiting the definition may give the impression that he has:

purposely confined the meaning of a general term to a particular acceptation, in order to lead to error, and with a view to conceal the vicious influence of modern oeconomy over the minds of mankind; which influence, if vicious, cannot fail to affect even their political happiness (265).

He defends his definition and makes a distinction between the benefits and the harms of luxury. Negative luxury, or excess, is that which produces a bad effect on the mind, body, fortune, or the state. He then makes a clear distinction between what is physically necessary and the “*political-necessary*,” which “has for its object, certain articles of physical superfluity, which distinguishes what we call *rank* in society” (270,

emphasis Stuart's). He does not condemn luxurious consumption outright because he is aware that the political necessary varies greatly across time and from society to society. Luxury in moderation however is always to be desired and to be increased because it indicates increases in the productive and creative capacities of man. Thus a state of stark simplicity is to be avoided, as it would indicate a regress or a stagnation of both the ingenuity of labor and the demand of consumers.

As for the utopians, Stuart counters their policy prescriptions in Book II in the context of the development of symbolic money. He compares nations which circulate only metals as a form of exchange with those which circulate their metals, lands, houses, "their services, even their hours." The latter encourages industry to develop far more and far faster than those nations who circulate metals only (316). Stuart encourages such circulation when "the progress of industry demands a circulation beyond the power of metals to perform" (316). The use of "symbolical money" allows those who have possessions of value to take part in the economic process: "In other words, it is a method of melting down, as it were, the very causes of inequality, and of rendering fortunes equal" (316). Stuart then addresses the utopians directly:

The patrons therefore of Agrarian laws and of universal equality, instead of crying down luxury and superfluous consumption, ought rather to be contriving methods for rendering them more universal...

Some have persuaded themselves, that an equality of fortune would banish luxury and superfluous consumption...Equality of fortune would certainly change the nature of luxury, it would diminish the consumption of some, and would augment the consumption of others; but without making people idle, it could never destroy industry itself, and while this subsists to an equal degree, there must be the same quantity of what it produces regularly consumed. Farther, this proposition never can be advanced, but on the supposition that the luxurious person, that is, the consumer, must be richer than he who supplies him...Must the carter who drinks a pot of beer be richer than the alehouseman?...the client than the lawyer? the sick than the physician?

How then does it appear that equality must prevent luxury, unless we suppose every one confined to an absolute physical-necessary, and either deprived of the faculty of contriving, or of the power of acquiring any thing beyond it...



Absolute equality, de facto, is an absurd supposition, if applied to a human society. Must not frugality amass, and prodigality dissipate? (316-317).

As he encourages states to take measures to allow equality to come about, Steuart is not opposed to equality, but rather to superficial measures that enforce equality of possessions. For instance, he counters the suggestions of Wallace, Hume, and Montesquieu that an equal distribution of lands, as suggested by the ancients, would solve many ills, because the economy of the day is different than that of the ancients, and thus their plan will not suffice for the problems of the modern state (125-132).

Instead, Steuart seeks to promote industry as a better way to equality because “dissipation may correct the effects of hoarding, and hoarding again corrects those of dissipation... This is the most effectual remedy both against poverty and riches; because the rich and poor are thereby perpetually made to change conditions” (318). In the course of such exchanges and changes in equality, there will come a time when the sides will be equal before they surpass each other again. Clearly, Steuart does not believe that equality can be maintained permanently between the classes in the modern commercial society. It is then apt to say that Steuart believes not in an equal distribution of goods, but, that each person has “an equal chance, I may say a certainty, of becoming rich in proportion to his industry” (Steuart 1805, ii, 156).

As for Mirabeau, Steuart and the Physiocrat do share some common ground. Mirabeau and Steuart are in agreement that the growth of economies is cyclical, and that a higher level of consumption is neither necessarily sustainable nor desirable. Steuart observes, as does Mirabeau, that the emergence and spread of wealth from market transactions has blurred the lines between the social classes. Both reject a state of stark republican simplicity while retaining the notions of classical republican virtue in the administration of the state. However, Mirabeau is more zealous in its implementation

than Steuart. Whereas Mirabeau wants all of society to be reeducated in republican virtue, Steuart knows that this is not realistic in the modern society, and thus places the onus of virtue on the statesman, which shall be more fully addressed in a later chapter.<sup>154</sup>

Mirabeau and Steuart are also in agreement that there are both productive and destructive results of luxury. However, again Mirabeau is much more far-reaching than Steuart in his condemnation of luxurious consumption and its effects.

There are many places where Steuart feels he must counter “a very polite French writer, the author of the *l’Ami de l’Homme*”(136). Again counter to the Physiocrats, Steuart does not see agriculture as the sole source of valuable production in society. He also does not feel that France is fully cultivated or populated. Therefore, he does not condemn consumption that allegedly takes resources away from agriculture. As for the effects of consumption on an individual’s morality, the danger of excessive consumption,

appears to be relative to the character of the consumers, and seems in no way to proceed from the effects of the consumption. The vices of men may no doubt prove the cause of their making a superfluous consumption; but the consumption they make can hardly ever be the cause of this vice” (136-137).

The consumption and production of luxurious goods themselves, he concludes, are equally compatible with virtue and vice.

Steuart traces the development of France to its current state and acknowledges that it has done so “by slow degrees” (137). Thus increases in consumption have been met with equal increases in production, and thus also employment. He then implies that an increase in the demand for goods will increase agriculture, due to the increase in the demand for workers. While he concedes that the increase in national demand can cause all prices to rise, Steuart argues that current higher prices help agriculture by making it

---

<sup>154</sup> See Chapter Eight, “Altered States,” below.

more profitable, and thus cause more people to improve and cultivate their land. This will in turn cause a surplus which will make food cheaper and increase population, thus “improvement and population are carried to their height” (138).

Mirabeau’s protest about landowners turning their pastures to parkland is answered within this context. An individual landowner turning a portion of his fields into ornamental gardens is very different from a nation-wide movement to do the same thing. The former can impoverish the people and hurt future generations, “were the laying waste the cornfields a sudden revolution, and extensive enough to affect the whole society; and were the sea-ports and barriers of the kingdom shut...” (138). Additionally, if a landowner turns his fields into parkland, he has reduced the amount of competition the husbandmen face and thus still has improved the lot of agriculture.

Increases in demand for goods have their limits besides. Although Steuart acknowledges that “there are no bounds to the consumption of *work*,” the case is different for food (139). There is a limit to how much one can eat, and thus a limit at any one time to the demand for nourishment, and this is especially the case with exotic luxury foods. Our economist seems to almost caution Mirabeau that if he wants to find out who is being spendthrift with food products that he not look to those who are consuming luxuries, as,

It is not in the most expensive kitchens where there is found the most prodigal dissipation of the abundant fruits of the earth; and it is with such that a people is fed, not with ortolans, truffles, and oysters sent from Marenne (139).

As long as industry increases its capacity to meet society’s demands and there are unused resources in the nation, leaving foreign trade aside, then Steuart does not see luxury and increased consumption as a misuse either of natural resources or of men’s labor. He concludes with a “recommend[ation] to moralists, to study circumstances well,

before they carry a pretended reformation so far, as to interrupt an established system in the political oeconomy of their country” (139).

Although there is some overlap between Steuart and all three groups of French thinkers examined above, his ultimate conclusions differ from theirs. While Steuart does see an increase in consumption as progress, it is only so insofar as the nation still has the ability to supply those wants, and such growth is not unlimited, especially once foreign trade is introduced. He does acknowledge that luxury can produce negative effects on the body and hence on society, but feels that the consumption of luxury goods itself is neither virtuous nor vicious. Consumption provides for the employment and income of the people, and thus increases population, despite whatever the intentions of consumers may be. This could be said to be in agreement with the progressive consumptionists. However, like Mirabeau, Steuart views economic growth and development cyclically and thus that there will be a period of decline even if a nation has achieved great progress. As for civic virtue, Steuart sees a place for it in the education of the nobility and the establishment of an *hôtel militaire*, but does not believe that modern society as a whole can still be modeled on classical republican lines (72-73).

The policy conclusions of the two men also differ, as Mirabeau recommends a single tax on land, as the source of the net product, whereas Steuart feels it is fairer to have a sales tax on luxury goods. Taxes on land and property however are fine for the wealthy but for the working class would be “adding to their misery, without relieving the wants of the state” (1767, 638). One should not think that Steuart is taking the side of the workers against his own class, but that he was adhering to his own principle that, “Taxes ought to be imposed for the benefit of the public, not of private people” (1767, vol II, 640).

In even more general terms, Steuart disagrees with all the schools of French thought in their promotion of the individual over the state and the belief that, left unfettered, natural forces in economy will result in the best social outcome. In each case presented above, Steuart's thought also has some common ground with the French, but also in each case he does not fit completely well. The same phenomenon occurs, perhaps unexpectedly, when one turns to the same issue in the Scottish Enlightenment.

#### **4.4 “Altogether Endless Desires”: The Luxury Debate & the Scottish Enlightenment**

Drawing from Macfie's (1955) definition, Steuart belongs to the Scottish school of the Enlightenment due to his sociological historical methodology, as has been documented by Skinner (1965 & 1966a) and Hutchison (1988). And yet, Steuart's economic thought does not rest any more easily here than in the French Enlightenment.<sup>155</sup> The reason may have as much to do with method as belief. According to Sen, the Scots' “uniformitarianism, their rationalistic individualism, their appeal to *consensus gentium*, their cosmopolitanism, their negative philosophy of history—in fact, every characteristic feature of their general outlook, differed from that of Steuart (183). A lack of faith in the law of nature to produce order should be added to this list. While his compatriots explore the science of man, Steuart seeks to make a science of how to:

...secure a certain fund of subsistence for all the inhabitants, to obviate every circumstance which may render it precarious; to provide every thing necessary for supplying the wants of the society, and to employ the inhabitants (supposing them to be free-men) in such a manner as naturally to create reciprocal relations and

---

<sup>155</sup> For instance, there are many points of difference between Steuart and Smith and Hume on specific economic topics, such as the establishment of banks, paper and public credit, free trade, and the relationship of rich to poor countries in competition for foreign markets, to name a few. These topics are outside of the scope of the present section, but are covered in Chapter Nine.

dependencies between them, so as to make their several interests lead them to supply one another with their reciprocal wants (17).

Steuart's focus on the need for the government to help accomplish the above goals leads us to a major difference in entry point between Steuart and his fellow Scots.

Although he does see that there are public benefits to self-interested acts of consumption, Steuart disagrees that an economic system based purely on self-interest and left to its own devices will result in optimal social outcomes. His experience first with the laboring poor in Scotland, the famine in Andalusia, and then the struggles of the Jacobite community in Paris showed him that the benefits of self-interested actions did not diffuse equally or, more importantly, reliably, throughout market society. Inspired by such realities, Steuart theorizes a nation and economy always hovering just on the borders of crisis. Therefore, he sees a "system of natural liberty," such as Smith's, as more likely to result in chaos than the provision of suitable employment and subsistence. Government's main duty then is both to provide the conditions for the people to obtain subsistence and employment, and to prevent crisis or further instability in the society and economy.

As shown above, Steuart sees luxurious consumption as a self-interested act that produces the public benefits of increased consumption, increased dispersion of wealth, and increased employment. Here he is in keeping with his Scottish Enlightenment fellows that the new economy has greater benefits than a state of simplicity. Additionally, he takes the Scottish historical view that luxurious consumption arises out of a natural progression in history from primitivism to the evolving modern commercial society. Steuart agrees with Smith's later assertion that people have "altogether endless desires" (WN 181) that cause luxury to grow, potentially, to infinity. And, like Hume, Steuart also emphasizes the interdependence of the sectors of society and that it is the luxurious consumption of the rich that first promotes industry in society (1987, 277). Steuart makes

interdependence the central factor of his economy and expands the analysis of the role of luxury in economic growth beyond Hume's treatment. Like Smith after him, Steuart also emphasizes the role of ingenuity, or the increased skill of workers, in the creation of luxuries, and their contribution to economic growth.

However, whereas Steuart acknowledges ingenuity as an increase in the human capital of the nation, Smith uses ingenuity to close a potentially messy intellectual gap between the price of luxury goods and their actual usefulness. For Smith, the ingenuity of craftsmanship closes the gap between usefulness and expense, such gaps as he always feels are revolting to the mind as he says in his essay on astronomy and in the TMS. Ingenuity makes up for the lack of usefulness in such luxury goods, and therefore continues to contribute, not to the capital stock, but to the stock of sensibility in the society.<sup>156</sup>

It is in this notion of increased refinement that there is another major divergence between Steuart and his fellow Scots on the issue of luxury and economic growth in general. Hume's position that, "The more the refined arts advance, the more sociable men become," is also characteristic of Smith's view ("Of Refinement..." 107). But for Steuart an increase in luxury and consumption, rather than a refinement of tastes and sensibility, implies an increase in both the aspirations and craftsmanship of the two lower classes. It is not tastes that have been refined, but productivity and abilities. As will be addressed more fully in Part III of the dissertation, while his fellow Scots are dealing with

---

<sup>156</sup> Smith validates luxurious consumption if the value of the labor in such goods is durable and can be traded for something in the future, thus adding to the capital stock of the country (De Marchi 25). Steuart has an analogous analysis of the loss of value in services as opposed to durable goods. However for Steuart, the end result is still that the consumption of both luxury goods *and* services will promote economic growth through employment and income creation, and therefore is still desirable consumption.

abstractions about sentiments rather than the purely physical realities of consumption, Steuart is dealing with a subject that will result in a physical and abstract realities: more goods to be consumed and a desire to work harder to be able to purchase such goods.

While Smith is personally averse to luxury, as Steuart is not, he does see the necessity of luxury to increase the production of the nation, but not in terms either of how it causes workers to increase their productivity or how new goods are disseminated across society.<sup>157</sup> Rather, Smith is preoccupied with growth from a productivity standpoint and thus is not necessarily concerned with why there are new patterns of consumption. Buried deep in Book V, Smith addresses the topic of luxury rather late in the *Wealth of Nations*, where he is already taking luxurious consumption for granted. As noted by De Marchi (1999), Smith assumes that most of mankind's demands are for luxury goods, as necessities make up a relatively small part of total consumption, and thus fulfill largely psychological, rather than physical, needs. Rather than the virtue or vice involved, Smith's concern is more, as Hont (1983) and Buchan (2004) explain, with how it is that even the lower classes of modern commercial societies enjoy more luxuries than the nobles of ancient, and even present, more primitive economies. The answer is, of course, due to the division of labour and the allowance for people to pursue their self-interest without having to reference public spirit or statesmen (Buchan 227-231). In short, Smith's focus is on the production of goods.

Meanwhile, Steuart's focus, as ever, is on consumption, on the employment of mankind, and how labor and the economy itself make use of and advance men's gifts of

---

<sup>157</sup> Smith, seeing luxuries as a threat to virtue, "was not only skeptical towards luxuries in general, but stern in his personal handling of them." He burned several of his own items as an example when he found they were prohibited imports when he was Commissioner of Customs (De Marchi 1999, 18-19).



ingenuity in creating new objects of desire, which in turn will cause workmen to aspire to higher levels of consumption, thus raising their productivity and income, and that of the state.<sup>158</sup>

#### 4.5 Matters of Style and Substance

As has been seen, the substance of Steuart's argument, that the statesman is necessary, that individuals play a vital role but cannot escape the social problems created by self-interest, sets him apart from both the *philosophes* and from his fellow Scottish Enlighteners. There are also differences between Steuart and the others that are a matter of style. All of these differences, I would argue, arise out of a difference in purpose formed by a difference in circumstances.

In the biographical and historical chapters above, it is shown that Steuart's ambition as a young man was to attain a high office of state, and he would have done so had the '45 succeeded. Thus his policy prescriptions and view of the economy are not merely philosophical fancies, but are constructed with an eye towards actual implementation and practicality. In dealing with the real world and the production of real desired results rather than with the salon and the academy, Steuart does not have the freedom of speculation and experiment that the French and Scottish Enlightenment thinkers do.

The culture of the salon, and to a lesser degree, the Scottish academy, encouraged the exchange of bold new ideas, but not necessarily an in-depth critique of their application, or predicted efficacy. Therefore, the philosophes and professors are free

---

<sup>158</sup> Steuart and Smith of course come to differing policy conclusions regarding consumption and luxury. Smith advocates a tax on necessities whereas Steuart advocates a general sales tax as above discussed.

to set forth ideas without considering the practicality of their being put into practice.<sup>159</sup> Excepting the Physiocrats, few of the philosophes had actual influence on the social or economic policy of the country until the 1770s.<sup>160</sup> Although the philosophes' sway over the opinion of the men of letters allowed them to become what Roche calls "a substitute government," in their lack of influence on policy they were also, "at once omnipotent and powerless" (1998, 422). Here there is a definite difference in influence in the company Smith and Steuart chose to keep on their respective works. When Smith made his trip to France and Geneva, almost ten years after Steuart first lived there, he made the rounds of the salons where he met and was influenced by many of the main writers of the French Enlightenment.<sup>161</sup> By contrast, those with whom Steuart associated in France, the Parlement, were actual law and policymakers who had a direct influence on the policy of the country.

Another difference between Steuart and the Scottish, but more especially the French, thinkers is that they did not live in an environment that was politically hostile to them. This caused the philosophes to become what Hampson terms a "perpetual opposition, with the tendency towards generalized and abstract criticism that role usually implies" (1963, 45). At this time Steuart was in a very different situation than they, a man living in exile from a conquered country. Rather than a perpetual opposition engaging in speculation, with memory as his only country, Steuart wants to build the strength of the

---

<sup>159</sup> In Scotland, a majority of the prominent figures of the Enlightenment, such as Smith, Hutcheson, Reid, Millar, Ferguson, and Robertson were professors. Hume, Steuart, and Lord Kames figure among the exceptions.

<sup>160</sup> In the 1770s and beyond, the situation was different, as is evidenced by Turgot's, Necker's, and Condorcet's positions in government and influence on economic policy.

<sup>161</sup> Among those whom Smith met and became friends with are Morellet, Turgot, Quesnay, Voltaire, Helvetius, d'Holbach, the Comtesse de Bouffler, Mme l'Espinasse, D'Alembert, Mdm Riccoboni, Necker, DuPont de Nemours, and probably also Rousseau before his departure for England with Hume (Stewart 1793, 45; West 1976, 153-178; and Ross 1995, 195-219).

state on practical economic policy, as he and his family already knew the consequences of a country's collapse and absorption into another.

As for style, the differences between Steuart and his Enlightenment fellows are simply explained. Elegance and lucidity of writing are not prime considerations in Steuart's *Principles*, which contemporary, and even some modern, reviewers characterize as "a difficult book to read, often lacking in organization, and totally devoid of charm" (Skinner 1966a, lviii).<sup>162</sup> By contrast, Smith's work is praised as being the height of literary sophistication in his subject (*Annual Review* 1805, 253). But Smith's work is intentionally written according to his own rules of rhetoric and sensibility. As noted by Gay (1964) in his essay "Towards Synthesis," the *philosophes* also were men of letters, and therefore men who devoted a large amount of time and effort to their particular writing style, academics writing for an academic audience. Steuart is not part of the academy and never intends his audience to be purely academic. Rather, in the preface he repeatedly presents his inquiry "to the public" and "for future statesmen" (1966, 1 & 13). Writing more often than not in the first and second persons, directly addressing an invisible audience, often presenting and answering possible objections, Steuart's book takes the form more of a conversation than a philosophical treatise. Therefore, the tone and argument of Steuart's work is very different than those of works intended for elegant presentation in a salon.

During the period of his life when he conceived and wrote *The Principles*, Steuart then was in a very different position from the *philosophes*. However, like some of the *philosophes*, he experienced exile and like them, during this period, he had no influence in the government in the country that had been his own. However, unlike them and many of

his Scottish Enlightenment fellows, he was against speculation for its own sake. He wanted only to consider that which would be useful for helping man and society, to see what could increase employment and create the opportunity for the attainment of proper subsistence, while binding members of society together through their interdependent economic functions (17).

Where then can one place Steuart in the realm of the Enlightenment if one is to escape the misclassification of him as a pre-classical mercantilist, French Enlightenment, or Scottish Enlightenment thinker? As has been stated above, Steuart is definitely a member of the Scottish school in his sociological-historical economic methodology. But there are elements in Steuart's works that *are* distinctly different, and not just "unEnglish" as one of his reviewers once said, from the Scottish Enlightenment (*Monthly Review* 1767, 464). The key to this difference lies in where Steuart traveled next.

---

<sup>162</sup> Steuart's friend David Hume too was critical of the book's "form and style" (Greig 1936, I, 158n)

## CHAPTER 5

### IN THE FATHER'S HOUSE:

#### THE STATESMAN AND STEUART'S *PRINCIPLES*

#### IN THE CONTEXT OF CAMERALISM AND THE GERMAN ENLIGHTENMENT

### 5.1 Into Germany

As tensions between Britain and France over matters in North America increased, Steuart decided to leave Paris for Belgium. According to Skinner this was so that his chances for pardon would not be adversely affected by his being seen to be in such close company again with the enemies of Britain (1966a). However, in her memoir Frances is upfront that they really left France to prevent the forfeiture of their lands in Scotland, as would happen to any British citizens living in France once the war broke out (60). The family moved to Flanders, but found that the English ministers in several towns, including Brussels, knew them for exiled Jacobites. Their social situation thus made it difficult for the couple to fit into the social life there and therefore to obtain a good education for their son. They moved to Liege, but Frances says that “after a month’s stay in that dirty town we resolved to make a small delay in fixing anywhere” (60-61).

In the meantime, Steuart decided it best for Frances to go to England with young James, then 11, to get him inoculated. While in England Frances would also see to

family business and try to obtain a pardon for her husband.<sup>163</sup> Frances and young James left for London in late December 1755, while Steuart returned to Brussels in order to receive Frances's letters more easily (62). Despite Frances' best and fervent attempts, the pardon continued to be denied.<sup>164</sup>

Once Frances returned to the Continent, the family moved to Spa and decided to enroll young James at Liege. They were in close enough proximity to visit their son whenever they wanted, and they passed some enjoyable years there until Steuart was afflicted with his first major attack of the gout. The malady was to affect him for the rest of his life.

It was in Spa that the Stuarts met a Mr Burrage, a glum little man, according to Frances and Steuart's sister Margaret, but he apparently had wisdom and personality enough to convince Steuart to visit Germany.<sup>165</sup> Burrage was an English envoy to the courts of the Rhine and thus was able to supply Steuart with information about the country and the quality of education to be received there. Shortly thereafter, the family visited Burrage in Frankfurt, where, unable to travel because of the bitterly cold winter, Steuart took lodgings and started to learn German. He also met with the local merchants and acquired "considerable information upon commercial subjects" that was later incorporated into the *Principles* (CC 303-305). Socially, he and Frances met "both the noblesse and

---

<sup>163</sup> Perhaps unusual for the eighteenth century, Lady Frances was entrusted with a great deal of responsibility for her husband's fortunes and affairs. He trusted her utterly, placing "full confidence in her activity, prudence, and affection; and he had never occasion for any other agent" (CC 303).

<sup>164</sup> One minister, a Lord Hardwick, had known Lord Advocate Steuart and expressed that he was "more than piqued" that Steuart had taken part in the rebellion, and he informed Frances that the pardon would not pass. Frances tried to intervene with Lady Hardwick but was met with coldness (70-73). In the meantime, Steuart wrote his wife "consolatory letters" (77). Frances went then to Scotland "for perhaps the last time to visit friends and attend to business" (78). Her father had died in her absence and her siblings were in a distressed state of affairs.

<sup>165</sup> Margaret Steuart had wed David Polton of Calderwood and the anecdotes of her trip to London, the Netherlands, and Belgium are preserved in the *Coltness Collections* (194-211).

with the greatest merchants-these two classes never mix-but strangers are well-received by both” (95).<sup>166</sup>

After much investigation into the German universities, the Steuarts moved to the small university town of Tübingen in the duchy of Wurtemberg in 1757. Frances describes Tübingen to her friend Mrs Napier as “the most remote place we have yet been in since leaving Great Britain, a small country town, but its deficiencies are fully recompensed to us from the good quality it has with regard to James’ education which is on as good a footing here as anywhere in Europe” (quoted in Skinner 1999a, 14). She further portrays it in her memoir as “a very poor ugly town—but beautifully situated we lodged ourselves by taking a lease of two flats in the best house (one of them) in town” (97). Lodging there they met “a young prince of Birkenfeldt of the Palatine family whose picture we have here at Coltness” (98), who lived with his governor across the street. Young James and the prince became firm friends and the German boy came to the Steuarts’ house “at all hours, and on all occasions as if he had been their child” (CC 308). The boarding house was occupied mostly by students and the Steuarts were as gracious with them as they were with the young prince, happily partaking in the town’s tradition of the major families of the town having all the students to dinner once a week (F Stuart 110). Taking full advantage of the loan of a summer house in the country, the Steuarts also often escaped alone, taking “a cold dinner with us and our books” (110). The *Principles* began to take further shape in this pleasant atmosphere in the summer house where Frances “copyed over and read with him his works” (113).

---

<sup>166</sup> Again, the time there seems to have induced some restlessness as they found themselves often invited to five hour long card parties that did not end until dinner was served at 12 or 1am. Frances relates, “This seemed to us a most tedious, insipid way of spending so much time” (96).

Despite the remoteness of Tübingen, Frances paints a picture of an idyllic time in happy company. Ever affable, the Steuarts fell easily into the social scene of the town. More importantly, in falling into the social scene they also became acquainted with the political and intellectual life of the town and duchy.

## **5.2 Town and Country: Steuart at Tübingen and Abroad**

In his time in Tübingen, Steuart became well-acquainted with the countryside, people, and governance of the duchy of Wurtemberg. He and Frances had an open invitation, which they often accepted, to visit the Prince and Princess of Heghingen Hoenzollern who lived a three miles' drive from Tübingen anytime they happened to be out in the country. An invitation also later arrived from the Margrave and Margravine of Baden-Durlach who the Steuarts visited with at length at Karlsruhe, where Steuart and the Margrave would “talk of Politicks of which he was very keen, or of their studys” (F Steuart 115 & 142).<sup>167</sup> Steuart also accompanied the professor of theology of the university on an official inspection tour of the schools of the duchy, “and inquiring into the methods in which they were conducted” (CC 308). The progress represented a prime opportunity to become acquainted with the country, its people, and their customs, as they stayed with local clergy and in monasteries and ate in public houses in between inspections. When the time came for the yearly assizes for the duchy, Steuart also met and conversed with the Duke of Wurtemberg, who held his court at the university (F Steuart 134).

The Duke of Wurtemberg financed the university, which was “celebrated for its skillful professors” (*Annual Review* 1805, 252-3). Steuart was well acquainted with many

---

<sup>167</sup> Incidentally, the Margrave was later to become a correspondent of Mirabeau and was eventually won over to Physiocracy (Skinner 1966b, xxxix, fn 88).



of them. Frances's memoir relates that, "...he connected with them closely and entered on a life of study suitable to his genius and entertainment. Those gentlemen came frequently to him in their hours of relaxation and they learned from him and he from them" (103-104). In the evenings the professors, a group of local politicians, the prince, and several attendants would retire to the Steuart house, go for walks in the country side, and then return to discuss a variety of topics including the progress of the Seven Years War, which they kept track of by marking a map on the wall, current events from the newspapers they had sent to them from all over Europe, politics, and, one assumes, economics (107-108 and CC 306).<sup>168</sup>

Unfortunately there is little information available about the professors with whom Steuart spent so much of his time. However, it is possible to begin to piece together some of their identities. Frances names professors Knies, of whom I have not been able to find any information, and Lohenschield, who must be the Lohenschield who Tribe says was a philosophy professor who taught *Statistik* there from 1753-1761 (F Steuart 107). Others with whom Steuart may have been acquainted include FW Tafinger, a law professor who began a series of lectures on *Polizeiwissenschaft* in 1757; GD Daniel, also a law professor, who lectured on the combined topics of politics, oeconomy, diplomacy, and heraldry in 1757 and 1758; and a professor that Chamley identifies as Oetinger but gives no further information (Tribe 1988, 138 fn16 and Chamley 1963).<sup>169</sup> From what can be

---

<sup>168</sup> These meetings were at first difficult as the only common language they had was French and only two of the professors knew it. But a student from the university, probably the same Goguel who wrote to Frances about a French translation of the *Principles*, served as translator until Steuart had sufficiently learned German (F Steuart 102 and *Coltness Manuscripts*).

<sup>169</sup> It is unclear whether this is the theologian Friedrich Christian Oetinger, who graduated from Tübingen, but was not, however, a professor there.

gathered here, the study of economic subjects was taking on a renewal in several disciplines.

This enthusiasm for economic topics may have caused Sir James to apply himself more fully to his book, which, from his own words in the first edition of the *Principles*, he had begun in 1749 (1767, 646). As Frances further relates:

...here he carried on the great Work of his political Economy and (one of them particularly (a professor) something of the same turn of genius for such subjects with himself) used to converse with him, and for years after we came away from that place corresponded with him concerning a translation when this professor was about making it in German (104).

The professor in question is referred to by Frances as Mr Schott. Frances' memoir and the other primary documents do not tell us anything else about him unfortunately.

However, there is no doubt that he is the same man that Tribe identifies as philosophy professor CF Schott, or Christoph Friedrich Schott, as identified by the National Library of Scotland as the translator of the Tübingen edition of the *Principles* (NLS 2004, 3 and Tribe 1988, 136-138).<sup>170</sup> He taught a course on trade in the summer of 1758 (Tribe 138 fn 18).

The time that Steuart spent in Tübingen is pivotal. He completed the first two books of the *Principles* while he was living here, the foundational books on the statesman, population and agriculture, and the emergence of the modern market.<sup>171</sup> The professors and statesmen with whom Steuart conversed and learned from during this period were

---

<sup>170</sup> The German edition of the *Principles* went through multiple well-received editions from 1769-1779. There was also a Hamburg edition that was printed, but Schott's is apparently more faithful to the original (NLS 2004, 3).

<sup>171</sup> Steuart sent two draft copies of the manuscript, dated August 1759, to his friends Lady Mary Wortley Montague and the Margrave of Baden-Durlach (Skinner 1966b, xli fn101). Meanwhile, also in 1759, Smith published the *Theory of Moral Sentiments* and Quesnay's *Tableau Economique* entered its third edition.

influenced by the intellectual currents of the German Enlightenment, and so it is essential here to begin to explore the ideas and movements of the German Enlightenment to see what influence, if any, it may have had on the course of Stuart's work.

### **5.3 The *Aufklärung***

The authors of German enlightenment differed from their French counterparts not only in the problems they wrote about, but also in how they implemented their ideas. The German enlighteners wanted to work *with* government and religion; reason was seen as a complement to religion rather than a substitute. In Germany the goal was not to reform through an overthrow of traditional society and morals, but rather to enact a program of moderate reform from within the existing framework of state and society (Whaley 1981, 115-117).

In the German states the Enlightenment took both Catholic and Protestant forms, which nonetheless had identical goals: to better the welfare of the people. Through the universities, the Catholic Enlightenment moved from the monasteries to the towns. It focused on working with government for educational reform, social welfare reform, and increased toleration of other religions (Blanning 1981, 118-126). The Protestant counterpart was concerned with the practical realities of government and finding the best way the state could disseminate information to the public. Protestant enlighteners also enacted educational reform so that people could function better in the existing society. But a balance had to be struck as to how much information was best for the public welfare, as too much information in the hands of the public was thought to be dangerous (Whaley, 106-113). Across both movements there was an aversion to any disruption of the current social order, and so gradual and peaceful reform were emphasized. As in the Catholic movement, state and religion worked together to bring educational and other

social reforms to the people. Universities played a major role by providing ideas, as well as educated men to carry out the reforms in government.

Thus the general intellectual trend in Germany was a reliance on university education to train future leaders and to institute reforms both to provide information and to promote reforms that would increase social welfare. Below I shall explore the connections that tie Steuart more tightly to the development of German economic thought than to the to the French and Scottish developments of political economy. Particular emphasis is placed on German cameralism, which concerns the economic education of future statesmen.

It is not shockingly new for me to claim that Steuart's works exhibit cameralist tendencies. He has previously been identified in various articles as having cameralist proclivities (Johnson 1937, Skinner 1965, 1966a & 1981, Small 1909, Redman 1996, Hutchison 1988). However, these works tend to focus on one or another aspect of Steuart's work and its connection to cameralism, but they do not make the connection that this places Steuart more firmly in the realm of the German Enlightenment. As such, I furthermore suggest below that Steuart's work be seen as part of a robust cameralistic tradition of economic education. The *Principles* thus becomes not just the first English language treatise on economics, but also the first English language textbook on economics as a subject. The great German economic textbook tradition began, however, within the cameralist movement, and it is to this science that I now turn.

#### **5.4 In the Father's House: Steuart and the Tradition of German Cameralism**

Although the science and study of cameralism had existed since the sixteenth century, it received new life in the eighteenth, as it provided "an almost ideal theoretical justification and practical guideline for the implementation of enlightened reform"

(Whaley 113). The cameralists were a group of German theorists who wrote from the sixteenth-eighteenth centuries on how a strong state could maximize its peoples' welfare. Foremost among them in the time in which Stuart was in Germany were Darjes, Seckendorff, Dithmar, Sonnenfels, and Von Justi, the latter two of whom cite Stuart as the premier economic authority (Skinner 1966a). The cameralists did not see the economy as separate from the polity, and thus economics takes place within the administration of the state, a subfield of political science. Working to find the policies that will best meet the fiscal needs of the state, cameralism works within the framework of established government, not to overthrow or bypass it. The guiding principle of the Cameralists is the national welfare, which always trumps that of individuals: "...the idea of the state and of government dominated all other factors. So far as the interests of the state could be distinguished, they settled the relative importance of everything else" (Small 1909, 4). Rather than seeking laws that explain economic interactions, Cameralism assumes individuals' actions cannot spontaneously create order, and thus seeks the policies that will result in the maximum means with which society can provide for itself the maximum amount of order and productivity.

As Keith Tribe (1988) has shown, cameralism, as the study of government intervention into the economic life of the state, is the polar opposite of *laissez-faire*.<sup>172</sup> More exactly, cameralism entails two fields of study, *oeconomie* and *polizei*. While *oeconomie* is concerned with the provisioning of the state, *polizei* is the creation of laws and regulations that allow the economy to function as best it can. Cameralism's main

---

<sup>172</sup> The word cameralism itself is derived from the German *Kammer*, which signifies both the prince's treasure chamber and the place where the prince's counselors meet to decide upon the use of the state's revenues. A cameralist is one who understands the science of such public finance and who practices it in *Polizei* and *Oeconomie*. Cameralism is thus the work that the various bureaus involved in the administration of public finance performed.

objectives are to ensure the economic security and happiness of the state. Happiness comes from good *oeconomie*, while security comes, also from *oeconomie*, but mostly from good *polizei*. Here there is no stricture against government intervention into the economy; it is when the government is *not* doing its job of monitoring that the welfare of the state suffers (1-31).

*Oeconomie* promotes happiness through governmental organization (Tribe 1988 267). *Oeconomie* was based on Aristotelian notions of householding, or *oikonomia*, and the relations between the patriarch, his wife, their servants, and their children.<sup>173</sup> What the German scholars added to *oeconomie* were theories of improvement for land and cattle, other tasks of husbandry, and the administration of the productivity of the household. These later morphed into similar texts on the administration of the productivity of a state domain.

Cameralism also developed out of the idea of management, which had two connotations in German. One is the same as in English, applying to the managing of resources, and the other refers to the leading of people (Tribe 272). While cameralism revolves around state regulation of the economy, that regulation cannot be clearly regarded as intervention because the state and the economy in the German cameralist perception are not mutually exclusive, but are so intertwined as to be the same thing. Politics itself is something that does not exist between the statesman and the subjects; it occurs between states and the subjects of different states (266). Therefore, rather than *Polizei* being a tyrannical term for enforced order in society, it entails the formation of

---

<sup>173</sup> The idea of the state as a household was developed and debated further in the sixteenth and seventeenth centuries in political theory by Bodin, Filmer, Locke, Hobbes, and Harrington, among others, the intricacies of this concept and how it relates to the development of the economy shall be returned to in Chapter Eight below.

policies, not laws, which will help to ensure peace and happiness through the maintenance of stability. As has been previously noted by Redman (1996), the founding principles of the cameralist doctrine that base policy on providing maximum happiness for the people, is also Steuart's basis for government action (60).

In cameralism the nation is seen as "a magnified family with a big farm as its property" (Small 588). The name given to German economics, *Wirtschaft*, in the eighteenth century carried with it connotations not only of householding, but also of inn-keeping, being a good host to your guests and providing them with quality provisions (Tribe 269). The only person believed to be able to act in the best interests of the collective is the prince. Seen as the head of the household, there is no difference between his interests and those of the state. Small defends this paternalism from the viewpoint of German history. At the time in which the cameralists wrote, Germany had developed into hundreds of states wherein each prince had absolute power, even if he chose not to use it. In this situation, where artisans and peasants lived together but with different purposes, they needed direction to work for the better interests of all, which the prince provided (Small 594-595).

The paternal householder/innkeeper of cameralism is akin to if not a veritable twin of the statesman Steuart promotes in the *Principles of Political Economy*.<sup>174</sup> As already seen in previous chapters, Steuart likens the management of the economy to management of the family:

Oeconomy, in general, is the art of providing for all the wants of a family, with prudence and frugality. The whole oeconomy must be directed by the head, who is

---

<sup>174</sup> While the idea of a strong legislator is not uncommon in the eighteenth century, and, as Haakonssen (1981), Winch (1978 and 1983b), and West (1976) have already extensively noted, even Smith has an ideal notion of the statesman. In fact, he upholds the statesman as "the greatest and noblest of all characters" in the TMS. But it is Steuart's idea of the state as household and the statesman as *pater* who has the knowledge of when to intervene that is distinctive.

both lord and steward of the family...As lord, he establishes the laws of his oeconomy; as steward, he puts them in execution. As lord, he may restrain and give his commands to all within the house as he thinks proper; as steward, he must conduct with gentleness and address, and is bound by his own regulations...He is not so much master, as that he may break through the laws of his oeconomy, although in every respect he may keep each individual within the house, in the most exact subordination to his commands. Oeconomy and government, even in a private family, present therefore two different ideas, and have also two different objects.

What oeconomy is in a family, political oeconomy is in a state: with these essential differences, however, that in a state there are no servants, all are children: that a family may be formed when and how a man pleases, and he may there establish what plan of oeconomy he thinks fit; but states are found formed, and the Oeconomy of these depends upon a thousand circumstances (15-16).

However, there is a different emphasis in Steuart than in the cameralist writings of the 1750s. Compare Steuart's conclusions with the language of Wilhelm von Schroder who writes in 1752 that:

A ruler is in fact the same as a Hausvater, and his subjects are, in respect of their having to be ruled, his children...Now a Hausvater has to plough and manure his fields if he wishes to reap a harvest...Thus a ruler first has to assist his subjects in attaining a sufficient livelihood if he wishes to take something from them (quoted in Tribe 1988 19).

Whereas the cameralists' main concern is with a provision for the people in order to obtain a stream of state revenue, Steuart's focus is more solidly on the provision for the welfare of the people. The economy and statesman in the *Principles* exist to serve the people and to provide for their employment and subsistence; increasing the state's stream of revenue is a part but not the whole end of political economy.

The image of the statesman as the head, the economy as his household, and the citizens as his children recurs in the *Principles* repeatedly:

A nation may in some measure be compared to a country gentleman, who lives upon his land. This I suppose to be his all. From it he draws directly his nourishment, perhaps his clothes are wrought up in his family...If he indulge now and then in a bottle of wine, which his farm does not produce, he must go to market with his purse in his hand...If he go on, and increase his consumption of such things as he is obliged to buy, he will run out the money he had in his purse, and be reduced to the simple production of his farm. If then this country gentleman



be poorer, certainly somebody must be richer; and as it is nobody in his family it must be some of his neighbours (362).

In speaking of the division of classes and the rise of manufacturers, he uses the analogy once more: “We therefore considered the industrious, who are the providers, and the luxurious, who are the consumers, as children of the same family, and as being under the care of the same father” (228). The analogy comes always strongly into play when the father or statesman’s intervention is needed to correct potential harm, whether it be in matters of changing public opinion to act for the common good:

The children of the same family, nay even a man and his wife, though tied by the bonds of common interest, may be disjoined by the effects of a separate one. Mankind are like loadstones, they draw by one pole, and repel by another. And a statesman, in order to cement his society, should know how to engage every one, as far as possible, to turn his attracting pole towards the particular centre of common good (394);

matters of foreign relations:

It is as much the duty of every statesman to watch over the conduct of those who hold the foreign correspondence of his people, as it is the duty of the master of a family to watch over those he sends to market (1767, 416);

or in matters of foreign trade:

But the question is, Whether a statesman is to wink at such abuses? I think it is much the same question, as if it were asked, whether the master of a family should, in good oeconomy, allow his servants to invite their friends to drink in his cellar, instead of carrying them to a public house (363).

In Steuart’s book, in order to intervene, the statesman not only has to have a great amount of knowledge of a people’s history, customs, and natural resources, but also of current opinion and economic conditions. To this end, he promotes the gathering of national statistics and the creation of “exact maps showing the nature, situation and

employment of every parcel of land” (1767, book I, 124).<sup>175</sup> Steuart has been criticized for the sheer amount of knowledge required for the statesman to perfectly time the execution of his policies. A similar idea of the need for knowledge is also found in cameralism. The knowledge required by Steuart is implausible if one is analyzing an extensive empire with a developed economy. However, Steuart’s conclusions are not so illogical given that the cameralist theories that influenced him were written for the kingdoms of the Rhineland, which were small relative to their English and French counterparts, and Steuart himself was most familiar with the many smaller countries he traveled to, and wrote with Scotland in mind. An interesting implication then, and one that is also in cameralism, is that the administrators of a state must be local, involved, and interested in the welfare of their people. Steuart condemns having a statesman as far removed as London from Bengal or London from Dublin, or, one could add, London from Edinburgh.

Not only is Steuart inspired by the general politics of cameralism and its strong local statesman, but also by its more detailed subject matter. Small identifies the other major concerns of cameralism as the study of the soil and climate of the country; the art of properly allocating natural resources; the structure of local industry; foreign trade; the organization of the Church; the character of the states and colonies in the nation’s control; and the gains to be made from the use of colonies and expanded trade in the Americas, and Asia (Small, 4). All of these were seen as needing some form of organization. Likewise, Steuart’s political economy entails the study of “population, agriculture, trade, industry” in the list of important topics in the book’s frontispiece (2). The purpose of

---

<sup>175</sup> He was familiar with the method of using statistics to support policy from the work of French military strategist Marechal de Vauban whose *Project d’une Dixime Royale* (1707) is referenced in the *Principles* on population statistics (78 & 79), and on taxation (Book V, Chapter 11).

*Polizei* was to maintain the populousness and stability of a state through policy (Tribe 1988, 267). This same theme occupies the first book of the *Principles*: the proper balance between population and agriculture such that a surplus can be created that will allow for stability, the continued populousness of the state, and the development of manufactures.<sup>176</sup>

Similar to the other half of Steuart's equation in Book I, the cameralists also show a concern for what should be done in the event of an agricultural surplus. The cameralists believe that such a surplus could be taken by the government to hold against a time of need for the whole nation and in any season as public revenue (597-598). Steuart recommends a similar policy for a state granary that could also be used to help regulate prices in time of a shortage both in his *Dissertation on the Policy of Grain* (1759) and in *Consideration of the Interest of the County of Lanark* (1769).

Cameralism's main tenet for policy is that each state is to have flexible policy that will change according to time and circumstance. Both external and internal affairs of trade and politics can upset the welfare of the polity and so have to fall under the purview of the prince (Small 592). Over time this belief caused cameralism to gain the mercantilist misnomer, but while they may have believed in mercantilistic policies from time to time, the cameralists as a whole did not subscribe to mercantilism as a valid economic theory (Small 592-593). The parallel with Steuart, in both the flexibility of thought and how this flexibility causes misjudgments when taken out of historical and circumstantial context, is clear.

---

<sup>176</sup> It should be noted that this does not mean that Steuart and the Germans were unaware of the Malthusian problem; Steuart addresses that issue *before* Malthus (*Principles*, Bk I, Chapters 3-5), and as is noted in the *Population and Development Review* (1998). As for the cameralists, they are writing for German states that they felt were both underpopulated and undercultivated, and thus it is sensible to suggest that there is room for growth in both sectors (Small 594).

However, I believe that rather than just aping the works of the cameralists that Steuart was trying to extend them, or to further them. By creating, or delineating, the principles that should govern political economy, he married the historical method of the Scottish school to the practical policy considerations of the cameralists to create a new synthesis that could serve as an economic policy handbook for statesmen and governments. In addition, Steuart added a new dimension to cameralism in the creation of political economy. After “population, agriculture, trade, industry,” to his list of topics are added, “money, coin, interest, circulation, banks, exchange, public credit, and taxes” (1966, 2).

With his emphasis on the employment and welfare of the people and protection of the economy under specific circumstances, Steuart’s work coincides with the goals of cameralism, and his recommendations are compatible with existing German enlightenment policy. Unsurprisingly then, Steuart’s work was much more well-received in Germany than in Great Britain. Indeed, until the 1790s, “Steuart’s *Inquiry* was better known and more frequently cited in the German literature than Smith’s *Wealth of Nations* (Tribe 1988, 134).

Not only is his work compatible with contemporary German economic thought and policy, but, as shall be seen below, the *Principles* also fits easily into another cameralistic tradition that made Steuart’s ideas easier to disseminate.

#### **5.4.1 Weapons of Mass Instruction: Steuart and the Cameralist Textbook Tradition**

In the spirit of the German enlightenment of both Christian denominations, Steuart makes it clear that a major purpose of his book is not to dialogue with fellow political economists but to instruct. He presents the text, “with the greatest diffidence,” in

the Preface “to the public” (3). Although he does address the statesman throughout, he also makes it plain in the latter part of the preface that:

If it should be asked, of what utility a speculation such as this can be to a statesman, to whom it is in a manner addressed from the beginning to the end: I answer, that although it seem addressed to a statesman, the real object of the inquiry is to influence the spirit of those whom he governs; and the variety of matter contained in it, may even suggest useful hints to himself. But his own genius and experience will enable him to carry such notions far beyond the reach of my abilities (12).

Keith Tribe, the foremost, if not the only, English language scholar on German cameralism, tells us that in the eighteenth century the subject was taught primarily through textbooks, which themselves were formed by the dominant pedagogy of the German university and Wolffian philosophy. In German universities, and thus one can assume in Tübingen, lectures from a text that the professor had written were the main medium of teaching. Unlike modern textbooks or those in Britain, “...the textbooks themselves often provided a summary of relevant publications before proceeding to the substantial material for consideration” (1988, 12). The professor would lecture by reading the major parts of the textbook aloud.

Tribe astutely remarks that in such a text, both oral and written cultures are present: “what is written is to be read, and what is spoken is to be written down or memorized” (12). While Tribe uses this information to show that the textbooks he has studied are what was actually taught to students, I use this information for a different purpose. First, I wish to show that this style and method would appeal to one of Stuart’s cultural experience, and second to continue to show that his aim is to instruct. It has been shown that cameralism influenced the substance of Stuart’s ideas, but now I will explore the extent to which the *form* of argument in cameralist texts also influenced the form of Stuart’s *Principles*. What I want to examine now is what Darnton (1979 and 1982)

refers to as the “discursive conditions” under which Steuart wrote. I claim that Steuart uses the rhetorical framework of the German textbook authors and thus this is another area in which Steuart’s corpus sets him apart from his French and Scottish brethren.

#### **5.4.2 A Steuart in Wolff’s Clothing: Forms of Textual Argument in the *Principles***

Christian Wolff was a mathematician who studied with Leibniz, and became an academic superstar in the early to mid-eighteenth century in Germany. Considered to be the premier mathematician and philosopher of his time, he published over sixtythree multivolume works on a variety of subjects from ontology and cosmology to jurisprudence and natural theology (Frangsmyr 1975, 655). He also contributed to the nascent social sciences, as is argued by Senn (1998). Wolff contributed to economics in particular through his lobbying for the foundation of chairs of cameralism in the German universities, and also for setting, or maintaining, the agenda as it were, for the topics with which cameralism would concern itself in the eighteenth century, namely of the science of administration and the study of social institutions and applications of economic theory to real life (180-183). One should expect therefore that some part at least of Wolff’s thought and methodology should have influenced Steuart.

And indeed there is a general parallel between the economic thought of Wolff and that of Steuart. Both men stress the role of the state in providing the conditions in which people can attain their greatest happiness. Employment and stability are seen as important conditions necessary to provide for the happiness of the people and to have a strong state. Both also stress the importance of knowledge and the increase of knowledge for the state to function smoothly. Additionally, both authors see innovation, called ingenuity in Steuart, as the major factor in economic growth (Backhaus 1998a and Reinert and Daasol

1998).<sup>177</sup> For our present purposes, the commonality between Steuart and Wolff that shall be explored is in their approach to the teaching or dissemination of political economy.

Wolff and Steuart both see themselves as instructors. In their respective works practical application and policies are stressed over pretty theoretical systems. Useful results are emphasized rather than pure theory, or the preservation of rights and the pursuit of noninterference. The statesman in Wolff as in Steuart is instructed to act with both prudence and justice (Backhaus 1998b, 133). In the collection of statistics and the use of historical and cultural knowledge, Steuart's statesman must also practice what Wolff calls *Praxisnah*, a closeness to practical life and reality (Reinert and Daastol 259). Both caution that public office is an art, and the purpose of the teaching of it is to impart an awareness in the students as to what is in the best interests of the state and how a statesman can apply his prudence to the pursuance of those interests. As Backhaus states, however, Wolff wants to systematically teach the art of political economy, something which Steuart too wanted to do in his *Inquiry*. Just as the economic thought of Wolff is mirrored in the *Principles*, so too is Wolff's system, as shall be argued below.

Tribe (1988) relates that the method of argumentation that the German text writers used was created by Wolff, and that, "the Wolffian style remained a model of scholarly exposition until its final destruction at the hands of Critical Philosophy at the end of the eighteenth century" (17). Wolff circulated his "mathematical method" of exposition for scholarly publications.<sup>178</sup> He believed his method convinced his listeners in the classroom because it followed the internal logic of mathematics. It was not the

---

<sup>177</sup> Steuart's views of economic growth will be covered in more detail in Chapter Nine below.

<sup>178</sup> As Fransgmyr says, just as we find a multitude of names for one we love, so too was Wolff's method known variously as the "mathematical," "demonstrative," "philosophical," "geometrical," or the "scientific" (655).

mathematical part that convinced, "...but rather because everything is clearly explained, thoroughly proved, and one truth properly connected with another" (quoted in Tribe 1988, 16). Therefore, his method was seen to be applicable to all fields, and helped to disseminate more difficult ideas, such as Leibniz's mathematics to others, and so he also certainly was known in little Tübingen.

The mathematical method is founded on noncontradiction and sufficient reason. All knowledge is placed in three categories: empirical, philosophical, and mathematical. One must make an observation, followed by a rational analysis of that which was observed, and a quantification of things observed before drawing a principle from them (Calinger 1969, 321). Logic and deduction were to be obeyed in method. Principles that could not be proved could not be used. Further, no new principles could be derived unless from former proved principles. All words had to be properly defined and there was to be no divergence from the established definitions. Different names were to be given to those things and phenomena which were of a different nature. From such a starting point, conclusions can be drawn with certainty. As Frangsmyr points out, "This was, of course, nothing fundamentally new" (656). The novelty was seen nonetheless in Wolff's attempt to find a language accessible to all fields of study.

Compatible with the religious beliefs of the German Enlightenment, to follow Wolff did not require one to defy the state or to reject a belief in God. The Wolffian method was used by theologians and natural scientists alike. According to Gay (1966), "Wolff's philosophy gently modernized Protestant orthodoxy; it was a perfect compromise for literate Christians anxious to justify nonrational beliefs with rational proofs" (329). Wolff's work thus provided a haven for Christian thinkers with his "comfortable Christian rationalism," and "...made the great compromise between modern



science and Christian faith available to all who found Leibniz's own writings too demanding" (328f.). Thus the Wolffian method made accessibility to the public, rather than solely an academic audience, key.

I have already established above that Steuart did not write for an academic audience, but for the public. Just as he was exposed to cameralist ideas, it is logical to assume that he also read cameralist texts and thus was exposed to the mathematical method of argumentation and persuasion.<sup>179</sup> It shall be explored below whether he applied its techniques to the books of the *Principles* that he drafted in Tübingen. As stated earlier, Skinner summarizes the critics of Steuart's style in saying that, "the *Principles* is a difficult book to read, often lacking in organization and totally devoid of charm" (lviii). However, it may not be the case that Steuart's work is lacking in organization, but that he is following a very different method of organization than that of contemporary writers in English.

On Steuart's argumentation technique, Skinner comments, "He had a marked tendency to trace out the ramifications of each part of his analysis in turn; a tendency which often leaves a perfectly clear line of thinking lost in a mass of details and applications" (1966a, lix). This may explain why Skinner edited out many of Steuart's extra historical examples, reiterations, and chapters of "recapitulation" at the end of each book that appear in the 1767 London and 1770 Dublin editions, but not in the 1966 reprint. Nonetheless, Skinner concludes that "The arrangement of the *Principles* may be

---

<sup>179</sup> In fact, there was a leading Wolffian philosopher at Tübingen, Georg Bilhard Bilfinger, who died in 1750, just previous to Steuart's coming there. But one assumes the influence of Wolfianism did not die with him (Calinger 322).

defective, but the work is a monument of consistency with respect to purpose, plan and method” (lx). Compare this with Tribe’s criticism of Wolffian works:

The ‘mathematical’ method was primarily designed for spoken delivery; transposed to the printed page, it moved an argument forward with deadening slowness, linking simple statements together and creating an argument by accretion, rather than definition, cause, and effect. Paragraph is laid upon paragraph, paying attention to the needs of the listener rather than those of the reader” (1988, 16).

Similar criticism is given by LW Beck who says of Wolff, “He illustrates what needs no illustration...He defines what needs no definition...He moves with glacial celerity” (1969, 258). These words echo those of others on Steuart’s writing and organization (Sewall 1901, 114 and Mill 1806).

What now has to be done is to find elements of the Wolffian method in the *Principles*. The simplest place to find these is in the author’s own preface and early chapters where he lays out his methodology. Keep in mind that the hallmark of the Wolffian technique is that “...everything is clearly explained, thoroughly proved, and one truth properly connected with another” (quoted in Tribe 1988, 16).

In the Preface, Steuart says that he is going to use a “distinct method...by contriving a chain of ideas, which may be directed towards every part of the plan, and which at the same time may be made to arise methodically from one to another” (1967, 20). This plan will also provide the consistency which Steuart emphasizes he is seeking, due to the lack of it in all political economy texts he has thus far read (6). After his list of topics, he explains:

The principles deduced from all these topics, appear tolerably consistent; and the whole is a train of reasoning, through which I have adhered to the connection of subjects as faithfully as I could: but the nature of the work being a deduction of principles, not a collection of institutions, I seized the opportunities which my reasoning threw in my way, to connect every principle, as I went along, with every part of the inquiry to which it could refer...When principles thus casually applied in one part, to matters intended to be afterwards treated of in another, came to be

taken up anew, they involved me in what may appear prolixity. This I found most unavoidable...(7).<sup>180</sup>

Later, he warns that he is not here to present new thoughts, “but to reason consequentially” (19). He says he has had to sacrifice style to “perspicuity” and that his principal goal “shall be to discover truth, and to enable my reader to touch the very link of the chain where I may at any time go astray.” (19). He knows the problems his methodology may cause, as “close reasoning is tedious, and to many appears trivial: this, however, must be my plan...” (19). Consistency and chain-like reasoning meet in Steuart’s work to fulfill the needs of the mathematical method, while baffling his fellow English writers.

The professed goals of Steuart’s methodology are also parallel with those of Wolff. In the Preface, Steuart discusses how readers will agree to his conclusions “in proportion to the accuracy of the induction; but he will never recoil from what he has once assented to...,” while setting aside his own personal feelings or national prejudices (5). And thus he will have been able to make claims that will be seen to be true, having started from simple principles and working towards the more complex:

Every true proposition, when understood, must be assented to *universally*. This is the case always, when simple ideas are affirmed or denied of each other. Nobody ever doubted that sound is the object of hearing...But whenever a dispute arises concerning a proposition, wherein complex ideas are compared, we may often rest assured, that the parties do not understand each other (8).

Steuart states that, “...my intention is to attach myself principally to a clear deduction of principles, and a short application of them to familiar examples, in order to avoid abstraction as much as possible” (18). Principles are clearly stated with assumptions and then the consequences of these principles presented in several different cases.

---

<sup>180</sup> According to Beck, such prolixity was a hallmark of Wolff as well (258).

Steuart's methodological claims coincide with those of Wolff's mathematical method, and certainly the critics are equal in their disparagement of the succinctness of such a style. Now one must go beyond Steuart's stated claims to find the use of Wolff's method in the details. Does Steuart adhere to the presentation of, first, simple principles based on empirical observation, followed by an analysis of such claims and their consequences, to be followed or containing some element of mathematical reasoning before drawing a new conclusion or principle?

The answer is yes, especially in the Books I and II. In the first principle Steuart wants to establish, "Upon what principles do mankind multiply?" he begins with observed facts: Mankind multiply due to a procreative urge and require a certain amount of food to continue to multiply. He follows these statements of observation with reasoning about how animals who live without agriculture can multiply only as much as the amount of food spontaneously produced by the earth will allow them; there must be a proportion between the two. This proportion can be calculated and so Wolff's third form of knowledge is present. Steuart can then confidently draw his conclusion that there is a quantity of mankind the earth can sustain without labour, and then use it as a new principle from which to reason (31).

Next he uses this established principle to begin a new chain of reasoning. Agriculture is added to the process. The observation becomes that the introduction of agriculture will cause an increase of food that will eventually result in a surplus that was not previously available (39). Next, Steuart reasons through the events that will cause mankind to have to split into two classes to provide an "equivalent" to exchange for the surplus. A part of society will begin to produce manufactures as an equivalent before the introduction of money. Steuart again forms a proportion, which can be calculated from

appropriate statistics, that the industrious people will, “multiply in proportion to the superfluity produced by their farmers; because the labor of the necessitous will prove an equivalent for it” (40).

As he promises, Steuart continues to use this process, building from the principles developed in one chapter, to develop society from the agrarian stage to the market stage. To offer another example, he follows the same method in his price theory. Starting from the question, “How does trade produce a fixed and determinate thing from what is vague and uncertain?,” he offers the observation that prices exist. Next he says that there also exist the real value of the object sold and the profit received by the maker upon sale. These are the things that are “vague and uncertain.” However, what can be known are how many hours of labor it takes to produce the good, the value of the worker’s subsistence, and the value of the raw materials to make the good. Steuart then calculates that the final price will never be lower than all of these three, as they represent the real value, and any price higher than these three is considered to be profit. Price, he concludes, will be in proportion to demand (159-161) and this is then used as a foundation for the next chapter.

Skipping ahead to Book III, which was written after Steuart left Germany, the pattern of argumentation still holds, but is not as tightly woven as the threads in the first two Books. In Chapter Six, he begins from the principle that money is valuable in proportion as it can buy more or less of merchandise. He then reasons through example and calculation that adding to the quantity of gold in a gold piece will increase the amount it can purchase and thus also its own value. He concludes that such augmentations will help creditors, but not debtors, and repeats this point at the conclusion, adding that:

We may therefore safely conclude, that every diminution of the metals contained in the money-unit, must imply a loss to all creditors; and that in proportion to this loss, those who are debtors must gain (434).

Steuart concludes the chapter by reiterating the principles he has derived and how in the next chapter he will apply those to the state of the British coin, “and to the resolution of every question which shall occur during the examination of the disorder into which it has fallen” (435).

Although attention has been paid to the similarity of Steuart’s methodology to that of the other Scottish Enlighteners, no writer has yet looked at the connection between Steuart’s method and purpose and that of the intellectual circle he had most contact with when composing the *Principles*. However, more than just its substance and method, it is also the form that Steuart employs that is similar to the cameralist textbook tradition. Written in the first person, the *Principles* could very easily be read out loud, or, one imagines, in an eighteenth century classroom, just as the German cameralist texts were read and written. He frequently addresses, “you” the reader directly. For example, when discussing objectivity:

You must love your country. Why? Because it is yours. But you must not prefer your own interest to that of your country. This, I agree, is perfectly just and right: but this means no more, than that you are to abstain from acting to its prejudice, even though your own private interest should demand it; that is, you should abstain from unlawful gain (144);

the positive aspects of a general sales tax:

Examine, on the other hand, the use made by the state of the money raised, and you will easily perceive the justness, I think, of the above mentioned principles. This money belongs to the public, and is administered by private people (725);

or arguing against a proposal for banks to limit the credit to the upper classes in order to reduce imports:

Correct the taste of the consumers, and you may stop the trade: no other restraint will be of any consequence. But in order to correct the taste of consumers, do not

deprive them absolutely of money; because the money the extravagant landlord receives, comes from the industrious farmer, for the price of his grain, etc. (1767, 191-192).

He also takes questions from the “audience,” as he does in the chapter on the state of the British coin in Book IV. Likewise, in Chapters XX of Book I, XXX of Book II, XII of Book III, and XX of Book IV of the 1767 edition the possible objections that he feels would naturally arise in his audience are labeled as Question I, II, etc. These are answered, and possible objections that arise in the course of the answers are countered as are possible counter-objections and counters objections in the course of those answers. Often the *Principles* can be read as having a conversation with a teacher or friend, a sometimes longwinded and prolix friend, but a learned one nonetheless.

Now that I have followed Steuart to Germany, it is clearer as to why he should have promoted what seems to be such a strong statesman with sometime mercantilist proclivities. He does not conjure the concept of the interventionist “statesman” out of a mercantilist fantasy, but rather from a study of traditional German political philosophy. In the rush to downplay his dissimilarities and emphasize his commonalities with his Scottish counterparts, the economics literature has overlooked the German Enlightenment as an important source of Steuart’s ideas and style, as well as an explanation for much which the English press found incomprehensible in his text. I would, and will, argue that the same has doubly been the case when it comes to the Dutch Enlightenment, which is the topic of the next chapter.

## CHAPTER 6

### THE DUTCH QUALITY OF LIGHT: PRACTICALITY, LOCALITY, AND THE DUTCH VISUAL CULTURE IN STEUART

#### **6.1 The Dutch Light: The Better to See You With**

As has already been established, it is known that Steuart lived in both France and Germany for an extended period of time and so the French and cameralist influences on Steuart's work have already been seen. But it is also known that Steuart lived for several years in the Netherlands as well. First he lived as a law student gaining additional training in Leyden and Utrecht, and then he returned to live in Rotterdam and Amsterdam in 1760 once his son had left the university at Tübingen. However, relatively little, or more accurately, no work has been done on the possible influence of the Netherlands on Steuart's work and writings. Steuart himself references the Dutch often and seems to see their system as a paragon of commercial living (1966, 186-188). In this section I offer some initial steps towards placing Steuart in the context of the Enlightenment in the Netherlands.

The nonexistent state of the Steuart literature on the Netherlands could be reflective of the overall lack of English language works on the subject. Margaret Jacob and Wijnand Mijnhardt (1992) agree that much research remains to be done on the



Enlightenment in the Netherlands. However, from what research has been done one can extract some hallmarks of the Dutch enlightenment for comparative purposes here.

Simon Schama (1981) differentiates between three different stages in the Dutch Enlightenment. First, a crusade for toleration rendered the eighteenth century Netherlands a place relatively free of bigotry, a welcoming haven for fugitives and the persecuted, which perhaps also explains Steuart's affinity for it in his exile. Extensive pamphleteering and publishing of the exiled *philosophes'* ideas marked the second stage. In the final stage, the idea of enlightenment entered the Dutch vernacular culture and transformed into a moral rather than purely philosophical revival.

At the same time, the enlightenment took different forms and had different impacts on the upper and lower classes. The upper class enlightenment centered around the ideas of the French *philosophes* in exile who, on the one hand, praised Dutch tolerance, but on the other, despised the simplicity of the Dutch people. This resentment between the *philosophes* and certain sectors of Dutch society, mostly the publishers who were more concerned about profits from the *philosophes'* pamphlets than their ideas, led eventually to a revival of Dutch culture, which in turn led to a moral and philosophical revival. The concurrent Dutch Enlightenment of the lower classes rejected the Francophone, rationally determined, universally applicable system of the French in favor of upholding their own identity. Unlike those in Scotland, the Dutch rejected the idea of anti-government revolution, Voltairian anti-religious morality, and the cult of universal sensibility in favor of preserving local Dutch customs.

As stated above, the Dutch were known in the eighteenth century, even as into the twentyfirst century, as a very tolerant people. Not only did religious refugees such as the Huguenots find sanctuary in the provinces, but so also did many exiled *philosophes*.

Despite their tolerance, the prolific Dutch press censored the radical French enlighteners Voltaire, Rousseau, and La Mettrie, while the philosophical historians abhorred Voltaire and ignored Rousseau (Jacob and Mijnhardt 1992, 11; Mulier 1992, 178). The Dutch taste was for a more moderate form of illumination.

The driving force behind moderate Dutch Enlightenment was the betterment of the public welfare. A Society for Public Welfare (*Maatschapij tot Nut van 't Algemeen*) was created to create a juncture between national consciousness and local loyalties. Based in Amsterdam, the Society had departments in all the provinces, which carried out reforms and conducted contests sponsored by the Society (Jacob and Mijnhardt *ibid.*, Mijnhardt 1992, 220-221, Snelders 1992, 316-318). The Economic Branch (*Oeconomische Tak*) within the Society sought solutions to the Netherlands' commercial decline, which was largely seen as caused by English aggression and the Seven Years' War. Similar to Germany, the Dutch societies concluded that general education was needed to stress the importance of hard work for the good of the nation, to disseminate enlightened knowledge, and to enact social reform (Snelders 317).

Rather than seeking to revive their sluggish economy through cataclysmic change, one side of the Dutch movement focused on nationalizing the "universal" ideas of the French. They accepted that the notions of happiness, knowledge, and virtue were important, but wanted to put them in a local, Dutch context. Civic virtue in this tradition did not extend only to landholders participating in politics, but rather to all who engaged in different disciplines because all were seen as contributing to the public welfare, and could be used also as means to promote welfare as a goal (Jacob and Mijnhardt 13). Here may be the seed of the idea of Steuart's that all sectors of the economy that produce an equivalent and provide employment are productive.

It is important to note that the Dutch did not subscribe to radical change in their reforms, but adhered to the idea that a country was limited in the changes it could make by the history and spirit of the people (Frijhoff 1992, 300). As has been attested to by Pocock (1992), Mulier (1992), Velema (1992), and Jacob and Mijnhardt cited above, the Dutch were keen readers of Montesquieu and his ideas of climate, geography, and the history of a people.<sup>181</sup> From this emerged in some Dutch philosophers' writings, an evolutionary approach that is similar to that of the Scottish Enlightenment, wherein nations are seen to move through four distinct stages of economic development. However, they are like Steuart in that these stages do not necessarily imply continued growth and will not necessarily occur successively in any one state.

As for politics, the Dutch developed *Statistiek*, the science of the state, which is akin, if not always similar, to German cameralism, in that the citizen is to yield to the higher wisdom of the prince or political leader in order to ensure the general welfare. Such an approach values order and does not subscribe to radical upheavals. The Dutch philosophical historians focused on the human political condition, the interaction of man and state. *Statistiek* looks to history in order to understand not only the present situation, but also to predict the future of the state (Mulier 179).<sup>182</sup>

An exemplar of the *Statistiek* school of thought, who shows great coincidences of thought with Steuart, is Elie Luzac (1721-1796). Luzac was a publisher and pamphleteer

---

<sup>181</sup> Johannes Le Francq and Cornelis Zillesen are just two examples of eighteenth century Dutch writers influenced by Montesquieu's who felt that geography and history explained the present spirit and economic situation of the Dutch people (Frijhoff 297-298). Zillesen also advocated classical republican virtue to found the well-ordered society and government (Mulier 184-185).

<sup>182</sup> The *Statistiek* approach to policy formation came to be favored by the supporters of the House of Orange, as opposed to the revolutionary Patriots (Mulier 180). It is interesting to note that Steuart, likewise a supporter of the traditional House of Stewart, supported the very similar science of cameralism, while the "natural rights" supporters of Union and the Hanovers far preferred Smith's system of non-intervention.

in Leyden, who attended the University of Leyden contemporaneously with Steuart. Although not yet mentioned in existing Steuart literature, Luzac's writings show a considerable resemblance to the *Principles*. Both authors were similarly influenced by Montesquieu and both reject the notions of natural law and the state of nature.<sup>183</sup> Luzac is also critical of *systemes*, asking "whether such systems, which are not derived from the nature of humankind as it never has existed, are not more harmful than advantageous to learning" (Velema 128-129).

Like Steuart, Luzac's work contains a belief that the hierarchical order of the cosmos is reflected in society. His principles are thus formulated on the idea that there are unequal classes in society that are dependent on each other. An orderly government and stable state are required for society to attain happiness. Consisting of self-preservation and an agreeable life, happiness is not to be provided by the state, but the state does make it possible for happiness to be attained by providing the proper structure in which commerce can grow and be uninterrupted. The best form of government then is "incontestably the one that makes a state flourish, which gives its inhabitants an easy and comfortable life" (145).

Thus, like Steuart, Luzac allows for a wide range of governmental forms. His reasons are also similar: all countries are different and circumstances change and so any government must adapt to these differences. For instance, sovereignty is not disparaged, as it can be limited by fundamental laws. Efficiency, moderation and reference to historical experience are Luzac's recommended principles of governance.

---

<sup>183</sup> Luzac also annotated and published the Leyden edition of the *L'Esprit De Lois*. Later in the century he wrote pamphlets criticizing Rousseau (Velema 128). He also wrote *Man More Than a Machine* (1752), "In Answer to a wicked and atheistical Treatise, written by M. de la Mettrie, and intitled *Man a Machine*" (1).

Luzac's explicit focus is Steuart's implicit one: practical results and actualities matter. Being able to provide for the people's welfare, references to history, and gradual change are necessary and of much more importance than theoretical soundness. He feels that the great error of the European radicals is to think that "established political structures could be changed on the basis of simplistic maxims or an abstract *plan de construction politique*" (144). Abstractions are of no use because they do not account for changing circumstance, and the best governments must continually be adaptable to change.

Sudden change, however, is anathema. As a nation develops, the relationship between the people and the state becomes more complex, and thus this relationship should not suddenly be altered. Time and a prudent government are seen as necessary ingredients to adapt the spirit of the people to the changes that must take place. Such adaptations are of course limited by the state's original form and circumstance (145).

The great questions posed by the Society and further finessed in its Economic Branch were how to invigorate the slowing economy of the Netherlands and how to improve the welfare of the state. These two questions also form the framework for Steuart's *Principles*. The answers of the Dutch Enlighteners, especially Luzac, bear a striking resemblance to Steuart's. In the works of the Dutch one also finds the notions of no one "best" government, general principles, an aversion to systems, an evolutionary approach to development, acknowledgment of class inequality, interdependence of the sectors of society, a belief in prudent governance, gradual change, an acknowledgement that the stages of development may not be successive and may be unattainable for some, an accounting for the differences in places and times, intervention when necessary, and a reliance on history as the judge, as well as the economic topics of how to strengthen a

country's economy. Additionally, the local magistrates of the Netherlands are very much akin to the very involved and knowledgeable statesman in the *Principles*.<sup>184</sup>

The Netherlands in the 1750s thus provides a possible template for Steuart's preoccupation with crisis, cycle of international development, and his policy recommendations. Although a booming commercial power in the not distant past, by the mid eighteenth century the United Provinces were in a very different situation. While trade and industry had slowed in the Haarlem and Leyden, the southern, agricultural regions were experiencing a boom. As the industries of the north declined, so too did their populations. Major policy debates and pamphlets at the time were concerned stagnation and recession, the decreasing population, the shortage of money caused by the war debts, whether the taxes on subsistence goods were causing merchants to have to pay high wages. While the Stadtholderate had been restored, the central government was essentially weak, and there were calls for national financial accounting to answer questions as to how tax revenues had been used. Steuart's emphasis on constructing national accounts and statistics may have been inspired by this debate. Additionally, there was little protection by factory owners from foreign competition, and so the system of protections Steuart advocates to boost domestic firms in the stage of inland commerce would have been applicable to ailing industries in this modern commercial nation. Pamphlets of the day were concerned to reform the overall situation of economic decline, but to do so from within the already established framework, and used a combination of religious and civic ideals as a justification for intervention. Here there was also a developed concept of the people being united by a shared culture and happiness or welfare

---

<sup>184</sup> It was the Dutch republics, with their more interventionist Magistrates, that Andrew Fletcher of Saltoun advocated in the Union debates as a model that an independent Scotland should follow (Clerk 1993, Fletcher 1997, Lockhart 1714).

being found in society, rather than through atomistic individualism (Grijzenhout 1992, Jongste 1992 & Kossmann 1992).

While it has been shown here that the Dutch connection exists, what I have provided is an introductory sketch that leaves room for much future research. It is yet to be determined in which direction the influences lay. Steuart was a student at Leyden and Utrecht for roughly four years after he passed the bar, but he returned to the Netherlands and lived there for various spans of time during his exile. He imbibed Dutch Enlightenment influences as a student, but it is yet to be ascertained whether his later presence in Rotterdam and Amsterdam, as well as the *Principles*, also influenced the Dutch philosophers. There may well be a foundational text, set of pamphlets, teacher, or curriculum at Leyden that provided a more specific influence than the general Dutch movement towards local and practical reform, welfare, and prudent governance.

Whatever the case may be, the Dutch Enlightenment provides another clear philosophical home for Steuart alongside the German, and may also explain why his version of statecraft is more expansive than the German *Wirtschaft*, in addition to providing an additional explanation as to why he does not sit comfortably alongside Smith and Hume in the Scottish Enlightenment.

However, I wish to explore yet one more dimension to this completely neglected influence on Steuart's thought. Again I return to a matter of form rather than substance alone, and look at how a more general aspect of the Dutch culture may have influenced the course of the *Principles*. More than just how the Dutch thought about politics and economics, I believe Steuart was strongly influenced not only by how the Dutch saw the world, but also by how they represented what they saw.

## 6.2 Seeing I: Steuart, Representation, and the Dutch Culture of Description

People living within a culture are influenced by more than just that culture's political or economic philosophy. I argue that there is also a culture of representation and self-representation that permeates a society such that it influences all makers, whether they are painters, sculptors, or economists. Just as artists have claimed there is a special quality to Dutch light that shows in their paintings, so too is there a special quality to the Dutch Enlightenment that allowed its writers, such as Luzac, to write about economics and society from a more comprehensive point of view than the French universalists. One purpose of this chapter is to find this special quality because it is part of the discursive conditions that shaped Steuart's writing.

The special quality of the Dutch Enlightenment, or that informs it, is what Svetlana Alpers calls the Dutch visual culture (1983, xxv). Exploring a visual culture means examining the way in which a culture views the world, how they represent that vision, and the value placed on the physical act itself of viewing. It may appear that I have trodden far off the beaten path of eighteenth century political economy, but I ask you, gentle reader, to be patient as I examine how the concept of visual culture provides another instance where Steuart differs from his British counterparts. What I suggest is not merely that Steuart has different visions of political economy and the economy itself, but different visions of *viewing* and representation altogether.

I explore below three aspects of the Dutch visual culture as presented by Alpers: the difference between narrative representation and descriptive representation, the role of religion in the primacy the Dutch placed on symbol and image, and the Dutch impulse for mapping. All of these will be related to trends in the general culture and how they manifested themselves in politics and Steuart's economics.



Ostensibly a work on the history of seventeenth century art, Alpers' *The Art of Describing*, is also a history of representation, self-representation, and seeing. In particular, the book is a history of how the Dutch opinion of viewing resulted in a very different kind of art in the seventeenth century than their English and Italian counterparts. For instance, the paintings of Vermeer and Van Eyck are very different from other schools' in their attention not only to detail, but to particular kinds of detail. Inspired by the Italians, English paintings of the same period, such as Reynolds', Alpers argues, rely on a narrative method, on telling the stories they want to see unfold on the canvas. Dutch paintings meanwhile, concerned with extreme detail, still life, and scenes of ordinary lives, rely much more on description and representing the world as accurately as possible.

Indeed it is this very aspect of Dutch painting that causes Reynolds to denigrate the Dutch and Flemish schools in his *Discourses on Art* for the Royal Academy. In an attempt to promote standards of national taste, Reynolds lauds historical painting over other styles because of its ability to be universally understood and to represent universal themes and virtuous character. It is this distinction between the universal and the particular that Alpers alludes to here but does not fully address, that is a central feature of aesthetics and politics in the mid-eighteenth century.

The political aspect of universalism has already been covered in the previous chapters, and will be returned to in Chapter Seven below, in the drive in the wake of the Union of 1707 for political unity on the basis of shared notions of civility and assumptions about the universality of human nature, rather than particular national or local, cultural differences. As for aesthetics, it was recognized that painting had a vital role to play in the extension of civility and uniformity because it could appeal to universal aspects of human nature. As Addison reports in the *Spectator*, "Colours speak all Languages, but

Words are understood only by such a People or Nation” (cited in Gibbons 1991, 102). Lessing’s *Laokoon* (1766), which stresses the importance of action over temporal narrative succession, influences the emphasis in history painting of representation of only moments of heroism and valiant expressions of the human character. Therefore, “Universalism in form and style thus gave rise to the universal in subject matter” (Gibbons 1991, 103).

History painting privileges the universal forms of things over the particular tale being illustrated, and thus exercises the function of appealing to universal human nature and instructing the spectator in the emulation of the actions it portrays. Rather than the tale being portrayed, the universal human nature being presented is the central importance of the painting. As Barrell (1986) indicates,

What Reynolds achieved was to find a public function for painting by which it could teach the grounds of social and political affiliation to whoever was supposed to be capable of the intellectual labour of abstraction...” (40).

Anyone who could abstract from the paintings the noble ideals of character and behavior as spectators and then apply those ideals in the new commercial society were thus fulfilling painting’s political role.

In Barrell’s terms, Reynolds introduces a philosophical rather than a rhetorical aesthetic to painting, which situates painting and the visual in the context of *vita contemplativa* rather than a *vita activa*. Through Reynolds’ universalizing aesthetic, painting “teaches us a way of conceiving of our relations to other people” (38). Just as the presentation of idealized men acting with universal virtues of character are to teach the viewer how to act towards others, the suggested rendering of objects in central, generic forms rather than detailed, ornamental forms is to allow the spectator to recognize them,

not as objects for possession and profit, but as objects recognizable to all humankind through our common perceptions, and thus further emphasizing the universality of human nature.

Thus, paintings concerned with the realism of representation run the risk of creating a gap for the spectator between private and public interests. Rather than focusing on objects represented as one would in, for instance, highly realistic Dutch still lifes, the spectator is free to reflect on the character of the representational, universalized men portrayed in the paintings themselves.

In his December 10, 1771 *Discourse*, Reynolds is explicit in his condemnation of the Dutch school's distance from the general and adherence to the particular:

The painters of the Dutch school have still more locality. With them, a history piece is properly a portrait of themselves; whether they describe the inside or outside of their houses, we have their own people engaged in their own peculiar occupations; working, or drinking, playing, or fighting. The circumstances that enter into a picture of this kind, are so far from giving a general view of human life, that they exhibit all the minute particularities of a nation differing in several respects from the rest of mankind (1772, 22).

When the Dutch attempt to reflect life accurately, he continues, they “debase great events by the meanness of their characters” (22).

The Dutch and Flemish style therefore falls far short of Reynolds' preferred ideal. In the best form of painting, one captures what is best in mankind; the particular will necessarily fall short: “An history painter paints man in general; a portrait painter, a particular man, and consequently a defective model” (24). Despite depicting events that may have happened in antiquity or portraying objects in a scene, it is always the universal character of those represented that is history painting's privilege and importance. As Barrell explains, Reynolds thus imbues history painting with the ability of making

spectators see “forwards beyond ourselves to society, and to the whole...by extending our view in the same manner to all ages and times” (103).

Having already written the majority of his *Principles* overseas, immersed in a different political and cultural aesthetic than that of British society, one expects Steuart’s aesthetics in that work to be more similar to Continental aesthetic developments than those promoted in Reynolds. I shall argue that it is the Dutch aesthetic to which Steuart comes closest. Before this similarity can be explored more closely however, I shall more closely identify the differing aspects of the Dutch and what I shall here call English schools of painting and visual culture.

### **6.2.1 Reading the Frame: English Windows and Dutch Mirrors**

As can be seen in the paintings themselves, Dutch paintings of the period are framed in the same heavy black frames as contemporary mirrors (Alpers 42. See Appendix B, figures 9 & 10). Examples abound in paintings that contain other paintings within them of these same mirror-like frames (figs. 11-24). If paintings are considered to be mirrors to reality, then this explains the extreme attention the Northern painters had to detail. Art here is descriptive and its purpose is to report the truth of every day life.

By contrast, English paintings used frames that resemble those of windows, making their painting a narrative of events seen outside the window (xxv & 42). This implies something very important about the way the two cultures perceived observation and the observer’s role in representation. The window implies a separation between the viewer/artist and the action or scene portrayed; the painter is an observer and reporter, but is not part of the piece. So too are viewers not part of the action because they are standing outside the window as it were. There is thus a distance in English painting where the artist and viewer are detached from the actual events.

In stark contrast, in Dutch painting the artist can often be seen in the painting in some reflective surface, such as in Van Eyck's *Arnolfini Wedding* (fig. 15). Both the painter and viewer are part of what is happening, and the painter is himself a viewer as the detail of the mirror in the scene reflects the artist (fig. 16). Often in Dutch painting the observer is also made to be part of the scene by the mirror technique of van Eyck, or, as shown to best effect by Vermeer, by a lifted curtain painted in such a perspective as to suggest that the viewer has just lifted it aside and walked in the room (figs. 17-19). The lack of a boundary in both the paintings' subject matter and external and internal framing allows the viewer to feel part of the painting or a familiarity with their portrayal of everyday objects and activities.

Both styles then imply something very different about viewing and representation. The Dutch tendency is to report the succession of details of ordinary life in as accurate detail as possible. There is a sense in which viewers are not just viewers but also participants. What I suggest the English visual culture implies is that it allows for some amount of speculation as to what is happening outside the windowframe, as well as cool and detached observation. Rather than being constrained by the bonds of what is actually seen, the English mode of painting allows one to tell the story one wants to tell. The intention is to say how things should be, not to report how they actually are. While the spectator is still part of the story being told, it is the distance and power of speculation the observer has that allows one to tell the story being told. One can already sense the shade of the impartial spectator rattling its chains outside such a window.

Alpers tells us that both visual cultures also utilize very different ideas of self-representation. Influenced by the discoveries of Kepler, as well as numerous treatises on the eye and the lens, the Dutch placed a high value on the actual act of vision and visual

experience.<sup>185</sup> The Dutch therefore, according to Alpers, represent themselves in their cultural works through a reflection on their visual experience. The English meanwhile use theater and the spectacle as their means of self-representation (26-71). Again, this is a narrative rather than a descriptive form of representation, and allows the author and the observer some detachment from events and, by implication, sometimes from reality as well. And again, while the former allows for speculation and the abstraction necessary to such imagination, the latter requires real observation with the naked eye, and reporting, or oversight, of actual events.

In these different cultures of vision and representation, one can see a parallel with the differences of presentation of political economy and society between Steuart's *Principles* and Smith's *Theory of Moral Sentiments* and the later *Wealth of Nations*, which emphasize the universal over the particular. Steuart, as has been noted above, writes in the first person and engages with his audience. While he writes about the world, the ideal statesman, and the economic effects of certain phenomena, he still places himself firmly within the world in which this discussion is taking place. Even more telling, he also firmly plants "you," the reader there as well, as seen above in the section on Wolff's method. Writing in the first person and addressing the reader directly has two implications: the writer/artist is part of the work and so too is the reader. The economy both concerns Steuart as an author and the readers he addresses, and yet also neither Steuart nor his audience are separate from the economy.

A prominent place where the viewer/narrator distinction comes into play is in Steuart's concept of the statesman. Just as Luzac, the other Dutch writers, and the cameralists before and beside him, Steuart allowed for an active and interventionist

---

<sup>185</sup> Johannes Kepler, coincidentally, was a graduate of the University of Tübingen.

government. It has already been shown above how the English reviewers, and more recent writers, saw Steuart's statesman as anathema. However, Steuart's inclusion of such a personage makes even more sense when one considers the difference in the northern European visual culture and that of the English. It is not enough for the statesman to simply collect and observe facts about the economy. He is required to intervene when necessary because he is the center of the state, and is firmly part of the economic picture which he is in charge of, and sometimes called upon to control. Just as there is no separation between the creator and the created in terms of Steuart's authorship, so too is the statesman part of the reality of the economy he oversees, and he cannot distance himself from it, especially in times of crisis. Therefore the artist, the craftsman, is part of his surroundings; there is no separation between the creator and the creation because they are all part of the same reality. As for the window-observer approach, here is a cultural, visual reason for Smith's non-interference. The invisible hand of the unseen observer/artist can make corrections on its own; the painting will tell its own story.

Action is entailed by Steuart's theory of the statesman, as well as the necessity of a wealth of details for the statesman to intervene properly in the world. Both are also present in Dutch art: action and representation are present in the paintings because the viewer is a part of the painting and the attention to minute detail reflects the attainment of close knowledge of the subject painted. This focus on action, knowledge, and representation are also found in the emphases of the Dutch educational system. Vision itself became valued and manifested itself in the emphasis on description and being physically present to view and experience something. Similar to the needs of the German states that caused the emergence of Cameralism, the Dutch migration towards description and visual experience was formed by a need for an administrative class educated in the art

of *doing*, not just speculating. Begun by the seventeenth century reformer Comenius, changes were carried out in Dutch education in the seventeenth and eighteenth centuries, which Steuart would have felt the result of at the universities there, calling for instruction in *things*, not just in words. Rather than staying in a classroom and speculating about what ought to be done, there was a focus on the importance of actually engaging with the world, of action and observation taking place alongside each other.

Comenius appealed for an education not only in words, but also in what words represent. Hence, he created a textbook that married words to images (94-95). Language thus came to be used more for descriptive rather than rhetorical purposes. I would argue that Steuart uses a similar mode of writing when he drafted the *Principles*. Therefore, there is another reason why Steuart's book is criticized for being "unEnglish" and "unpolished." Writing a descriptive text does not require one to use flowery language to persuade, but rather to persuade through consistent and detailed descriptive arguments.

Additionally in the Dutch reforms' stress on engagement with the world, there is another possible influence for the need for Steuart's statesman to be local. As Comenius stressed, understanding through *looking* requires nearness, locality (95). This is now becoming a familiar theme to you, dear reader, but it bears repeating. Influenced by a culture that places an emphasis on the practical, the local, and describing events as they are actually happening, which does not allow one to be detached from such events, means that Steuart's statesman, as both craftsman and crafted by Steuart, cannot perform his role without the ability to intervene. Such would have been inimical to how Steuart viewed the world.<sup>186</sup>

---

<sup>186</sup> Here there is a double reflection of the artist onto the work in that Steuart himself created the statesman who is not to be detached from the economy and thus the state that he oversees, but Steuart himself wanted to be a statesman and thus imbues some of himself and his own ambitions into the text.



Steuart states that political economy is an art as well as a science. Political economy is an art that is practiced for the most part by the statesman. The statesman here is one who must intervene because he cannot simply stand by while the reality he is a part of and a part of creating falls into disequilibrium. Just as there is no separation between the artist and the painting in the Dutch visual culture, so too there is no distance between the economic actors in Steuart's work and the economy; all sectors of society are interdependent. The statesman likewise is part of the state that he oversees, but this does not prevent him from taking part in shaping it; he is present in the painting that is the economy.

### **6.2.2 Uncharted Territory: The Mapping Impulse and the *Principles***

The attention to detail, the mapping of the economic landscape that Steuart performs, and also requires statistically of the statesman, has another possible parallel in the Dutch culture in its affinity for mapping. In painting, the picture is presented as a surface for objects to be replicated or inscribed upon. For the Dutch this carried over to mapmaking in that the map is used as, "a surface on which is laid out an assemblage of the world" and mapmakers were known as "describers of the world" (122). Steuart sees his *Principles* too as a sort of map, on which he lays out the assemblage of what the economy is and therefore of what the study of political economy entails. If, as I have contended throughout this work, the economy is the new country, then each topic of political economy presented represents a new region that must be charted. Steuart alludes to the idea that his work is a geography of political economy:

I have always found it easier to retain the geography of a country, from the inspection of maps, after travelling over the regions there represented, than before;

---

There is no separation between Steuart's life and the text either. This is further evidenced by his frequent use of examples from places and scenes he had visited personally or witnessed.

as most prefaces are best understood, after reading the book which they are calculated to introduce. Let this serve as an apology for presenting to my readers a chapter of distribution, in the middle of my subject.

I intend at present to take a view of the whole region of trade, divided into its different districts, in order to point out a ruling principle in each, from which every other must naturally flow, or may be deduced by an easy reasoning (1767, 301),

and a geography of the parts of the economy itself:

I set my subject in a new light, and present it to my readers under a more extended view. Having, as I may say, studied the map of every province, we are now to look at that of the whole country. Here the principal rivers and cities are marked; but all brooks, villages, &c are suppressed... Trade, considered in this view, divides itself into three districts, or into three stages of life as it were: *infancy, manhood, and old age* (1767, 499, emphasis Steuart's).

Therefore the mapping impulse is at play on at least two levels in Steuart: both in his assemblage of a vast amount of detail to write the *Principles* and to delineate the boundaries of political economy, and also in the knowledge he calls upon the statesman to gather in order to properly perform his function for society. While the statesman must have at his disposal a map of sorts to the entire history of the people, at the same time he must also be able to review the “map” that is his nation’s economy. Both are necessary for a full “picture” of the economy to emerge.

Assuming that the approach is inspired by the visual culture of the north, there are further interesting implications to Steuart adopting a northern mapping approach to his political economy. In the Italian art of painting, Alberti introduced the practice of beginning a painting by first imagining a viewer who looks at an object and then to draw a rectangle, “which I regard as an open window through which the subject painted is to be seen; and I decide how large I wish the human figures in the painting to be” (quoted in Alpers 42).<sup>187</sup> By contrast, Alpers contends, the Dutch visual culture was influenced by

---

<sup>187</sup> Leon Battista Alberti (1406-1472) was a painter, architect, sculptor, philosopher, and author of *De Pictura* (1436), among other works, that introduced his theory of mathematical perspective.

the Ptolemaic distance-point perspective, which is also used in cartography. There is no positioned viewer and no window frame through which to look:

The presence on maps of individual structures—buildings for example—that are ‘viewed in perspective’ does not affect the basic nature of the image. It offered a surface on which to inscribe the world, and this fact permitted the addition of views...Contrary to what is assumed, such mapped images have a potential flexibility in assembling different kinds of information about or knowledge of the world which are not offered by the Albertian picture (138-139).

Likewise, Steuart’s work, which is not premised upon an overall concept such as the invisible hand or the capital stock, allows for a multiplicity of ways in which a nation can attain employment, subsistence, and happiness. Moreover, with either the statesman or the reader as the viewer, the economic landscape that Steuart portrays can be adapted to a variety of cultures and circumstances.

The windowframe approach of Alberti and the English school, that seems similar to the approach used by Smith to write the *Wealth of Nations*, says something very different about man in relation to nature than does the Dutch style. Besides also telling the narrative it wants to tell, the window approach also makes a significant claim about man’s knowledge in relation to the world. The narrative approach, in constructing a grid beyond which one decides what the size of the figures within are, privileges only one viewpoint and privileges human knowledge. Man is the one who makes the picture, and thus exerts control over nature. In the opposite approach, man does not have a superior place to that which is being portrayed. Man is in nature but does not possess dominion over it. Rather than forming the picture and presenting it, the second approach reports because societies, or states, as Steuart says, “are found formed and the oeconomy of these depends on a thousand circumstances” (16).

There are parallels between two more aspects of the Dutch mapmaking and painting culture and the attitude of craftsmanship and attitude towards the political and

economic landscapes in Steuart's work. In the latter half of the seventeenth century, portraits and pictures commissioned by the Dutch merchants who had acquired titles and country villas do not display the wealth or the grandeur of the houses or the owners. Instead it is the everyday objects of fruit and vegetables, dead game, and people in their everyday tasks that appear. Alpers holds that such pictures, rather than paintings of houses and the dominion of man over nature, are consistent with the merchants' knowledge that these country plots were not seats of power, and the Dutch cultural emphasis on the happiness of a comfortable life rather than power over nature. Steuart's emphasis is always on how to better the employment, and thus the income, available for the people of a state. His focus too is not on conquering markets or international trade for the sake of power; all economic actions painted by the statesman are to better the welfare of the people.

The second additional aspect of Dutch painting that parallels with Steuart's work is in the relation of the country to the city. Dutch cityscapes, such as Vermeer's *View of Delft* (fig. 20), and Rembrandt's *Goldweigher's Field*, where the spire of a city church is seen from among fields where linen is being bleached in the sun, acknowledge the importance of the city in the life of the state. More importantly, in placing them in a larger landscape, these paintings render the city part of the land, and thus there is an implied unity between the city and the country (Alpers 151-152). Rather than calling for a return to civic humanist farmed plots only, Steuart acknowledges the advantages of the development of the modern city. In Steuart there is a unity between city and country in their interdependence. This interdependence is beneficial to both parties as he explains the advantages accruing to both in Chapter X of Book I: cities increase the demand for

farmers' goods, decrease the number of superfluous hands to be fed on the farm, create competition for labor which will increase laborers' income, raise the value of estates near the city, and cause the roads thereabout to be improved.

### 6.2.3 Mirror Images: Religion and Symbol in Dutch Visual Culture

There is a particular emphasis in Dutch paintings on images. They seem to abound, and are represented in exquisite detail, on fabric, in china, in other paintings within paintings, etc. The precision with which patterns and symbols are portrayed is exemplified in Vermeer's *Allegory of the Art* (figs. 22-24). Alpers believes that this stress on image was shaped by the Netherlands' pre-Reformation Catholic background. By contrast, the English art of representation, being narrative, centers on representation not only of the Word, which reveals Calvinist origins and influence, but of words, rather than image and symbology (187-220).

While it may seem that it would be difficult to find the connection here between Steuart and this aspect of the Dutch visual culture, one can be ascertained. Here I shall not assert that Steuart inlaid a multitude of symbols within the *Principles*, although some are definitely there. Rather, I shall emphasize that this aspect of Dutch visual culture is of a piece with the visual culture with which he was familiar in Scotland. It simply needs to be seen if Steuart had a familiarity with a culture of symbolism, and whether it overlays with the one outlined thus far. Alpers provides the clue in pointing to the Netherlands' pre-Reformation, and therefore, Catholic past.

Steuart had intimate dealings with the Roman Catholic culture of symbol throughout his time both on the Grand Tour and in his involvement in the Jacobite court and the many Catholic agents of the '45. Even deeper than the symbols of the Catholic religion, the importance of and reliance upon image were a part of Steuart's life in the

symbol-laden conspiracies of the '45 itself. The Jacobites created an elaborate culture of code both to protect members and to perpetuate the mystique of the Stuart reign. The oak, thistle, and white rose are among the images that appeared on numerous coins, glasses, and engravings that were sold for people to surreptitiously show their support for the Stuarts. In bardic song in Scotland, Ireland and Wales, the image of a messianic return, a husband returned, and justice returned, often in the form of Astraea, were even more widespread (Pittock 1994, O'Ciardha 2002, Nicholson 2003).<sup>188</sup> In portraiture of the period, one's Jacobite allegiance was also implied by the the array of images that would be in one's picture (Pittock 1994).<sup>189</sup> The Jacobites also used an elaborate system of ciphers and codes in their own correspondence, as the reader may remember from Chapter Three above.

Steuart's work then can be seen as a series of economic images, clearly described, that change according to the circumstances the author lays out. In terms of symbolism, the statesman of course is the main representation of the nation's virtue, strength, and development, something that, by comparison, would have been anathema to Smith, with his Presbyterian Scottish/ Calvinist upbringing, and its emphasis on the word and abhorrence of image.<sup>190</sup> I am not meaning to say here that Steuart's *Principles* contains a

---

<sup>188</sup> The oak was the traditional heraldic symbol of the Stuarts but gained more significance after Charles II hid in an oak tree. The House of Orange waged a counter war of symbols often displaying healthy orange trees alongside withered oaks in their own propaganda. The thistle is the national flower of Scotland and the white rose signified both the House of Stuart and James II's birthday. Astraea was the Roman goddess of justice and in Jacobite song and poetry is often used to represent both Charles Edward and the justice that would be meted out on his rising to the throne (Pittock 1994, Sharp 1996, Thorpe 2003).

<sup>189</sup> It is interesting to note that the painting of Sir James Steuart in the frontispiece of Skinner's 1966 edition of the *Principles* portrays the author with a waistcoat intricately decorated with embroidered daffodils and thistles, both Jacobite symbols, in an otherwise very *undetailed* painting.

<sup>190</sup> While much more will be said about Smith in the next part of the dissertation, it should be said why I connect him to the English visual culture. In terms of background, he spent many years as a Snell Exhibitioner at Oxford, absorbing, I believe the English narrative culture of vision that imposes the will on the image. The theatrical, spectacular aspect to Smith's work is seen in the TMS and will be explored more

wealth of hidden symbols. Instead I introduce this topic to suggest that Steuart would naturally have more affinity to such a system of representation, and to a visual culture that privileges such symbolism. Not only had he already had a familiarity with such a culture in his graduate school years in the Netherlands, but also during his Jacobite interlude. Therefore, it would have been second nature to bring such a tradition of representation to his writing about political economy and the economy, a topic that was itself a symbol or image of the modern nation.

There are two additional facts of which one should be aware, lest one think the preceding connection too far-fetched, that substantiate Steuart's inclination towards Dutch descriptive representation. First, Steuart would have been familiar with the Dutch art of rendering reality on the canvas and in the decorative arts. Dutch art, and thus visual culture, held a prominent place in aristocratic Scottish circles of the late seventeenth and early eighteenth centuries. At this time, Scottish aristocratic commissions were the province of Dutch and Dutch-trained architects, sculptors, and painters. Lords Lauderdale, Queensberry, and John Clerk, whom the reader will remember from Chapter One as the colleagues of Lord Advocate Sir James Steuart, all had portraits and other artwork commissioned from Dutch artists or from Scots trained in the Dutch school (Macmillan 1990, 80-81).<sup>191</sup> John De Medina, a naturalized Scot from Brussels, painted David Aynton, the butler at Wemyss Castle in 1702 (83). Wemyss Castle is of course the ancestral home of Steuart's wife Frances and his brother in law Lord Elcho, and another center of Jacobite activity.

---

thoroughly in Part III. Additionally, Smith himself privileges English culture as the most "civilized" in his *Lectures on Rhetoric and Belles-Lettres*.

<sup>191</sup> A large number of Scotsmen went to the Netherlands to train. Scots such as David Bailly, Jan Collison, Thomas Warrender, David Allan, James Hamilton, and William Ferguson were in demand because they had all been schooled in the northern Dutch style, not in the Italian (Macmillan 78).

Coincidentally, the majority of the architecture and decorative art work at Holyrood Palace was also done by Dutch and Flemish artists, most notably Jacob De Witt (Macmillan 79). Steuart's family of course were well-placed aristocrats throughout the seventeenth century and must have had access to such art of the period and, as seen in Chapter Three above, Steuart was well-acquainted with Holyrood, going there every day to attend the Prince before he was sent on his mission to France.

It is possible that the emphasis on descriptive realism in art, and the importance of personal observation, was a theme in Jacobite intellectual and artistic circles. The Jacobite painter Allan Ramsay, father of the poet, emphasizes the importance of the observed over what will be pleasing to the viewer in his pamphlets. In *An Essay on Ridicule* (1753) he concludes that "appeals to experience are the best test of truth" (25 & 81). As far as this affects art or writing, Ramsay asserts in *A Dialogue on Taste* (1762) that whatever is naturally observed should not be altered in a work to make it more agreeable; because the grace in the actual observance should be deemed agreeable rather than whatever society currently deems as such. This echoes Steuart's own sentiments when he answers his critics in the Preface to the *Principles* and maintains that the work would suffer, not gain, from a consideration of the "sentiments of Englishmen" (5). Instead he prefers to use his experience in and observation of the countries in which he lived, and their policies. Steuart applies this principle not just to his writing of political economy but in what he calls the statesman to do as well. The art of political economy will be improved by a master of it who comes to that mastery through "...the hand of nature, and improved by *application and experience*" (74, emphasis mine).

A second important thing to keep in mind is that Steuart himself portrays his



work in painterly terms. Stuart's own words will provide us with a surer link. He defines political economy itself as an art as well as a science, "the art of providing for all the wants of a family, with prudence and frugality" (15). Elsewhere he reinforces that the "object of the art" is "to provide food, other necessaries, and employment to every one of the society" (28). As cited elsewhere above, Stuart says the art of political economy is to adapt it to the culture of the people and to do so in such a way that better institutions result (16). One is to take the map of economic guidance that Stuart has provided and apply it in the new territory of the nation that the statesman oversees, the circumstances of the new territory itself to be mapped, or "modeled," to produce a new picture.

In order to produce such, however, one must maintain the open perspective, that seen in the Dutch paintings, which does not privilege a particular viewpoint because, "The great art of governing is to divest oneself of prejudices and attachments to particular opinions, particular classes, and above all to particular persons..." (26).

Stuart describes his work as a rough illustration and a collection, as:

...nothing more than an essay which may serve as a canvass for better hands than mine to work upon. It contains such observations only as the general view of the domestic policy of the countries I have seen, has suggested. It is a speculation, and no more. It is a rough drawing of a mighty plan, proportioned in correctness to my own sagacity, to my knowledge of the subject, and to the extent of my ideas.

It goes little farther than to collect and arrange some elements relating to the most interesting branches of modern policy...(6).

Later, he refers to the works as a "sketch" for abler masters to work upon (12). Overall, Stuart sees his project in very visual terms:

There are many clouds which still cover the fruitful fields of this science; and until these be dissipated, the *political eye* cannot take in the whole landscape, nor judge of the deformities which appear in the many representations which our modern painters are daily giving of it.

I may here, without an imputation of vanity, put myself so far upon a level with the great Montesquieu, as to adopt the saying of Correggio, *Io anche*

*son pittore; I am also a dauber;* for I frankly acknowledge my own incapacity to treat this subject with all the perspicuity it deserves...By setting it, however, in different lights, and viewing it as it were from different stations, perhaps both my reader and I may come at last to see a little clearer (75, emphases mine).

Acknowledging that he too is a painter, or dauber as the case may be, Steuart signals that he is in the process of creating a picture as well as a text. He presents us with the economic landscape that serves as both map for the nation, or for the political eye, to be viewed from many angles, and for the statesman who would master the geography of that landscape.

This side trip to Dutch visual culture does much to further explain both the distinctive style and unique content of Steuart's work. Rather than telling a story that he wants to exist, Steuart takes it upon himself to *describe* things as they are. As he says, "My object is to examine the consequences of what *we feel and see daily* passing, and to point out how far the bad may be avoided, and the good turned to the best advantage" (76, emphasis mine). One may already predict what I shall say on this matter in relation to Smith. He wrote the narrative of economics that he wanted to exist: the growth of the capital stock to create the wealth of nations in a system of natural liberty. Steuart of course is not entirely free of the narrative impulse as part of his tale is also to tell how the position of people in the new economy can be bettered. Here, there is a mix of both Steuart's observation as a human viewer, and, as he points to above, the representation of the landscape available to the *political eye*.<sup>192</sup> It is the economic landscape that the political eye sees and with which it can also interact, and it is this that Steuart merely sketches. It is up to every state and statesman to fill in the statistical details of their economic "map."

### 6.3 Conclusion

What can be concluded then is that again the critics were right, as acknowledged by Steuart, in their assessment that Steuart's work had non-English influences. However, what has been here added to the discussion is the depth of those non-English influences and the breadth of the Dutch culture as it influenced the work. Again, however, just as with the parallels between Dutch Enlightenment thought and Steuart's work in general, what I have presented here serves as another introductory sketch, suggestive of the possibility of much more detailed research landscapes.

Steuart remained in the Netherlands and Flanders for several more years before he proceeded back to Britain. What awaits him there is the publication of his great work, and also its eclipse. Because of that eclipse, now the thesis can no longer proceed on its journey in the company of Steuart only. Necessity of explanation requires the acquisition of another passenger, one whose importance has already caused his insertion in this chapter, and who has occupied a substantial silent presence over the work thus far. The last third of the journey requires spending time also therefore in the company of Adam Smith.

---

<sup>192</sup> Steuart may have been inspired in this phraseology from Hume's usage of the term "philosophical eye" in the *History*, which we know Steuart read and commented on in his commonplace book.

## **PART III**

### **SPECTACULAR TIMES:**

#### **Steuart, Smith, and Eighteenth Century Modernity**

#### **III. Spectacular Times**

The chapters in Part III relate Steuart to the intellectual milieu in which he and Adam Smith are writing and determine what impact these different placements have on their works and their reception. There is a tension in eighteenth century history of economic thought between the work of Steuart and Smith. On the one hand, there is the matter of Steuart's belief that the economy is not self-governing, and that proper policy is reliant on attention to tradition rather than the free pursuit of self-interest according to "natural" economic laws. In Steuart, the economy arises out of a historical context and process. Although it does arise out of a natural tendency in man to be social and multiply, and thus to have to gain a means of subsistence and become self-sufficient, the economy and its policing are constructed out of deliberate choices rather evolving naturally. This view, as seen in Part II, is partially shaped by Steuart's familiarity with other economies and other national enlightenments. However, as shall also be seen in Chapter Seven this view is shaped more generally by Steuart's view of history and tradition.

It is not Steuart's isolation from his Scottish Enlightenment fellows that allows him to access some pre-modern, traditionalist mode of economic thinking or economic

organization. Although I do think that there are strains of traditional clan thinking endemic in Steuart's work, I do not mean to suggest that his political economy is a throwback to some romantic, nostalgic past. Steuart is as much engaged in dealing with the problems of modernity and commerce as Smith is. What Steuart's time among the Jacobites and his exilic isolation provide him with is an alternative way of thinking about the problems of provision and economy, a way that may not have been available to him had he been immersed in the rhetoric of academic France or Scotland, that allows him to use the tools of tradition within modernity.

It continues to be my contention here, then, that both Steuart and Smith engage with modernity by creating and shaping the science of political economy. It is thus necessary here to define the characteristics of modernity, besides the emergence and spread of markets across Scotland and Europe. Adam Ferguson called the eighteenth century "this age of separations" (quoted in Ferris 2004, 79). One characteristic of eighteenth century modernity faced by Steuart and Smith is modernity as a rupture, as in Jameson (2002). If modernity begins with a rupture, then for our tale that rupture begins when Scotland ceases to exist as an independent political state. This rupture is a process that begins with the Union and continues through Culloden, the subsequent Highland clearances, and socially takes the form of the "civilizing" and sentimental movement of many of the Scottish Enlighteners. While "uniting" Scotland and England, the rupture here is in the political and cultural goal of the Union to separate the Scots from their history and former identity.

Both political economists have different ways in dealing with that rupture and its implications for commercial society. It is significant that the language of separation enters both men's political economy--in Steuart's talk of the original separation from the

land and into different sectors, which will be explored in Chapter Nine, the division between the statesman and the people in terms of civic virtue, which will be examined in Chapter Eight, and the division in society from the economic process, and in Smith in the division of labor itself, which will be revisited in Chapter Ten. Whereas I argue throughout Part III that Smith sees the modern rupture as natural and a liberation from a barbaric past, Steuart sees the rupture as an alienation and seeks to reintegrate tradition and history into the modern. Thus, the different way both authors view the separations inherent in modern commercial society and the solutions for it arise out of their different views of the rupture from history. As I examine in more detail below in Chapter Seven, the use of philosophical history or narrative history creates an acute difference in outlook between Smith and Steuart.

Another characteristic of eighteenth century modernity is thus a favoring of a connective narrative or a philosophical history that identifies a common human nature in every epoch and society. Rather than focusing on unique histories of events, people, and places, philosophical history flattens time out so that a time that is distant can be brought more closely to the present. The emphasis on philosophical history requires a temporal and spatial separation, where the modern present is the new time in which all must function. The “now” of the modern, “makes it the measure of all times, bearer of universal standard time” (Ferris 2004, 79-80). But this situation then presents a separation between the “modernized” societies of the present and those societies or communities that lie outside of that process of modernization. In order to join the new time of the modern United Kingdom, North Britons are required to break with their past and with parts of their country that were still not engaged in the modern market or civility. Smith subscribes to the project of creating a grand modern narrative where the division of labor

in the market will provide a new bond for society and liberate it from the past, by emphasizing the similarities allowed by the free exercise of human nature, tempered by sympathy. While he too is trying to forge a path through modernity, Steuart sees a continuity rather than a break with the past, as the past provides information about motivation and human behavior and is the site of the formation of a people's identity, as the most effective method of modern political economy. Steuart and Smith both want to provide meaning and instruction to their readers, which Manning (2004) identifies as part of the "realm of narrative" (66). But Steuart is also concerned with the particular and the solution of particular problems within his narrative of political economy. So there is a distinct tension within Steuart's work, and between it and Smith's, as Steuart grapples with modern realities but places in his guidebook tools and methods that rely on the past. Steuart uses the past as a better way of interpreting and regulating the present, whereas Smith's system of natural liberty is predicated on a breach with the past.

At the heart of the tension between the works of Steuart and Smith, and perhaps the men themselves, is their relative position with respect to the ideological modernity of the eighteenth century, whose characteristics are defined by Deane (1997) as, "its lack of historical sense, its refusal of habitual practices, its disabling tendency to abstraction, its aesthetic of distance, and its global pretension" (4). Counterposed to this is the idea of the traditional, with "its capacity to endure as a set of universal truths and to survive changing circumstances by a series of modified reforms that fortify rather than weaken that durability" (4). Deane is writing on Burke's rendition of the tension in late eighteenth century France and England. I suggest that, like Burke, Steuart is making both a cultural and an economic argument and he deploys Burke's methods in his delineation of the modern economic system, the nation, and its government. In Chapter One, I mentioned

another aspect of modernity, which is its phantasmal nature. The abstraction of the market favors abstract and distant solutions, such as nonintervening or absent governments. The global reach of the market system and civility is also phantasmal, “because it is global, that it lacks actuality because it is not anchored in specific persons or places” (Deane 13). The opposite of the global and phantasmal modern is the immediate and local of the traditional. Although he is trying to construct an understanding of economics on the principles of Burkean tradition, by writing on economics as a science, on the abstract economy, Steuart is of course himself caught up in the project of modernity. Using a traditional methodology to deal with the modern problems of national identity posed by the market, Steuart creates an asymmetry that partially explains why his work does not sit well in some quarters in the late eighteenth and early nineteenth centuries, as shall be explored further in Chapter Ten.

There is one last aspect of modernity necessary to our study and from which the title of part III is derived. The events of the last third of the dissertation have to do with the specular, with vision, a way of seeing the economy and the place of people and the state within that economy. The modern in the eighteenth century also has different way of viewing not only the past, but also the present. Such vision requires a distance which is part of the modern abstraction, and such distance and viewing are both used in the works of Steuart and Smith, and used quite differently. The eighteenth century was indeed a spectacular time, when people speculated about the market, the future of their nation, and their society. I suggest that the economists have two different modes of viewing their work and their society, which also explains their differences. While Steuart requires the statesman to oversee and assess the economy, as buyers and sellers also oversee and assess their work in relation to each other, and economic growth depends on the



acquisitive gaze of the workers in each sector, he does so in a traditional specular mode, where “a person is seen as an emblematic figure in a hierarchical system” (Deane 11). Morality does not need to be overseen as it is already determined by a people’s particular culture. Smith on the other hand leaves the economy to no one’s regard; the phantasmal invisible hand will see that the ends of society are met. However, Smith’s system of natural liberty is founded on a moral system of sympathy that depends on the critical gaze of the impartial spectator, the man within the breast, to regulate behavior in terms of how you think other people see you. Smith’s work is speculative rather than specular, as the individual choices people make, whether in the market or in morality, involve “looking, thinking, and gambling” (11). Such speculation then views those under analysis not as people, but as objects that are open to exchange, risk, and profit.

Although I have here set out several neat dichotomies, I wish to acknowledge once again that Steuart himself does not fully escape from the abstraction and theorizing of modernity. I have laid out the above categories as a general guideline to the differences I explore below. There are three major aims in Part III: one is to present a collection of loosely connected chapters that shed new light on Steuart’s ideas in comparison to Smith’s, in the light of the different Enlightenment traditions he followed. Another is to present these issues also in light of the tension between uniformity that the Union entailed, that later moved to the uniformity of imperialism, and how this seeped into economic thought and was engaged by both authors. More focus will necessarily be applied to Steuart than to Smith and familiarity with the *Wealth of Nations* is assumed. Another aim of the final chapters is to specify what is at stake in the choice of Smith as the father of economics over Steuart, and is explored in terms of approaches to growth and development and what was lost to economic theory with the loss of Steuart.

### III.i. From Germany to Britain

However, before proceeding we must first find Steuart as he makes his way back to Great Britain. Frances' memoir helps to fill in several of the gaps. The Steuarts departed Tübingen for good in 1761, to the dismay of the Duke of Wurtemberg and the Margrave and Margravine of Baden-Durlach beside. The family moved next to Flanders from whence Steuart easily made excursions into Holland. He continued work on his book in both locales while also educating himself about Dutch coinage and the Bank of Amsterdam.

Frances went with James Jr to England to secure a coronetcy and to again plead for a pardon to be granted for her husband. Sir James meanwhile lived again at Rotterdam until his gout caused him to leave for Antwerp, where he rented a house and was very close to the rejuvenating waters of Spa. There he conversed with several French soldiers recuperating from the war on the state of the French revenue and also the movements of troops in the war. It was his especial knowledge of the revenue, according to Frances, that caused the authorities eventually to seek him out:

everyone who heard him on subjects of the above nature were so convinced of his perfect knowledge of them that he was consulted by many who had concern in the publick funds both in England and France concerning the security of them and he constantly gave them his opinion (213-14).

Due to Steuart's seemingly detailed knowledge about French finances, he came under suspicion from the French government in May 1762. Frances returned home to find their rented house surrounded by French soldiers. Steuart was imprisoned at Givet while his house in Antwerp was searched.<sup>193</sup> The French government also had orders to seize papers he had left some years before in Paris. Although most of the suspicious documents

---

<sup>193</sup> James Mill apparently used the example of Steuart's imprisonment to show the abuse of monarchical power (*The Literary Journal* 1806).

found there were Scottish ballads transcribed by the Steuarts' cook, there was also a letter in his papers that outlined an attack on Saint-Domingo. According to the extract of Elcho's journal in Chamley (1963), Steuart knew who had sent the letter but refused to tell the French authorities (110-11). Frances returned to London to see if the ministers there would work on Steuart's release, and also to provide the case as further evidence of Steuart's deserving a pardon. The Secretary of State did work on Steuart's behalf, negotiating with the French ambassador, the Duke of Nivernois, for his release. However the Duke was candid that Steuart would probably not be released until peace was settled between France and England. While Nivernois made sure that Steuart was treated with respect, he was interrogated for up to twelve hours at a time, several times, by men of high office from Paris. (Exactly why is not clear either from the primary or secondary documents.) Frances meanwhile also launched a complaint with the court of the Empress at Brussels for letting the French search their house in Antwerp (318-322). Despite the severity of his interrogation, the French wanted Steuart to work for them: "Offers and threats were alternately tried; and one person of great consideration who was formerly well known to Sir James Steuart, strongly advised him to enter into the service of France..." (CC 322). Steuart refused to do so, not out of disrespect for France, but out of respect for his own country.

Steuart was released when the peace was negotiated in 1763. Frances waited for him in London where she had finally secured permission from the British government for him to return home.

## CHAPTER 7

### PAST TENSE:

#### STEUART, SMITH, AND CHANGING EIGHTEENTH CENTURY VIEWS OF SOCIETY, ECONOMY, AND HISTORY

##### 7.1 Introduction: Return to Scotland

Believing that Frances's efforts had to have borne fruit, Steuart made ready to move back to Britain after his release from the French prison at Givet. He reunited with Frances under the shadow of the Westminster Bridge on Christmas day in London in 1762. It was there that, according to Frances, he "met with the bitter cup" that full pardon had not been obtained and that he could still be arrested at any time. Given the execution of Dr. Archibald Cameron, who had been arraigned under the same Act of Attainder as Steuart, the couple was not unreasonably fearful or disappointed.<sup>194</sup> However, Frances reports that despite the "disastrous" news, Sir James governed his ill feelings, "which were hurtful to the sunshine of his nature...and in a few days he was happy and contented," and he thanked her warmly for all of her work on his behalf.

---

<sup>194</sup> Dr Cameron was the brother of Lochiel of Cameron, who was a friend of Steuart's in the '45. Archibald was found guilty of treason in 1753 for his role in the failed Ellibank Plot to kidnap the Hanoverian royal family and was the last Jacobite to be officially executed.

Not ready to leave for Scotland until the matter of the pardon had been settled, the couple lived privately in London. On the advice of friends, Steuart lived under the pseudonym “Dr Brown.” However, once the couple began to circulate in even limited society, Dr Brown became much enquired after and “was discovered to be Sir Ja Steuart, and everyone was fond to get ideas from him, and was surprised he was not sought for by [the] Administration as a valuable acquisition.” The irony was not lost on Steuart himself who still wanted nothing more than “to be of use to his country” (F. Steuart np).

As the winter passed into 1763 and the pardon continued to be delayed, Steuart grew restless once more. His situation had not become less dangerous, as indicated by his friend Lord Barrington’s request to Robert Dundas, Steuart’s old nemesis and now Lord President of the Court of Session, for protection for Steuart in July 1763 (Skinner 1966b, xliv). In the Autumn of 1763, he decided that it was best to depart for Scotland. His presence in London and the work of various friends on his behalf did not seem to be moving the pardon forward and Steuart was anxious to return home. Likewise he was anxious not to cause further trouble for his son, who had just been made a captain of a company of dragoons and dispatched to Ireland, or his friends in London, both in society and in politics, for whom association with him might bring suspicion from the government and ostracism from society.<sup>195</sup>

In Scotland, the Stuarts found the once great manse of Coltness in ruins. They stayed variously with Steuart’s sister Margaret at Calderwood, and at Newmains and Abbey Hill in Edinburgh while they made repairs. Their long exile and the necessary repairs to the house and farm generated heavy debts which Steuart was determined not to

---

<sup>195</sup> For instance, Lord Bute, who had been enjoined to Steuart’s cause by Lady Mary Wortley Montague and was well-disposed towards it, wanted to help but was panicked at losing favor with the court, according to Frances’ memoir.

leave to his son. So as Steuart attended to improving his land and his business in the country, he never spent “a penny more than necessity obliged to gratify any desire of his own,” and made all payments at Coltness out of the current income (F. Steuart np).

As Steuart set about repairing Coltness, he had two other large tasks ahead of him. One was the completion and publication of the *Principles*. The second was to reaccustom himself to life in post-45 Britain. For it was not only Coltness that had changed since he had left for the Continent, but the nature of political, intellectual, and social life in Scotland as well.

The purpose of this chapter is to outline these changes and their effect on intellectual life in Scotland, specifically with an intention to explain the British reception of the *Principles* in 1767. I also introduce Smith and the *Wealth of Nations*.<sup>196</sup> Although this necessitates interweaving between the nine years separating the books’ publication, I do not so much compare reception of the two works, as simply begin an exploration of their different and similar foundations. A certain level of knowledge of the WN and Smith is assumed; here I focus more on the attitude and scope of the WN and its author in relation to the changes in Scottish society, and especially in relation to its attitude towards history.

The current chapter seeks to show that both Smith and Steuart’s works are projects dealing with the emergence of modern commercial society and the onslaught of modernity, as defined in the introduction to Part III above, through the construction of systems of political economy. The authors’ very different ways of negotiating their way through these changes are founded on both authors’ attitudes towards their Scottish history and history itself. History and tradition and how they and their study were viewed

among eighteenth century Scottish and English society are important here because both will be seen to influence each author's entry points and assumptions in their political economies. As shall be argued more fully below, there was a sea change occurring in how the literati perceived history, and their particular century's place in that history, that was part of a larger intellectual shift in eighteenth century Scottish thought that began, as I have intimated throughout, with the Union of 1707.

## **7.2 Union and Uniformity: Social, Cultural, and Intellectual Change in Post-'45 Scotland**

The military defeat of the Jacobites at Culloden ended any hopes of a restoration of a Scottish state and thus cemented the Union of England and Scotland. With this final note, changes began to take place in the history of ideas, both in terms of knowledge and civility, that sought to complete the union of the nations for all time, to continue the movement to make the Scots into "North Britons" and bring them into what the English, and not a few Scottish, felt was civilized modernity.

In truth Scotland had been changing for a long time since the Union. Chapter One showed the upheaval caused by the loss of sovereignty and the Parliament in 1707, the subsequent shifting of trade emphasis from the Continent to England, and the loss of national identity that continued through the aftermath of the Battle of Culloden. Contemporaneously with these events, changes occurred at all levels of Scottish life, one of the most important of which, for the remainder of our story, took place in the Scottish universities.

---

<sup>196</sup> Hereafter WN.

### 7.2.1 Union and University: The Construction of a Modern Curriculum

In the midst of the political, economic, and military events that have been outlined in Chapters One to Three above, great changes were also afoot in the Scottish education system. Although proposed earlier in the seventeenth century, it was not until 1708, just one year after the Union was ratified, that the Edinburgh Town Council passed a proposal to abandon the university's regenting system.<sup>197</sup> Under regenting, every entering class of students was led through their courses and university life by a single professor who taught all subjects and oversaw the students' daily life in the dormitories. The regent was also responsible for providing individual tutoring to each of his students, and for taking an active interest in the students' personal and spiritual development. Every class spent not only their lecture time together, but also all meal, study, and sleeping times. Indeed, as Camic (1983) notes, "The pupils of any one regent shared still more: the full daily round of prayers, dictations, exercises, meals, study halls, recreational periods, and the like" (173).

Regenting was to be replaced with a professorial system. Rather than teaching the same class several subjects, the new system required professors to specialize in subjects that could be taught to students of any year.<sup>198</sup> Financially, the increase in possible electives meant increased revenue to the university and its professors, who were paid by students on a class-by-class basis. Concurrent with this reform, the universities loosened requirements that students both live and take their meals on campus, as it was becoming

---

<sup>197</sup> The other universities passed similar reforms in the following years: Glasgow 1727, St Andrews 1747, Marischal College 1753, King's College 1789 (Emerson 2003, 19).

<sup>198</sup> For instance, Edinburgh had a core of four arts classes taught by the Prof of Humanity: Greek, logic and metaphysics and Ethics & Natural Philosophy to which electives could be added (Wood 1994, 101).



too expensive for the colleges to provide room and board for the increasing numbers of students (Camic 1983; Emerson 2003, 19-20; Gaillet 1994).

Interestingly, the Scottish universities instituted reforms not only of what courses were taught, but also in what language. Although there was no general proclamation that they must do so, professors began to replace Latin with English as the language of instruction.<sup>199</sup> While this established English as the language of civility and learning, it also had the consequence of weakening the ties Scotland had fostered with the Continental universities, especially those in the Netherlands, whose curricula remained Latin-based (Jones 1983, 108).

These particular reforms are noteworthy for their impact was major not only for university revenues, but also for the history of ideas, particularly the emergence of economic ideas. What I suggest here is that the reforms enacted at Edinburgh and the other major Scottish universities display a continuing pattern in eighteenth century Scottish intellectual and social life. Although the credo of, seemingly ironic, uniform individualism was perhaps never explicitly taught in the university, the new structure of academic life *necessarily* de-emphasized community and placed a greater weight on individual experience. Students were no longer outwardly seen to be part of one cohort spending all academic and social time in common, but as individuals who took courses and lived independently, not only of their fellows, but also of strict tutorial oversight, as personalized, paternal instruction by the regents was also abandoned.

As the reforms were passed in 1708, one does not have to glance back far to see whence the driving force for them came. The originating thread of this pattern is in the

---

<sup>199</sup> Francis Hutcheson, Adam Smith's mentor, was among the first proponents of such a move (Jones 1983, 108).

Union propaganda itself, which disregarded Scotland's separate political and cultural identity outside that of Great Britain, and encouraged Scots to see themselves as "North Britons." In general, the university faculty decried the Jacobite rebellion and supported the cultural aims of the Union government.<sup>200</sup> For most professors,

Jacobitism meant a return to the feudal state from which the Lowlands were just now emerging. The Highlanders represented an atavistic challenge to modern polite values, with which the professors themselves were most closely associated. Consequently they were absolutely committed to the Hanoverian cause and the Union with England...(Jones 115).

The acquiescence of the faculty to the goal of integrating the Scottish culture into the "British" can be seen in the effects of the university reforms. Just as Scotland was no longer to be seen as a separate nation with a separate monarchy, but a member of a "United Kingdom," university students were not part of separate cohorts in the university, but were instead individual members of the university. Their courses of study also became more specialized, as they could take more electives than before and were not necessarily bound to the studies of their year group. Reforms in curricula and student life allowed for increased student independence both intellectually and socially, allowing students to think in universalist rather than parochial terms. According to Camic (1983) this was previously impossible due to the lack of uniform standards for students. Whereas standards had previously been at the discretion of a class's particular regent, professors were now too busy with multiple classes to grant individualized tutoring and assessment (183-184).

However, the new universalist mode of thought entailed more than just new standards, the uniform treatment of students, and freedom to take electives. The change in university

---

<sup>200</sup> At the University of Glasgow in particular, the professors were staunchly in support of the Hanoverian monarchy and issued congratulations to George II at the news of the defeat of the Jacobites at Culloden (Jones 1983, 115).

practice and pedagogy also altered the role of the university in Scottish civic life. Formerly united in the goal of producing educated, patriotic, public-spirited gentlemen, the universities were now preoccupied with instructing students on the internalized concerns of civility and sentiment (Jones 116). Rather than reflection on one's own community, such an outlook required a dislocation of attention from local problems in favor of a consideration of distant "others" whose situations had to be conjectured. This was a logical outcome of the intellectual and political atmosphere after the Union because it focused on the need to think outside of one's own concerns and to join a wider civil society.

It was in this atmosphere that the Scottish literati who laid the foundations for the social sciences were to reconceive many of their notions of what constituted a civil society and the proper role of a civilized government. The Scottish Enlightenment thinkers were thus occupied by a project that would complete what the Union of 1707 had begun. Just as assimilation and uniformity of parliaments and markets were the political and economic goals of the Union, so then did uniformity, propriety, and civility become the intellectual and social goals for those Scots who sought recognition from their English counterparts, who continued to regard them as second-class citizens.

Examples of the economic and political discrimination the Scots suffered following the Union are manifold. There was an imbalance of support provided to the Church of Scotland compared to the Church of England, Scots continued to be underrepresented in Parliament, and when they were, they also faced the incursion of English politicians, such as Charles Townshend, who wanted to represent the country in Westminster for their own gain. The Militia Act of 1757 denied the Scots the right to have a militia, and was the cause for the formation of the Poker Club, of which Hume, Ferguson, Carlyle, and Steuart

were members, who proclaimed themselves to be in favor of a Scotch militia and against what they saw as another example of division between Scotland and England (Smith 1970, 110). Despite the promises of the Union treaty to improve economic relations between the two nations, economic injustices continued as “Successive breaches of the spirit as well as the substance of the Treaty” of Union sparked early unrest in the Glasgow Riots against the malt tax in 1725 and the Porteous Riots of 1736, and caused Scotland to suffer a recession into the 1750s, which was exacerbated by the continued subordination of Scottish needs to English policy dictates and the monopolization of business by Scotch favorites of the English ministry (Macinnes 1996, 193).

However, one should not underemphasize the social injustices and hostility that the Scots were also subjected to, for the cultural war against Scotland did not end with the defeat at Culloden. Boswell relates an incident in London in 1762 where two Scots officers returned from fighting in Havana enter Covent Garden and are heckled by spectators in the upper gallery. They say to Boswell, this “is the thanks that we get—to be hissed when we come home. If it was French, what could they do worse?” (1950, 70). The Scots were outcast socially, making the situation of Scots in England attempting to gain position in society or even to make a peaceable living difficult. Scots were mocked for their use of the Scots language, which had also been under attack since the Union. Alexander Carlyle laments in his autobiography that because of the Union and the loss of the Court that would have fostered literature and usage, the Scots language had yielded to the English language: “But, by the accession, the English naturally became the sole judges and lawgivers in Language, and rejected, as solecisms, every form of speech to which their ear was not accusomted” (112). The victory of English is so complete in this time period that Hume declares the Scots to “be unhappy, in our Accent & Pronunciation,

speak a very corrupt Dialect of the Tongue which we make use of...” (Hume 1757, I, 255). As Janet Adam Smith (1970) remarks, “The Open Sesame to equal partnership (when that seemed attainable) or to regard—or to making a living in England—was an ability to write and speak English” (111). Hume recognized this in encouraging his nephew to study at Eton rather than in Edinburgh and worked diligently at erasing his own Scotticisms.

The source of the English anti-Scots feeling, what Hume calls “this Rage against the Scots,” was according to him generated by Wilkes’ North Briton campaign, which was directed initially against the policies of Lord Bute, a Scotsman, but that quickly became aimed against all Scotsmen. Of English feeling on himself in particular he said in a letter to Gilbert Elliot that some hated him for being a whig, some a tory, some for not being a Christian, “and all because I am a Scotsman.” Whatever his feelings on Union, in 1764 he is clear in his reading of English opinion of their fellow citizens as he concludes to Elliot, “Am I or you an Englishman? Will they allow us to be so?” (cited in Smith 1970, 109).

In order to attain true union and uniformity for themselves and for all of mankind, the Scottish enlighteners needed to find a way in which they were the same as their English counterparts. Therefore, the promoters of modern civility focused on the universality of human nature. If human nature was the same everywhere, regardless of whether one was from London or Edinburgh, then civility, and thus progress, was also everywhere possible.

“Civility” was to be accomplished in Scotland and elsewhere by a deliberate shift in thought, language, and government. Where there was to be moderation and centralization in government, there was to be propriety in society, uniformity in language, and in the economy, equilibrium. This constructed uniformity had another unexpected effect, which was an eventual rift among politics, economics, and moral philosophy.

Both the predilection for uniformity, as well as the segmentation of subjects in Scottish intellectual life, are paralleled in the various works of an eccentric moral philosophy professor from Glasgow. Adam Smith first gained his reputation as a lecturer of logic and then moral philosophy at the University of Glasgow. His lectures became several works which are part of his proposed “system of natural liberty,” a system which went hand in hand with the trend of enlightening society and increasing civility among them. Smith’s Glasgow lectures are collected now in *The Lectures on Jurisprudence*, which demonstrate how an enlightened people dispense benevolence, and the *Lectures on Rhetoric and Belles-Lettres*, which show how the civilized are to speak and write; and, perhaps most famously, the *Wealth of Nations*, which shows how a civilized commercial society operates.

However, the *Wealth of Nations* was still yet to come. The lectures from the moral philosophy and rhetoric courses at Glasgow had already introduced the new material of the universalizable system of natural liberty to Smith’s students. The LJ encouraged a universal benevolence, founded on English benevolence, and the lectures on rhetoric encourage a universal Englishness to speech:

Our words must not only be English and agreeable to the customs of the country but likewise to the custom of some particular part of the nation. This part undoubtedly is formed of the men of rank and breeding... It is the custom of the people that forms what we call propriety, and the custom of the better sort of from whence the rules of purity of style be drawn. As those of the higher rank generally frequent the court, the standard of our language is therefore chiefly to be met with there (1982, 4-5).

As for his relationship with the general public, while Steuart was on the Continent, Smith attained a measure of literary success with the 1759 publication of *Theory of Moral Sentiments*. Akin to the lectures above, the TMS shows how civilized people are to interact and moralize. It is this work that I shall focus on here because it is an exemplar of

the changes in eighteenth century Scottish ideas about morality that had to take place in order to bring about a modern, universalizable morality.

### 7.2.2 Sympathy and Modern Morality

In the TMS, Smith proposes that men can be moral, civil, and social without recourse to a culturally specific tradition of morality. He proposes instead that they exercise his notion of “sympathy.” Published in 1759, the TMS counters the local, historically determined religious morality, which the *Principles* continues to assume in 1767, with an ahistorical rational morality.

In the formation of the theory, Smith’s university tenure shows itself to have been a definite influence. In academia, there were many who were grappling with the new social and economic realities of the emergent market society and shifting political climate of the eighteenth century. From his famed professor Frances Hutcheson, Smith gained the key idea that just as there are natural laws governing the universe, so are there laws governing human nature.<sup>201</sup> If such laws could be uncovered they could be used as a map for successful policy.<sup>202</sup> There is a clear line of influence from the natural law moral philosophers to Adam Smith. This has been explored in detail elsewhere (Hutchison 1988, 193-218; Teichgraber 1986; Young 1997, 112-117). What I wish to explore here is

---

<sup>201</sup> Smith also inherited Hutcheson’s critique of Mandeville’s contention in the *Fable of the Bees* (1714) that no actions are altruistic and that public benefits occur only because other people’s vices require fulfillment. Hutcheson developed a theory of benevolence, which allowed society to function in the absence of vice (Hutchison 1988).

<sup>202</sup> Hutcheson, who learned natural law theory under Gershom Carmichael, the first chair of moral philosophy at Glasgow, was also well-versed in the writings of the Dutch Grotius and Pufendorf, who advocated a system of natural rights by which society should be understood and governed (Teichgraber 1986, Young 1997).

how Smith's thought, under the natural law influence, could be conceived as a universalist project on morality, and how this affected the eventual study of economics.

In the TMS, Smith creates a system of morality consonant with the new market society. Rather than trying to see how old bonds of social obligation can be maintained in the face of commercialism, Smith demonstrates that by eliminating these bonds, society will not only survive but prosper in their absence. Due to the decrease of social dependency, social obligations are replaced with commercial relations. However, Smith is aware that this does not preclude people still being relatively dependent on each other through invisible social connections. Smith's great project in the TMS is to derive an ahistorical, areligious, atraditional concept of morality for modern commercial society.<sup>203</sup>

The TMS is based on Smith's great innovation of the redefinition or refinement of the concept of sympathy. Through the conscious use of rationality, sympathy can be created for any situation, becoming an invisible cord connecting every member of society.<sup>204</sup> Sympathetic action then aids one in acting with propriety. One goal of the TMS is to properly instruct people in how to interact in a civil, interdependent, commercial society with propriety, which gives one the standards by which to judge whether one's or another's actions are good or bad. Since, according to Smith, all actions are taken and judged according to the view of others, the goal of propriety is to win the approbation of others (Smith 1976, 9-19).

---

<sup>203</sup> There is thus no "Adam Smith problem"; the TMS is here seen to be wholly compatible with the WN.

<sup>204</sup> According to one of his students, Smith was aware that he was departing from how moral philosophy had previously been taught: "...he soon saw the necessity of departing widely from the plan that had been followed by his predecessors, and of directing the attention of his pupils to studies of a more interesting and useful nature than the logic and metaphysics of the schools" (Stewart 1793, 11).



However, propriety is not formed by history, but through an exercise of the imagination. Through the use of an imagined impartial spectator, “the man within the breast,” one generates an ahistorical and areligious sympathy for others, which helps one to temper one’s emotions and to interact with others (82-85 and 128-32). Guided by the impartial spectator, sympathy is both the foundation of our judgments of, first, the behavior of others, then the behaviour of ourselves, and also how we are able to engage in fellow-feeling with others.

Creating fellow-feeling is necessary because we can feel for others only out of our own personal experience, by putting ourselves in another’s place:

...our senses will never inform us of what he suffers. They never did and never can, carry us beyond our own person, and it is by the imagination only that we can form any conception of what are his sensations (9).

It is only after this act of the imagination has taken place that, “His agonies...when we have thus adopted them and made them our own, begin at last to affect us, and we then tremble and shudder at the thought of what he feels” (9).

However, such shuddering is not allowed to continue indefinitely. Smith tells us that we control our emotions better in the presence of strangers than of friends, “for if we are at all masters of ourselves, the *pretence* of a mere acquaintance will really compose us still more than that of a friend; and that of an assembly of strangers still more than that of an acquaintance” (29). Therefore we must introduce a stranger, the impartial spectator, to judge of our actions and the actions of others if we are to be able to exercise true sympathy towards others and to act with propriety in society. Likewise, the object of sympathy is required to also lower the “pitch” of his emotions to an acceptable level and not display excessive grief or pain. Only by such a lowering can he hope to gain sympathy,

...he can only hope to obtain this by lowering his passion to that pitch, in which the spectators are capable of going along with him. He must flatten, if I may be allowed to say so, the sharpness of his natural tone, in order to reduce it to harmony and concord with the emotions of those who are about him (22).

In this awareness and deliberate containment of emotions, therefore, a connection is made which introduces uniformity and equilibrium analogous to the market process in the WN. The exchange of sympathies is also mutually beneficial. Even though we may originally engage in sympathy in order to gain sympathy from others, we also gain self-restraint, by expressing ourselves properly, and benevolence, by extending sympathy to others. As in the market, the economy of the passions can be smoothly adjusted to produce order. Thus, sympathy creates civility.

Morality based on fellow-feeling generated by an impartial spectator in the mind is quite different from morality based upon historically determined religious morals or obligations. The effect of having a constructed morality based on a deliberate transformation of passion, or unschooled parochial loyalties, is that when one moves to the economic realm, the feudal, paternal obligation to care for one's own, or for the other, also disappear. Markets then can operate in the absence of a statesman's visible hand of intervention.

There is then continuity, rather than a polar opposition, between the morality of the TMS and the later market of the WN. The government does not have to oversee an economy that will eventually break down; it just has to provide the framework in which the economy is generally left to work itself out. However, just as sympathy ties people together socially, the economy requires a bonding agent between people as well, which in the WN is to be found in the division of labour. Again dealing with unobserved entities

that can only be imagined, Smith's invisible hand leads a society to increased production and capital accumulation, which garners approbation due to the increase of a nation's wealth.

Although the sources of sympathy extend back to Hutcheson, Hume and Kames and may have been influenced by Addison's Mr Spectator as well as Calvinism, Smith's application of these influences is broader in his vision for a transtemporal and transcultural morality. The TMS offers the promise of attaining a measure of a civil understanding and interaction with others, regardless of who or where they are. To enlightened Scotsmen seeking to integrate themselves into English society, Smith's system is ideal. As Gibbons (2003) observes, one of the achievements of the Scottish enlightenment is "to shift moral philosophy away from its grounding in inner experience towards social interaction" (93). In this light, the TMS can be read as a "cultural manifesto" of integration of the Scots into polite English society (93). One can even read the stoic impartial spectator as representing "Englishness" itself, as Smith seems to believe that the Scots cannot attain civility on their own; they need to introduce the judgment of a detached other in order to bring about a union in society.

By shifting morality purely into the mind, making it a matter of reason and awareness of the perception of the approbation of others, Smith featly generalizes his result beyond Scotland. Because any rational human being who can exercise sympathy can thus attain morality and the approbation of others, and so morality is not attached to any specific religious tradition, the TMS creates a universal code of morality.

But it was not only the understanding of morality, jurisprudence, and language that were undergoing revision in the Scottish Enlightenment. In this civilized, universalized intellectual world, the understanding, study, and writing of history were also undergoing a change.

### 7.2.3 Changing History: Eighteenth Century Historiography

Where, prior to the eighteenth century, history is presented as a collection of facts and, as such, focused on military and political events, in this time period history came to be seen as different ways of viewing the past. For instance, Hume was the first to indicate that, rather than a collection of facts or as a regular report of what had happened, a history could be written thematically and linearly, telling a whiggish version of history as a progress of the English nation's political system. Such a view and a telling were now possible because, as Phillips (2000) and Kidd (1993) have shown, in the eighteenth century historiography itself was undergoing a change, paralleling political and social change. In Robert Henry's *History* (1771-73) one sees a popular and prime example of the departure from a straightforward recounting of facts in favor of parallel narratives of the rise of several different themes, such as military history, history of governments, history of manners and customs, and history of commerce (3). Henry advertised this history as being set out according to a new plan in which in every time period the history of different topics would be pursued (Henry 1771 iv).

Interestingly, Henry's is a history of Great Britain, not just of England or of Scotland, and it specializes within its books and chapters on the histories of different topics. Henry seeks to enlarge the domain of history to include all aspects of the social, rather than purely the history of governments and the actions of political bodies, such that the "sphere of history will be very much enlarged" (xxxiii). However he still strives to

maintain a linear narrative and so does not divorce linearity from his expanded history. Phillips tells us that Henry's reorganization of historiography here "signals his recognition that history had to participate in the reconceptualization of social knowledge that was so pervasive a feature of contemporary thought"(7). Histories had now become not about events that had occurred, but about particular subjects, histories of trends in human nature and in the human mind.

When Hume in his *History* characterizes all governments as being based on opinion, according to Phillips, he turns all history "into a history of the human mind" (49). This shift from a history of actions to a history of perceptions thus allows for history to be universalized, assuming all humans have similar minds, and also makes possible universal histories. While the move from narrative facts to a narrative of the passions also accomplishes the ability to tell more social than military and political history, the shift in focus from action to experiences and perceptions makes possible a universal history of manners and civility.

At the same time many Scottish intellectuals had recourse in their writing to conjectural history. So named by Dugald Stewart, a pupil of Smith's from Glasgow who later became a professor of moral philosophy there himself, conjectural history attempts to show by stages how society developed from antiquity to the present day, always presenting the eighteenth century present as the height of social or economic development. Again a departure from a traditional history culled from facts and sources about what actually took place in the ancient world, conjectural history traces the development of trends in society to the present day purely on the basis of the educated guesses and assumptions of the author.

Part of the new civility was the notion of equality that would take greater hold in the latter end of the eighteenth century. Nobility came now from socially sanctioned manners and proper participation in society rather than from historical inheritance. Focused on the manners and economic development of the human race, conjectural history and the new specialized histories of Hume and Henry at once made possible and desirable social histories and histories of the everyday, and made more disposable the classical narrative histories of military campaigns and the upper classes. Manners made men equal, and as manners were at the forefront of what made a person have standing in society, in the current taste for such a reconceptualization of social knowledge and civility, matters of the mind and of universality were of greater import than those of physicality and specific locality.

It was into this new intellectual atmosphere of uniformity, universal civility, and the privileging of the individual over the community, eight years after the publication of the TMS, that Steuart's *Principles* was published.

### ***7.3 The Principles of Political Economy***<sup>205</sup>

After moving back into Coltness House in March 1765, Steuart continued to organize his farm and his economic treatise. With a store of contemporary sources now close at hand, he completed the fourth and last book of the *Principles*, which mostly focused on Scottish banking. A year later, in March of 1766, he went to London to discuss publication with Andrew Millar, and while there he showed the manuscript to David Hume and George Scott, who were said to be “exceedingly pleased with it” (Rouet 1766). Steuart remained in London through April, when Millar agreed to pay him £500

---

<sup>205</sup> All references herein are to the 1966 edition, unless otherwise noted.

upon the book's publication, if he could complete the manuscript by October 1766.

Accompanied by Hume, Steuart returned to Edinburgh and worked diligently on the final manuscript from five in the morning until nightfall every day (Skinner 1966b, xlv). The manuscript was completed as scheduled and the book published in early 1767.

Steuart's book has been read as many things: the apotheosis of mercantilism (Anderson and Tollison 1984); an argument for the economics of state control (Sen 1957; Meek 1958); and a work approaching the themes of the *Wealth of Nations* (Skinner 1966a). However, here I wish to suggest that the *Principles*, and therefore political economy, can be read as a response to the particular problems of eighteenth century Scotland writ large. Elements in Steuart's background explored in the chapters above combine to support this reading, namely his family's tendency towards Scottish patriotism, his own activities in the '45, and the themes that are emphasized in the *Principles* itself. It is important to remember that when Steuart wrote the *Principles* he was not part of the academic establishment in Scotland, and, although he did have academic connections in Germany, he had no apparent interest in becoming a professor. Rather, Steuart's ambition from youth was to be a politician, and he had stood to be well-placed in the hoped-for Jacobite state. Instead of looking to academia, one should look to Steuart's politics to see what influenced him to write this particular text at this particular time. Reading the work in this context, what emerges is a version of political economy that is counter to the universalist trend, and hence, to then-current notions of civility and progress.

As an aspiring politician for an independent Scotland, Steuart must have already had ideas on how an economy for a nation such as Scotland should operate. It is not surprising then to find the economic and political situation of Scotland reflected, although

never explicitly referred to, in the pages of the *Principles of Political Economy*. Among Steuart's major themes that parallel Scottish concerns are: the need for population to not outstrip agriculture (Bk I), the formation of markets (Bk II), the need to balance goods produced with demand for them (Bk II, Ch X), and the development and proper uses of trade, public credit, taxation, and money and banking (Bks III-V). Political economy itself is defined as a science of providing employment and subsistence (17).

He traces the development of the modern economy from the hunter-gatherer stage to the agrarian, where, when there is an agricultural surplus, some are able to leave farming to enter manufacturing, which allows for the emergence of the modern exchange economy. Steuart then posits a two-sector society of farmers and "freehands," or those who do not work to produce the agricultural surplus. A balance is needed between these groups so that the needs of one never outstrip the other. The need for balance is then extended to markets in general, in terms of supply and demand, as society develops more complex commercial relations, and then to international markets.

The great spur to economic growth from the agrarian to the manufacturing stage, after the existence of the surplus, is the demand for manufactures on the part of the workers, which causes them to create more luxuries to sell to the landed class. After the agrarian stage, and in the presence of a continued surplus, demand continues to push the economy to higher stages of development. Therefore, the emphasis throughout is on an increase in the economic welfare of a nation through increases in demand.<sup>206</sup>

Steuart's work is also concerned with the social problems posed by the economic development of a nation. Balance is also needed on a social level, so there will not be too



wide a divergence between the classes of society, such that one would have greater political power over another. Unemployment is seen as a failure of the state to ensure that the conditions are in place for all who seek work to be able to make a living. Therefore, a balance of workers and employment is also necessary.

Although the foundation for his economy is self-interest, Steuart does not believe that private self-interest will naturally conform to the public good. As shown in chapters above, he does not expect people to always have the good of others in mind and thus invests the statesman with the power of safeguarding the public good (144). The statesman oversees the many balances of society and economy: balances of work and demand; of the classes of society; of wealth among those classes; of international and inland trade; and of frugality and luxury, among others. While this aspect of Steuart's work has been one of the most severely criticized, as many of his contemporary, and even current, reviewers see the statesman as an absolutist ruler (Blaug 1986, 241-242; Anonymous 1767, 412), again Steuart defines the statesman as the government as a whole (16).

The author's underlying assumption is that the combination of commerce and self-interest will lead naturally to disorder; there are no self-adjusting mechanisms. Therefore, intervention is necessary to rectify what will inevitably go awry, whether for consumers or for industry. Only the statesman's presence and ability ensure that markets are sufficiently developed and kept competitive.

In order to know when to intervene, the statesman not only has to have a great amount of knowledge of a people's history, customs, and natural resources, but also of

---

<sup>206</sup> Coincidentally the same policy was emphasized by the anti-Unionists Andrew Fletcher and James, Duke of Hamilton in the debates in Parliament as to how Scotland could survive economically without full union with England (see Clerk 1993, Defoe 1799 & Lockhart 1714).

current opinion and economic conditions. Steuart has been criticized for the sheer amount of knowledge the statesman must master to perfectly time the execution of his policies. Such knowledge would be implausible if one were analyzing an extensive state or empire with a developed economy. However, Steuart's conclusions are not so illogical given that the cameralist theories that influenced him were written for the kingdoms of the Rhineland, which were small relative to their English and French counterparts, and Steuart himself was most familiar with the many smaller countries he traveled to, and wrote with Scotland in mind.

In giving the statesman such oversight, Steuart cannot logically separate politics from economics and does not seek to do so. In this, the influence of the German cameralists rather than the Scottish or French enlighteners is the most telling. As argued in Part II, although he was a Scotsman educated at Edinburgh, and was friends with Hume as well as other Scottish literati, Steuart intellectually is not part of the Scottish Enlightenment. In particular it is Steuart's view of and reliance upon history, also influenced by the Germans and the Dutch, which puts him out of phase with his contemporaries in Scotland and causes a profound problem for "civilized" British readers of Steuart's text in the eighteenth century.

I wish to argue that Smith and Steuart at their foundations, before they mold their political economies, have different views of history itself and the way in which history is to be used and understood. In this they are both part of a trend that had already appeared in the eighteenth century. However, Smith I shall argue goes much further than does Steuart in his re-conceptualization of history and historiography. They also have

contributions to make about the history of social knowledge and thus about truth claims in economics. From Steuart's perspective that which is true is that which is true in social experience.

As will be explored below, Steuart relies on history rather than an exercise of the mind to tell him how men are expected to behave given differing circumstances. This historical viewpoint and methodology would make the reception of Steuart's work difficult in a time when the view of history itself and its uses was undergoing a transformation.

### **7.3.1 Steuart's Historical Methodology**

For Steuart, history plays a vital role in creating the possibilities for economic growth and development. Not only does history determine the resources and capabilities at a nation's disposal, but also the disposition of the people towards economic and political change. The all-important "Spirit of the People," made of manners, government, and morals, is formed by history and is to be studied in the present and the past: morals are to be found in a people's religion and from "what is taught among them by authority"; government is to be determined from a "thorough knowledge of their history, and conversation with their ministers of state;" manners are formed over time and, he admits, are the hardest to acquire but are "the most open to every person's observation" (22). A people's openness to a change in economic and institutional structures then is dependent on their history, and this must be known by the statesman before he attempts any policy change (23-25). Therefore, history and local facts are necessarily important to the science of political economy.

Given Steuart's political background, the emphasis on history and fact throughout the *Principles* is not unexpected. The Act of Union could not erase the fact that Scotland

had been an independent kingdom with its own traditions and economy. Likewise, Steuart's experience in several different countries and with the differing political worlds of Scotland and the Jacobite court showed him that people and their histories are different, and such differences influence the direction of a nation's economy. Recognition of historical and present facts resurfaces in Steuart's work and is a reminder that Scotland's past matters if one is to find a viable future for her and other smaller nations like her. Therefore for Steuart one of the required tools of an able statesman or political economist is a thorough knowledge of history.

Such a view of history has a clear effect on Steuart's methodology. Steuart seeks to educate politicians and the general public on the possibilities and practicalities of economic policy. As quoted above, the goal of Steuart's fledgling science is to provide a means of subsistence for the people and a means of employment for those who want it (12). The problems that faced Scotland and other underdeveloped countries and territories are for him necessarily better served by practical and visible solutions than philosophic systems, as is communicated in his methodology.

Perhaps influenced by Hume, Steuart's method, as discussed in his Preface, is dependent on empiricism. Concurring with Newton, he rejects reasoning from hypotheses and uses objective observation as a starting point. Principles are then derived by induction, and consequences deduced from the resulting phenomena. Despite the charms he sees in purely deductive reasoning, Steuart warns against pure deduction and "falling into what the French call *systèmes*," as such "long steps in political reasoning lead to error..." (17 & 19). In each case under consideration, he builds from simple principles to applications to more complex situations, as in the movement from the simple exchange economy to international trade.

Due to the vagaries of human nature and history, Steuart states that his work is contingent on circumstances (5 & 19). Therefore, he does not believe in general rules and offers general principles only. Combined with the unpredictability of human nature, Steuart's belief in the divine economy being mirrored in the household and that of the household in the state, Steuart's belief in the necessity for government intervention does not seem farfetched in the context of eighteenth century science, as even Newton admitted of natural phenomena that his laws could not explain or could do so only provisionally (Sambrook 1993, 3).

Likewise, in the context of eighteenth century theories of progress, like many of his eighteenth century contemporaries, Steuart uses conjectural history to explain the rise of modern commercial society. He is also an advocate of one of its most able practitioners, Montesquieu, whose *Spirit of the Laws* is a far cry from classical narrative history. Steuart conjectures three stages of economic development: the hunter-gatherer, the agrarian, and the exchange economy of the present day. In the last stage, farmers produce an agricultural surplus, freeing some to pursue manufacturing, and allowing increases in population, which further spur demand, and so increase production.

Relying on facts and his vast store of observations from his travels at home and abroad, Steuart does not use conjecture in the rest of his work. In fact, he seeks "to avoid abstraction as much as possible" (19), and purposely uses shorter steps of reasoning to keep "experience and matter of fact before our eyes" (121). In terms of methodology then, although he is theorizing about an abstract object, political economy, reliance on facts makes Steuart's theory historically and spatially contingent, and the objects of his analysis are thus both measurable and observable.

Rather than self-interest alone, Steuart, after noting how industry, trade, and credit emerged, says he will use “this kind of historical clue” as a map to how economic phenomena arise and how people have reacted to them, given certain circumstances (29). As Urquhart (1996) explains, history is being used here as a process within which people as a society deal with the problems that nature has given. History forms the context of both action and motivation and thus is the most reliable and useful guide available to the economist. Steuart allows the use of self-interest as a blanket guide to human nature, but warns that it doesn’t provide an exact answer for what people will do given particular circumstances because what it is in man’s self-interest to do is going to be shaped by many different things. Morality is also to be found in history rather than in an imagined impartial spectator who can tell us to base our actions on how others perceive us. Religion and morality are formed by the circumstances people face and thus morality is to be perceived in history as well. For Steuart there also is not a separation between morality and the economic actions of individuals. Economic actions will be informed by the same mores, traditions, and manners that inform other kinds of decisions, and these different traditions and mores are formed by and in history.

### **7.3.2 The Scottish Problem**

As intimated above, as an empiricist, the facts of history do not allow Steuart to subscribe to the notions of universal human nature or general economic policies. He begins his analysis with the acknowledgment that all peoples, nations, and cultures are different (20).<sup>207</sup> In a cosmopolitan spirit, Steuart frequently reminds the reader that the

---

<sup>207</sup> In this, as well as his notion of economics as householding, Steuart has been identified by Urquhart (1999) as an Aristotelian economist. Steuart’s recognition that there must be a multiplicity of political economies is compatible with Aristotle’s belief that humans are complex creatures and thus there must be a “qualitative diversity of attempts to understand them” (124).

successful enactment of policy in any country is going to depend on the spirit of the people and that nation's particular circumstances, whether historical, political, social, or natural. Due to these differences, Steuart believes that every country will have its own political economy:

If one considers the variety which is found in different countries, in the distribution of property, subordination of classes, genius of people proceeding from the variety of forms of government, laws, climate, and manners, one may conclude, that the political economy of each must necessarily be different (1966, 17).

It is this cosmopolitan aspect of Steuart's work that was one of its most contested features, as it was not consistent with the drive for uniformity and “civility,” or what were in fact English norms.

English norms were further violated if English and North British readers of “civilized” society noted the similarities between Steuart’s *Principles* and the Scottish clans’ modes of economic organization. Unlike Ferguson, whose ideas among the eighteenth century Scottish literati his seem to most resemble, Steuart was not himself a Gaelic-speaking Highlander but he was familiar with the mores of clan life from his time among the Jacobites.<sup>208</sup> He also had family and personal connections to the Highlands, as the Wemyss family, his in-laws, had seats there.<sup>209</sup>

While the similarities in his political economy to the economic principles of clan organization are patent, I am not trying to claim that Steuart was saying that modern commercial society should base itself on the clan system of organization. Rather, I am

---

<sup>208</sup> A reference in his Commonplace Book at the Edinburgh University Library archives discusses translation and demonstrates that he knows Latin, English, and Scots, but he does not there reference Scots Gaelic.

<sup>209</sup> Dunrobin Castle, where he and Frances wed, is located in the southern Highlands and was the seat of the Duchess of Sutherland, a friend and relation of the Wemyss family and particularly of Steuart himself, according to Thomasson (1958, 63).

suggesting that Steuart had access to this particular system of thought and, instead of casting off ideas of the traditional society, used them as a basis for which to approach modern life in commercial society.

The first striking parallel between traditional clan society, as delineated by Ommer (1986), and Steuart's view of the nation is the view of the clan as a family, a collection of distant cousins on a collection of farmsteads. Although Steuart makes it clear that this is not necessarily a single person, the statesman of the *Principles* is akin to the chief of the clan in "his" position: "The chief was seen as *primus inter pares*, the representative of the clan, its father... This was not despotism. Rather it was a position of mutual obligation as well as joint hereditary possession" (Ommer 1986, 125). Steuart's statesman of 1767 for whom "Self-interest, when considered with regard to him, is public spirit; and it can only be called self-interest, when it is applied to those who are governed by it" (142), and earlier says that governing with virtue and justice "mean no more than a tender affection for the whole society, and an exact and impartial regard for the interest of every class" (20), has a clear obligation to use the public money to promote the good of the public (234). Likewise the public has an obligation to contribute to the society. The similarity between Steuart's definitions and duties and Ommer and Turner's (2004) description of a clan chief who has a "habit of making all private considerations subservient to the good of the community" (7) is striking.

Steuart's views on the purpose of political economy coincide with those of clan organization in its object to feed, employ, and maintain reciprocal bonds between the members of society (1767, 2-3). Elsewhere he intimates that it is also the duty of the good statesman/political economist to provide for those who are unable to work: "if anyone sick or infirm is neglected, we immediately perceive a want of oeconomy" (1). Likewise in the



clan, there was a responsibility to care for members who are too feeble or unable to care for themselves (Ommer and Turner 7).

In the clan the individual was seen as part of the society and each person as having something to contribute. Similarly, Steuart, in claiming “dependence as the only bond of society” says so in the sense of interdependent community. The individual is inseparable from other members of society because his or her subsistence needs cannot be fulfilled except by virtue of the existence of society. The community as a whole matters, not just the self-interested actions of individuals. According to Steuart, self-interest is the guide only if man were alone, but the reality is quite different (1966, 11). People’s relations with the rest of society matter. Ommer and Turner cite the study of clan organization of Scottish clan scholar Alan G. MacPherson, who described a social ecology for the clan “in which each component depended for its persistence and survival upon the others” and showed how the “social structure ... was intimately related to the tenure system by the concept of ‘right of ancient possession,’ and to the system of land use by the grazing lore transmitted from generation to generation”(7).

In such a “transmission of lore” from generation to generation there is a notion of preserving the clan’s history and respecting it, which Steuart certainly calls for in his appeals to the history, customs and spirit of the people. The passing on of lore and custom also captures the idea that is present in Steuart that the individual is also dependent on society for the inheritance of “Spirit,” the particular history, customs, and beliefs of the individual’s society or nation. Much of what is discussed in the sections on the Spirit of the People is similar to clan beliefs in the role of the clan in the preservation of history and tradition, as well as their view of history as cyclical, which view is echoed in Steuart’s explanation of the rise and fall of trade, cyclical economic history. An early description

of the rise of a nation to international trade, and then turning to luxury and increased imports, before reverting back to a prominence in trade due to increased frugality and innovation in manufacturing is just one example (1767, 207-209).

More specifically, when speaking of the economy and the purpose of the economy, another insight is gained from this sidetrip to clan economic organization. According to MacPherson, the clan was a “satisficer economy seeking production for use without surplus,” rather than an economy centered on production for surplus profit. Could this in fact also be what Steuart is getting at? Like the clans, for whom “Surplus went to feast, or to gift, or to aid those in trouble” (Ommer 128), Steuart proposes the creation of national granaries for the storage of surplus to dispense in times of dearth.<sup>210</sup>

Steuart has been said not to have grasped the division of labour and to not have developed a theory of profits separate from wages (Skinner 1966a, lxx and lxxxiii; Schumpeter 1954; Blaug 1991, Niehans 1990, Meek 1958). But could it be the case that he was coming from a different perspective on labor, profit, the people involved, and the relation of each to society—a perspective that grasped that one’s survival came from the interdependence of the members of the clan. Rather than not understanding profits, one should say that Steuart had a *different* understanding of profit. Profit is not necessarily that which will lead an entrepreneur to more capital accumulation. Rather, he defines positive profit in a nation or business as that which “implies no loss to anybody; it results from an augmentation of labour, industry, or ingenuity, and has the effect of swelling or augmenting the public good” (1767, 206). So an increase in numbers, work effort, or knowledge is what will increase the public good and cause no one loss. This makes sense

---

<sup>210</sup> He wrote extensively on the matter of the problem of grain and its scarcity in a pamphlet published later as *A Dissertation Upon the Policy of Grain* (1783) which also appears in volume 5 of the *Works*.

if one is more interested in provision for society and thus production for use, as in the case of the aspiring laborer who wants more luxury goods to enjoy, than in the unhindered pursuit of self-interest and capital accumulation presented in Smith.

And this is because the strength of a nation does not consist, in the *Principles*, of capital accumulation. Much as the clan system measured its wealth by its people and the number of men one could call up to fight, so does Steuart acknowledge that the general wealth of the nation is its people, and hence he begins with the problem of population and stresses the importance of subsistence and employment for the people. The economic strength of a nation can be measured once trade and industry has appeared. The rise, spread, and progress of trade in a nation is due, says Steuart, to the knowledge, innovation, and industriousness of its craftsmen. It is their genius which produces the output of the nation which is being exchanged for the “equivalent,” or money (1767, 170-179). The source of the nation’s wealth and productive power are the people, the number of innovative and industrious workers, which the statesman has to call upon to defend his economic country.

### **7.3.3 Steuart’s Theory of Value**

The idea that the wealth of a nation arises from both the knowledge and the demand of its people is reflected in Steuart’s theory of value. Based on demand rather than pure labor time, Steuart’s theory of value is another aspect of his economic thought that sets him apart from the other classicals. Like attempts to put Steuart in line with his Scottish contemporaries, the sparse writing on Steuart’s theory of value tries to place him in line with a classical labour theory of value, or at least a semi-labour theory of value (Sen 1956, Akhtar 1979, Karayaniis 1991, Yang 1999). Hutchison alone correctly states that Steuart’s is a demand theory of value, but he does not connect the source of value to

Steuart's view of the importance of the people, their skill, and the role of their history in shaping that demand. Here Steuart's value theory will be revisited in light of what has above been outlined, namely to show that he is consistent in showing that the ultimate source of value is from the demand of the people, and the abilities of the people in the nation to meet demand. This demand theory of value also produces within Steuart policy recommendations that set him apart from his classical contemporaries, and will also below be explored.

Unlike the classicals, Steuart makes the claim that value is a construct. As it is not a substance in and of itself, but rather is set by human beings, value is also variable.<sup>211</sup>

In the *Principles* there is no such thing as value in a fixed and absolute sense:

Value is a relative term; there is no such thing as absolute value; that is to say, there are no two substances in the universe different in themselves which can be so proportioned in their parts, as to be permanently of the same value at all times... Value is the estimation mankind put upon things; and this estimation depending upon a combination of their own wants, fancies, and even caprices, it is impossible it should be permanent. The measure of value, then, must be that which measures not the positive worth of anything; but the relative worth of all things compared with one another (*Works*, vol iv, 175).

If value is not an invariable substance contained in a good, and is in fact determined by the whims and wants of mankind, then it must be determined in some way other than by purely physical measurement. In chapter one of Book III of the *Principles*, Steuart describes four sources of value:

The value of things depends upon many circumstances, which however may be reduced to four principal heads:

First, The abundance of the things to be valued.

Secondly, The demand which mankind make for them.

---

<sup>211</sup> He also makes it clear that specie is not a proper way to fix value because metals regularly lose their value, and economic transactions should not be limited to the amount of gold in a country (*Works*, 175). Because this addresses Steuart's idea on the source of value, he cannot therefore be a mercantilist, in the most generic sense because he believes neither that specie is the originator of value nor that value can be properly measured by it.

Thirdly, The competition between the demanders; and  
Fourthly, The extent of the faculties of the Demanders (1767, 527).

In his subsequent explication of value, Stuart focuses not as much on “the abundance of things to be valued” as on the extent and level of demand in society for a particular good. It should be noted that the attention he pays to the faculties of the demanders entails both the information they have available to them, as well as their ability to effectively demand goods, i.e. to generate income with which to buy them. Stuart’s theory of value is thus based on demand and the ability of labor—again based on the needs and ingenuity of people—to produce goods for purchase.

Stuart is explicit though in stating that value is determined through demand and the competition between both buyers and sellers:

nothing can determine the value of a vendible commodity, any where, *but the complicated operations of demand and competition*, which however frequently influenced by wealth, yet never can be *regulated* by it (515, emphasis in text).

Demand is the ultimate source of value because all in the economy, even producers, are demanders. Although Stuart allows that wealth can have an impact on the determination of value, through its direct influence on demand, he explicitly states that it cannot regulate prices. In the long run there is no tendency for prices to return to lower levels and thus to equilibrium between demand and supply as it is understood in the Marshallian model.

This point is necessary because it leads logically to Stuart’s advocacy of the statesman’s intervention in the marketplace, as shall be seen in the latter sections.

### 7.3.3.1 Price Determination

Stuart distinguishes between two components of the price of a good: “prime cost” and the “selling price” (1767, 485). Prime cost is the actual cost of production of the good, and is what Stuart considers to be the real value, not “necessary labour time” as

Karayiannis has incorrectly asserted. The real value differs from the final selling price however: “In the price of goods, I consider two things as really existing, and quite different from one another; to wit; the real value of the commodity, and the profit upon alienation” (159). The actual or intrinsic value of a good comes from the number of units produced, the value of raw materials used to produce them, the “subsistence and necessary expence” of the worker, for his or her personal wants, and also the expenses pertaining to continuing in the worker’s profession (182). The profit “resulting from the sale must be exactly distinguished from the value of the merchandize” (174). Profit is a markup over the real value of the good.

Either the real value or the selling price of the good can change, such that, as Akhtar says, “Steuart treated both the real value and the market value as relative concepts” (288). The selling price is not fixed because, considering prime cost and profit, “the first is invariable upon the first determination, but the second is constantly increasing...” (485). In the marketplace, only competition among many sellers can keep the markup from increasing in the short run. The real value does not vary from similarly made goods to another; the only changing variable is how much profit accrues to the merchant. Steuart predicts that competition will keep such profits stable over time and hence competition provides an explanation as to the tendency of prices of similar goods to converge over time: “It is this profit alone which can be influenced by competition; and it is for this reason we find such uniformity every where in the prices of goods of the same quality” (174).

Over time however, if there is a rising level of demand, once producers have gotten used to having higher profits, or as Steuart terms it, if they “consolidate higher profits” into their prices, their political necessary, or standard of living, changes.

Producers of all classes are assumed to never desire to go to a lower standard of living once one has already been attained. In the long run prices will have the tendency to rise. Steuart identifies three causes of high prices, the major one of which is the consolidation of higher profits into prices, but also include: high subsistence costs, which will cause wages and thus the real value of a good to rise, and, for open economies, the increasing of prices by other nations who are taking advantage of the demand for their unique products (1767, 498). Therefore, due to the tendency of prices and profits to rise, the price mechanism on its own, which can solve for problems when prices are too low, cannot readjust when prices are too high.

### **7.3.3.2 Wages and the Price Level**

Price changes and disequilibria in the long run have an effect on wages and employment and thus on the driving force of the economy, demand. Despite the claims of Skinner (1966a) and Hutchison (1988) that he does not discuss wages, Steuart pays close attention to wages as part of “real value” and a major determinant of demand. As such this also leads him to a different conclusion than his contemporaries that wages should be high. As Akhtar concurs, “unlike most of his contemporaries,” Steuart sees that low wages can have a negative effect and emphasizes the benefits of high wages, namely, increased demand and circulation of money (1979, 289). He also differs from the classicals in his theory of wage determination. Rather than the wage depending on the price of subsistence, the causality runs in the other direction:

The standard price of subsistence is in the compound proportion of the number of those who are obliged to buy, and of the demand found for their labour.

Subsistence never can rise above the level of the faculties of the numerous classes of a people; because so soon as a price rises above the faculties of the buyer, his demand is withdrawn; and when the demand of a numerous class is withdrawn, subsistence is found in too great plenty for the rich, to bear a high price (514).

Thus subsistence prices depend on wages, at least to determine their maximum.

Karayiannis presents an incomplete analysis when he traces the wage back to worker subsistence. In Steuart's theory, subsistence costs do determine the very lowest level wages can be, but the wage rate is determined "by the price at which his manufacture sells in the market" (691).

Steuart makes it explicit that the wage is a return on the worker's skill, not a factor dependent on how much income is needed for subsistence: "The industrious man is recompensed in proportion to his ingenuity..." (1767, 223). Rather than the cost of the physical necessary of the workers, wages are dependent on the demand for labor:

When workers can insist upon an augmentation of their wages, the demand of the market must be greater than the supply from their work...Let the demand of the market fall, the prices of labour will fall...The workmen will then enter into hurtful competition, and starve one another, as has often been observed...Let the demand of the market rise, manufacturers may raise their wages in proportion to the rest of the market (1767, 694).

There is a distinction, Steuart notes, between the rate of subsistence for what is truly biologically necessary for the worker to survive and how much subsistence the worker's wage actually allows. The demand for subsistence is generated by what the workers' wages allow, which is itself determined by the demand for the workers' products in the marketplace. Because wages vary, the costs of subsistence for all kinds of workers vary as well. All such variation and rising or falling of subsistence prices can be traced to the source of the worker's income: the demand for luxury goods, initially by the upper classes and only later on by the manufacturing classes.

### 7.3.3.3 Changes in Price

The level of demand determines how far above the cost of production prices will be allowed to rise. Prices come into equilibrium only when there is suitable competition



between multiple buyers and sellers (346). Although prices have a tendency to rise over time, it is trade itself that helps to fix them within a particular range (1767, 181).

In an equilibrium situation, price will be close to the actual value plus a small markup for the manufacturer and the merchant. This is mostly likely to happen when there is what Steuart calls double competition, or competitive buying and selling on both sides of the market. In the short run, a disturbance of the balance affects only the profit portion of the price; but in the long run if prices rise and profits continue to be marked up, they will become part of the new value of the good, as higher profits lead to higher standards of living and wages.

Changes in demand can also bring about changes in the “real value” of a good. If population grows at a faster rate than subsistence, then cultivation costs will increase the cost of subsistence, the demand for which will increase wages. Wages will also increase with a demand for labor, which will itself be spurred by a demand for the goods that laborers produce. Government policy can also cause the real value to change, “When a statesman imprudently imposes taxes” that cause the cost of production to increase and these are passed off to the consumer (1767, 228-229 & 491).

The markup will fluctuate, causing the price to fluctuate, if profits become consolidated in the real value of the good, i.e. if merchants and workers become used to one standard of living and thus see this as part of their new level of subsistence, and so increase the markup for profit. The other case of increased prices is when foreigners take advantage of the conditions in their own countries and raise prices in order to increase their profits.

Any one of these components is variable according to what Steuart has already set out in the text. In almost every case they vary according to both the level of demand and

the skill of the workers. Both the quantity of time and raw materials necessary to make the goods will depend on the level of demand for the good and how productive the workers are at making them. Wages vary due to the level of demand and the cost of subsistence, which is itself determined by the demand for the goods that workers produce, from the upper classes, other workers, and foreigners:

Now the price of a manufacturer's wages is not regulated by the price of his subsistence, but by the price at which his manufacture sells in the market...It is therefore the rate of the market for labour and manufactures, and not the price of subsistence, which determines the standard of wages" (691).

Elsewhere he explains the connection between employment and the price of subsistence even more simply:

Did every one, therefore, supply himself with necessaries, there would be no alienation of them; consequently, no price fixed. From hence it follows, that the price of necessaries depends on the occupations of a people, and not on the quantity of their specie (514).

Because occupations and incomes will vary with demand for the goods produced, so will the price of necessities differ with the demand for them.

The markup that the producers tag onto the final selling price for their profit will also vary, depending again on the level of demand for the good and also the amount of competition among sellers to supply the good. Karayiannis' conjecture that labor time is invariable is thus incorrect. Another factor influencing the demand, and thus value, of goods is the income and the ability to generate income of the workers, which Stuart identifies as the "faculties" (1767, 188) and the "natural faculties" of the workers (1767, 302).

#### **7.3.3.4 Equilibrium and Price**

Prices are thus limited within a particular range. The lower range is the real value as stated above. Because all prices above the real value are profit, and the producers add

the mark up that determines their profit, the upper range is potentially infinite. However Steuart says the upper range, "...will ever be in proportion to demand, and therefore will fluctuate according to circumstances" (182). The equilibrium here then is, as Karayiannis demonstrates, not to be seen as a point in a Cartesian diagram, but as a "set of points in Euclidean space" in the short run (1991, 177). This is borne out by Steuart's prediction above that buyers and sellers do not regulate their prices according to market schedules of supply and demand.

Steuart is quite aware of the interaction of supply and demand, but he does not see their meeting as a smooth process, nor is it one that is perfectly perceived by the participants:

First, Experience shews, that however justly the proportion between the demand and the supply may be determined in fact, it is still next to impossible to discover it exactly, and therefore buyers can only regulate the prices they offer, by what they may reasonably expect to sell for again. The sellers, on the other hand, can only regulate the prices they expect, by what the merchandize has cost them when brought to market. We have already shewn, how, under such circumstances, the several interests of individuals affect each other, and make the balance vibrate.

Secondly, The proportion between the supply and the demand is seldom other than relative among merchants, who are supposed to buy and sell, not from necessity, but from a view to profit. What I mean by relative is, that their demand is great or small, according to prices: there may be a great demand for grain at 35 shillings per quarter, and no demand at all for it at 40 shillings, I say, among merchants (224).

Rather than an equality between quantity supplied and demanded, the two factors that Steuart declares should be in equilibrium are work and demand. This places an emphasis on the proper employment of people such that they have enough income to buy the goods that they want. As Steuart says, "In order to preserve a trading state from decline, the greatest care must be taken, to support a perfect balance between the hands employed in work and the demand for their labour" (224).

Besides ensuring that people will be able to provide for themselves, in terms of value, if the balance is maintained, prices will be at a fair level:

When we say that the balance between work and demand is to be sustained *in equilibrio*, as far as possible, we mean, that the quantity supplied should be in proportion to the quantity demanded, that is, wanted. While the balance stands justly poised, prices are found in the adequate proportion of the real expense of making the goods, with a small addition for profit to the manufacturer and merchant” (189).

The negative outcomes resulting from an imbalance between work and demand occupy all of Chapter X of Book II on the development of industry. A vibration in the balance between the two will result in temporary differences in price in the short run. If work is greater than demand, then either the workers enter into “hurtful competition” with one another and drive wages downward, or the level of employment stays the same but there is a surplus of goods available. In the opposite case, where demand is greater than the workers available, then higher wages and profits will be consolidated into the costs of production and cause prices to rise. If prices do not rise with the increase in demand, then “a part of the demand made, is not answered by them” (1767, 490).

### 7.3.3.5 Policy Implications

As has been shown above, Steuart believes that increased profits, once consolidated, will not allow prices to fall back to former levels. This can create a problem for employment, and thus portions of demand in the economy, and also poses a particular problem in the market for subsistence. Once a modern economy develops and the people therein have more refined tastes, more resources will be necessary to meet their demand, making subsistence more scarce, and too expensive for the poor to afford:

The same ground which feeds a hundred with bread, and a proportional quantity of animal food, will not maintain an equal number of delicate livers. Food must then become more scarce; demand for it rises; the rich are always the strongest in the market; they consume the food, and the poor are forced to starve. Here the

wide door to modern distress opens, to wit, a hurtful competition for subsistence (1767, 212).

Therefore Stuart recommends that the statesman intervene both to keep the price of subsistence low and to keep the balance between work and demand stable. The balance is kept stable, never by removing anything from that side that is currently heavily weighted, but by adding some encouragement to the other, i.e. by encouraging consumption and exportation when work is greater than demand or by encouraging industry and the “establishment of new undertakings” when demand is greater than work (1767, 491). Stuart also is a major proponent of an expenditure tax on luxury goods to both discourage consumption and to provide for poor relief (690, 719 & 733).

The statesman’s intervention in the subsistence market will help to regulate other prices, by keeping producers from having to charge a higher markup so that they can continue to afford their current standard of living. It is up to the statesman to observe whether the price of subsistence is rising too high in proportion to demand: “on this the whole depends” (1767, 489). He reiterates this point in chapter nine by linking strong industry with the availability of subsistence:

It is therefore evident, that the only way to support industry, is to provide a supply of subsistence, constantly proportional to the demand that may be made for it. This is a precaution indispensably necessary for preventing hurtful competition (1767, 215).

Rather than increasing employment, the statesman should take measures to increase the quantity of subsistence (1767, 490). Again, Stuart’s view is to ensure that the workers, who are the ones who cause trade to flourish by producing manufactures, are able to continue to do so.

Stuart’s view that “The number of people, well employed, makes the prosperity of a state” (1767, 336), is reflected in a variety of ways throughout the *Principles*. As will

be shown in detail in Chapter Nine below, demand is the driving force for economic growth, “to promote flourishing manufactures” (182-183), and the useful employment of the people the most important goal to secure the general welfare. The central importance of demand, and of employment, and thus of the *people* of the nation, is consistently carried over into Steuart’s theory of value and the determination of prices, wherein the values for which goods exchange are also seen to be ultimately derived from the demand of its people.

#### **7.4 Steuart and the Commercial Culture**

There is a distinct tension present between Steuart’s political economy and eighteenth century commercial culture, as yet undocumented in the literature. The tension is parallel to that between English political interests and the way of life of the Scottish clan. Here the conflict can be identified as being between provisioning, in the Aristotelian sense of oeconomic production for householding, and economic production for surplus profit. Due to the need to fully defeat Jacobitism and to eliminate the rebels’ major source of military recruitment, clanship could not be allowed to survive. At the same time, the elements seemingly required for successful commercial capitalism were foreign to the clans’ form of economic organization. Commercial culture, coupled with the political aims of the English government, required a “decisive shift from demand- to resource-management within Gaeldom,” a shift that guaranteed clanship’s demise as a form of political, social, and economic organization (Macinnes 1996, 234). The perceived security of Britain depended on an ideological disarming of the clans in annihilating their modes of organization. As Macinnes concludes:

Thus, Whig ideology, British patriotism and imperial security made a potent cocktail which ensured that the demise of clanship accompanied the vanquished political pretensions of the exiled House of Stuart (1996, 160).

In such a society, Steuart's statesman is easily conflated with a feared Jacobite despot and the traces of clannishness in his demand-centered economy seem outmoded, or more likely, out of the question.

The multicultural underlying tones of Steuart's ideas were not lost on the "civilized" tastes of certain of his reviewers. As mentioned in an earlier chapter, the anonymous reviewer from the *Monthly Review* of 1767 claims that Steuart had been "imbibing prejudices abroad by no means consistent with the present state of England and the genius of Englishmen" (*Monthly Review*, 465). Steuart points to this difference as being one of the merits of the *Principles* (1966, 4-5). Particular situations are important because, as stated in the *Principles*'s first chapter, man is alike in all times, countries and climes only in acting "from the principles of self-interest, duty or passion. In this he is alike, in nothing else" (20).<sup>212</sup> As noted in Chapter Four above, although it is true that all men are social and so form nations, their different circumstances and histories cause him to dismiss the idea of an equality of all people in all nations starting out the same.

Not only does Steuart lack this common Scottish enlightenment principle, but he also assumes traditional morality, formed in the historical development of religion. As morals are contained in the spirit of the people, which is formed by religion and authority, and are themselves formed over history, morality is historically dependent.<sup>213</sup>

---

<sup>212</sup> Hume also agreed that actions spring from a variety of sources, not just self-interest: "Ambition, avarice, self-love, vanity, friendship, generosity, public spirit...are the source of all actions and enterprises which have ever been observed among mankind" (cited in Hopfl 34).

<sup>213</sup> On the subject of religion, also unlike many of his Enlightenment fellows, Steuart is neither an atheist, nor a Deist as he has mistakenly identified by Skinner (1966b). His biographer, Andrew Kippis, says in the *Works* that Steuart wrote his *Critical Remarks* (1779) "on the atheistical falsehoods of the *System of Nature*" (385) of Mirabaud, using the arguments of the Deists against the atheists, but was not himself a Deist. Statements made to Frances and to his sister Elizabeth, in the anecdotes appended to Frances' memoir, tell us that Steuart attended church and was a practicing and avowed Christian.

Thus it is folly to assume that all men in all times and place will act only out of self-interest. For instance, duty, which is also formed by history, is another major determining factor of morality. Indeed, Steuart says that “the characteristic of a good action consists in the conformity between the motive, and the duty of the agent” (11). Therefore, when one has a duty to more than oneself, self-interest is automatically limited by the extent to which its exercise prevents one from caring for those to whom one has an obligation. As far as the eighteenth century concern with unintended consequences, Steuart’s maxim implies that while private vices can result in good, they cannot retroactively become virtuous if their motivation is bad. Again, this maxim is broad enough to allow for a nation’s particular religion or moral tradition.

Steuart’s political economy is intimately bound to history in a way that challenges the eighteenth century universalist project. Being historically contingent, there is no move within the book to sweep past events under the rug of philosophical history. Also there is no assumption of rational self-interested behavior, as Steuart also posits traditional morality, duty, and passion as being just as active in human motivation. Likewise, there is no recourse in the *Principles* to unintended social benefits from self-interested actions, or in other words to anything like the invisible hand to draw people together. Rather, society is bonded by its dependence on one another for survival and shared traditions and history, which are necessarily different in all places. Given this, the morality of any society is likewise formed by history, and so the duties and obligations one has towards one’s society guide one in the commercial realm. While self-interest is present in the work and serves as a guide, it is the Spirit of the People that is the source of social and economic development. The Spirit of the People, or their culture, forms a people’s duties and obligations to each other and serves as a check on self-interest. Again counter to the



universalist trend, Steuart thus implicitly stresses the importance of community rather than atomistic individualism. In emphasizing the degree of dependence in society and identifying dependence upon one another as “the only true bond of society,” Steuart again is counter to the universalist trend as he implicitly stresses the importance of community rather than purely self-regarding morality and self-interested, self-sustaining individualism (207).

Thus, the matter of political economy or any other study of society with an intention of forming proper policy for that society cannot be reduced to universal principles divorced from historical context. Steuart’s approach to history and method thus poses a general problem to the universalist project, and a specific problem in a country trying to replace a past reality of two nations with the present entity of Great Britain. For the *Principles* served as a reminder to respect not only the distant, but also the more recent past. As Robertson (2000) notes, of the Scottish enlighteners who analysed political economy, “only the former Jacobite exile Sir James Steuart ever specifically addressed the problems of the Scottish economy” (45).

### **7.5 Adam Smith & the End of History**

As a moral philosophy professor within the Scottish university system, supporter of the Union, and one opposed to what he saw as the backward patriotism displayed in the Jacobite rebellion, Adam Smith necessarily takes a different approach from Steuart to history.<sup>214</sup> It is a necessary step intellectually as he needs to, on the one hand, devalue individual national histories to erase the reminders of the ’45 and ensure the civilization of

---

<sup>214</sup> Smith writes unflatteringly of the ’45 rebellion and the Jacobites in the *Lectures on Jurisprudence* (1982, 431 & 451). His dislike of the Jacobites, starting in his Oxford days, has been well noted by Rae (1895) and Ross (1995).

Scotland through English civility, and on the other to create a history, or histories, that are both universally accessible and applicable. Given the trends in the acceptable civilized world of ideas, Smith could not do other than find Steuart's ideas "fallacious," as he writes to Pulteney, and counter them in his WN.<sup>215</sup>

The WN did not gain immediate fame and acceptance upon its publication in 1776. Although well known as a lecturer and essayist, Smith was seen as a radical with an affinity for the ideas of the *philosophes* as Rothschild (2002) has documented. While the WN did not immediately supplant Steuart's work, its popularity grew rapidly in the latter end of the eighteenth century. But the work went through several printings, increasing its print run with each successive edition. How is this success to be explained such that Smith came to be regarded as the founder of political economy? Was Smith's work truly that great of an advance over those that preceded it? Rashid points out that what makes for "progress" in economics "is dependent upon factors that are not normally considered part of 'science'" (1998, 174). Some of these factors are identified as literary style, for Smith was eminently readable, another as quotation by politicians in Parliament, and another as the emphasis on natural liberty and economic freedom. I would add to this list Smith's particular use and view of history, for it was this that increased his readership in an age where the trend towards universalism was in demand. This view does not seek to negate the other possibilities but to add to them.

It has already been acknowledged that, as an historian, Smith's reporting of "facts" leaves much to be desired. Rashid concludes that in Smith facts are "occasionally allowed to murmur, seldom to speak" (85). Despite having the ability to check his inconsistencies, Smith did not do so, and often when he does use sources, the use is limited to one source,

---

<sup>215</sup> Letter to William Pulteney, dated 5 September 1772.

such as when he writes on the national debt and the East India Company, or to sources for topics that do not advance his arguments (Rashid 55-56 & 59). Meanwhile, Steuart relies both on facts gleaned from local newspapers and his own personal observations and experiences, but does acknowledge his sources and printed references when they are at hand. Often though, as he admits, he was writing in exile and far from a library and had to refer to memory or to newspapers for his figures, or he calculated them from the knowledge he had (1767, 4 & 111).<sup>216</sup> Dugald Stewart even recommended the work to his students for its “great mass of accurate details” (1854, 458).

Smith also uses personal observation but usually in contexts that are devoid of theoretical content and thus in ways that do not support the larger claims of the WN. For example, there is no empirical evidence or personal observation given concerning the alienation of the worker in the division of labor. As Rashid notes, “this procedure makes facts a convenient vehicle to carry one’s theoretical views” (58).

With such a well-rounded genius as Smith has demonstrated elsewhere, what is one to make of this cavalier approach to details and facts? Much of it has to do with Smith’s view of history, and indeed of the new philosophical historiography of the eighteenth century.

### 7.5.1 Conjectural Histories of the Mind

Smith, like Hume before him, engages in philosophical history in his essays on the natural sciences. What are referred to as his *History of Astronomy* and *History of the Ancient Physics and Ancient Logics and Metaphysics* are misnomers, as they are not

---

<sup>216</sup> Steuart also acknowledges that newspapers are lesser sources: “As I have no access to look into records, I content myself with less authentic documents” (1767, 111). This section must have been written while he was in exile in France as he references London newspapers from 1757.

straightforward narratives of the development of these particular sciences. The full titles of the works themselves tell us that Smith is writing a specialized history of philosophy: *The Principles Which Lead and Direct Philosophical Inquiries: Illustrated by the History of Astronomy*.

These works also tell us much about what Smith sees the purpose of philosophical inquiry and philosophy itself to be, which in turn illuminates his view of scientific inquiry. In the *History of Astronomy*, Smith defines philosophy as “the science of the connecting principles of nature,” which allows the mind to reach a state of “tranquility” and “admiration” (1967, 45). Rather than establishing truth or fact, philosophy’s goal is to soothe the mind. In the *History of Astronomy* Smith hopes to uncover the nature and causes of the “Wonder, Surprise, and Admiration” one experiences when an unsettling event occurs where unrelated objects or events follow one another:

When one accustomed object appears after another, which it does not follow, it first excites, by its unexpectedness, the sentiment properly called Surprise, and afterwards, by the singularity of the succession, or order of its appearance, the sentiment properly called Wonder. We start and are surprised at seeing it there, and then wonder how it came there (39).

However, philosophy can help us to find the connections between such events, “join them together by a sort of bridge” and therefore soothe our disquieted minds (1967, 40). The “Admiration” Smith seeks comes about after invisible connections between the phenomena have been found:

Philosophy, by representing the invisible chains which bind together all these disjointed objects, endeavors to introduce order into this chaos of jarring and discordant appearances, to allay this tumult of the imagination, and to restore it, when it surveys the great revolutions of the universe, to that tone of tranquility and composure, which is both most agreeable in itself, and most suitable to its nature (45).

Tranquility and admiration therefore occur once philosophy has imposed order on the events being observed. Order then continues to be a topic of some importance to Smith.

He examines systems of nature to see how each is "...fitted to sooth the imagination, and to render the theatre of nature a more coherent, and therefore a more magnificent spectacle, than otherwise it would have appeared to be" (1967, 45-46). In the idea that invisible connections as yet uncovered will fill the gap between two seemingly opposed objects, one can observe the extension of the political assimilationist mindset to the philosophical realm.

To take a page from Smith himself, it is this need for an invisible, universalizable connection that is itself the invisible thread linking Smith's work. Dugald Stewart, writing the biography of his mentor Smith, supports this assessment by saying that Smith is led by:

a particular sort of enquiry, which, so far as I know, is entirely of modern origin, and which seems in a peculiar degree to have interested Mr Smith's curiosity. Something very similar to it may be traced in all his different works, whether moral, political, or literary... (1793, xl).

This enquiry is to trace how mankind has progressed from a state of simplicity "to a state of things so wonderfully artificial and complicated," such as in the areas of the sciences, arts and language and, astonishingly enough, the "*astonishing fabric of political union*" (xli, emphasis mine).

Smith's mental universe of Cartesian vortices allows his scientific and philosophical systems to be reasoned from the mind alone. He admits that philosophical systems are "mere inventions of the imagination" (108) and "imaginary machine[s] invented to connect together in the fancy those different movements and effects which are already in reality performed" (66). Further he intends to study them, "without regarding their absurdity or probability, their agreement or inconsistency with truth and reality" (45-46). Again, facts seem to be unnecessary at best.

Despite similarities in subject matter, Smith's view of facts and orthodox history results in a methodology very different from Steuart's. Empiricism and induction are remarkable here only in their absence. Rather, as Poovey (1998) contends, Smith's methodology can be characterized as another kind of conjectural history (238-239). Just as conjectural history tries to explain the present through the medium of a unifying principle projected backwards onto past stages of development, in order to explain and connect seemingly unrelated events, Smith must abstract and speculate to determine the invisible connections that join them. Resting on hypotheses, unobservables, and resulting in principles that are common sense, Smith's method is rooted in neither history nor observed fact.

Such an uprooting is compatible with the creation of a universal system of science, and economic science in particular. Smith needs to find a way to distance men from their local concerns and attachments so that they can begin to think in broader scope. The system must be such that those who use it can imagine its use in distant places. Also, however, the object of his analysis itself must also be imagined, and therefore abstract. Whereas Steuart begins his work with two observables, population and the agricultural surplus, Smith begins the WN with the study of two intangibles: the division of labour and exchange. As abstractions that evolve from a conjectured history, these entities are not rooted in any one particular time, place or culture. Smith's conjectural method frees one from having to ground analysis in historical fact, thereby allowing one to set aside time and place. Therefore Scotland's particular problems can be forgotten and Smith's political economy universally applied. Rather than generalizing the situation of Scotland to other countries, as Steuart did, Smith instead generalizes human nature, rendering the rational Scotsman as a generalized, universal man. Smith's system is rooted, not in the

experience of individuals in separate countries or even in specific locales, but in the minds of rational, civilized beings.

Although this move allows him to generalize and universalize his system of works, it requires Smith to find new bonds for society, and he accomplishes this in both the TMS and WN. Rather than national or cultural sentiments or traditional religion, sympathy provides a societal bond that also regulates behavior. Use of the concept of sympathy allows Smith to sidestep Steuart's emphasis on history and location to know the customs and manners of a nation, but Smith still needs to find a way to connect members of commercial society in order to cast aside Steuart's assumption of obligation and emphasize the idea of unintended consequences. In the absence, or the erosion, of the feudal social order and the advent of commercial society, sympathy alone is not enough to cement society together. In the economic realm it is the division of labor that will keep individuals in society bound to one another while pursuing their own interests and professions. Despite its lip service to freedom and self-sufficiency, the division of labor is the specific inescapable dependency that Steuart names as the bond of society. Of course, by referring to a division of individual workers, Smith emphasizes the individual aspect of the new economic system, rendering his work more palatable to eighteenth century "North British" tastes.

### **7.5.2 The End of History, the Beginning of Civility**

There is a dual purpose to Smith's departure from a standard view of history. The first, as noted above, is to pave the way for a new kind of history, a universal history of the mind. However, the second reason why Smith has to do away with past history and past historiography is because he sees history as having ended with the advent of civility and commercial capitalism. If Smith sees the histories of the sciences as a history of the

progress of the human mind from one kind of inquiry to another, then the ascent of philosophical enquiry to universal themes and the attainment of universal civility represent the endpoint of that linear progression. In heralding a new era of civility that frees one from the morals and mores of the past, modern commercial society represents the end of history.

This is seen most starkly in the use to which Smith puts his conjectural history, in comparison to Steuart. Steuart uses his three stages to describe kinds of economic development. However he does not seem to think that any one stage is permanent or that one will sweep over all of society and cause the others to disappear. He makes reference to his travels where he has seen varying economic conditions not only between but also within individual countries. There could be a portion of a country that is still in the pastoral stage whereas another may be in the industrial stage. Indeed, there are going to be areas of overlap within one country. Therefore the barriers between each stage of growth are permeable for Steuart. In Smith on the other hand one stage of growth completely ends the existence of the others. Like Steuart he is trying to explain the emergence of the present society, but he, unlike Steuart, sees the present age as the pinnacle of human social and economic development.

Contrary to the view of Heilbroner (1973) that Smith presents a cyclical view of history, here I contend that Smith presents a linear, whiggish model of history as economic progress, as has been acknowledged elsewhere (Justman 1993; Shapiro 1993). From the agricultural to the commercial, mankind is shown to be moving naturally towards the present point in time when commercial capitalism meets all of the needs of mankind. While I do not deny that Smith also criticized elements of capitalism as Brown (1997) and Tribe (1999) have claimed, as Alvey (2003) has shown, Smith can be read as



having a teleological view of history because he presents the final stage of historical development, commercial capitalism, as not only inevitable and permanent, but also as fulfilling five of the six ends of human nature (1).<sup>217</sup>

Similar to his Scottish enlightenment counterparts, Smith presents a stadial view of history where man progresses from the Age of Hunters to the Age of Shepherds to the Age of Agriculture to the Age of Commerce (Skinner 1975). It is in the Age of Commerce that society becomes the most developed and brings society the closest to perfection. The commercial age sees an increase in wealth, and thus self-preservation also increases, which results in an increase in justice and order. Order and wealth allow the arts and sciences to flourish and so only wealthy societies can attain a certain level of cultivation. “Savage” societies are not only poor in how much they can provide themselves, but are also incapable of being free to pursue arts and sciences and hence cannot be “flourishing and happy” (WN I.viii 36).<sup>218</sup> In addition to benefits of wealth, the arts, and security, commercial societies also experience a greater morality due to the expansion of the moral sentiments that the growth of commerce guided by sympathy allows.

Smith sees this progression towards commercial society as the “natural progress of a nation towards wealth and prosperity” (WN IV.ix.28). The division of labor, and the growth of commercial society therefore arises, according to Smith, from the propensity to “truck, barter, and exchange one thing for another” that is a “propensity in human nature”

---

<sup>217</sup> In general Smith presents the ends as being “ease and tranquility” (TMS VII.ii.2.11). More specifically, Alvey identifies the ends of nature in Smith as: self-preservation, procreation of the species, order, happiness, perfection of the species, and freedom (2).

<sup>218</sup> There is a brief moment of relapse in terms of political freedom that counters Smith’s linear progression, as political freedom is seen to be greater in the first stages of development than in the second and third, before seeing a resurgence and reaching its height in the commercial stage.

(WN I.ii.1). Although during the dark ages the power of commercialism receded with the barbarian invasions and the establishment of law and governments based on the power of the ruler of the family, the eventual decline of the lords' power over their tenants and the productivity of those tenants allowed for the reestablishment of commercialism. The greed of the lords and the tendency of the tenants to rise above their station and be productive were natural and thus led to a change in political situation that caused a change in the economic situation. Once more, commercialism naturally shone through as being natural and inevitable. In order to have more luxury goods, lords raised rents on tenants and thereby "bartered away their whole power and authority" (WN III.iv.10). The landlords and tenants each pursued their self-interest and yet both in the end produced a better result for society because they were able to cause commercial society to develop. Commerce brings "order and good government" (WN IIIiv 4). Therefore, if history is a story of the progress towards commercial and social development, then history ends with the advent of modern commerce because the capitalist stage of development provides the highest level of refinement for society, the economy, politics, and the law.

Best of all for Smith, this process occurred unbeknownst to most of those within the historical process, and despite their self-interested actions. Thus unintended consequences continually result no matter where Smith looks, whether it is in commerce or in secular morality. Commercial society emerges not as a result of deliberate intent or of divine providence, but because of nature. As it is nature's intent that mankind tends to exchange, it is natural and inevitable that mankind progress to the commercial stage. While this tendency can become frustrated, or "thwarted" by "human institutions" (WN III.i.3) and by superstition, both of which are hallmarks of what Smith calls "savage" societies, nature, and therefore commercial instincts, will reassert themselves. Nature

moves humanity towards more order, liberty, better government, civility, arts, and commerce and thus to the end of history. As Alvey says, in Smith's account of history, "Commercial government regenerates itself"(9), as it did after the fall of commercial Rome. The natural course of things for Smith is ever towards "wealth and prosperity" (WN IV ix 28). The commercial epoch thus, as Alvey has shown, best fits the ends of human nature and is the plan that nature has set down for mankind to progress towards.

It is curious that the best model of this form of development is not a universal one whose development can be easily replicated in other countries, but England's. Although it is not shocking in this time period to praise the English common law, and even Steuart does so, Smith puts this praise to a different use. He praises the common law not for its equity, but because it is based on "the natural sentiments of mankind" instead of on religious superstition (LJ A ii.75). Because for Smith there is an inverse relationship between the degree of superstition to be found in a society and the degree of security people have in their property, life, and liberty, England thus already set the stage for proper economic development by protecting property (LJ B 133). As the country that has created "perfect security to liberty and prosperity," England thus is upheld as a standard (LJ B 63).

For Smith, history tells two stories, neither of which is orthodox: first it tells the story of the progress towards ever greater order and civility, a part of which is the marketplace, and how the marketplace is the medium through which civility is to increase, and second how such civility has progressed in various subjects produced by the human mind. However, it does not give one a tool with which to analyze people's behavior in commercial society.

Therefore Smith is able to make a careful erasure where Steuart's work is concerned. Steuart identifies the motivations for human action as self-interest, duty, and passion, whereas Smith's emphasis in the WN is conspicuously only on the first. While duty, passion, and obligation are going to be influenced by one's history and culture, self-interest can be divorced from a particular cultural milieu. Steuart's other categories lie outside of Smith's consideration because they are all culturally and historically contingent, and Smith seeks to transcend such history.

### **7.6 Future History: Implications of Smith's Universal Economy of the Mind**

While the above helps us to understand the general approach of both authors towards grappling with the problem of modernity and the emergence of commercial capitalism in modern Scotland, as well as its repercussions for society and civility, what does this examination of history tell us about the details of Smith's and Steuart's political economies? What the study of the attitudes towards history of both authors tells us is the focus of each and how it affects their overall works, or more specifically, what their respective entry points are. Grounding policy on past historical experience, Steuart's work is grounded in facts and on actual experience, on the real. The foundational problem in his political economy is the fact that all humans have a generative urge, which causes them to multiply, and such multiplication will be limited by the food supply (18). Thus Steuart's main concern is with how a nation is to provide for its people given a limited food supply at any point in time. Of course this process is more complex in commercial society than in the past stages of mankind, but it is this general problem that causes the need for government and from which manufactures and trade arise. The number of people and the amount of the food supply are both real and quantifiable, and such they can be seen in history and as a driving force in history. As has been discussed above, Steuart

looks to past actions as a clue as to how people will behave in a certain situation. Although he allows for self-interest, he states that duty and passion also form one's actions and that what one perceives as duty, passion, and interest will be determined by the culture and spirit of the people, which is itself formed in the process of history. In this, Steuart fails to meet the majority of the universalist or common sense criteria of his main Scottish Enlightenment peers.

Contrariwise, Smith's starting point in political economy is that all humans have a natural tendency to truck, barter, and trade. Although this tendency can be seen in history, it is not something that can necessarily be empirically verified. A greater volume of trade at one point in history does not necessarily indicate a larger tendency to trade, but rather only a change in the available means to do so. Smith changes the landscape of the economic argument. Just as he does in his philosophical histories, he changes the geography of the discussion from history to the mind, allowing him to universalize his work. Now Steuart's assumption that there have to be as many political economies as there are different nations can be shunted aside because, although all histories for all people are different, if one assumes that humans always act out of self-interest and that the founding economic principle of humankind is the tendency to truck, barter, and trade, these principles will apply to everyone at all times. Likewise, because of the tendency of nature towards order and exchange, Smith can also do away with Steuart's dependence on a local, involved statesman. By following their natural tendencies and exercising self-interest, tempered by sympathy, order will emerge in the economy and oversight is unnecessary. As seen in the introduction to Chapter One, what reappears here is an idea that was seeded in the Union and now has reached full flower in the modernity of the

Enlightenment: the erosion of the necessity for proximity between the ruler and the ruled, and for intimate, historically based knowledge of the ruled.

Another aspect of modernity hovers over both Smith's and Steuart's political economies, namely the agency of the phantom ideals of the invisible hand, the division of labor, the impartial spectator, and the Spirit of the People. Although both utilize modern phantasmal elements, they do so in different ways. Smith opens his work with a discussion of the division of labor, the development of which is not traced through historic fact. Steuart begins his work with a discussion of the Spirit of the People, a discussion that is based on the need to know history. These differing foundations built on different views of history lead in different directions. Smith begins with abstract foundations (self-interest and the tendency to trade), which can be measured and studied only in philosophical history, whereas Steuart goes from a physical foundation (population and food supply) that can be measured in real time, and so in history. Unexpectedly, Smith's end point, in terms of growth, is an emphasis on physical substances (the capital stock), and Steuart's is an emphasis on an abstract substance (consumption). One implication of this is that Steuart ever has the interest of actual people in mind whereas Smith's tendencies lead him to dwell more on *things* rather than *people*. This difference is commented on in the biographical note Chalmers appends to the 1805 edition of the *Works* that, "...Sir James, in his plan, must be allowed to be more natural, and more profound, than that of his competitor; as the people must be the first object in every inquiry" (389). More on how their foundations affected their views of the role of the state and the possibilities for economic growth will be explored below in Chapters Eight and Nine, respectively.

In general, Smith's vision of modernity is for a world in which the old order has been completely cast off and there is a breach with history itself. Once he has used conjectural history as a stage to show the natural legitimacy of the rise and triumph of commercial society, Smith recreates history itself within his system to tell the story of progress he wants to tell, that of the progress of civility through exchange. History is recreated in the image of Smith's project of the mind and the rise of modern civility.

Caught between two worlds for the course of his intellectual life, that of the Jacobites and of the Enlightenment, Steuart's vision of modernity and modern society is at once less optimistic and requires a combination of old and new, taking modes of thought from the traditional and Scottish views of life and recasting them to deal with modern problems. Modernity here entails, not dwelling on the past, but using it as a necessary component in studying and better understanding the present. For Steuart the past becomes an indispensable element if one is to best proceed in caring for one's nation and economy. For instance, in Steuart the possibilities for development are limited by particular resources and peoples' characters. An increase in possibilities then has to come from a change in *attitude* towards consumption and *innovation* in production first, not only from a change in the capital stock that produces goods. However, if as is true for Smith, refinement of manners is what is required, then it is possible for commercialism to spread and indeed it has to, according to Smith's belief that increased exchanges will necessarily bring about more civility; economic growth will cause an increase in manners. Economic growth is potentially unlimited because sympathy and the division of labor are potentially inexhaustible, since both of these are possible only in countries that have already met Smith's criteria where nations have already, from nature, not been physically limited in their ports and resources, and thus are neither hampered by nor contingent upon

the past vagaries of history. Having followed Smith and Steuart to the logical conclusions of their historical assumptions, it is less surprising that both economists posit different reasons for economic growth, Smith focusing on the accumulation of the capital stock and Steuart focusing on the need for increased consumption through increases in aspirations for luxury goods.<sup>219</sup>

What would come to be accepted as the foundational text of political economy is based on assumptions regarding “universal” behavior and nature rather than physical realities and political capabilities. From the popularity of the third edition of the WN onwards, it can be seen that what is accepted in the late eighteenth century as true and as “economics” are determined by that economics’ assumptions of civility and human nature, rather than factual accuracy or an accurate explanation of real economic phenomena, such as money and banking, both of which are largely absent from the WN.

Smith’s attitude towards history and use of the past also has an impact on the subsequent history of economic thought. By purposely not citing Steuart, Smith contributes to the doubt cast on his contemporary in the present and made more probable that future generations would not reference the earlier work. Additionally, by setting up his straw man of mercantilism, Smith renders the work of nearly all of his predecessors illegitimate. In his careful erasure of Steuart and all “mercantilists” from what he considered the official record, of the importance of facts, and of the need for historical knowledge, and thus the need for economic oversight, read local involvement, Smith seems to be well aware that he who controls the past controls the future. And it is that control over the past, through the control over the terms and definition of history, that help

---

<sup>219</sup> These differences will be explored in Chapter Nine below.



to cement his triumph by at once downplaying previous economic thinkers and by recasting history and thus economics in terms that were in step with modern assumptions about civility and human nature.

Differing views of history lead both economists to differing entry points to political economy. Although already briefly examined above, before the implications of this on both authors' approaches to economic growth can be fully investigated, another issue on which the economists diverge, that was fundamental to eighteenth century society but has been all but lost to present society, must be explored. An enduring problem for those observing the rise of commercial society is the loss of civic virtue as commerce and exchange overtook martial activity as that which made one wealthy and admired in society. This is an especially keen problem for Scottish writers as the Militia Act of 1757, referenced above, allowed the English, but not the Scots, a militia. Coupled with increased commerce, which itself entailed the pursuit of self-interest and luxury in the public virtues-private vices debates, it seemed that in the course of modern economic development, the loss of virtue was almost a certainty. Both Smith and Steuart are cognizant of this potential concern, as are their contemporaries such as Ferguson, and it has already been seen that Smith can solve the problem of the loss of civic virtue and morality by replacing the old system of martial and moral virtue with that of sympathy. Steuart, however, as shall be discussed in Chapter Eight on civic humanism, acknowledges the weakening of the old social bonds with the spread of commerce, but posits an answer to the problem of the erosion of social obligation through political and economic, rather than moral, virtue.

## CHAPTER 8

### ALTERED STATES:

#### STEUART, CIVIC HUMANISM, AND THE ECONOMIC COMMONWEALTH OF *THE PRINCIPLES OF POLITICAL ECONOMY*

#### **8. Introduction: Smith and Steuart in the Context of Political Writing**

Historian David Allan (1995) criticizes historians of economic thought for failing to place Steuart and Smith in the context of the history of political writing overall and Scottish political writing in particular (227fn). As one surveys the vast amount of literature on Smith and the history of economic thought, one cannot help but agree with Allan. With very few examples, such as Doujon (1994) and Urquhart (1996), historians of economic thought tend not to delve deeper into the political philosophy present in Steuart's eighteenth century political economy beyond a consideration of whether one is dealing with controlled economies or free markets. There is of course a much larger body of work attempting to address the issue as it relates to Smith, most notably in Winch (1978, 1983a&b, 1996), Fitzgibbons (1995), and Tribe (1999).<sup>220</sup> However, there has not yet been an attempt in the discipline to place Smith and Steuart side by side in the context of the very clear eighteenth century debates over civic humanism, to see how these

---

<sup>220</sup> Other major works by non-economists of course include Muller (1999), Griswold (1999), Dwyer (1998), West (1996), Teichgraeber (1986), and Haakonssen (1981). However, I am here making a point about the lack of such analysis from within the history of *economic* thought itself.

influence their works, in Steuart's case, and how their works redefine the political debates in economic terms, in both cases. The imbalance that Allan identifies is a real one, and one which will only begin to be rectified within this chapter.

At the conclusion of the last chapter it is shown that, due to his assumption of traditional mores and morality, Steuart's *Principles* displays an absence of a separate moral system analogous to the TMS. However, Steuart is still confronted with the problem of the corruption of virtue in the new commercial society. In order to maintain a country-specific outlook, and yet deal with this new problem at the same time, Steuart focuses on political rather than moral virtue. This leads to another contestation between Smith and Steuart on the definition and role of virtue in the state in the commercial age.

In the wake of the failed promises, both political and economic, of the Act of Union, the political economy of Steuart, and therefore Smith in reaction to Steuart, can be interpreted as an attempt to reconstruct a national identity for Scotland on an economic rather than a purely political basis. As the authors recast their nation as a strong economy, exclusive of a particular notion of a political system, one can expect to find political language imported into explanations of the structure, governance, and operation of the economy in Steuart and a counter explanation in Smith.

The major concern of the present chapter is to identify the deployment of political discourse in the economic writing of Steuart and Smith. However, pivotal and prior to that search is the identification of the political traditions utilized by both economists. I will argue that Steuart and Smith each employ very different traditions of political thought in their usage of political concepts in economics. This difference serves as a foundational explanation as to why the conclusions they draw regarding the wealth of nations are

mostly dissimilar, as Steuart favors a course of careful intervention by a watchful statesman and Smith generally favors the free pursuit of self-interest under the guidance of the invisible hand.

### **8.1 Seventeenth Century Parallels**

In order to determine which political traditions the two economists subscribe to, one must look first to what political paradigms were available for their use. From Steuart and Smith's vantage point, the most recent political upheaval with which they would have been familiar with and studied, apart from the Union, was the execution of King Charles I in the seventeenth century. The actions of the army and the events that followed in the English civil war can be paralleled to the national identity crisis experienced by the Scots in the execution of their sovereignty in the Act of Union. Pocock (1977) observes that it was not the desire for republican government that caused the English to execute the king, but rather that it was the execution of the king that caused the recasting of government in republican terms (15). Likewise, I suggest that it is not the desire for a reconstructed concept of the nation that causes the Union, but the Union that causes the need to re-imagine the Scottish state. The transference here of the one situation to the other is of course not a perfect mapping. However, both controversies and their solutions as found in Smith and Steuart involve similar themes. Just as the seventeenth century English political theorists generally faced a choice between two major traditions of political thought to comprehend and incorporate the revolutionary changes they were experiencing in their visions of the new government, so too did Steuart and Smith have recourse to both traditions when faced with the dismantling and reconstruction of their own national identity.

In *The Machiavellian Moment* (1975) and *Virtue, Commerce, and History* (1985), Pocock presents two opposed schools of political thought. One, the civic humanist, bears great resemblance to much of the thought of Steuart. Civic humanism views people as naturally social, and thus political, beings. Citizens are those who defend the country in the militia and own and properly cultivate their property. Such cultivation confers both independence and leisure. Citizens exercise virtue by acting for the public good, which also displays the citizens' equality. Leadership comes about by "the few" to whom "the many" voluntarily defer.

The civic humanist philosophy was still very much a factor in eighteenth century Scottish political and economic debate. In the Union debates, Andrew Fletcher repeatedly expresses that the Union will dissolve not only the Scottish state but also the Scottish citizens' means of exercising virtue. As a compromise, he calls for the formation of a Scottish militia and a federal union, both of which would allow Scots to continue to exercise their uniquely Scottish virtue. According to Phillipson (1983) and Robertson (1983), when Fletcher's measures were rejected, a new conception of virtue became necessary in order to reconcile commerce with liberty and virtue.

Such a reconciliation was necessary because commerce was seen as a form of corruption. From the early development of civic humanist thought in the Florentine republics to the writings of the seventeenth century English political theorists, corruption is seen as the enemy of virtue. In eighteenth century Britain, commerce, as conducted under the Whig regime, becomes the corruptor of civic virtue.<sup>221</sup> Steuart's conception of

---

<sup>221</sup> Besides instituting a system of public credit to finance the ongoing wars with France, the Whigs also began a system of political patronage and waived the feudal obligation of military service in exchange for payment. Opponents of the Whig regime argued along civic humanist lines in their defense of the citizen as head of his household and master of his lands, which were to be used for agriculture, rather than manufactures, in order to cultivate his personal virtue (Pocock 1983, 237).

the virtuous statesman, which shall be discussed below, is one response to this conflict, while Smith's preoccupation with civility and politeness, which has been discussed in the previous chapter, is another.

Juxtaposed to the civic humanist ideal is the civil jurisprudential tradition, which is based on a belief in unchanging human nature in the face of an ever-shifting history.

Whereas civic humanism is concerned with virtue, civil jurisprudence's main concern is with rights and the distribution of goods. Property rights are seen as a natural development due to mankind's originally having been granted common ownership of the earth (Hont and Ignatieff 1983, 43). Here, "the individual and his social and moral world are defined in terms of the property transactions in which he is engaged" (Pocock 1983, 249). Liberty comes not from political participation, defense, and the care of the land, but from the pursuit of individual interests that do not infringe on others' property and rights. As Pocock says succinctly, "the *polis* is replaced by politeness and the *oikos* by economy." Therefore the citizen is one who respects others' rights while increasing his own property and participating in the progress of society through an ever-increasing division of labour in the economy (242-243).

As shall be argued below, Steuart's work can be seen as greatly influenced by civic humanism or classical republicanism, and Smith's work by the natural law or civil jurisprudential political tradition.

### **8.1.1 Civic Humanists of Court and Country**

Although it had never fully fallen out of use, civic humanist discourse found new life and modification in the wake of the Glorious Revolution. After the accession of William III to the throne, England and Scotland found themselves embroiled in various overseas conflicts to defend William's Dutch holdings. Continuing clashes with France

added to the need for war finance and led to the burgeoning of taxes to cover them. Once taxes were exhausted as a means of financing the war efforts, the government turned to public credit, whereby military campaigns could be extended as long as the loans continued to be paid. This of course led to the requisite problem of public debt. Facilitated by the Bank of England, the national debt was allowed to grow to never before seen levels.

Now that investment was growing, the shares from such investments were seen as a new kind of property. A new class of middlemen appeared who could profit from the differences in interest rates and the debts of others. Such speculators are the antithesis of the classical republican citizen, for in maintaining their financial interests and keeping the state in debt, they counter the public good. A paradox thus arose of how a state was to foster economic growth without encouraging consumer luxury and government debt, while still maintaining the state's independence and freedom to act. Another issue arose of how citizens could be free to act when the rising needs of the warring state caused a replacement of the militia with a standing army?

Members of the opposed Court and Country parties, as well as later writers in the eighteenth century, addressed these conflicts. Court members viewed themselves as intermediaries between the executive branch and the people, reflecting the mixed and balanced constitution, as well as a check upon possible corruption by the executive (Hont and Ignatieff 1983, 6-7; Pocock 1975, 403-408). Adherents of the Country position emphasized tradition and held classical republican beliefs of freedom in landholding, virtue in the proper perception of the self in relation to the common good, and saw corruption in the pursuit of purely private interest. Curiously, two of the more prominent members of each party were also on opposite sides of the Union debates in Scotland.

Andrew Fletcher, a leader of the Country party, upheld republican ideals, as he promoted a federal union of republics in 1706 and 1707.<sup>222</sup> Daniel Defoe was one of the most prominent adherents of the Court party, just as he had also promoted a full incorporating union between England and Scotland. The early writings of these men on the relationship between commerce, war, and virtue can be seen as the prelude to the fuller treatments of political economy of Cantillon, Steuart, and Smith.

Fletcher's republicanism is both neo-Harringtonian and Machiavellian, as he sees property as an indicator of citizenship and that active participation entails the defense of the land in the formation of militias, leading to the conclusion that the right to bear arms belongs to landholders. However, he is aware that this fundamental conception of the republic had changed around 1500 all over Europe, but particularly in England due to Henry VII's loosening of the bonds between vassals and their lords (Fletcher 1997, 1-32).

The corrupting influence of the new commercial society, according to Fletcher, is luxury, which also entails the pursuit of luxury. Luxury is corrupting because, by allowing for choice and specialization, self-sufficiency is weakened and dependence strengthened. More harmful is the prospect of choice that luxury introduces. The establishment of a credit economy affected all levels of society in that it offered new choices rather than customs: rather than services, lords now accepted rents from their vassals, commoners could be tenants instead of vassals, and kings could now hire armies to fight for them rather than depending on the local militias. Now that the citizen can offer money in place of his own service to defend the land, virtue is corrupted. The pursuit of luxuries also corrupts virtue because such pursuit supercedes the pursuit of the

---

<sup>222</sup> Other Country writers included John Toland, Henry Nevile, John Trenchard, and Charles Davenant (Pocock 1965, 573).



public good. Commerce also breeds many forms of culture among which a man might choose. Although this choice requires action, it does not require a civic morality comparable to that of the Aristotelian citizen. Fletcher's solution, similar to John Toland's, is to educate all young freeholders in civic virtue in their military training (Pocock 1977, 429-433).

Charles Davenant's writings express similar sentiments concerning the credit society. The increase of trade would cause wars between different commonwealths, each of whom would borrow money in order to field larger armies. Indebtedness then is the source of corruption in Davenant, as it is debt that causes both financial and psychological speculation and crises of consumer confidence. He speaks against contemporary speculators who pursue the continuance of the public debt over the public good, and so unbalance the constitution. Again, the virtuous man is the independent man who is not indebted to others (433-441).

For the Court, Defoe argues that liberty, virtue, and a balanced government are both modern and not ancient inventions, and this negates a need to emphasize custom and thus militias. He also argues that the replacement of feudal services with revenues further facilitates a balanced government because it allows the House of Commons to play its proper role. However, Defoe has no alternative for virtue, advocating only ever greater liberty. This is a problem of the general Court ideology that holds that the pursuit of self-interest can benefit the common good and that credit, rather than physical property, is the basis of commerce (433-434).

Taking up the debate in his own fashion, Montesquieu argues in the *Esprit de Lois* that a free commercial government will have passion, rather than tradition, as its foundation, and so will not operate on political virtue, which he defines as an equal

application of the laws and a devotion to the public good. The passions can play a role in securing liberty, however, as the ambitions of those out of power will cause them to seek to return to power, and the watchfulness of both parties will halt any abuses of liberty before they appear. Montesquieu has a standard republican notion of a separation of powers, but he vests the greatest power in the executive branch. However, in reconciling commerce and republicanism, he poses commercial expansion as conquest. He advocates education, manners, and laws to halt the subsequent corrosive culture of luxury (488-493).

An emphasis on manners and laws rather than virtue is continued most strongly in Hume and Smith. According to Phillipson (1993), Hume is continuing the work of Defoe, Steele, and Addison in trying to create a new language of manners, which over time is supposed to be accepted as common sense or reason, and thus reform behaviour. Manners are thus to be the new conduit of virtue, as they will encourage moderation which will benefit the public good. Virtue can be exercised now through propriety rather than through property (308-310).

Hume's emphasis on progress rather than property is connected to the cultivation of manners because progress allows for travel and trade, which will further man's knowledge and understanding of himself, thus granting him liberty (Pocock 1975, 494-497). These notions of virtue in the social rather than political sphere are also fostered in the work of Smith, and have great implications for the later reception of Smith's WN in the late eighteenth and early nineteenth centuries, which will be examined in the next chapters. However, intervening chronologically between the two writers, and reverting more to the works of the civic humanists is the work of Sir James Steuart.

## 8.2 From Political Thought to Political Economy: Steuart, Smith, and Civic

### Humanism

Although Steuart is not principally concerned with governmental systems in the *Principles*, he acknowledges that politics and political systems, although “relative to another science, is not altogether foreign to this” (206). The relation then will come not only in the form of a political philosophy, but also in that philosophy applied to the economy. As has been acknowledged, but not fully explored, by Doujon (1994) and Urquhart (1996), Steuart employs civic humanist discourse in the *Principles* to reconcile modern commercial society with the need for civic virtue. Just as the aims in the classical republican works of Machiavelli, Harrington, Fletcher, and Davenant, the major goals of Steuart’s economy are stability, balance, and the public good. As shown above, Steuart’s experience and the facts of history lead him to believe that the economy will not naturally attain either balance or the public good. Such belief in the presence of an imbalance, combined with his political belief in the need for a local and interested ruler familiar with a people’s history, civic humanist theory partially explains the need for and the authority of Steuart’s statesman to intervene in the economy.

Steuart acknowledges that “...trade and industry have been found to flourish best under the republican form [of government], and under those which have come the nearest to it,” due to the uniform application of the laws (211). Such uniformity of law within a nation contributes to liberty, which is founded, not on rights per se as in the juristic school of thought, but on freedom from arbitrary domination and uniform laws for the common good of the nation:

By a people’s being free, I understand no more than their being governed by general laws, well known, not depending upon the ambulatory will of any man, or any set of men, and established so as not to be changed, but in a regular and

uniform way; for reasons which regard the body of the society, and not through favour or prejudice to particular persons, or particular classes (206).

Therefore, one can enjoy liberty while under the *authority* of another, such as a sovereign, due to Steuart's distinction between subordination and dependence. Subordination occurs when there is "implied an authority which superiours have over inferiors," and dependence when the inferiors gain "certain advantages" from their state of subordination (207). For example, servants are both subordinate and dependent because they serve their masters and depend on them for subsistence.

While some form of dependence is always present, it is the *degree* of men's dependence upon each other that has changed in the commercial era. Land ownership was the key to citizenship, and therefore to freedom, prior to the introduction of the commercial system, or "trade and industry."<sup>223</sup> By expanding the forms of property, modern industry allows liberty to be distributed among all classes of society, so that even those without land can be independent, while it also creates a new commercial dependence between the workers and the wealthy. In the general introduction to Book I, this change in relationship between the governing and the governed is attributed to:

...the discovery of America and the Indies, the springing up of industry and learning, the introduction of trade and the luxurious arts, the establishment of public credit, and a general system of taxation, [which] have entirely altered the plan of government every where (23).<sup>224</sup>

These changes brought formerly well-understood societal roles into question. In keeping with the civic humanist tradition, Steuart upholds the noble claim to martial virtue

---

<sup>223</sup> Steuart defines "industry" as the trading of one's goods or labour time in exchange for wages or a circulating equivalent that can be used to exchange for other commodities or wants (146).

<sup>224</sup> Steuart's discussion and wording are extremely similar to that of Andrew Fletcher (1997) on the same topic (2-4).

and opposes replacing the militia with a standing army (71).<sup>225</sup> His language strongly defends the bravery of the nobles against the self-interest of the monied class:

...compare the behaviour of those conducted by a warlike nobility, with those conducted by the sons of labour and industry; those who have glory, with those who have gain for their point of view (71).

Clearly, simply holding property is now no longer enough to guarantee that one will uphold and defend the public good, militarily or otherwise.

It is now unlikely for all independent citizens, those holding both physical and phantom property in the forms, respectively, of land and credit, to act for the public good. The nobility are not immune to the corruption engendered in the pursuit of modern luxury goods. Likewise, the newly independent have not been raised since birth, like the nobility, to sacrifice for the public good, and so are likely to look to their own interests only. And indeed the cultivation of their “property,” money and credit, may require an upsetting of the public good. Yet such self-interest is necessary for economic growth, and only time and education will instill an “other”-interestedness in a commercial society.

Therefore, in the short run, maintenance of the public good falls to the statesman, whose interest is not for himself but for the public (142). By exercising his nation-interested “self-interest,” it is the statesman who exercises virtue in society, on behalf of all society for the common good. The statesman must always act with both virtue and justice:

Constant and uninterrupted experience has proved to man, that virtue and justice, in those who govern, are sufficient to render the society happy... Virtue and justice, when applied to government, mean no more than a tender affection for the whole society, and an exact and impartial regard for the interest of every class (20).

---

<sup>225</sup> As noted in Chapter Seven, Stuart was a member of the Edinburgh Poker Club, which was so named because its members intended to stir up controversy due to the Militia Act of 1757 which denied the Scots the right to a militia.

Such intervention as Steuart promotes is clearly an engagement with Machiavelli's *fortuna*, or, in seventeenth century civic humanist discourse, instability. While the Machiavellian moment of confronting *fortuna* occurs in the political arena, Steuart also sees this great instability in the economy, in the form of unemployment and other harmful disequilibria, such as surpluses and shortages.

Thus Steuart imbues the statesman with Machiavelli's almost superhuman *virtu* to confront the corruption in both the economy and the state. Citizens also practice *virtu* in a combination both of their former roles and new ones. Workers contribute to society by bringing their "ingenuity" to the production process and to economic society. In this they avoid the corruption of simply producing and consuming to satisfy their own greed or that of their patrons. Because work here is seen to be something that will better one's condition, the "mental mutilation" that one finds in Smith's division of labor is not an inevitable outcome. By purchasing goods, consumers are contributing to employment and to encouragement of further innovation on the part of the workers, again thus countering their corrupt inclination to consume simply for consumption's sake.<sup>226</sup> Likewise, the monied class provides a helpful service by making credit available when needed so that the state can continue to function.

Although citizens can still practice virtue in this new non-state arena by participating in commerce, which strengthens the state, and thus increases the public good, they cannot do so at all times. All have a key role to play in the maintenance of stability, but the statesman especially so. "He" exercises virtue in a way not available to regular citizens. In a commercial society where old social bonds have been eroded, no one but the

---

<sup>226</sup> This economic virtue is different from the frugality that Smith promotes, although for the nation as a whole frugality is an economic virtue in matters of an imbalance of trade.

statesman has the proper prudence, foresight, and accumulated knowledge to either correct or prevent imbalances.<sup>227</sup>

The distant legislation of London and the recent history of Scotland, and indeed history in general, lead Steuart to conclude that economic stability cannot be left to the individuals in a commercial state because they no longer occupy the same social roles, have not all been schooled in the public good, and now face a non-military form of corruption. The presence and action of the statesman, however, will ensure both the political virtue of the state in the increase of the public good and the economic virtue of the state in stability.

As Hont (1983) notes, despite some similarity to his Scottish Enlightenment fellows, Steuart is more concerned with “the stability of commerce than that of manners” (296). However, Steuart’s sentiment for stability is seen as anachronistic to his enlightenment contemporaries, to whom “‘ancient virtue’ now no longer entailed Scottish nationalism” (Pittock 2001, 75). Scottish nationalism now was to be shown through the quest for civility, and thus uniformity with English mores, and so to emanate from some source other than civic virtue.

### **8.2.1 Property, Propriety, and the Law: Smith and Jurisprudence**

Like Steuart, Smith addresses what he feels to be the proper work of a legislator in the WN (Winch 1978). However, our issue is not whether there is a legislator present in Smith’s work or not. Rather the issue that needs to be more clearly addressed is whether there is a philosophical framework from which Smith’s advice to the legislator emerges.

---

<sup>227</sup> The statesman is however to attempt to instill the virtues of prudence, justice, wisdom, foresight, and frugality into his people by himself acting with these virtues and thereby direct private interests to the public good (231-232).

For instance, how does Smith's science of a legislator embrace the idea of virtue, if he does at all? What is the role of those in society in a commercial state? What, if any, is the connection between the economy and the polity? Winch (1983b) admits that Smith does not readily fit into the civic humanist tradition due, for instance, to his insistence on standing armies. But he does not specify that Smith also does not fit the tradition because he has shunted virtue almost entirely into considerations of the sympathy and the impartial spectator. Tribe (1999) maintains that Smith believes one can have both wealth and virtue, "for internal mechanisms existed that promoted, rather than undermined, virtuous conduct" (620). While Tribe does not specify of what these consist, our assumption above has been that they are the pursuit of self-interest, and the exercise of sympathy, itself moderated by the impartial spectator. Therefore I suggest that Smith's concepts of civic virtue and participation both rest on property and propriety.

According to Phillipson (1993), Hume continues the work of Defoe, Steele, and Addison in trying to create a new language of manners, which, over time, would become common sense and so reform behavior. If virtue now consists only of sociable civility, manners are to be the new conduit of virtue, as they encourage moderation, which benefits the public good (308-310). Smith continues the work of Hume and the others, by placing virtue in the social rather than the political realm, in the exercise of propriety rather than through the defense of property. As much more has been written on Smith's theories on commerce and virtue, most notably in the essays in Hont and Ignatieff (1983), I shall not treat this material as extensively as that of the lesser-known Steuart. However, some explanation is required to show how Smith's project of universalism and view of economic progress produce yet another version of virtue.



In general, Smith's work is inimical to the civic humanist project. There is no explicit statement of such an opinion in his work. But what he does state explicitly, especially on his views of modern society and how lingering remnants of other forms of social and economic organization are counter to modern civility, informs us of his view. For instance, Book V of the WN removes two important planks from the eighteenth century civic humanist platform: self-sufficient farming and the argument for a militia. Here Smith tells us how the growth of commerce, private property, and progress cause the division of labor, and therefore a delegation of both the martial and political duties of citizens to others, and therefore a lessening of dependence of individuals upon masters. Wholly self-sufficient farmers and clan-based societies lack specialization and so are characterized as being backward and "barbarous."<sup>228</sup> Self-sufficiency outside of the market is conflated with "ideas of patriarchal authority and 'dependence' with the servile values of feudal civilization..." (Phillipson 1983, 188). "Commerce," Smith tells us in the *Lectures on Jurisprudence*, "is the great preventative of this custom" (6-7). For Smith, the true corruption of virtue is to be found in societies where dependence and communal property prevail. These two characteristics imply a lack of progress, which is overcome with the advent of the commercial revolution.

Although the landed class pursue luxury goods for their own sake and merchants supply them for profit's sake, rather than a means of corruption, commercialism results in unintended benefits. Commercialism increases liberty because it helps to end arbitrary power and dependence, which therefore eliminates corruption. The pursuit of self-interest thus generates a more orderly and less corrupt society. With increased order and

---

<sup>228</sup> A similar sentiment is also expressed in Bk I, chapter III where Highland production is shown to be inefficient due to the small size of the market as well as an absence of the division of labor (WN, 19).

decreased corruption, manners are improved (Winch 1996, 77-78). As commercial society spreads, so too are more people brought together through their commercial relationships. Along with these improvements, the problems of oppression and social conflict remain, and also the potential for conflict to increase due to the increase in envy and the probable tension between public and private interests. However, commercial society in the end results in, according to Smith, “mutual communication of knowledge and all sorts of improvements” and “among nations, as among individuals, a bond of union and friendship” (81).

The savior of virtue and “preventative” of backward dependency and conflict then are Smith’s mechanisms of sympathetic social relations and interdependent, yet individual, commercial relations, based on self-interest, which will, respectively, provide benevolence and the satisfaction of the needs of society. Civility and commercialism are natural and support each other in the system of natural liberty, as Smith tries to prove that civilized society arose from an economic basis in the LJ and LRBL (Winch 1996). Wisdom and virtue form law and government, which determine how, and how well, society will make property secure and ensure that the arts flourish. However, there is also an implication that sympathy itself is at the foundation of a civilized economy based on private property, as Dugald Stewart paraphrases:

the general sympathy of mankind with the reasonable expectation which the occupant has formed of enjoying unmolested the object he has got possession of, or of which he was the first discoverer (1855, 263).

In establishing independence and the division of labor as key factors in his successful modern economy, Smith refutes Stewart’s claim that dependence is the only bond of society. He also dismisses the possibility of self-sufficient subcultures, such as those in the Scottish Highlands, being part of progressive and proper modern commercial

society by relegating them to “barbarousness.” Again Smith dissolves historical ties and the particularities of location, as propriety and the division of labour can, in theory, arise anywhere. Traditional codes of conduct are also dissolved. As noted by Phillipson, and also more recently by Montes (2003, 76-85), Smith finds both internal and external self-governance to be more important than traditional codes of behaviour, ideas of “virtu,” or military command. In this Smith shows some parallels to the language of Milton, in whose writing Scott (2004) notes the importance of the “interdependence of self-government in the city and the soul.” According to Scott (2004), in the seventeenth century revolution of manners, “a prerequisite of public citizenship was private government of the self”(153). In a line that could have been taken from the TMS, Milton comments that real liberty “within...[as]without... depends on sobriety of conduct and integrity of life” (quoted in Scott, 153). Rather than civic humanist political philosophy transformed for the new economic situation, it is Smith’s social philosophy that governs all other aspects of his system of natural liberty, and which echoes, but does not transform for the new situation, the thought of Milton. With his new conception of virtue and its reliance on the system of natural liberty, Smith neatly eliminates the need for a civic humanist statesman such as Steuart’s, and therefore the need for a local and culturally aware ruler.

Although Winch (1978) acknowledges that Smith recognizes the eighteenth century debate on these issues and believes that wisdom and virtue are the underpinnings of a just society, he does not delve any further beneath the surface to describe what virtue consists of for Smith. He makes improvements in his assessment of the matter in later works (1983b and 1996), as does Tribe (1999), in showing that Smith’s concern is with a proper legal and political framework to safeguard civil liberties and property. However,

neither author goes beyond identifying civic virtue in Smith as a negative virtue, based on not violating another's rights or property rather than taking positive action.

I suggest that there is some room to draw out, not the similarity between Smith and civic humanism, but rather where Smith addresses civic humanist concerns.<sup>229</sup> In each case he justifies commercial society as a better defender of a form of virtue and better provider for the public good than classical civic virtue. Smith claims that the system of inequality that the modern era contains allows for there to be some who amass more wealth than others and have a greater ability to produce more, and thus are a better asset to the state and its defense (Winch 1978, 67). Here Smith is obliquely addressing the issue of the standing army. Rather than joining a militia, people do a better service to their nation and provide for its defense indirectly by pursuing their self-interests and making the nation commercially viable. Virtue is exercised through saving, leading to capital accumulation, which will lead to an increase in the wealth of the nation. Smith also speaks to the luxury debate in showing that the luxurious consumption of society allows wealth to spread more evenly throughout society than under non-commercial forms of economic organization. Corruption here then has to be seen only in commercial terms: it is that which halts the creation of wealth and, in juridical terms, that which makes the distribution of wealth more unequal. Such corruption can be avoided by consumption, which thus erases the grounds of the debate, because increased consumption leads to a spread of the benefits of commercial society.

However, given his emphasis on the importance of a just society, whose commercial property and freedom to pursue self-interest occur under a just legal system,

---

<sup>229</sup> Smith is presented as a civic moralist by both Phillipson (1983) and Montes (2003). While I do feel that Smith did reify some of the civic humanist categories of analysis, as will be shown in the paragraph above, I disagree with the two authors' positing a closer association between Smith and civic humanism.

Smith is not fully creating a completely new tradition. Hont and Ignatieff (1983) have identified Smith as basing his system on a just legal framework rather than in terms of classical republican virtues. Winch (1996) agrees that Smith bases his arguments in terms of justice and rights rather than in terms of civic humanism. If a society has the proper political and legal framework, then capital can accumulate and circulate where it naturally will. Commercialism will thus spread, and society will become more civilized and its growth potential limitless thereby (88-89). Such a legal and jurisprudential system carries with it negative rather than positive virtues. As noted above, virtue is no longer political participation but consists of not taking actions that will threaten the property or freedom of others to act freely in commercial society (99-100). Smith is also seen as wanting to safeguard civil liberties and property rights, knowing that the increased wealth in society implies an increase in the inequalities that exist (Tribe 1999, 626). He is thus engaging in the natural law jurisprudence tradition that Pocock has identified as an alternative to civic humanist political discourse. As in the jurisprudence tradition, Smith presents property as a natural development from an initial grant of the earth to mankind. The earth was divided due to the division of labour, and government emerged as means to protect the property over which each person labored. Liberty then refers mainly to the right to use one's property as one wishes without harming others, and without the fear of that right being violated.

Here then is an important repeated source of stability for Smith that is intertwined with the spread of civility: a just and secure legal framework. If a society's property and political rights are well established in law, then they are not as easily corruptible or as likely to come under threat. In not addressing the matters of the civic humanist debate directly, Smith obliquely renders them unnecessary. Just as the economic strength of the

nation, coming from capital accumulation and production, makes commerce a greater asset to the nation than having the lords form militias, so too does a sterling legal framework for commercial property and commercial society make civic humanist concerns with participation in the state to safeguard those rights a non-issue. In a move that should be familiar from the previous chapter, by slightly altering the grounds of the argument, Smith both answers and eliminates the competition.

### **8.3 Steuart's Economic Commonwealth**

As alluded to above, Doujon (1994) and Urquhart (1996) have made valiant attempts to address the possible connection between eighteenth century political philosophy and Steuart's political economy. However, their identification of Steuart with a civic humanist paradigm, through his use of the statesman as the sole executor of virtue, is used as just a small stepping stone on the path to much more involved arguments about Steuart's advocacy of, in Doujon's case, frugality in economic progress, and, in Urquhart's case, the result of the adoption of Smith's mechanical metaphors over Steuart's more organic and complex ones. Neither author fully addresses why there was a need for Steuart to place virtue in the hands of the statesman, why he should have adopted civic humanism, what such a choice implies about Steuart's interpretation of the economic state, nor how Smith's position on the debate compares with Steuart's. The sections below address these neglected issues in the overall framework of the preceding chapters that assumes Steuart saw a strong economy as a viable alternative for a strong political state.

Dating to the sixteenth century, the Scottish historians sought to educate their public leaders (Allan 1995). The *Principles* continues that tradition, as Steuart sees his task as equal parts exploration of a new science and education of statesmen in the social

and economic molding of society (170-173). Going beyond Scotland to place Steuart in a wider tradition of political writing, a new image emerges of him not as a totalitarian mercantilist, but as the successor to a robust tradition of classical republicanism, or civic humanism, in British political thought. The remainder of this chapter is concerned with placing Steuart in the civic humanist tradition. In the *Principles*, one can find the language of political discourse applied to economics, not only in the proper government for a healthy economy, but also in the governance of the economy itself. The difficulty in the demonstration lies in the overlap between the two, but this shall nevertheless be attempted here.

### 8.3.1 Steuart's Republican Government

One can predict that Steuart will be sympathetic to the civic humanist argument before one ever looks deeply into the *Principles of Political Economy* for three primary reasons. First, Steuart is very familiar with and partial to the works of Davenant and this early economic theorist and civic humanist is the most-often cited author in the *Principles*.<sup>230</sup> Second, Steuart was familiar with the writings and beliefs of Andrew Fletcher, as Steuart's grandfather the Lord Advocate Steuart was an ally of Fletcher's in the Union debates as has been shown in Chapter One above. It is also already known from Chapter Three's discussion of the Jacobite manifesto that, like Fletcher, Steuart considered the Union to be illegitimate and he supported Prince Charles' promise that it would be dissolved. The third reason is that, during the years of his exile spent in France, Steuart became well acquainted with Montesquieu and closely studied his writings. Pocock (1977) identifies Montesquieu as the "greatest practitioner of that science" which

---

<sup>230</sup> An examination of his footnotes and internal references shows that Davenant is the most frequently cited authority in the *Principles*.

sought to write a science of virtue for the eighteenth century (484). Therefore, it does not seem fantastical that elements of the search for a science of virtue should have found their way into Stuart's work as well.

Steuart favors republican government above all others to promote trade and industry due to its uniform application of laws, which results in the greatest enjoyment of liberty (211). This conclusion is derived after a lengthy discussion of liberty and dependence, which is peppered throughout with classical republican ideals from various periods of the tradition.

Liberty in Steuart is more consonant with the civic humanist than the juristic tradition because it does not refer to liberty as having the right to something. Neither is it derived from man's reason, nor from nature. Rather, liberty is defined as being governed by uniform laws that are subject to change only in uniform ways for the public good, and, more simply, a lack of dependence on the arbitrary will of another:

By a people's being free, I understand no more than their being governed by general laws, well known, not depending upon the ambulatory will of any man, or any set of men, and established so as not to be changed, but in a regular and uniform way; for reasons which regard the body of the society, and not through favour or prejudice to particular persons, or particular classes (206).

Importance is placed upon an equality of application of the laws and a regular process of amending them, as is found in traditional civic humanism. Liberty becomes "precarious" as soon as a governing body begins to amend or eliminate laws at will and without respect for proper legislation. Steuart distinguishes between "precarious" liberty and transgressions against it because it is possible to have liberty, as he defines it, even under tyrannical governments, "and perpetual service itself, where the master's power is limited according to natural equity, is not altogether incompatible with liberty in the servant" (207). Although not part of his original definition, liberty is also presented as the absence



of dependence on the arbitrary will of another for one's subsistence. One could also consider this as freedom from domination, as in Pettit (1997), as Steuart's liberty basically means not being at the mercy of others.

However, to Steuart one can still maintain liberty while under the *authority* of another, such as a sovereign. This possibility stems from Steuart's distinction between subordination and dependence. Subordination occurs when there is "implied an authority which superiours have over inferiors," and dependence when the inferiors gain "certain advantages" from their state of subordination (207). For example, servants are both subordinate and dependent because they serve their masters and depend on them for subsistence.

Dependence has always existed in history and Steuart views it as "the only bond of society" (207). The first dependence of man is the natural one of children upon their parents and the second the political dependence between masters and servants and lords and vassals. However, the *degree* of dependence of men upon each other has changed throughout time. True liberty is defined as freedom from dependence on others. Therefore in the classical era the ownership of land that makes one free from dependence on others for food is seen as the key to citizenship and liberty. This dependence on others for food Steuart claims was one origin of slavery. He maintains that Christianity led to the abolishment of slavery, and that slavery was replaced with the class-based subordination of the feudal system. So, although liberty had increased, dependency remained. The next major shift in the history of liberty is the introduction of industry, by which Steuart means the trading of one's goods or labour time in exchange for wages or a circulating equivalent that can be used to exchange for other commodities or wants (146). With the introduction

of industry, the potential for liberty was distributed to all classes of society, while a new commercial dependence between the workers and the rich was created (207).

From the discussion of dependence, Steuart derives the criteria by which the degree of subordination between individuals is justified: *“that so far as the subordination is in proportion to the dependence, so far it is reasonable and just”* (208, emphasis in text). The highest degree of dependence is that of the slave who depends on another for his forfeited life. Second highest is the dependence of children on their parents for their subsistence needs. Third highest is the dependence of those on others for providing their subsistence from their own labour, such as vassals and farm workers. Fourth are the tradesmen who depend on others to buy their goods. Subordination thus originated in the feudal stage of development because the vassals were dependent on the lords for their livelihood: *“They consumed the produce of the land, as the price of their subordination, not as the reward of their industry in making it produce”* (208). Liberty then came from the introduction of industry, which freed those classes from dependence on lords for their subsistence. Although it is not made explicit, it is understood that property is of supreme importance in the maintenance of liberty, until the present day when one’s labour can secure one’s subsistence and free one from dependence on others (208-209).

Speaking on the contemporary debate about the origins of supreme authority, and one assumes of the right of sovereigns to rule, he says, *“All authority is in proportion to dependence, and must vary according to circumstances”* (210). Just as it is the needs of children that cause them to be dependent on their parents, so too is it the needs of the people to be fed and protected by feudal lords that created the original subordination of classes. Here one can trace in Steuart a land-based conception of freedom, at least in the past. In feudal times, he argues, the property-less could not be free because they were so

dependent on others for their existence; they had only their labour and services to exchange for the food and protection they received from the lords. In the modern day, liberty can be extended now to even those without property because their industry allows for payment in something other than labour and services, and thus a lessening of the degree of dependence. Steuart uses this reasoning to refute the idea that the king's actions "in the past" were a usurpation of the rights of the people, but were rather a usurpation of the rights of the lords, as they were the only ones who were free in the first place (209).

As remarked upon in Chapter Five, in direct opposition to the contract theory of Locke, Grotius and Pufendorf, Steuart states that the rights of kings have a real basis in history (210). He finds his principle of subordination to be "more rational than this imaginary contract; and as consonant to the full with the spirit of free government" (210). If there had been such a contract and it were admitted to, then one would expect all governments to be the same and the subordinations in them which violate liberty to be considered tyrannical.

Just as we saw in Chapter Seven above, the superiority of Steuart's principle is that it allows for a great variety of both governments and subordinations, which one would expect to differ in every country according to circumstance (210). Due to these differing circumstances, which will cause the degree of dependence between rulers and the ruled to vary, Steuart purposely does not condemn certain forms of government here. For example, a prince can very well hold absolute power because his people depend on him absolutely; this then is not the same as having a despotic government and should not be condemned as such.

Therefore, Steuart warns that one must distinguish between the power of princes as title-holders and that which they have due to other circumstances. Presumably speaking

to the political rage of the past century and the dethronement of the Stuarts, he asserts that just because one is a king does not excuse subjects from being subordinate to that person. He turns to facts to illustrate the connection between economic and political power. Elizabeth I, who was rich, commanded a great deal more subordination than did Charles I, who “was obliged to submit to the power of a small part of the House of Commons, only from the superior influence of their wealth” (210 & fn).

Only those who depend on nothing but their own labour for their subsistence should not be in subordination, except in terms of protection. However, protection in a nation is a public good and implies that all will be equally protected; no one person is more protected than another and so no one person should be more subordinate than another (210). Laws should be in keeping with this natural subordination; if they increase subordination then those laws are arbitrary and unequal (211). However, in a society where people are interdependent on each other for their livelihood, subordination must exist.

Steuart acknowledges that republics are the ideal and not the norm in modern society, and so he considers other forms of government to be legitimate. He reminds the reader that “liberty is equally compatible with monarchy as with democracy; I do not say the enjoyment of it is equally secure under both: because under the first it is more liable to be destroyed” (211). Either form may secure wealth, but under monarchy it will be more difficult, not due to the inequality that comes with monarchy, but due to the inequality of arbitrary insubordination created between those who execute the laws, and those who must accept them, or between the Few and the Many. Such a system is hurtful to authority itself because when subordination is arbitrary, then power itself is arbitrary in the state and the ruler may be turned against as easily as the subject. These arbitrary

actions are abuses whether practiced by the citizens against the monarch or by the monarch against the citizens (212).

There is an implied danger of the potential for such abuses to multiply in an industrious society. Under the feudal system, independence and liberty were granted to the landholding class alone, which limited trade and industry but also limited who held wealth, and therefore who held power. Although the industrious society will be more prosperous, the introduction of industry adds a danger because, “From reason it is plain, that industry must give wealth, and wealth will give power, if he who possesses it be left the master to employ it as he pleases” (213). Stuart warns against such power being put in the hands of those who are neither ready nor taught to wield it. However, he also acknowledges that in the past industry served as a check upon the nobility because it allowed for the rise of a merchant class, which could seize power. A balance of wealth then between these two classes is now required to maintain a balance of power and to attain stability (213).

There is a problem then for the statesman who institutes the new system of political economy when the actual political system of the country is not ready for it. One cannot expect relationships based on subordination to be stable when the degree of dependence of the parties involved has changed. If the commercial system is implemented in a place where power is still in the hands of a few lords, then either the economic policies will fail or the constitution will be changed. When all arbitrary dependence is done away with, the industrious will share wealth with the entrenched lords; if the dependence continues, the economy will fail because the industrious will not be allowed to use their wealth as they please. He recommends that countries take the course of Venice and Genoa and allow the monied class to be ennobled and to have some share in

government, rather than waiting for them to seize the nobles' power "By this expedient, a sudden revolution has often been prevented" (214).

History, Steuart tells us, shows that once a group in power comes to depend on another for money or for protection, the other group has either changed the constitution to share power or has seized it. He compares this political situation with the current economic one:

A milder revolution, entirely similar, is taking place in modern times...Trade and industry are in vogue; and their establishment is occasioning a wonderful fermentation with the remaining fierceness of the feudal constitution (215).

The role of the law is to protect the people, the Many, rather than to serve only the Few or the One.

The rise of trade and industry thus increases liberty for all classes of people, even those under monarchies. Although princes may have originally encouraged trade to further their own martial ends, commerce's creation of a monied class led to a lessening of absolutism and the elevation of the monied class above the lords. However, Steuart does not see this change as completely positive, as the monied class began to be elevated in the king's councils over the lords:

The money gatherers are become more useful to princes, then the great lords; and those who are fertile in expedients for establishing public credit, and for drawing money from the coffers of the rich, by the imposition of taxes, have been preferred to the most wise and learned counsellors (215-216).

Due to this new circumstance, he observes that recent princes have taken to "limiting the power of the higher classes, and thereby applying their authority towards the extension of public liberty, by extinguishing every subordination, but that due to established laws" (216). While the seizure of power from the lords has been interpreted as putting more power in the Prince's hands, and he agrees that this is so, he claims that one can see that

such princes worked “with no other view than to establish public liberty upon a more extensive bottom” (216).

In the next chapter, Steuart waxes lyrical about the Spartan republic of Lycurgus, which was to be the cause of major criticism of his work in later years and even in more recent commentaries (*Monthly Review* 1767, 465 & *Critical Review* 1767, 413; Anderson and Tollison 1984, Sen 1957). However, in its proper context, Steuart’s praise of Lycurgus is not as odd as it appears to modern eyes, as it was commonplace in the eighteenth century and especially for civic humanists to refer positively to the republic of Lacedaemonia (cf. Ferguson part 3, section 6, 1966; Fletcher 1997, 22; Harrington 1977, 260 and 464-467).

What *is* unusual is that not only does Steuart praise the republican government of Lycurgus, but he also makes particular note that “The republic of Lycurgus represents the most perfect plan of political oeconomy, in my humble opinion, anywhere to be met with, either in ancient or modern times” (218). In his reforms to establish full equality among the citizens, Lycurgus instituted harsh and sweeping policies, including governmental seizure of land, slavery, the abolishment of the monied class, and the prohibition of industry to citizens. However, it is neither the stark sparseness of Spartan culture nor the absolutism of Lycurgus’s rule that Steuart praises, but the consistency and uniformity of Sparta’s political economy. The policies Lycurgus passed allowed Sparta to be completely free in the classical republican sense because it was economically self-sufficient.

Despite the misinterpretation of his contemporary critics, Steuart certainly does not intend any government to institute the policies of Lycurgus, and even admits that this digression is simply “to serve as an illustration of general principles, and as a relaxation to

the mind, like a farce between the acts of a serious opera” (227). What he does want the reader to see is that the republic that is self-sufficient is strong both militarily and economically, and therefore protected against the claims of other nations.

The civic humanist emphasizes on independence, self-sufficiency, the public good, equal application of the law, and proper stewardship of the land remain of paramount importance to Steuart.<sup>231</sup> He does however also diverge from the civic humanist tradition due to the new circumstances of the commercial economy. For instance, full autonomy is no longer possible in the commercial era because the interdependence of the sectors of society has grown. The wealthy are dependent on manufacturers and vice versa, but the workers are now less subordinate than they were previously.

Another, and much more major, difference from civic humanism is that although the public good is emphasized throughout the *Principles*, Steuart only alludes to the virtues that the individual should exercise; he does not write at length about the role of the citizen in the attainment of the public good. In fact, he acknowledges that it is not realistic to believe that all individuals will act in accordance with the public good at all times, and rejects the idea that individual pursuit of the public good will result in public benefits due to the variability with which each person in society may perceive the public good. He provides various examples related to trade, such as how a rich merchant deciding to make zero profits would hurt trade; or if an employer is able to pay high wages to a worker without raising the prices of his goods that this would hurt competition for those employers who could not do so; or if a man is able to sell his grain at below cost would hurt poorer farmers who could not; or if everyone who asked for charity received it, then

---

<sup>231</sup> Steuart does not believe all men are naturally equal, but this means only that men have differing abilities and roles in society, not that different laws apply to each or that one is inferior to another.



who would then want to work? These would all result in tyranny in the marketplace in the form of monopolies and the exit of parties from the market.

Therefore individuals should leave to the public sphere that which requires public spirit and pursue the public good by not working against such policies. Of course the amount of public interestedness required from individuals varies in proportion to how well their government is itself attending to the public spirit. The less a government is taking care of the public spirit, the more is the individual called upon to tend to public matters (144-145). Steuart makes it clear throughout that the only segment of society capable of maintaining the public good is the government of the statesman.

In this particular view of the attainment of the public good, the military role attributed to the nobility, or the land-holding citizen by Machiavelli, Fletcher, and Harrington, is not stressed. However, Steuart does make passing reference to the nobility's traditional virtuous function in terms similar to those of the civic humanist writers. He writes that despite the revolutions which have rendered the nobility out of step with the present times,

...they serve as a bulwark to virtue, against the allurements of riches; and it is dangerous to force a set of men who form a considerable body in a state, from necessity, to trample under foot, what they have been persuaded from their infancy to be the test of a noble and generous mind (71).

Steuart disapproves of those who wish to replace the nobility with a standing army. He still considers one of the greatest virtues of the nobility to be their military honor, despite the present case where the military might of the nobility is not needed, and the luster of the monied class shines more brightly. However, Steuart believes that:

...when danger threatens from abroad, and when armies are brought into the field, compare the behaviour of those conducted by a warlike nobility, with those conducted by the sons of labour and industry; those who have glory, with those who have gain for their point of view (71).

As the *Principles* is not a work of political science, one cannot expect to find a fully fleshed-out discussion of the political role and virtues of the citizen. Given Steuart's civic humanist tendencies however, the omission of a discussion of standard virtues of the citizen and the emphasis on the role and virtues of the statesman is curious. This lack could be seen as detrimental to viewing Steuart as a civic humanist. However, a closer examination of the various roles of the statesman in the economy will show that Steuart is now not only promoting classical republican ideals, but also applying civic humanist discourse to the economy itself, so that the statesman is now not only a governor, but also a citizen of virtue in the Machiavellian sense.

### **8.3.2 The “State” of the Economy: Political Economy and the Economy as *Polis***

According to Pocock (1975), around 1700 a civic morality for commercial man was sought but was not to be found (433). I suggest that Steuart, continuing the work of Davenant and Montesquieu, finds a way to reconcile commercial society with the pursuit of virtue by employing civic humanist discourse in dual roles in the *Principles*. Steuart applies the classical republican framework to his understanding of the proper governance and understanding of the ideal robust economy. As the government has a part in the operations of the economy, the lines between the political metaphor and Steuart's preferred political system necessarily blur. However, I shall continue to attempt to separate the two and demonstrate in this section Steuart's translation of political theory into political economy. In doing so he provides his justification both for the need for information about and intervention in the economy and thus for the active presence of the statesman.

Just as in the classical republican political writing examined above, the persistent goals of Steuart's economy are stability, balance, and the public good. All are required

for the fulfillment of the others, and are hence interdependent, and all three require proper oversight. Steuart recognizes, however, that in the last three centuries a shift has taken place in governance as well as the governed. In the general introduction to Book I he observes that:

...the discovery of America and the Indies, the springing up of industry and learning, the introduction of trade and the luxurious arts, the establishment of public credit, and a general system of taxation, have entirely altered the plan of government every where (23).

Steuart's discussion and wording are extremely similar to that of Andrew Fletcher on the same topic in *A Discourse on the Government of Mankind* (1997, 2-4). The alteration of the feudal system to a free and commercial system changes governance everywhere because of the increased independence that it has granted to the lower classes. As seen in the section above, previously it was the owning of land that lent independence, or citizenship, but now the guarantor of "citizenship" has become more abstract as the form of property has morphed beyond physical property alone, and thus even those without land can be independent. The commercial system, or what Steuart more commonly refers to as trade and industry, has made this possible, but at the same time has made uncertain what were formerly well-known roles. He acknowledges that people are in actuality less free now than they were before because individual property-owners are no longer self-sufficient and are no longer free of the state, which now imposes taxes due to the rise in public credit (26).

If independence is now open to all who own either real physical property, the "property" of their own labor, or the "property" of credit, can all of these independent individuals act virtuously for the public good? The contradiction is the same as that which confronted the political writers before Steuart: how can both wealth and virtue be maintained in a commercial society if luxury and self-interest are growing and corrupting

influences? How are wealth and virtue to be balanced when the growth of both are desirable for a strong nation?

Steuart feels that under a commercial system it is impossible that all who are independent will act for the public good. The nobility cannot be expected to remain virtuous, as their desire for the new luxuries offered by manufacturing will corrupt them. The newly independent sectors of society also cannot be expected to exercise virtue. They have not been brought up for generations to sacrifice their interests to the public good and so their immediate objective is, more often than not, individual gain. As Steuart implies, previously the people would fight to uphold their nation, but now they will do nothing without an economic incentive: “Formerly, every thing was brought about by numbers; now, numbers of men cannot be kept together without money” (24). To change the self-interest inherent in mankind to an other-interestedness will take time and education.

Therefore in the short run, the only part of society that is able to both maintain the public good and oversee the economy is the statesman, whose interest is the public interest. The statesman is to act with virtue and justice and neither infringe on the liberty of the people nor alter their laws arbitrarily (20). Politics is allowed to expand to cover the economy as well for the simple reason that the state of the economy in a nation affects the common good, as it affects every individual in society:

He must consider the advancement of the common good as a direct object of private interest to every individual, and by a disinterested administration of the public money, he must plainly make it appear that it is so (234).

Thus the statesman is to always act for the public good in both the polity and the economy, exercising virtue on behalf of the citizens. Just as the virtues of the civic humanist authors before him identified the virtues as prudence, frugality, fortitude, and

action, so too are these the virtues the statesman is called upon by Steuart to employ in his policy formation and his intervention in the economy.

It is this function of the government that Steuart attempts to illustrate with his excursion into the policies of Lycurgus. Although ideally individuals in society should act as the Spartans of old and all have the public good as their goal, the main intent of Steuart's chapter is not to convince modern readers of this. The major point that Steuart wants readers to draw from his tangent on Lycurgus is the positive effects of stability, self-sufficiency, and economic strength a statesman with full powers of intervention can achieve, so long as that intervention is taking place for the public good.

How can such intervention in the economy be viewed as an exercise of virtue? While the Machiavellian moment of confronting *fortuna*, or in later seventeenth century works, instability, occurs in the political arena, in Steuart the great instability occurs not necessarily in the state itself, but in the economy. From Steuart's viewpoint the market is constantly in a state of fluctuation and internally prone to instability, as well as open to the negative influence of outside forces. Steuart states that "a government must be continually in action..." to rectify any imbalances and to foresee any that may occur due to the introduction of new institutions (20). Thus Steuart imbues the statesman with Machiavelli's almost superhuman virtue to confront corruption, corruption here in its entropic sense as referring to a breakdown of the economy, in the form of unemployment, and harmful surpluses and shortages. This can be seen by returning to Steuart's discussion of the aim of political economy as a science providing for employment and subsistence (17), and also as an art:

In order to communicate an adequate idea of what I understand by political oeconomy, I have explained the term, by pointing out the object of the art; which is to provide food, other necessaries, and employ-ment to every one of the society (28).

Looking at Steuart's statesman through the lens of classical republicanism, a new picture emerges of an attempt to reconcile virtue and action in a commercial society. Although they can still practice virtue in this new non-state arena by participating in commerce and trade, and hence increase the economic strength of the state, citizens are still susceptible to corruption by the new forms of commerce, a corruption that they might not be able to overcome. Due to his superior knowledge and "prudence," the statesman is in a position to exercise virtue in a way that is now not available to regular citizens who can be easily seduced by the lure of the riches of self-interested commercial society. The statesman directs private interests to the public good by acting with prudence, justice, wisdom, fortitude, frugality and foresight to induce in his people an increase in these same virtues on the micro level (231-232). Virtue is exercised through action in both the economic and social arenas in order to effect economic change.

Intervention in the social arena consists of an intervention in the psychology of society. An intervention of this sort is what I have taken Steuart to mean when he says that sometimes it is necessary for the statesman to change the spirit of the people so that they will be more accepting of beneficial policies to which they may be initially resistant (27). As seen in Chapter Seven above, Steuart's "spirit" is an expansive expression of culture and tradition and a deeper expression of how history and traditions, the being in a certain place, having a shared experience, influences the character of a people, and therefore their political and economic traditions.

More difficult to acquire than knowledge of a people's character is an understanding of their manner with the purpose of altering it. Not only is the manner of a people difficult to alter, but disaster and resentment occur if policy is imposed that is in opposition to the manners of a people, and thus this is "why nothing is heavier to bear

than the government of conquerors...” (23). Accordingly, the spirit of the people may be in conflict with progress and the common good, rendering it impossible for a people to readily accept a policy change at odds with their custom. In such cases it is up to the prudence of the statesman to groom the spirit of the people to accept, as necessary, new policies, needs, or circumstances, or, contrariwise, for him to utilize them in such a way that the people’s spirit is not violated.<sup>232</sup>

The second realm of intervention of the statesman is in the economy itself, and it is in this realm that the civic humanist framework can be seen to be grafted onto Steuart’s economic system. In the *Principles*, the goal of political economy is to provide for the common good. This is to be achieved through stability and prosperity; there is to be neither unemployment nor a want for subsistence goods. When stability and prosperity are threatened by either internal or external forces, the statesman cannot help but act to confront this instability through corrective intervention.

Steuart then is thoroughly opposed to the Smithian concept of unintended consequences resulting from intended actions, as private actions will not necessarily benefit the public. Allan (1995) identifies a tension, if not an outright contradiction, in the eighteenth century Scottish discussions between rational intent and unintended consequences, as the rise of the theory of unintended consequences that denied the learned and rational Scottish historian “any special causal influence over the political, economic, and social affairs of a modern Scottish community” (217). Rational foresight by the virtuous and learned man, who had been the mainstay of Scottish intellectual life since the

---

<sup>232</sup> The reconciliation of spirit to policy is familiar ground to readers of Montesquieu who will recognize similarities in the spirit of the people he posits, as well as the need to change that spirit when the situation warrants. However, this use of the rhetoric of the orator to mobilize the people to act for the common good also connects Steuart to another civic humanist tradition, as Allan identifies eloquence as an essential characteristic of the virtuous leader of the Scottish civic humanists (1995, 191-198).

sixteenth century, is not reconcilable, or is unnecessary, in a world where unintended benefits abound. Steuart partially resolves this problem by maintaining that the public good cannot be maintained, much less assured, through private action alone; there may not be unintended benefits. In his world the economy is always open to uncertainty, or *fortuna*.

Now that the action of the statesman has been established as an exercise of virtue, it remains to find other instances of civic humanist discourse implemented as economic theory in the *Principles*. These are most readily seen in the economic interventions of the statesman in both the domestic and foreign arenas. Steuart speaks throughout the *Principles* of the balances that the statesman must maintain. Of course this could simply be a case of a mechanical metaphor alone. However, I believe Steuart's insistence on balance was actually more complex than using a metaphorical system of weights. If one accepts that Steuart is writing from a civic humanist standpoint, it becomes apparent that his argument for "balance" is actually a more sophisticated balance of the economic powers of the One, the Few, and the Many, as discussed in civic humanist discourse from Machiavelli to Harrington and to Davenant.

As it is the statesman who is acting throughout, the government is to be regarded as the One. The roles of the Few and Many shift, depending on which topic Steuart is writing on, but always imply a political and class basis, with the nobility and the monied class representing the Few and the workers representing the Many.

Steuart's treatment of the domestic economy before trade is not as complex as when the economy is open, and it is here that one first sees his system of balances of economic goods and classes. In Book I on agriculture and population, the statesman is to maintain a balance between both the food created by farmers and that demanded by the



“freehands,” as well as the numbers of farmers and freehands. A goal of the economy is to produce a surplus so that population can increase, so that more manufactures can be made, and to provide further stability in times of want. The increase in population will continue to cause the agricultural economy to grow, until the point of diminishing returns to land is experienced.

In order to stave off the decay of unemployment and shortage once industry is introduced, the statesman must maintain a balance between the work available for laborers and the demand of the wealthy for the goods that labor produces. The statesman is to use taxes to “keep an even balance between work and demand. Upon this the health of a trading state principally depends” (234).

Steuart repeatedly refers to this “balance” rather than simply to an amount of a good supplied and an amount demanded because he sees the need to have the demand for labour, rather than what they produce, equal the number of people who are working. If there is too great a supply of workers, then some workmen will not have enough income to survive. If there is too low a supply of workers, those who are working will have so much excess income, Steuart reasons, that they will buy all the manufactures of the state, and thus there will be no excess to export. When this balance is out of check, growth will necessarily slow:

For want of this just balance, no trading state has ever been of long duration, after arriving at a certain height of prosperity. We perceive in history the rise, progress, grandeur and decline of Sydon, Tyre, Carthage, Alexandria, and Venice, not to come nearer to home. While these states were on the growing hand, they were powerful; when once they came to their height, they immediately found themselves labouring under their own greatness” (195-196).

Once the nation exports its surplus and enters the international trade market, a clear parallel with the Machiavellian state that seeks its glory in Roman-style conquest, rather than in the serenity of self-contained Venice, appears. Foreign markets become the new

territory to be conquered. However, just as Machiavelli posited an end to the conquest of the republic, Steuart does not believe that a nation can grow indefinitely. If a nation's foreign trade grows too large, the wealth of the citizens will cause an increase in both domestic demand and suppliers' prices. The increased wealth of the domestic consumers will cause their taste for luxury to increase, such luxury tempting the people away from the virtue of frugality, causing shortages and thus raising domestic prices. This will cause the suppliers' "blind fondness for high profits, which it is impossible to preserve" to increase and thus another increase in prices (205). As the domestic price rises far above the world market price, foreign consumers will buy their goods elsewhere. Even if the nation then seeks to correct their mistake, their previous market dominance will have been seized by rival nations. The downfall of a healthy foreign trade thus occurs when a nation that has grown wealthy lets luxury and excess take the place of efficiency and frugality among the workers, when the citizens compete with other nations for their own domestically produced commodities, when the statesman takes no action, and when the prices the producer charges rise above that that will give a fair return. When these occur in tandem, "...trade will decay where it flourished most, and take root in new soil" (205).

A trade deficit then represents a new instability, and increased domestic self-interest, in the form of the consumption of luxury by the consumers and the profit-seeking of producers, the form of corruption causing the instability, as they violate both frugality and the public interest. The balance of powers here is now upon two levels occurring simultaneously. Domestically, it consists of the balance between the statesman (the One), consumers (the Many), and producers (the Few). Internationally, it consists of the balance of the statesman (the One), domestic producers (the Few), and foreign consumers (the Many). A prolonged trade deficit where the domestic country depends on importing the

goods of another country to satisfy its wants also has a negative effect if left to itself, as such a deficit indicates a loss of both economic power and self-sufficiency.

Another instance where Steuart employs political language in his analysis of the economy is when he discusses imbalances and sudden changes in the economy. Sudden and harmful movements out of balance are referred to as “revolutions.” This usage occurs quite often, and it can be seen from the examples below that Steuart is not referring to a mechanical revolution, hence my rejection of the balances’ being merely a physical metaphor.

When instructing the statesman on when to subsidize industry and demand and when to discourage the same, Steuart writes, “By these alternate augmentations and diminutions, hurtful revolutions, and the subversion of the balance, may be prevented.” (203). The following concerning a change in foreign demand is another example: “...when foreign demand begins to decline, domestic luxury must be made to increase, in order to soften the shock of the sudden revolution in favour of the industrious” (245). The term is used again when he writes of foreign nations being enriched at the expense of the domestic nation due to price differentials, and the resulting harm to the domestic country’s employment:

Here comes a new revolution. Trade is come to a stop: what then becomes of all the hands which were formerly employed in supplying the foreign demands? Were revolutions as sudden as we are obliged to represent them, all would go to wreck; in proportion as they happen by quicker or slower degrees, the inconveniences are greater or smaller (185).

Again the term appears when Steuart warns of the dangers of increased foreign demand: “If this revolution in the state of demand should prove too violent the consequence of it will be to *raise* demand; if it should prove gradual, it will *increase* it” (185, emphasis in text). The first occurs because there will be a shortage, or what Steuart

calls competition among demanders; the second occurs if supply increases in proportion to demand, and the economy will then grow. Of more importance for our purposes however is not the detail of Steuart's economic theory but of his economic prose, the wording of his phrase "*revolution in the state of demand.*" The economy itself and the subsectors of the economy are being viewed as individual "states," whose competing forces must be kept in check through both the interdependence of the segments of the Few and the Many and the action of the statesman.

In the *Principles* one is presented with an economy that is made up of "states" that are to be governed according to a republican balance by a government that is itself operating according to generally republican principles within a commercial world of other trading republics. In the conception of the economy as a system of balances to be kept in check by the oversight and prudence of the statesman; repeated reference to the virtues and the statesman's cultivation of them; references to the public good; the need for stability and a confrontation of instability; as well as a three-part segmentation of the classes of economic society, Steuart's text offers ample evidence that he has applied civic humanist political thought in his ideal organization of the economy.

Of course, Steuart's translation of political thought to political economy is not a perfect one, as economic virtue on an individual level seems to reside mostly in the statesman as the only one who can always clearly see the public good. However, the citizen plays a role in participation in economic life. Citizenship comes from some contribution to the economic polity, of every class's productive and consumptive potential. Workers own their ingenuity and manufactures, while the landed class still own property, and the monied class have credit, and all have demand. Each sector contributes to the overall social good in their production and consumption and provision of a surplus

for those who cannot participate in the marketplace. There is still also a martial virtue for economic citizens to exercise in practicing frugality and containing their taste for luxury in order for the nation to conquer foreign markets. The actions of each sector of society are of course predicated on moral behavior that is established by the particular “spirit” of the people.

In terms of knowing the public good and acting accordingly at all times, the statesman is the ultimate possessor of civic virtue. Steuart does ask much of his statesman, but he clearly is borrowing a page from Harrington. According to Scott, Harrington was trying to solve, not the problem of history, but of instability, because “In the barbaric world of modern prudence, greater instability was an inevitable consequence of greater ignorance” (207). Steuart and Harrington agree that such instability can only be overcome by better and more intimate knowledge on the part of the statesman. In *Oceana*, Harrington says that, “No man can be a politician except he be first a Historian or a Traveller” (1977, 310). As seen in the previous chapter, Steuart’s ideal statesman has to be a knowledgeable observer not only of history, but also, as seen in this chapter, of what *is*, to have traveled through the country, whether physically or through information, and so to engage in prudent positive and normative economics with a grounding in history, culture, and law. Overall, rather than viewing Steuart as an absolutist mercantilist, in the proper context of eighteenth century political writing and the search for a new identity for Scotland, he should more properly be viewed as a Scottish/Machiavellian civic humanist, as the goals of stability, defense, self-sufficiency, and the public good are not only present in Steuart’s ideal economy; they also persist.

## CHAPTER 9

“FROM GREAT SIMPLICITY TO COMPLICATED REFINEMENT:”<sup>233</sup>

STEUART ON ECONOMIC GROWTH AND WORKER ASPIRATIONS

### 9.1 Introduction

As is generally known, the central mechanism of economic growth in Smith is capital accumulation. Given that we have established in the previous chapters that Steuart holds different beliefs than Smith about the foundations of economic society, the role of economy in relation to society, and how such a society should grow, we should expect that the mechanism of growth in Steuart’s economy will also be different. Although this matter has been alluded to in Chapter Seven, this chapter shall examine Steuart’s growth theory in more detail. Specifically, the chapter shall seek to show how Steuart explains the transition from an economy of independent, self-sufficient producers to a commercial exchange economy of interdependent consumers and producers.

Consistent with Steuart’s focus on people rather than production in his vision of the strength of the economy, stated above in Chapter Seven, his theory of economic growth is very dependent on the workers and the changes that the introduction of luxuries

---

<sup>233</sup> The line is borrowed from Steuart’s discussion on the rise of trade from Book I, Chapter II: “...I have taken a hint from what the late revolutions in the politics of Europe have pointed out to be the regular progress of mankind, from great simplicity to complicated refinement” (1767, 15).

in commercial society has on them and their tastes or aspirations. There are several questions that this examination of Steuart's growth theory seeks to answer, namely: How does he view the growth process and the role of the different sectors of society? Given that it has been established that a statesman working from a foundation of justice, wisdom, and prudence, or in other words, civic virtue, ought to intervene in society, at what point can such intervention take place? Is there truly a need for the statesman in the economy? And what other factors are necessary to ensure that growth continues in the long run?

Like Akhtar (1979 & 1978) and Yang (1999 & 1994) I seek to present basic elements of Steuart's growth theory. However, I do not intend to paint in strokes as broad as either author. While both Akhtar and Yang seek to formalize Steuart's entire macroeconomic theory, my focus here is on an explanation of the emergence and growth of the exchange economy from a single agricultural sector, and the necessary elements for long run growth to be sustained.

To begin, we return once more to Steuart's definition of the goals of political economy: that it provide employment, a fund of subsistence, and foster the bonds between the sectors of the society to provide employment and subsistence to each other (17). Two dominant themes emerge from this description that resound throughout Steuart's text: the interdependence of the segments of society and the importance of the ability of the sectors to meet each other's wants. Implicit in the definition are the dangers to society if the dependencies between the sectors of the economy break down and disequilibria occur. For instance, due to the high dependence of the sectors on each other, once one side lacks the income to purchase the goods of the other, the entire economy suffers. Steuart

provides a handbook to explain how such interdependence arises and how it should be encouraged, and thus how to repair economies that suffer from unemployment, low population, and low levels of subsistence.

## 9.2 Stuart on Population, Agriculture, and Economic Growth

In order to explain the emergence and growth of the modern international economy from individual agrarian economies, the *Principles* begins with a consideration of the relationship between agriculture and population.<sup>234</sup> Stuart assumes that men are naturally to be found in societies and that dependence, first arising from children upon their parents, and then of members in society upon each other, is the major bond of societies. He then forms two principles from his observations about human behavior. One is that man has an inexorable “generative” faculty, a procreative urge that causes population to multiply, potentially, to infinity (30-33). Another is that men act out of self-interest to satisfy their wants, which also tend towards infinity, as men can potentially always increase their wants (34).<sup>235</sup> These two “facts,” observed in history, cause the emergence of both agriculture and industry. Because population cannot increase without more food, given the generative faculty of man, the nomadic, hunter-gatherer stage is unsustainable and the development of agriculture becomes necessary.

With the emergence of agriculture, society separates into two classes: the upper class of the landlords and the lower class of those who work the land. The farmers

---

<sup>234</sup> As noted in Chapter Seven, Stuart uses a conjectural and stadial approach to explain the rise of commercial society, similar to Turgot, Ferguson, and Smith. However, Stuart differs from these in using three stages instead of four: the nomadic, agrarian, and the exchange economy.

<sup>235</sup> Just as the ruling principle of the body is the generative faculty, so the ruling principle of the mind here, as in Smith, is self-interest (34). However, Stuart differs from Smith and other standard economic texts in acknowledging that men act also out of “expediency, duty, or passion,” which are formed by particular cultural and social milieus, and so are not as predictable as self-interest (20).



produce just enough to sustain themselves and the landlords and to allow both sectors to reproduce. In time, however, given “a fruitful soil, possessed by a free people, given to agriculture, and inclined to industry,” a surplus will be produced “over and above what is necessary to feed the farmers” (42).

The effect of the surplus is twofold. First, it allows the population to increase: “A people, therefore, who have an industrious turn, will multiply in proportion to the superfluity produced by their farmers...” (40). At the same time, the presence of the surplus allows a portion of the population to leave the land and to produce manufactures, which will be exchanged for subsistence goods from the farmers, “because the labor of the necessitous will prove an equivalent for it” (40). The lower class thereby separates further into farmers, who produce the agricultural surplus, and “freehands,” who, “proportional to such superfluity of nourishment produced, will apply themselves to industry and to the supplying of other wants” (42).

However, we cannot expect either the farmers or the freehands to produce a surplus out of their own benevolence:

...a farmer will not labour to produce a superfluity of grain relatively to his own consumption, unless he finds some want which may be supplied by means of that superfluity; neither will other industrious persons work to supply the wants of the farmer for any other reason than to procure subsistence, which they cannot otherwise easily obtain (40).

In the short run, the surplus of the agricultural sector will exchange in equal value for the surplus of the manufacturing sector, and so there is not yet a need for money.

### **9.2.1 The Introduction of Money, Luxury, and their Effect on Output**

However, this state of affairs cannot last and Steuart says that money and luxury “will infallibly be introduced” (43). Money is defined by Steuart as any commodity which is used only for exchange, not for the production of other goods, and which

becomes the “universal measure of what is called value, and an adequate equivalent for any thing alienable” (44). Money will be in the hands of those,

naturally, of such as have had the wit to invent it, and the address to make their countrymen fond of it, by representing it as an equivalent value for food and necessaries; that is to say, the means of procuring, without work or toil, not only the labour of others, but food itself (44).

At the initial stage of the emergence of commercial society, it is inferred from the text that those in possession of the money with which to buy luxuries are the landlords; they are the only class who own a revenue from their lands.<sup>236</sup>

At the same time as money is becoming a new object of want, those in possession of money will also demand “luxury” goods:

When once this imaginary wealth (money) becomes well introduced into a country, luxury will naturally follow; and when money becomes the object of our wants, mankind become industrious, in turning their labour towards every object which may engage the rich to part with it; and thus the inhabitants of any country may increase in numbers until the ground refuses further nourishment (45).

As we have seen in Chapter Four above, luxury is defined by Steuart as:

any thing produced by the labour or ingenuity of man, which flatters our senses or taste of living, and which is neither necessary for our being well fed, well clothed, well defended against the injuries of the weather, or for securing us against every thing which can hurt us (44).

The upper class will purchase luxuries from the manufacturers, who will begin to produce more and different kinds of luxuries to satisfy the wants of the upper class.<sup>237</sup> Both the freehands and the farmers will be paid in money by the upper class, and thus can also use money as an equivalent with which to purchase their subsistence and luxuries, respectively. As a consequence of the introduction of money, “those who have the money

---

<sup>236</sup> Over time however the upper class possessing the money and ceasing to labor are the merchants, as was occurring in Steuart’s own day. The passing of the prominence of the nobility and the rise of the monied class was something for which Steuart both sought to explain and provide a solution (71-73).

will cease to labour, and yet will consume; and they will not consume for nothing, for they will pay with money” (45). Therefore, money will itself become a new object of want for the farmers and the freehands.

Steuart is explicit that the wants of society are vital to growth: “Wants promote industry, industry gives food, food increases numbers...” (67). There will be no long run growth in the economy unless the demands of consumers increase, unless “their wants be multiplied” (43).<sup>238</sup> Wants are shown to increase naturally with an increase in population, and through the creation of new luxury goods by the freehands. However, Steuart places special emphasis on the role of the increased wants of the lower classes as they seek to attain the standard of living of the upper class. Workers’ aspirations to higher standards of living induce them to be more productive, and thus to earn more income with which to buy goods. Eagly (1961) has called this resulting increase in labor productivity the “aspiration effect.” Likewise, as the farmers’ wants increase, they too become more productive, increasing the amount of the agricultural surplus. This increase serves to increase the amount for which farmers can exchange the surplus for an equivalent, and thus buy more luxury goods, increase population, and allow more agricultural workers to transfer to the manufacturing sector to produce more luxuries (Steuart 1966, 46-47).

---

<sup>237</sup> Interestingly, Steuart notes that it is then the freehand class of manufacturers who “will determine what is called the standard of taste” by their creation of new luxuries, rather than the natural wants of the upper class (46).

<sup>238</sup> Another source of increased output is the introduction of machinery. In the current framework, Steuart saw machines as a virtual increase of workers but without an accompanying increase in the need for subsistence. As he felt it was impossible in his time for any nation to be “overstocked” with machinery, he did not consider the possibility of diminishing returns. Despite machinery’s benefits, Steuart does not stress the need for capital accumulation as Smith does. This is perhaps because machinery would not be beneficial in every case, as Steuart also points to the dangers of introducing machinery too quickly, or in some cases at all, depending on the particular circumstances of the country with which one was dealing, whereas increased aspirations always lead to an increase in production (121-125).

### 9.2.2 Growth and the Possibility of Disequilibria

As population increases due to the increases in the agricultural surplus available, care must be taken that one does not outstrip the other. In the case of the subsistence needs of the population exceeding the amount of goods available from the surplus, famine is a predictable outcome. However, it is also possible in Steuart's theory for the surplus to be so great that it can have a damaging effect on the economy and society. Steuart states that,

*the augmentation must be made to bear a due proportion to the progress of industry and wants of the people, or else an outlet must be provided for disposing of the superfluity* (40, emphasis in text).

and, *“That agriculture, when encouraged for the sake of multiplying inhabitants, must keep pace with the progress of industry; or else an outlet must be provided for all superfluity”* (41, emphasis in text).

At higher stages of development, international trade can serve as the outlet for the surplus. However, a clear problem arises for a lesser developed, closed economy that cannot absorb the surplus. Although markets here will clear, there is no guarantee that all of the wants of society will be met. In this case, because the demand for the surplus will be too low, farmers will have a disincentive to continue to produce a surplus. Because they cannot exchange their agricultural surplus for luxury goods, there will then also be a fall in the demand for the goods being produced by the manufacturers. As shown in Steuart's theory of value and price determination, once prices fall too low or rise too high, there is no automatic adjustment mechanism in the economy to eliminate the disequilibrium. Steuart is explicit that if this imbalance occurs, the long run result will be a decline in the labor productivity in agriculture:

This will be the case, if the fruits of the earth be made to increase faster than the numbers and the industry of those who are to consume them. For if the whole not be consumed, the regorging plenty will discourage the industry of the farmer (40-41).

Likewise, the same can happen in the manufacturing sector. Either case is detrimental to society because the discouragement lowers both growth and employment. Therefore, Steuart derives the principle that growth in the agricultural sector must be matched by proportional growth in manufacturing to ensure there is an equivalent of values for which the surplus will be exchanged in both sectors (41).

In direct opposition to Smith's proposition that the self-interested actions of individuals will result in an allocation of resources such that the highest level of welfare for society will be attained, Steuart's theory acknowledges that, even in the presence of the unhindered choices of self-interested individuals, it is quite possible to have a less than optimal outcome. For instance, farmers can produce a large surplus, and yet famine will still be the result for those who lack an equivalent with which to purchase the it.<sup>239</sup> As Gislain (1999) has noted, "overproduction and misery can hence coexist" (175). In these cases, there is a breakdown in the dependencies in society due to a lack of adequate employment for the freehands.

Steuart's ideal outcome is to have enough of a surplus to feed all of society and a population that is fully employed, such that there is always potential for growth (93). Thus when an economy is suffering due to deficient market structures or a weakening of the dependencies of the one sector on another, the free operation of self-interest alone is

---

<sup>239</sup> Steuart was quite familiar with these issues from his own lifetime. Large agricultural surpluses in the eighteenth century posed a problem for Scottish farmers and statesmen alike as English foreign policy had scuttled Scottish exports to the Continent. A landowner fretted in 1705 that, "...unless we alter our methods or fall on some new wayes of export our corns will become such a drug on our handes we shall never be able to pay our publick dues" (quoted in Smout 1983, 47). In the opposite case, Steuart

insufficient to provide a solution and thus the intervention of the statesman is necessary. In the face of market failure, it is the responsibility of the statesman to find an appropriate outlet for the surpluses of either sector.<sup>240</sup> When one sector lacks income to purchase the goods of the other, the government intervenes to purchase the surplus, and thus provides an income to the sector with the unsold surplus to continue to purchase the goods of the other, allowing the economy and population to grow. However, it is also the statesman's more important mission to provide adequate employment if it is absent, as, "...inhabitants require rather to be well employed than increased in numbers" (68).<sup>241</sup> Therefore, in the presence of stagnation or decline, it is the statesman's responsibility to ensure that each sector can purchase the goods of the other.

In order to predict when such preventative measures will need to be enacted, Steuart promotes the gathering of national statistics in order to form more accurate and appropriate policy (67-86). Hence, as has been argued in the foregoing chapters, a keen knowledge of the people, culture, and economic conditions of a nation are of prime importance to the proper formation of economic crisis policy. Although he does seem to think that disequilibrium is more likely to be the case than not, Steuart proposes intervention, in a cameralist vein, not, as Meek (1958) has incorrectly reported, to plan the economy, but only to ensure that the wants of society are met and that the market can continue to function on its own after the disruption.

---

encountered impending famine due to shortage in Andalusia and first ponders its possible causes and effects in a letter to his brother-in-law (1737).

<sup>240</sup> In the *Principles* and *A Dissertation on the Policy of Grain* (1805) Steuart recommends state granaries to store the surplus and also to provide in times of famine. As Eltis (1990) has commented Steuart's recommendations for a managed grain market are similar to those proposed by the EC.

### 9.3 The Sectoral Balance

The labor force is made up of farmers and manufacturers, who come from the general population, which is made up of laborers and landlords. The distinction between the upper and lower classes is twofold. First, landlords do not perform productive work, whereas the labor force is productive.<sup>242</sup> Second, landlords have a higher standard of living by virtue of their greater consumption of luxuries per person. It is this higher standard of living that will generate greater growth in the economy once the lower classes raise their level of aspiration.

The price of food and manufactures are determined by cost of production, plus a markup for the producer's profit. Workers' incomes come from wages in either manufacturing or in agriculture. Producers in both sectors gain their income through their profit markup on the cost of production. Landlords have hereditary income from all previous time periods and their current income comes from rent paid by producers and workers, that here is subsumed as part of all other input costs. Income for the manufacturing and agricultural workers and employers is thus determined initially by the demand of the landlord class. In this early stage of growth no savings is assumed, but there is the possibility of hoarding by the landlord class.<sup>243</sup>

For the economy as a whole equilibrium is reached by an equality of the value of agricultural goods and the value of manufacturing goods. From Stuart's theory of value, the equilibrium prices for both agriculture and manufacturing are determined through the

---

<sup>241</sup> The possible similarities between Stuart and Keynes are explored in Sen (1947), Chamley (1962), and Hutchison (1978).

<sup>242</sup> This is in keeping with Stuart's discussion of those who possess money: "those who have the money will cease to labour, and yet will consume; and they will not consume for nothing, for they will pay with money" (45).

<sup>243</sup> As shown below, savings are assumed once the economy matures and a banking sector is introduced.

interplay of supply and demand, or as Steuart terms them, “work and demand.” As stated in his value theory, Steuart sees prices settling within a range that is determined, on the supply side, by how large a profit markup that producers want to impose above the value of the cost of production, and the cost of production itself. Although adjustments in prices can bring about equilibrium, market clearing does not mean that all of societies’ needs have been met or that there is enough being produced to ensure that growth will take place.

For both sectors to survive, it is necessary not that the total value they produce equal each other, but that both create a surplus that they are able to use to exchange for the surplus of the other sector. Steuart lays great stress on the fact that an equivalent must be exchanged for goods (29-33) and so the fundamental equality here must be between the values of surpluses, not total quantities of agricultural and manufacturing goods produced. Hence it is this point of sectoral balance, a state of equality between the values of the agricultural and manufacturing surpluses, which is of greater importance in Steuart than an overall equality between both sectors.

If the value of the agricultural surplus exceeds that of the manufacturing surplus, then the agricultural sector will have an excess of food goods and nothing for which to exchange it of equal value. This creates a disincentive for farmers to continue to produce as much surplus as they do and thus the surplus will decline, which will further impede the growth of the manufacturing sector. Workers will then choose to leave the agricultural sector, but due to the continued decline in the manufacturing surplus, workers are also not being hired in manufacturing. Rather workers will be moving to the larger sector of agriculture, but there they will still find declining wages and profits. The same results occur if the value of the manufacturig surplus is greater than that of the agricultural



surplus. In either case there is an excess of value produced, and thus goods unsold, that cannot be exchanged and creates a disincentive to create greater surpluses in the next time period. The economy as a whole experiences a declining output, and due to declining employment, declining consumption.

Thus the most important condition an economy must meet for any growth to occur in the future is that there is a sectoral balance in which the surpluses of each sector are equal to the needs of the other sector. The total amount of luxuries desired by the agricultural sector and landlords should equal the amount of surplus luxuries being produced by the manufacturing sector. Likewise, Steuart's third condition is that, in order to have people produce such manufactures, the total amount of food required for the manufacturing sector and the landlords must equal the surplus of food produced in the agricultural sectors. The surplus of luxuries depends on the number of farmers and landlords who demand them, and the food surplus depends on the size of the manufacturing labor force and landlords who demand it. A factor common to both are the landlord class, who although they do not produce output, generate an important factor of growth: their demand. Thus, here Steuart's claim of the importance of the interdependence of the sectors of the economy and society are at the very center of his growth theory.

Under ideal conditions of competition on both sides of the market and producers asking for a fair profit in their markup, the price mechanism will ensure that sectoral balance is achieved, and that the surplus values produced in agriculture can be exchanged for the surplus values produced in manufacturing. However, Steuart makes it clear that the price mechanism may fail to bring balance to the system, for a variety of reasons. One of these is the tendency, as discussed in Chapter Seven, for the profit markup to become

consolidated within the price of the good and hence for producers to increase the markup over time to ensure that they can maintain or have a higher living standard. Therefore there is a tendency towards price stickiness from producers' enjoying increasing rates of profit. Prices also have an upward rigidity when there are increases in demand, which cause an increase in the actual real value of goods being produced due to the increase of costs due to increased production. Again, Steuart points to the profit markup to maintain producers' political necessity as the cause of the imbalance in this case, as increases in cost are met by increases in the normal price of the good; any imbalance is due to increased profit markups. However, prices may also not adjust properly due to a deficiency of demand. In this case producers will either cut wages in order to maintain or increase the profit markup, or lower output, both of which will affect wages and the number of workers in either sector. If prices fall too low in either sector, there is no incentive to continue to produce the surplus and thus unemployment and lowered wages become likely. The cut in wages also has a detrimental effect of unbalancing the economy because it is wages that determine the price of subsistence and hence if wages decrease too far, there will be decreases in demand in the subsistence market, and again a decrease in the incentive of agricultural producers to produce a surplus for sale.

Regardless, due to the overall tendency of the prices of agriculture and manufactures to rise, and at to do so at different rates, the price mechanism on its own will not automatically ensure that the total value of the goods in either sector will equal the other. Although it is possible for the needs of the society to be met through actual production, and vice versa, there is no fundamental reason for this to always occur. Prices can adjust to ensure that the society comes to equilibrium in the values of the goods produced and sold. But the price mechanism alone does not ensure that enough has been

produced to support the output of the other sector. For instance, the price of food can rise to bring the total value of agriculture into balance with the total value of manufacturing, but that does not necessarily mean that the proper quantity of food has been produced to continue to support growth in either sector.

As noted above, if producers want to maintain or increase their profits without raising prices, or if there is a fall demand, then they will simply lower wages. Although wages should rise as prices rise, Steuart predicts that whether they actually do will depend on the producer's profit markup. Therefore, due to wage distortions, the quantity of workers in each sector also will not necessarily automatically adjust as needed due to wage distortions.

An imbalance stemming from either the manufacturing or agricultural sectors results in the economy failing to provide for the needs of all members of society, and also a failure to fully employ working members of society, a failure of the goals of Steuart's economics. Because such imbalances are possible, Steuart justifies his recommendation that the government intervene to rectify such problems so that growth can continue to occur. The state is to monitor employment and output level criteria in each sector, and thus ensure that there are workers enough to produce to surpluses equal at least to the subsistence needs of the society.

### **9.3.1 The Balance of Workers**

Steuart sees that an adequate level of employment in agriculture is necessary to first provide food for all the state: "*That number of husbandmen, therefore, is the best which can provide food for all the state*" (93, emphasis in text). Therefore, the total amount produced by the agricultural sector, minus whatever the agricultural workers consume themselves, is equal to an actual physical surplus in agriculture.

Once the agricultural sector has consumed what they need of the actual output, the rest is the surplus available for others to consume. It is important to note that the level of the surplus produced may not be equal to the actual amount of surplus required by society. It is possible that after their own consumption, the agricultural workers have not produced enough extra food to provide for the full needs of the manufacturers and landlords. If such a situation continues, the manufacturing sector ceases to function and the incentive for farmers to produce a surplus decreases, causing growth to come to a halt. There thus exists a unique employment level that will provide for the necessary surplus output in both the manufacturing and agricultural sectors. Again, this is not a level of equilibrium as understood in standard neoclassical models. Rather it is a point of sectoral balance where the levels of employment in manufacturing and agriculture are such that enough output is being produced to sustain the needs and luxury wants of both sectors; there is adequate output for what Steuart terms the physical and political necessary, plus a surplus for sale in each sector. The ideal condition is for the actual surplus produced to equal the surplus required by people in society. A level of employment exists in both sectors that will allow the economy to produce a level of surplus where the wants of both sectors are met, and thus sets the stage for further growth.

If wants are unmet and surpluses are not being sold, and there are resulting distortions in wages and other factors that cause labor to not move into the other sector, then the statesman can intervene to move workers into either agriculture or manufacturing to rectify the imbalance. All the statesman has to know are the values of the total population, average subsistence required per person, and average productivity of agricultural workers to know by how much to increase the number of workers employed in agriculture. Likewise, adjustments can be made in manufacturing, which would require

knowledge of the same variables above and the average productivity of workers in manufacturing. All of these variables will be known if the nation gathers the specific statistics Steuart advocates in chapters XII and XIII of Book I. As the initial focus of the state for a simple economy should be more on output and employment than on prices, the state can move workers to either sector to encourage production. A problem is that Steuart does not explain how the government will exactly accomplish this. The state could also adjust prices, but this does not necessarily bring about the desired quantities to support either sector. In the long run policies discussed below, Steuart's view on prices and taxation shows how the sectors of the economy can be brought into balance through the discouragement of excessively high prices.

Steuart's theory shows that in the short run a market economy may not produce enough output on its own to support all segments of society and thus also to provide for further growth. In this way, Steuart anticipates later economists, including Marx and Keynes.<sup>244</sup> Steuart also demonstrates how highly interdependent sectors of the economy cannot rely solely on relative price movements to satisfy consumers' wants and needs. From Steuart's tenets regarding imbalances between the supply of workers and work available for them, and resulting decreases in demand, general disequilibria are also likely in the long run. Therefore, there is room for government intervention both in times of crisis, and to ensure the healthy functioning of the exchange economy to prevent crisis.

---

<sup>244</sup> Specifically, Steuart anticipates Marx's reproduction schema developed in the final part of volume II of *Capital* (1978), in which Marx suggests that it is highly improbable that a capitalist economy will achieve a stable equilibrium in the case of simple reproduction. In that case, the new value created in department I (producing means of production) must exactly equal the constant capital employed in department II (producing means of consumption) if the economy is to reproduce itself annually. There is no

#### 9.4 Economic Growth in the Long Run

Steuart identifies five major elements in the *Principles of Political Economy* that determine a nation's output and employment level and will cause an economy to grow from a state of "simplicity" to one of complicated "refinement" over time: the presence of an agricultural surplus, an increasing level of aspirations among the working populace, effectual demand, a system of taxation and public credit that allow the government to make up for deficiencies of private effectual demand, and a banking system and money supply large enough to facilitate the demand in a commercial society.

The movement from a purely agrarian to a manufacturing economy has already been covered in the opening sections of this chapter, and so too have initial issues of worker aspirations for higher standards of living in increasing labor productivity. Workers will, as Steuart says, apply their ingenuity to the creation of new and improved goods. This will generate greater demand from the upper classes and either sector once the economy starts to grow. Although it is initially the wants of the upper class that provide the spark for the economic growth process, the aspirations of the workers are what causes the rate of growth in the economy to increase.

As has already been shown in Chapter Seven above, demand is the ultimate source of value in Steuart's economy. It is also the main source of economic growth: "Hence appears the necessity of a great demand, in order to promote flourishing manufactures" (182-183). Steuart characterizes demand as effectual when there is an actual income to purchase the goods that people want. Effectual demand is made up of the demand of both the upper classes and the rising working class. While the income of the upper classes is assumed to be secure and growing, the income of the workers depends upon their

---

reason, however, to expect that capitalist economies naturally bring about such a balance between departments.

employment, which is dependent on the demands for their goods and services. Unlike Smith who stresses efficiency of production and the role of the capitalist entrepreneur, due to his stress on small scale production and the workman's aspirations, employment is a central issue of growth for Steuart.

It is also the case that employment, rather than the division of labor is Steuart's key concern for workers and their relation to the economy.<sup>245</sup> Therefore for Steuart's economy, employment can be specialized or it can be nonspecialized, it can be industrial or it can be agricultural; the important factor is that the people *be employed*, primarily so that they can be fed, and only secondarily so that they can engage in further exchanges and produce more output.

As Hutchison (1998) has previously observed, Steuart believes that part of living in a society is having a right to work (1966, 122). Sustained growth requires maintaining the level of employment, and so Steuart recommends that:

A statesman should make it his endeavour to employ as many of every class as possible, and when employment fails in the common run of affairs, to contrive new outlets for young people of every denomination (65).

Some of these new outlets include the army, the colonies, and the building and maintenance of public works (202-203). These prescriptions apply to those workers who have lost their jobs through no fault of their own. Unemployment that is not the workers' fault comes about in two ways. One is through the introduction of machinery that replaces labour (202-203). The other and more major cause of unemployment is a decrease in effectual demand.

---

<sup>245</sup> As has been noted in Chapter Seven above, a social division of labor is present in Steuart in that there is specialization among farmers and manufacturers and other freehands.

Effectual demand, born of the taste for luxuries, is a factor of utmost importance for long run growth in Steuart's picture of the economy:

Whether trade be the cause of industry, or industry the cause of trade, is a question of little importance, but the principle upon which both depend is a taste for superfluity in those who have an equivalent to give; this taste is what produces demand, and this again is the main spring of the whole operation (1767, 483).

A decrease in effectual demand can come from: an imbalance between work and demand, such that the people do not have enough income to pay for their wants, a lasting imbalance between the cost of production and market prices, or an increase in the rate of the hoarding of money by the upper classes. In the second case, unemployment results due to a long-term excess of supply that drives prices below their intrinsic value for an extended period of time. The normal profit to the manufacturers is diminished and causes "the workmen to fall into distress" and for industry to "suffer a discouragement" (192). The solution is either to force supply to diminish, by the statesman encouraging or ordering the manufacturers to produce something else, or, preferably, to increase effectual demand (191).

#### **9.4.1 Consumption, Effectual Demand, & the Stages of Trade**

The statesman's role is to increase the reciprocal wants between the sectors of society through the circulation of money and the promotion of luxury. Before the country is open to foreign trade, the statesman influences the fashion of the country by either increasing or decreasing his own luxury consumption, and also increasing or decreasing taxes on luxury goods (60-61, 243-244). Demand for luxury goods increases demand and worker aspirations and thus output, productivity, and employment (151, 244, & 261). Therefore, an important source of demand arises from the continued luxurious consumption of the landlord class. By owning and displaying their luxury, the



nobles/landlords cause a desire to own and display similar luxury goods to arise in the other sectors of society (60-62, 137-138, & 157).

There is a difference however between the increased productivity of the workers and application of their genius to increase economic growth, and an increase in growth due to fashion alone. Steuart is explicit that it is those who engage in imitative consumption “who principally support and extend the system” (244). The need to imitate causes more consumption than need alone because “the taste for imitation blends all ages together,” such that, “The old fellow delights in horses and fine clothes; the youth rides in his chariot on springs, and lolls in an easy chair, large enough to serve him for a bed” (244). Fashion to Steuart seems to be a category above and beyond his definition of mere luxury: “it is frequently a load upon the person who complies with it” (244). There is an implication that imitation due to fashion is a disease of the monied class, while imitation due to aspiration is a function of the productive farmer or manufacturer. In any case, such fashion is changeable and can be adjusted by the statesman and those prominent in government by setting a new fashion.

Once trade and money are established and begin to increase, more development is possible (156). By establishing trade, and thus increasing the bonds of society by the reciprocal meeting of each other’s wants, a “vibration” occurs in the balance of wealth between the wealthy and the poor such that society becomes more equal (282). An example of the vibration of the balance of wealth is in any exchange where a person buys a good for money and then consumes the good. If the former is a landlord who purchases a luxury good, then he gives money to an industrious small manufacturer. The manufacturer now has money with which he can buy other commodities, whereas the landlord, after he has consumed his good, has less money and the good or service does not

endure. Thereby some wealth has shifted to the working class from the landlord class. Steuart sees the movement of this balance as part of the aforementioned “spur to industry.” Money makes the vibration of wealth more possible because the workers will work for it with the aspiration to buy their own luxuries (310).

If aspirations fall too low to support the economy and society, the state can attempt to influence the industriousness of the workers. The state can have wages set to output rather than hours worked (169), or can place a proportional tax on necessities if wage rates and work efforts do not have a positive relationship due to overconsumption (691).

Industriousness will also increase with the advent of international trade. Steuart sees that foreign trade raises the welfare of the world community as a whole: “...trade has an evident tendency toward the improvement of the world in general, by rendering the inhabitants of one country industrious, in order to supply the wants of another, without any prejudice to themselves” (119). Effectual demand is increased through exports. If domestic producers react to the demands of foreigners by increasing their output, “the whole industrious society will grow in vigour” (182).

However Steuart is equally cognizant that trade between unequals can be dangerous, and therefore not beneficial to both parties:

Were trade and industry found to prevail equally in every part of these great political bodies, or were luxury and superfluous consumption every where carried to the same height, trade might, without any hurt, be thrown entirely open. It would then cease to be an object of a statesman’s care and concern (296).

During the infant industry stage of trade, Steuart advocates the statesman inspiring his people to frugality while inducing in their foreign buyers a desire for “the most consumable superfluities which industry can invent” (231), and allowing a higher than normal profit at the outset of industry (236-240). He basically uses the infant industry argument that these measures, and putting import taxes on foreign goods, are necessary

until the domestic infant industries gain enough knowledge and experience in their field to be competitive (262). State subsidies and premiums are also permitted for the same reasons. However this is only to be allowed until the domestic industries have established themselves (263).

If there is a surplus of goods at this stage, then the government itself is to purchase it, “if others will not,” and place premiums or bounties on the goods as an encouragement to get others to buy them, “until the supernumerary hands can be otherwise provided for” (241). The government-purchased goods can be sold at a lower price to other countries. Although this causes a loss to the government, it provides employment (257). Goods for which a nation has an advantage in trade are to be encouraged to be exported and raw materials for them then imported (291).

A rise in prices due to the consolidation of the profit markup into regular prices can cause absolute advantage to be lost. If increased profits cause a rise in prices and thus a fall in exports, then Steuart advocates a decrease in luxury consumption which will encourage manufacturers to stop marking up their prices to pay for more luxury goods (250). If demand is greater than supply, however, the preferable policy is to increase competition and eliminate monopolies that allow for such markups (251). If agriculture does not keep pace with population growth and subsistence prices rise, then subsistence goods should be imported or the government should pay subsidies for agriculture (198-200). If on the other hand prices are too low, premiums should be placed on the exportation of grain (233). Additionally, to secure low prices for subsistence in times of shortage, Steuart advocates a state-sponsored granary to be stocked in times of surplus. The state would then solve both the problem of shortage and surplus in the grain market at the same time (Campbell 1953; Skinner 1985, 12; Eltis 1986, 56; Karayiannis 1994).

If absolute advantage is lost due to trade with a country that is simply better at production, then Steuart suggests importing the goods this country produces better and switch its own production to something else, or put a duty on the importation of competing goods (284). He is opposed to halting importation altogether because of the sudden effects it will have on the domestic price of the good in question, which will encourage people to leave other useful branches of industry to enter this one (291).

Steuart is also aware that if every statesman were to take all of these precautions at the same time that trade would stagnate. However the chances of this happening are slim, as the level of industry, frugality, and luxury in all nations is acknowledged to be different at different times. Therefore merchants and statesmen are aware of the fluctuations in trading nations and can use them to their advantage to continue to increase their national stock by having merchants import the necessary goods,

...and when they find that this can no more be carried on with the manufactures or produce of their own country, they engage their merchants to become carriers for their neighbours, and by these means, form as it were a third and last entrenchment, which, while they can defend it, will not suffer their foreign trade to be quite extinguished; because, by this last expedient, it may continue for some time to increase their national stock (1767, 342).

Thus he knows that it is for this that some nations put restrictions not only on imports but on importers, and he cites in particular the English Navigation Acts as a prime example of a means to “cut off this resource” (343). He warns that if such actions are carried on too widely and for too long that there will be an end to foreign trade, “so much à-la-mode, that it appears to become more and more the object of the attention as well as of the imitation of all modern statesmen.” (343).

Again there is no self-correcting mechanism in the domestic market or in the international market that will allow for disequilibria to right themselves; the attention of governments is vital. Steuart’s emphasis on the positive role of the public sector in the

economy shows that he sees “it not only as a compensatory mechanism but also as a stimulus to economic growth” (Akhtar 1978, 72). Steuart demonstrates how the state plays this role through its use of taxation and expenditures.

#### **9.4.2 Public Expenditure, Taxation, and Public Credit**

Effectual demand can be increased through several means that shall be explored below. However, a precondition to having a healthy effectual demand is to have properly competitive factors in place in the nation. Trade and demand are sufficient to establish an economy but competition is required for it to grow ideally: “The principle which set trade on foot we have shewn to be demand, what supports it and carries it to its perfection is competition” (1767, 487).

If monopolies are causing the prices of goods to be raised artificially, Steuart calls for the state to punish the monopolists and the monopsonists who use their market power to become monopolists, and to restore competition (175). He opposes trading companies that enjoy special privileges “farther than the public good necessarily requires” (389). If trading privileges are granted by the state, he calls for the companies’ affairs to be investigated by the government (394). Collusion by producers, in the form of work unions and brotherhoods, is also to be censured if they are purposely increasing the prices of necessities in order to increase their own profits (273). Corporations are to be allowed to operate only if they are not opposed to competition, do not raise prices in order to gain an unfair profit, and continue to employ a fair number of workers (1767, 333-334).

Assuming competition is already in place, there are three major ways the state can directly help to increase effectual demand: through taxation, public expenditures, and manipulation of the money supply. Taxes are not to be enacted arbitrarily and are to be “paid for the advantage of the public, not for that of private people” (708-709). Direct

taxes are also not to be imposed on wages, due to a possible decrease in work effort, a definite lowering of the living standards of workers, a general increase in the price level, and thus the depressive effect on effectual demand that this would bring. Capital is also not to be taxed because this causes a decrease in the production of the surplus that is used for investment (687-688). Neither are profits to be taxed as merchants and manufacturers will lower their work efforts (687-688). Steuart favors sales taxes, but not on necessities as this will necessitate higher wages, which will cause prices to increase, and thus decrease employment. Therefore Steuart proposes sales taxes on luxury goods that will ostensibly affect only the wealthy.

The state is to use its tax revenues to redress imbalances in demand:

Every application of public money implies a want in the state; and every want supplied, implies an encouragement given to industry. In proportion, therefore, as taxes draw money into circulation, which otherwise would not have entered into it at that time, they encourage industry; not by taking the money from individuals, but by throwing it into the hands of the state, which spends it; and which thereby throws it directly into the hands of the industrious, or of the luxurious who employ them (725).

By funding and maintaining a public sector, the state can choose to exercise some control over supply and demand. Through the tax revenues collected by the state, the public benefits from the use of their money to fund employment of public workers and the production of public works (320-321).<sup>246</sup> Rather than seeing expensive public works as a drain on the public and a waste of resources, as did eighteenth century opponents of luxury, Steuart sees the opportunity in them for the employment of the people. The works do not even have to be useful; they simply have to provide a means of employment:

---

<sup>246</sup> Steuart cautions however that the benefit comes only with the alacrity with which the state spends the revenue back on the people (643). Tax revenue is not meant to stay idle.

The more a work is useful after it is done, so much the better; because it may then have the effect of giving bread to those who have not built it. But whether useful or not afterwards, it must be useful while it is going on...Expensive public works are therefore a means of giving bread to the poor, and of advancing industry, without hurting the simplicity of manners (1767, 469).

Public works such as roads and water projects are also to be undertaken because of the multiplication of benefits that they create. The building of a road, he explains for instance, will cause some to want to ride in carriages rather than on horseback and thus will employ greater numbers because of the demand for carriages, thus creating “a farther extension to occupation, on the side of those who labour” (238).

In this way Steuart also defends the building of public works that are seemingly only ornamental, such as churches and monasteries, not as a “prostitution of riches” as he says critics have claimed, but as a way the monastery,

has fed the industrious poor, has encouraged the liberal arts, has improved the taste of the inhabitants, has opened the door to the curiosity of strangers,...my curiosity to see it has obliged me to contribute my proportion of the expence (1767, 468).

Tax revenue in the hands of the state, Steuart claims, is more effective for increasing effectual demand and decreasing unemployment than if the money was left in the hands of individuals. First this is because private expenditures “are not near so extensive as those of the public” (726). Second, the individuals being taxed are those who consume luxuries and so are assumed to come initially from the upper classes, who are assumed to hoard their money when it needs to be spent, whereas when this money is in the form of tax receipts, “when the state gets it, it will be spent undoubtedly” (726). The presence of unemployment due to a low effectual demand arises from a gap between private and public interests, which the market on its own cannot correct. The state’s role is thus to fill the gap and restore the balance between work and demand in the economy through taxation and expenditures.

Taxation is also a useful measure when prices become inflexibly high due to the profit markup, and such inflation hurts international trade and domestic effectual demand (248). In the absence of a self-correcting mechanism to make prices decrease, the statesman has to intervene to set the disequilibrium right. Because it is the profit markup that is the key cause of the price increases, Steuart suggests the statesman increase competition and the supply of labor in those industries in which there are high profits and decrease demand for luxury goods through sales taxes (250). He also proposes a value added tax in production (681). These will have several effects, the most important of which is that hoarding is decreased because the wealthy will need to bring more of their wealth into circulation in order to buy the same amount of goods as previously. Another effect of taxation is that it causes a “vibration” or redistribution of wealth, by “throwing a part of the wealth of the rich into the hands of the industrious poor” (334).

However, there will be times when tax revenues are not enough to bring demand back to where it needs to be. Hence, Steuart, unlike many of his eighteenth century counterparts, believes that public debt can be used to a nation’s advantage. Taxation is assumed to keep public and private spending in balance and thus crowding out is not an issue. The debt is not to exceed the amount by which increased taxation causes a fall in effectual demand (640-641). Public debt is simply seen as another tool by which the state balances the interests of the individuals, who cause the decrease in effectual demand in the first place, and the interests of the entire public. This will be explored in more depth below in the section on banking systems and credit.

#### **9.4.2.1 The Money Supply and Public Credit**

Steuart assumes neither full employment nor full purchasing of output. A contributor to these imbalances in the labor and goods markets is a shortage in the



quantity of money circulating in the market. The main object of the statesman regarding the money supply is to ensure that there is enough money available to the public to purchase the amount of production (323).

If there is a shortage of specie to meet demand, the state can use the money supply to increase employment and output by introducing paper money for solid property (323-324 & 327-328). Unlike other eighteenth century commentators, such as Hume, Steuart is a strong advocate of the introduction of paper money. In the *Principles*, money is not a veil; rather it is an element of the economic process that affects the process itself, by generating its own demand. As has been recognized by Akhtar (1979), agreeing with Schumpeter, Steuart's "...monetary theory and analysis of circulation represent a complete theory of the economic process" (289). At the same time, Steuart presents money as an abstraction that cannot be set in absolute terms (409). However, as Pesante strikingly states, Steuart counters the hysteria against paper money by reminding readers that, "gold itself was an opinion" (1998, 199). Steuart's belief is that if a nation has numerous and strong enough commodities and industry, then it can support a system of paper money and credit, which are extended upon solid property.

Rather than believing that increases in the quantity of money only cause inflation, he believes that an increase in the money supply facilitates further exchanges, increases the velocity of money, and thus increases demand (303 & 356-357). If the demand is present, supply should respond and thus also increase output and employment. An increase in the amount of money circulating will increase the circulation of goods in the economy and create more wants, thereby increasing the aspirations and work efforts of individuals (316, 318 & 330). The introduction of "symbolical" or paper money and the extension of credit upon property also create a benefit of increasing social balance as well,

as Steuart sees paper money as “a method of melting down, as it were, the very causes of inequality, and of rendring fortunes equal” because people will be able to convert more than just specie into money (367). However policies to increase the money supply are only to be followed when effectual demand has decreased.<sup>247</sup> Again, the market on its own may not supply enough money for the amount of transactions necessary to maintain growth and employment. Steuart assumes that this imbalance is mostly due to hoarding by the upper classes, and so there is a justification for the state to pull stuck money into the economy through taxation or public debt (475).

#### **9.4.2.2 The Public Debt**

Overwhelmed with the size and rate of increase of the British public debt over the eighteenth century, the majority of British economic writers saw public debt as anathema.<sup>248</sup> As Stettner notes, unlike the other classicals who saw the public debt and taxation as sources of oppression and a means of limiting capital accumulation, Steuart saw the opportunity in taxation and public debt to for “a constructive function of government actions as one of the vehicles of progress,” to encourage industry and increase output, employment, and incomes (1945, 452). Indeed, Steuart is the first economic writer since Davenant in the seventeenth century to recognize that public debt can serve a useful purpose, and to state that it already had in the establishment of a new monied class that made a large political and economic contribution to society. While he does speak negatively of the monied class in comparison to the gentry in terms of their valor and military prowess, politically, he observes that the monied class, in creating a new middle

---

<sup>247</sup> Steuart does not advocate a direct regulation of the interest rate itself, but only in the state’s increase or decrease of the money supply (462).

class, especially one controlling large amounts of capital, provides a counter to government. Economically, the monied class provides liquidity and thus greater circulation of the monetary equivalent, which causes a vibration in the balance of wealth which will make incomes less unequal.

The monied class, represented in the *Principles* in the person of the merchant, performs a duty to society by facilitating trade. Sale is represented as “a refinement upon barter” and trade is:

a double sale, the merchant buys, not for himself, but for others. A merchant is a machine of a complex nature. Do you want, he supplies you; have you any superfluities, he relieves you of them; do you want some of the universal equivalent money, he gives it you, by creating in you a credit in proportion to your circumstances (1767, 484-485).

The merchant performs many different operations and thus represents several factors at once:

What before we called wants, is here represented by the consumer; what we called industry, by the manufacturer; what we called money, by the merchant. The merchant here represents the money, by substituting credit in its place; and as the money was invented to facilitate barter, so the merchant with his credit, is a new refinement upon the use of money. The merchant, I say, renders money still more effectual in performing the operations of buying and selling. This operation is trade: it relieves both parties of the whole trouble of transportation, and adjusting wants to wants, or wants to money. The merchant represents by turns both the consumer, the manufacturer, and the money. To the consumer he appears as the whole body of manufacturers; to the manufacturers, as the whole body of consumers; and to the one and the other class his credit supplies the use of money (156).

Just as credit is useful to the private citizen, so too is it useful for the state. In the *Principles*, Steuart refers to the public debt positively as *public credit* and makes a distinction between the borrowing of private citizens and the borrowing of the state. The public’s resistance to the use of public debt comes out of a lack of knowledge: “all

---

<sup>248</sup> By 1793, the debt stood at £252.5 million, almost sixteen times its original size of £16.4 million in 1701 (Stettner 1945, 451).

mysteries relating to credit proceed from out of ignorance only of its true nature; which is confidence established upon a viable and palpable fund of payment” (1767, 593). Rather than a spectre of real property and wealth, he sees the extension of credit to the state as a means of drawing money into circulation that will otherwise lay idle in the hoards of the wealthy, resulting not in a decrease of private consumption, but rather an overall increase in demand. Government expenditure is a supplement to private expenditures rather than a substitute for them: “We have said that loans are filled by money stagnating, which the owner desires to realize: if he cannot do better, he lends it to the government; if he can do better, he will not lend it” (1767, 450). The money which was formerly held idle, “being lent to government, it is thrown into a new channel of circulation” (449).

However, Steuart also acknowledges that the debt cannot increase effectual demand if there is not enough of a circulating equivalent to facilitate the new exchanges that the public debt causes. Again this is part of his argument in favor of paper money and credit, which allow people to circulate more of their property:

Those nations therefore who only circulate their metals, confine industry to the proportion of the mass of them. Those who can circulate their lands, their houses, their manufactures, nay their personal service, even their hours, may produce an encouragement for industry far beyond what could be done by metals only. And this may be done, when the progress of industry demands a circulation beyond the power of the metals to perform (1767, 366).

Government securities, borrowing on property and on stock all make the economy more malleable and further trade and industry.

Public credit, however, should only be used when there is a need to balance disequilibria. Left to its own devices, there are times when the money in a nation will stagnate and prevent people from being employed and resources from being utilized. This is especially true in times of war when “far greater sums are required than any people can pay, without contracting debts” (371). Another occasion when public debt is necessary is

when there is an imbalance between production and the means to procure it. In this case the statesman must use public credit to balance out the “produce of industry, and the quantity of circulating equivalent, in the hands of his subjects, for the purchase of it...” (375).

Just as Steuart sees private and public debt as different, so too is the repayment of it. For Steuart, the policy of repayment depends on circumstances. The key is for the government to maintain a stable interest rate and thus a stable return for investors (Stettner 460). Therefore, after a period of great expenditure and public debt, such as in wartime, Steuart cautions, counter to the classicals, that repayment should be gradual. Rapid repayment will lead to an excess of money available for a smaller number of exchanges. To counter this situation he recommends raising taxes immediately after the war ends, and the resulting revenue be used for increased state expenditure to ease the nation back to pre-war spending levels (Steuart 477).

The classicals feared the bankruptcy implied by the continuance of the public debt. Steuart though sees the public debt as a transfer of money between different sectors of society and so does not feel that it will sow the seeds of national bankruptcy. However, bankruptcy is possible if the members of society are not willing to continue to go along with the transfer and loan of funds. He feels that this is more likely to happen with foreign creditors, and therefore sees public debt owed externally as more dangerous, and advises it be paid before debt owed domestically (464-465). A foreign debt should not be allowed to accrue infinitely, as it causes a change in the international balance of wealth: “The operation of a favourable balance of trade will transfer what is owing to foreigners in favour of natives; and a wrong balance of trade will transfer the property of natives to foreigners” (633). If public debts start to accrue then, “All property, that is income, will

be swallowed up by taxes; and these will be transferred to the creditors, the state retaining the administration of the revenue” (633). Paying off debt owed to foreign countries is a way for the statesman to “interpose voluntarily between his subjects and their foreign creditors” (624) after the people in the country have done what they can to pay the debt off by other means.

Certain economic and political conditions have to be in place for Steuart’s notion of public credit to be successful: strong banking institutions, a monied class willing to invest in government securities, an adjustable tax system that limits interference with industry and trade, and a government accountable to the people, that allows for the input and thus covers the interest of all classes. The most important element is that of confidence in the government itself.

Stettner praises Steuart’s dynamic approach and acknowledgment that the needs of the nation had changed with the evolution of the commercial class, that proper banking and tax structures allowed a nation to manage its public debt, and that the changing nature of democracy meant that it was possible for a government to manage a debt responsibly rather than despotically (1945, 474). Even more, Steuart sees that the public debt created new social and economic conditions requiring new legal planks be added to the current structure: “how necessary it is to form a jurisprudence peculiar to trade, and to support it more by manners than by authority...” (593). In Book V, liberty and independence are vital to establishing a system of credit. Credit is thus itself an instrument of progress (474).

### 9.4.3 Banking Systems

However, credit cannot create and sustain progress unless it is supported by a sound national banking system.<sup>249</sup> Steuart identifies three kinds of credit: private, mercantile, and public; and thus three stages or kinds of banking and regulations that will come with the growth of trade. In the first stage, in order to prevent banks' behavior from endangering economic growth, regulations are required. The first and foremost is to "issue no notes but upon good security" (602). For a nation in a fledgling state of trade it will be the landed interest who will kickstart demand, and thus banking regulations should both facilitate and limit that class. Therefore, the security upon which banks first issue notes is "the security of that kind of property" which is owned by the landed gentry (603). As trade grows and the merchant class begins to rise, "banks may then begin to discount bills of exchange, and as this branch of credit enlarges, the bank will by degrees participate of the nature of those secured upon mercantile credit" (603). Once there is security in the state, public credit is established and then banks will "lend upon government securities...and thus become founded upon public credit" (603).

The purpose of the introduction of money, credit, and a stable banking system are apparent and consistent within Steuart's framework: "It is not a great quantity of money, but an exact proportion of it, according to demand, which supports trade and industry" (1767, 615).<sup>250</sup> In the face of increasing demand, increased liquidity brings increased growth. All paper currency is converted from solid property and so brings into circulation those things which before could not circulate. Smith's counter, more limited view is that

---

<sup>249</sup> Rather than multiple private banks, Steuart proposes one national bank with multiple branches throughout the country.

banks contribute to growth due to the substitution in bank money for gold alone, and growth results from the movement of the “dead” stock of gold into circulation (Diatkine and Rosier 232). This movement will convert the gold into productive capital, “by rendering a greater part of that capital more active and productive” and thus increasing the capital stock (Smith 1976, 320).

Further, Steuart believes the introduction of banking systems which support paper currency will increase the productivity and wealth of the nation because there will continue to be a demand for gold. Some gold will necessarily remain in circulation even if paper money is introduced. This is especially so for trading nations because gold is a common world currency:

...nations who owe a balance to other nations, must pay wit their coin, or with their solid property;...but when coins is not to be procured, the transmission of the solid property to foreign creditors is an operation which banks must undertake (1967, 220).

There will not be enough gold to satisfy the demand for goods and thus paper money will be necessary and so banks must give out loans. The banks will benefit from the interest from the loans and the nation will benefit from increased economic activity.

Steuart also believes that by facilitating increased exchange, banks contribute to increased equality in society by facilitating “vibrations” in the balance of wealth between classes of society. For instance, if landlords want to spend more money than they have on hand they must have a way of paying workers in a commercial society who want to be paid in money rather than in goods or land. Land and other banks therefore facilitate further exchanges by letting those with physical forms of property convert them into financial property. This accumulation points to a key difference between Steuart’s

---

<sup>250</sup> Over several chapters of Book V, Steuart analyzes the situation of John Law’s reestablishment of the banking system in France and how it was the liquidity the banks provided that allowed trade to prosper, until the Duke of Orleans’ mismanagement upended the system.



workers and Smith's workers. As noted by Diatkine and Rosier (1998), Steuart's workers are not interested in gaining assets in order to build up and store a capital stock, but rather they wish to have greater control over the assets of the other class by producing and selling goods to them and taking their money (223). These transactions increase the wealth of the nation because for Steuart it is only goods that are both produced and purchased that add to the nation's growth; unused capital stock is not benefiting anyone in the nation. The greater the money supply, the more that wealth will change hands, and thus the better off society will be, materially. Smith does not make the same linkage between the money supply and increased dispersion of the wealth of the nation (1976, 295-6).

#### **9.4.3.1 The Interest Rate & The Money Supply**

Steuart argues that "without the aid of law, the interest of money is regulated by demand" (596). This can be dangerous for the nation as a whole if the interest rate falls either too low or rises too high. He encourages the state to prevent the interest rate from falling too low because the monied class will lend their capital abroad at a higher rate, and they will "distrese the landed interest, by demanding what they owe, and all the money will be sent abroad, as was the case in Scotland in 1762" (597). His recommendations to reduce an interest rate driven too high are to restrict borrowing by "the prodigal," for the state to cease its borrowing, and for it to return money into public hands by paying off state debts as quickly as possible.<sup>251</sup> These actions are to be taken while monitoring the interest rates of other nations to prevent the outflow of capital (597). If the rate is too low, then Steuart feels that the landed interest will be "torn to pieces by their creditors," who

---

<sup>251</sup> This coincides partially with Smith's recommendation that there be a fixed maximum interest rate to prevent speculators from crowding "prudent" merchants out of the market.

will want their money back to lend to others. The debtors cannot borrow from each other, and thus “the funds which supply it at present (the land rents) would be carried off by the creditors; and all the industrious who serve such proprietors of land would suffer considerably for want of employment” (597).

Low interest is in the best interest of the nation, especially to conduct foreign trade. The best way to keep the interest rate low, Steuart says, is to “keep circulation full” by encouraging liquidity (598). But having low interest and a positive balance of trade are not enough to say that a nation is wealthy, “because this depends more upon manners and policy than upon the state of industry” (598). The interest rate will not necessarily fall as the wealth in society falls “because it is influenced by many circumstances, which do not depend upon opulence. It depends upon the spirit and manners of a people, and will fluctuate with them” (599).

## **9.5 The Ideal State**

Counter to the classicals and neoclassicals, Steuart does not see the goal of economics as being simply the extension of markets, unimpeded economic growth, or the attainment of an efficient allocation of resources. Rather than maximum production, the ideal goals for Steuart are full employment and self-sufficiency. He presents his vision of a country that is in a state of perfection fairly early in the text:

If you can imagine a country peopled to the utmost extent of the fertility of the soil, and absolutely cut off from any communication with other nations; all the inhabitants fully employed in supplying the wants of one another; the circulation of money going forward regularly, proportionally, and uniformly through every vein, as I may call it, of the political body; no sudden or extraordinary demand at any time for any branch of industry; no redundancy of any employment; no possibility of increasing either circulation, industry or consumption (1767, 121-122).

In such a state, Steuart argues *against* the introduction of machinery and further economic development. Machines are not necessary, first of all, if a state is in “perfect health,” and, second of all, will cause indolence in some who will then be unable to do their work without machines (1767, 122). The introduction of machines can also cause a proportion of freehands to be unemployed if they cannot easily find replacement work (122).

Therefore increased growth and development are not *necessary* for a successful economy, as Steuart defines success. In the ideal situation, a nation can support itself and not have to trade with other nations. In the next best scenario, the nation will still practice some moderation at home while encouraging the manufacture of goods for both home consumption and consumption abroad. There is thus still a role for international trade in economic growth. Rather than the zero sum game that Brewer seems to think Steuart sees trade as, our author actually has a much more varied view of both the costs and benefits of trade. Just as it is the way of things that modern society requires the different classes of society to become more dependent on each other in the process of the emergence of manufacturing from agriculture, so too can international trade provide similar benefits when a nation has reached such a level of development. Trade then becomes a way of further tying two similarly developed nations together, just as trading and marriage tied separate clans more closely together or, within a clan, made it stronger (Ommer 1986, 125-127).

And Steuart acknowledges that the countries he has supposed are ideals in a state of perfection and that most countries are not (122). However, given that what is economically required for a society is employment such that everyone is fed and can therefore support increases in population, there is still an important implication here for lesser developed areas within any nation. Self-sufficient producers are somewhat outside

of Stuart's model, but play the very vital role of producing the surplus that makes the creation of manufactures possible in the first place. They also provide a very important means of support for expanding cities, acting as a complement to them in the modern structure of the economy.<sup>252</sup> The importance thus assumed about rural areas and self-sufficient farmers indicates that what moderns consider to be "lesser" developed societies within a nation can exist easily and productively alongside the modern producers of the city. Rather than seeing traditional communities as barbarous, Stuart's theory leaves room for rural farmers to be contributors to modern society and economy.<sup>253</sup> The importance of the agricultural surplus alone ensures that is true.

In a similar vein, Stuart also acknowledges that the natural endowments of nations differ and so levels of economic development will differ both across and within nations. There is not a requirement that economic development within a country be uniform, counter to the contemporary call, which also figured in the Union debates, to bring the "underdeveloped" Highlands in line with the more commercial Lowlands and Glasgow. Because natural endowments differ, it follows that countries will experience different levels of economic growth and development (1767, 3). As he says with regard to finding proper employment for the people of a nation, all will depend upon the different "circumstances relating to the extension, situation, and soil of the country, and above all, to the spirit of the people" (66). Contrary to what Perelman (2000) has imputed to him, Stuart does not advocate "enslavement without slavery" (155) through the market and

---

<sup>252</sup> Smith makes a similar point in the chapter 1 of Book III of the WN regarding the countryside supporting the towns. But the basis of his argument is not that of complementary dependence and provision, but rather from "the natural course of things" (411) that agriculture must receive capital before towns can develop, and will continue to do so even after towns are established (409-412).

<sup>253</sup> This theme is revisited in Stuart's *Considerations on the Interest of the County of Lanark* (1769), which he wrote under the pseudonym Robert Frame, especially in the stress that the daylaborers in the city come from the country and the effect of the interaction between the two on prices.

enclosures. Rather, Steuart is upfront about the effects that the modern economic system has had on traditional producers, and he does not necessarily advocate the course of action that had at that time been taken, as the best course depends on circumstances. Perelman ignores Steuart's own emphasis that the movement away from small cropland to pasturage should take place only when there are farms that are supporting many hands that do not contribute to the production of the agricultural surplus, and thus total employment will increase once these unproductive hands take up work elsewhere (1767, 45).

The implication of Steuart's theory for trade is that at some times, and under specific circumstances, it will be necessary to protect trade. For underdeveloped areas, rather than eliminating trade, it should be protected. Rather than being discontinued once markets open to other countries, inland trade should continue to be encouraged. A conclusion can be drawn from this theory that products from traditional communities or societies do not necessarily have to be uniform with those of competing countries or even really to have to compete with other countries. If a nation is self-sufficient, then the goal of economics, of provision rather than production, has been met.

As for the state intervening in all such affairs, it has already been noted that Steuart's government requires a vast amount of information and personal knowledge of a country in order to maintain the balances of wealth, work and demand, trade and the like. Therefore the implication is that this is a program well-suited for smaller nations, federations, and communities within larger nations who do not have the capital resources or natural endowments of their larger, more commercially advanced neighbors.

As he knew from his experience with underdeveloped countries of his time, at home and on the Continent, a lack of capital or a history of manufactures does not automatically doom a nation to economic failure or destitution. In the *Principles*, growth requires

neither that a nation be capital-rich, as it does in the WN, nor that it adopt the customs and methods of the “developed” world to achieve economic growth, thus providing a perhaps more fruitful starting point for policy for capital-poor countries of today. For Steuart, the wealth of the nation resides in its people, in their wanting to better their condition and in their resulting increased ingenuity and innovation. This then would be welcome news indeed for nations such as Ireland, India, the kingdoms of Germany, and the American colonies—all of which, as has been noted above are, locations where Steuart’s work enjoyed considerably longer-lasting success than in England.

Built into Steuart’s policy prescriptions is the long run belief that the private interest will not always coincide with the public interest and there must be an active government to intervene between the two. The system of public debt, taxation, and expenditures allows for this to happen. It is assumed throughout the text that, due to imbalances between work and demand, society will not necessarily automatically effectually demand all the goods that are available in the economy. This is consistent with Steuart’s theory of price determination, where prices cannot be known precisely for any one good in a market because they tend to fluctuate within a region between the level of subsistence and however high competition allows manufacturer and merchant markups to grow, and also his advocacy of maintaining a balance between work and demand.

Effectual demand is the key element of growth for Steuart’s economic society because it both allows for people’s wants to be satisfied and provides an order to production:

...demand, which is, in a manner, the voice of the statesman, conducting the operations of industry towards the relief of wants; and directing the circulation of subsistence towards the habitations of the necessitous” (1767, 485).

Deficiencies of national effectual demand can be made up by government expenditure or by some change in the tastes of those who purchase luxuries. In this the role of machinery to produce an increasing amount of innovative goods, as well as education and the ingenuity of the worker, work together in both the short and the long run to raise aspirations of workers for luxuries and to increase the demand of the wealthy for luxuries. The combination of these elements provides for economic growth in the long run. Rather than outputs and capital inputs alone, economic growth arises because of changes that occur within the members of society themselves: an increase in the demand of consumers and an increase in the aspirations of the workers.

A government that puts the needs and unique character of its people first in the concern for employment, demand, and policy formation is consistent with the arguments in the proceeding chapters and Stuart's intellectual background. A parallel can again be drawn between Stuart's focus on the interdependence of the sectors of society, the role of the members of society in the growth of the nation, and the intervention of statesman, and the intervention of the chieftain into the affairs of the clan and the importance placed on the contributions of its members (Ommer 1986, 125). An unfortunate fact of history is that the reception and misperception of these ideas in Britain for so long determined Stuart's reception by future generations of economists and historians of economics.

## CHAPTER 10

### TRADING FUTURES:

### CAUSES AND SOME CONSEQUENCES OF POLITICAL ECONOMY'S

### CONTESTED PATERNITY

#### 10. Introduction

Although the *Principles* did not become an immediate best-seller, it was still well received for a book of its type and expense. Andrew Millar paid £500 for its publication and it initially sold 370 copies.<sup>254</sup> Due to his new notoriety as an economic authority, Lord Barrington, the War Secretary, recommended Steuart to the East India Company, which was seeking an advisor on the currency problems in Bengal. According to yet another letter from Smith to Pulteney, it seems that Steuart was selected for the position over Smith (Rae 253-4). Steuart spent several months in London researching and writing his report on the reasons for the scarcity of the Bengal currency and how paper credit could be better extended there. The report was also published for the public in 1772 as *The Principles of Money Applied to the State of the Coin in Bengal* (Skinner 1966b, xlix).

---

<sup>254</sup> A second edition was also printed, as well as the edition in the *Works*, and reprints in Dublin (1770) and the colonies. Due to the success of the Dublin edition in the American colonies, an American edition was planned but never published (Kobayashi 1998). German, French, and Swiss editions were subsequently published.



Steuart left London for Coltness in August of 1773 with the Company's thanks. He arrived home in late September and remained active in his intellectual and domestic pursuits. Upon his arrival he worked on new material on the state of the British coinage for a second edition of the *Principles*. He also wrote a subsequent work on the "State of the Revenue of Scotland" which is preserved in the *Caldwell Papers*. Perhaps due to his writings on that very subject, he was consulted on the proposed reform of the British coin in 1773. He also spent time correcting the *Principles*. Interestingly, it was only at this point in his life that he also finally had time to study the English language and grammar more intensively, according to his son (Steuart 1805).

Domestically, he inherited the estate of Westshields from a relative, Archibald Denham, and thereafter became Sir James Steuart-Denham. At home he worked on improving the farming methods on his estate, tending to his animals, and performing weather experiments (Steuart 1805). Ever the socialite, he also continued to entertain, "people being delighted with the conversation of a man who knew the world as well as books" (Ramsay 1888, 363). Socially and personally, this seems to have been a time of great contentment in Steuart's life. Not incidentally by any means, it was also in the period from 1771-1772 that Steuart finally procured his pardon from the charge of treason. Many years and the help of many friends, including Lady Mary Wortley Montague,<sup>255</sup> Lord Bute, Lady Hamilton, and Lady Douglas, made the dream a reality and Steuart was now a free man.<sup>256</sup>

---

<sup>255</sup> The Steuarts had met Lady Mary while on a vacation in Italy and became firm friends with her and continued to correspond when the Steuarts returned to Germany. Several of their letters have been preserved in collections of Montague's correspondence and also in a collection at the University of Glasgow archives. Steuart dedicated the original manuscript of the *Principles* to her in 1759.

<sup>256</sup> The pardon itself is still preserved with the king's seal in the Steuart manuscripts in the Coltness Papers in the Special Collections at the University of Edinburgh.

Despite his many other occupations, Steuart continued to write. In 1775, he wrote *Observations* on the proposed laws to change which freeholders could be elected and a *Plan for Introducing an Uniformity of Weights and Measures*. This work was held in some esteem by Steuart's friends and family, as Lord Buchan presented a copy to the Vatican Library, and Steuart's French translator, William Goguel, sent the work to the King of Prussia in 1784 after Frances had alerted the king to the work in his contemplation of changing Prussia's system (Skinner 1966b, li, fn 161). This was the same year that Steuart also wrote his response to Beattie's *Essay on the Nature of Truth*.

Although the 1770s were a time of great productivity and happiness for Steuart personally, the time was fast approaching when the circulation of another publication would alter the course of his life and fame yet again. In 1776, the WN was published. As Skinner opines, Steuart must have heard of its coming through his friend David Hume, and could have been none too pleased as the current economic authority to find that he was omitted from mention (lii). Issues of the reception of the WN are many and have been addressed elsewhere (Rothschild 2002, Teichgraeber 1987, Lai 2000, Ross 1998, Rashid 1998, Hont and Ignatieff 1983). Although much needs to be added to this literature, this is not our main purpose here, but rather to briefly address the interaction between the WN and the *Principles*.

It has already been established that the WN did not immediately eclipse Steuart's *Principles* in the public consciousness (Rashid 1998 & Teichgraeber 1987). However in terms of contemporary policy and public opinion, Smith's work did make an initial mark on the issue of free trade. The first public engagement of the ideas of the WN and those of the *Principles* occurs in the Corn Law debates in the spring of 1777. Although ostensibly a debate about the administration of the opening of the ports when the price of

oatmeal became too high, the debate transformed because the bill passed proposed an increase in the importation price of oats and oatmeal into Scottish ports. Formerly, the ports were opened and grain was imported whenever Scottish oats were at 13 shillings and 4 pence per boll, and the new bill raised the price to 16 shillings per boll (Teichgraeber 1987).

A group of Glasgow merchants came together to oppose the bill and published the *Memorial for the Merchants, Traders, and Manufacturers of Glasgow* (1777), which demanded that trade be opened so that grain prices would fall. According to the merchants, the higher prices of grain would increase the price of bread, which would in the end hurt manufactures by increasing the price of subsistence, and thus wages. Lower prices for subsistence would lower wages and thus stimulate manufactures and trade due to the lowered costs. Steuart opposed all such ideas, responding in an anonymous memorial called the *CORN-BILL Hints* (1777) that, “It is in proportion of high or low profits of the Merchants, and not in proportion to the high or low price of the manufacturer’s subsistence, that the wages of the Industrious labour do rise or fall” (16). If the merchants could show that wages kept pace with the price of oatmeal, he said he would give up his opposition, but he maintained that low prices had a negative effect on agricultural output. Further, in other writings he points out that the increase in trade in Glasgow meant that there were fewer working in agriculture and the local countryside could not always meet Glasgow’s demand for food. If there was a shortage, then he agreed that the ports should be open. However, he disagreed that the same should be the case when prices were high (1967, vol 5, 296).

Due to the importance he ascribed to agriculture in the growth, and even the mere sustainability of the economy, Steuart favors high and stable prices for agriculture. He

also, as mentioned previously, advocates a state granary to release grain in times of shortage and to buy it in times of surplus, and thus also as a way to keep prices stable.

Apparently, he also felt that there was an element of class warfare involved in the Corn Bill debate. In wanting to keep grain prices low, the landowners would face declining incomes in a time when they were already financially less well off than the merchant class. Rather than being truly concerned about the effect of grain prices on wages, Steuart felt that the Glasgow Merchants had only their own self-interest at heart in their campaign against the “Lairds of Clydesdale.” As Skinner says though, “...if the motives were selfish in Steuart’s eyes, they did not always appear so to the public. The merchants had covered their flank with ‘a tremendous piece of ordnance’—the *Wealth of Nations*” (1966b, lv).

It was this debate that seemed to cement Smith as economic authority over Steuart in the public eye, and in Steuart’s own eye as well. “Smith has printed in favor of free importation,” he writes to his protégé Miss Colebrooke. He writes to her that he is tired of sharing his feelings on the debate as, “my opinions...have little weight, they have been long printed, little read and less considered” (quoted in Skinner 1966b, lv).

From Steuart’s own negative assessment of his influence it seems that it is on this issue and at this point that the *Principles* fell out of favor with the reading and political public. However, the changing of the guard was not immediate and Steuart continued to be seen as an authority on economic issues by many in the eighteenth century and into the nineteenth (Chamley 1963, Rashid 1998, Skinner 1966b). For instance, even in late 1776 he is cited alongside Hume and Smith in a Virginia newspaper as an economic authority

commenting on the coming conflict between the colonies and Britain.<sup>257</sup> So it is not necessarily in the popular press that he falls out of favor. Economic discourse, as Ferris (2004) says of historical discourse, is not just a representation *of* something, but a representation *to* someone (90). As has been argued throughout, it is my contention that it is not Stuart's theory alone, but the character of his work and his representation of political economy that causes the shift as well as the shifting audience for the works of political economy. To whom or what are Smith and Stuart representing their views of political economy? Stuart makes it clear that his intended audience are statesmen and the reading public, which also seems to be the case for Smith. As to *what* they are representing are two differing but sometimes overlapping theories of political economy and the operation of the market.

Francis Jeffrey, writing in the *Edinburgh Review* in 1813 speaks tellingly of the effect of the division of labor on society:

One man spend[s] his life in improving a method of dyeing cotton red; another in adding a few insects to a catalogue which nobody reads;--a third in settling the metres of a few Greek Choruses;--a fourth in deciphering illegible romances, or old grants of farms; --a fifth in picking rotten bones out of the earth;--a sixth in describing all the old walls and hillocks in this parish;--and five hundred others in occupation equally liberal and important: each of them being...profoundly ignorant of every thing out of his own narrow department, and very generally and deservedly despised by his competitors for the favour of that public which despises and supports us all. (quoted in Manning 70).

Jeffrey's assessment of the result of Smith's system is perhaps overly negative and makes no mention of the economic advances to be gained from it, but it does also give us several pieces of information about the problems of the future world of Smith's system over Stuart's. First, there is no connective tissue for the compartmentalized actors in the

---

<sup>257</sup> Stuart is cited as speaking on Britain's loss of the colonies in the December 13, 1776 issue of the *Virginia Gazette*, and he takes a strong stance in favor of American independence independence in a series of letters to Lord Barrington preserved in the special collections at the University of Michigan.

division of labor; sympathy apparently is not a replacement for a shared sense of the good, culture, or nation. Second, the market has caused the actors to compete against one another and apparently with a lack of respect. And third, that it is the “public” that sets in motion whether the pursuits of each profession are worthwhile and allows such to continue.

In this, the concluding chapter, the above three issues are addressed in the reception of the *Principles* and so the chapter revisits the overall themes of the dissertation, of context and contested “economic truth.” For it has been and will be reiterated that it is due not simply to the content of the *Principles*, but also to its character compared to the intellectual, social, and political modes of the day that causes Steuart to fall out of favor, in England and Scotland. Despite overlapping concerns and sometimes overlapping theory, Smith and Steuart have differing views of progress and how the future is to be shaped, both in real economic terms, as well as in economic theory and policy. Therefore, the chapter also remarks upon what was at stake in choosing Smith’s future vision over Steuart’s, and what was lost to economic theory thereby.

### **10.1 Contributions and Consequences: A Summary of the Argument**

As has been argued throughout, Steuart’s contributions to the creation of political economy are many and unique to the particular personal, political, economic, and social situations in which he found himself. On the whole Steuart seeks to present political economy as a way for modern nations to identify themselves, given the change in the old order and the continued expansion of the market, which has effected the “changes we feel and see daily passing” (76). The thesis has so far explored how the intersection of Scotland’s political and economic situation, Steuart’s personal situation, and his various travels and experiences with other enlightenments and cultures contributed to his

rendering of political economy. While there are similarities to Smith in that both are delineating what makes for successful economic policy, both have different ideas not only of economics but also of the measurement of economic progress, and it is the differences between the two that are the greater. I have identified several of Steuart's unique contributions in his overall pattern of thought that differentiate him from Smith as well as from the majority of the French and Scottish Enlightenments. However, if there is one overall contribution of Steuart's it has to be his acknowledgement of the importance of the role of culture and history on the economic policy and development process.

As stated at the end of the last chapter, Steuart's work continued to enjoy popularity and was reprinted in new editions in smaller nations, such as the kingdoms of Germany, and those that were contending with imperial powers, such as the American colonies, Ireland, and India. If it is the character of Steuart's work that partially causes his work to be overshadowed by the WN, what is it about the character of his work that was attractive to these other nations, and by extension, unattractive to the reading public of England? In his acknowledgment of the diversity of peoples, Steuart goes against the universalist trend of the Scottish enlightenment, and is in opposition to Smith's system of natural liberty, and the "civilizing" aim the Scottish Enlightenment. Politically, the acknowledgement of difference and the importance of difference allows for countries that are not as developed as England to have access to markets and to the progress that the market can provide. Steuart's theory assumes a role in the modern development process even for those communities within a society who have not progressed to manufacturing. While this is welcome news for lesser developed nations, it is not necessarily for imperial powers or theorists who believe in general principles and the generality of human behavior, and thus a general political economy.

### 10.1.1 The *Principles* in Germany

Although a potentially rich subtopic, space does not allow us to delve too deeply into the reception of the *Principles* in other nations and colonies. However it is important to address an issue in the *Principles*' reception in Germany, which contains a further explanation as to why it was easily received in the nations and colonies where it was popular. As has been noted in several chapters, Steuart creates a vision of an economy that is largely self-sufficient and can grow from simple origins to engage in the market. Rather than generalizing a rational, self-interested actor, he generalizes the situation of Scotland, making his work applicable to smaller nations building economies from basic foundations. This helps to partially explain his strong reception in Germany where Steuart is still seen as an authority by the German Historical School well into the nineteenth century.<sup>258</sup> Germany in the eighteenth century was still made of smaller kingdoms, and in the nineteenth century sought unification as a nation. In the process, the Germans found themselves confronting the same problem as the Scots had in 1707: the political and economic consequences of English commercial power:

[due to its free trade policies] Britain's overwhelming productivity discouraged the growth of industrial capital in less developed countries, i.e. everywhere but in Britain. And the introduction of free trade amounted to excessive competition that led to the fall of traditional craftsmen and worsening social problems (Kobayashi 2001, 64-65).

Therefore, the German economists needed a theory that acknowledged the link between the economy and the nation, and between economics and politics, such that "development appeared as the development of a nation and of a national economy" (Kobayashi 2001, 62). Smith's theories are not sufficient for this task, as they assume an

---

<sup>258</sup> Steuart's common cameralist foundations also played a strong role in its German reception. Herrenschwand, Hufeland, Rehberg, Roscher, and Schmid are some of the German Historical School economists who reference Steuart over Smith in their textbooks (Sen 1957 and Tribe 1988, 136).



already-advanced economy, which was not yet present in all of Germany, in addition to a weakened role for politics.<sup>259</sup> Steuart's work, however, with the culturally and historically knowledgeable statesman guiding the ship of the economy, provides a suitable guidebook.

Additionally, with his emphasis on the employment and welfare of the people and protection of the economy, under specific circumstances, as known from chapter four above that Steuart's work coincides with the goals of German cameralism. Steuart's statesman was thus best-received in Germany where there was already a tradition of active government intervention, or crisis prevention, in economic affairs. Indeed in Germany, until the 1790s, "Steuart's *Inquiry* was better known and more frequently cited than Smith's *Wealth of Nations* (Tribe 1988, 134). Nations or colonies who were faced with the reality of providing for its people, while negotiating, or contesting, with English imperial and commercial power found something of great value in Steuart's work.

## 10.2 The Public Opinion

However, the English and "polite" Scottish public by the end of the eighteenth century and into the nineteenth had very different views of Steuart's work. The "un-Englishness" of Steuart's work, its emphasis on difference, is a reason for its reception by the reviewers but how to explain its departure from the academy? There are several interrelated possibilities. One is that the public demanded a new form of economic knowledge. The other is that economic knowledge was created in the universities and passed down to posterity in the work of Dugald Stewart and his successors. The first point shall be covered here and the second below in section 10.3. As noted above, a

---

<sup>259</sup> This explains the weak reception of the WN in Germany, where it took even longer to find an audience than it had at home (Tribe 1988, 133-148).

source of Steuart's emphasis on difference was due to his dedication to history and the inclusion of history in the processes of economic policy and development.

What has been overlooked in the debate surrounding Smith and Steuart and the Corn Laws and debate over free versus closed ports is the matter that Skinner directly points to: the public eye (1966a, lv). In the establishment of what passes for economic truth, public opinion has as great an influence as economic reality. The free trade that was part of Smith's system of natural liberty was more appealing than the old system of regulations and protections that Steuart thought should still apply to the prices of grain. However, this is ground that has been covered before and what I seek here is to provide a new insight into the devaluation of Steuart's political economy compared to Smith's.

As related by Poovey (1998), in the eighteenth century the idea of what was considered to be useful economic knowledge changed. According to her theory, one of the innovations of the WN is its use of numbers not to collect economic data or to describe economic conditions, but to show legislators the system that was already in place and how the numbers could improve if a system of liberal governmentality were to be implemented. Rather than using numeric evidence from which to derive a theory, Poovey explains that Smith begins from his theory and uses numbers to support it. Smith's theory is that the system he proposes is natural and his narrative is a grand philosophical history. In telling that history, economic knowledge becomes that which shows the continuity of human nature in all times and places (217-224). Thus Smith can use universals and see individuals as representative and the similarities between people as more important than their differences (147-149). In focusing on universals and abstractions such as the division of labor and the market system, Smith contributes to the devaluing of other kinds of economic knowledge, such as the observed particular and how such necessitates a

different kind of political economy. As theories became more abstract, Steuart's theory dealing with the observable and quantifiable, looks more and more antiquated.

Coincidentally, the phenomenon of the conflict between numbers used to support an abstract theory or narrative and the use of the observed particular as the starting point was not confined to economic knowledge alone. One instance of this that provides useful parallels is the eighteenth century conflict between philosophers of history and antiquarians. Antiquarians were mocked for being obsessed with particulars rather than with the grand narratives of philosophical history (Manning 2004, 60). Antiquarians were criticized for supplying an "accumulation of examples rather than the analysis of process" (72). The same argument could be and has been leveled against Steuart. Skinner's edition of the *Principles* cuts out several additional pages of examples, summaries, and reiterations of points that appear in the 1767 original in order to try to make more clear the process of economic growth that the author is presenting.

Numbers then that describe are seen as an accumulation of examples, and Steuart's work certainly abounds with such examples and numbers. He also encourages the government to collect such data. While Steuart *is* trying to construct a grand narrative of economic development, he is still utmost concerned with the particulars of how to feed a population and encourage it to increase. Because he does not have a universalizing plank based on human feeling, such as pure self-interest or reason, but rather on a physical reality (that people are going to have sex and multiply and therefore must be fed), he was also out of intellectual vogue, despite the fact that his goals of subsistence, self-sufficiency and stability are all practical.

Just as the antiquarians were concerned with objects rather than *why* they were interested in the objects, Steuart does not provide a full-fledged rationale based on

sentiments for why people take the economic actions that they do. Smith does, as he posits the tendency to exchange as natural and the division of labor as the economic bond between society. This is just one example of how a sea change in what is considered to be useful knowledge affected the acceptance of Steuart's work and the shape of economic discourse. Another is the change in politics as the empire continued to expand and the need arose for an economic system that would facilitate that expansion.

### **10.3 Empire and Economy: Unintended Consequences?**

Unlike Steuart, Smith does not generalize the Scottish *situation*, but rather the *mindset* of the civilized North Briton. In Smith's narrative, the man of reason, of sympathy, with polished dialect and manners is the universal man, and so the solutions found in the system of natural liberty can be extended to any situation and indeed any location. As argued above, Smith's use of the conjectural method allows for the local to become unimportant and the distant imaginable, connecting the seemingly unconnected. Through the disregard of history and location, Scotland's historical differences are consigned to the primitive past and not to the progressive universalist future. By thus relegating Scottish difference to the past and generalizing the rational Scotsman as all men, Smith achieves socially what the Union sought politically, and, therefore, as Gibbons notes, "the 'impartial' shades imperceptibly into the 'imperial' spectator" (1996, 288-289).

In this there is another explanation for the gradual ascendancy of Smith's version of political economy over Steuart's in the early nineteenth century. By this time Britain had become a formidable imperial power, and part of its colonizing ethos was to civilize its conquered peoples through the benevolence and order of English rule and markets.

Smith's work is compatible with an imperialist mindset precisely because of its ahistorical

nature that views progress as any movement away from a traditional self-sufficient economy or from tradition itself. However, such a system is not content to halt at achieving its own progress. As Deane (1997) observes, such a system built on abstraction, results in a political and moral philosophy that,

...has only one mode of existence for its survival. It travels. It cannot linger in the actual. It cannot stay at home. Its home is always abroad in the world of desire and abstraction...it is, at base a reconstruction of the modes of social relationship that constitute society (15).

A successful empire requires just such a social reconstruction. Smith's abstract and conjectural theories of sentiment, government, language, and markets provide such a reformulation. Not bound to any one culture or location, Smith's theories are adaptable and exportable to all "uncivilized," disorderly cultures. If all men are theorized to be alike, then the policies of England can be assumed to be equally applicable and fortuitous for the people of Ireland, India, Africa, or Asia. It need not matter that an English governor, viceroy, or prime minister does not have the proper knowledge of a colony's history, or people, if all people are alike, and if he can create sympathy to act in their interest. As for economics, if one theorizes abstract economies without regard to time or place, then a centralized government can hand down economic policy just as successfully as Steuart assumes the local statesman can.

The work of Steuart, on the other hand, does not just imply that men are not alike, but emphasizes this point repeatedly. His references to the differences of peoples and the importance of a local and involved ruler are counter to the basic assumption of the universalized human and therefore centralized policy. In the late eighteenth century when Scottish separatist tendencies were still valent and the English government was also striving for full submission from the Irish and Americans, Steuart's political economy is

almost absurdly antithetical to the imperialist project. Thus it is little surprise that he should fall out of favor the farther one moves into the nineteenth century.

Smith envisages the system of natural liberty freeing people from the strictures of the *ancien regime* traditions of dependency and favoritism socially, and economically freeing them from the bonds of government intervention and monopoly. However, in the hands of the promoters and politicians of nineteenth century British imperial expansion, his writings are used rather differently. Prime Minister William Pitt writes in a 1792 speech that there are no limits to the civilizing effects of capital and commerce,

...while there exists at home any one object of skill or industry short of its utmost possible perfection; one spot of ground in the country capable of higher cultivation and improvement; or while there remains any existing market that can be extended...The rude wants of countries emerging from barbarism, and the artificial and increasing demands of luxury and refinement, will equally open new sources of treasure, and new fields of exertion, in every state of society, and in the remotest quarters of the globe. It is this principle, which, I believe, according to the uniform result of history and experience, maintains...a continued course of successive improvement in the general order of the world (quoted in Ross 1998, 160).

In the political guise of improvement, Smith's theory of the civilizing power of commerce is used to justify further dependency. As Deane predicts though, politically and morally, this means that the theory must travel beyond the borders of Scotland and even Britain to, in Pitt's words, "countries emerging from barbarism" and those "in the remotest quarters of the globe."<sup>260</sup> As Teichgraeber notes, there is still much research to be done on the 1790s and early 1800s to explain the sudden rise of the WN, or the "superstitious worship" of Smith that was noted by Dugald Stewart's student Francis Horner (1987,

---

<sup>260</sup> Various other British politicians made use of Smith's theories at this time, both successfully and unsuccessfully, including Lords Shelbourne, North, and Grenville (see Ross 1998 and Willis 1979).

365). Part of the responsibility for the rise of the WN lies with Dugald Stewart himself, as examined below, and a further reason with the needs of the cultural politics of polite Scottish society since the Union.

#### **10.4 The Tunnel at the End of the Light: the Narrowing of Economics in and after the Enlightenment**

David Hume once wrote,

Really it is admirable how many Men of Genius this Country produces at present. Is it not strange that, at a time when we have lost our Princes, our Parliaments, our independent Government, even the Presence of our chief Nobility, are unhappy in our Accent & Pronunciation...is it not strange, I say, that in these Circumstances we shou'd really be the People now disitnguish'd for Literature in Europe? (cited in Allan 2002).

As I have argued, the explosion of this “hotbed of genius,” as expatriate Scot Tobias Smollett once called the Scottish Enlightenment, occurred in part due to the very losses identified by Hume. The movement to alter Scottish sensibilities and cultures mirrored the merging of parliaments and economies. Encouraged by the political leanings of the Scottish university professors in the early eighteenth century, the trend of equating modernity and civility with uniformity and universalism was nurtured throughout the eighteenth century, and becomes the intellectual foundation for Smith’s philosophy. Political economy itself emerges as an attempt to answer the various questions of how best to govern the new commercial system and how individuals in such a society should act, in order to bring about progress in society.

Although the Scottish Enlightenment began to fade by 1800, Smith’s theories and those of the rest of the Scottish enlighteners did not. As known from the chapters above, their concerns became the foundation for the modern social sciences. Just as political economy has more than one cause for its emergence in the eighteenth century, likewise,

the dissemination of ideas about political economy, and Smith's political economy in particular, do not have a single source.

Throughout the eighteenth century, there had always been a sideways dissemination of ideas from the Scottish literati to the general public through the facilities available to them at home: the coffee houses of the major cities, the journals and newspapers of the day, and the literary and political clubs and societies such as the Political Economy Society in Glasgow and the Poker Club of Edinburgh, of which both Steuart and Smith were members, where politics, economics, law and literature were all discussed in order to spread both politeness and mutual understanding (Allan 2002, 130 & Wood 1994).

To further explain how the ideas of the Scottish political economists became universal, I return to Smith's implicit and explicit erasure of Steuart. Not only does Smith purposely neglect to mention Steuart, he also purposely alters the grounds on which political economy is based. Using a conjectural rather than empirical method, Smith is able to erase not only Steuart but also obviate the need for the past and difference. Where Steuart uses the real world as the object of his analysis, relying on induction, and the analysis of measurable variables, such as population, the number of people unemployed, and so on, Smith shifts the terrain of economic analysis to abstract ground. Whereas Steuart began the *Principles* with an analysis of population growth and the importance of the ratio of the population to the agricultural surplus, Smith begins the WN with the importance of the division of labour and mankind's tendency to truck, barter, and trade from which it arises. Discussion of the invisible hand and markets are more examples, as has been shown by Poovey (1998, 214-263). Using abstraction, Smith changes the field of economic analysis from the world of the senses, where people are influenced by



history, to the world of the sentiments where all properly civilized people can sympathize and theorize in harmony with each other. Analysis of the invisible also allows for invisible and “natural” solutions rather than the visible hand of government intervention to solve economic imbalances. Loosed not only from a specific location, but from all location itself, Smith’s explanation of the economy and the market system can be used outside of Scotland, and indeed be applied everywhere.

In the late eighteenth century, as John Dwyer notes, “The erstwhile champions of forbearance and humanity could be extremely intolerant of anything, including their own heritage, that stood in the way of the concept of a polite British community” (cited in Gibbons 1996, 283). A former Jacobite concerned with history and locality, who attempts to generalize the Scottish economic and developmental situation, Stewart is one casualty of such an approach.

In the early nineteenth century, once the ideas of both men filtered back into and through the universities, political economy was to undergo another erasure. The more radical aspects of Smith’s teachings, such as his secular morality, bid for uniform language, and conjectural method, are obscured by a view of Smith as a promoter of free trade. Much of the credit for such a veiling and the spread of Smithian universalism can be attributed to his pupil Dugald Stewart who, according to Brown (2000) and Wood (2000), created a canon of the Scottish Enlightenment that portrayed modernity as “commercial, bureaucratic, and morally capable” (150).<sup>261</sup>

---

<sup>261</sup> This occurred in Stewart’s presentation of the biographies of Smith, Reid, and William Robertson to the Royal Society in Edinburgh. Brown contends that Stewart undertook the biographies largely to justify his teaching of political and moral philosophy to the political interests who were members of the Royal Society as a progression of modernity (2000, 145).

Stewart, therefore, sets out to create a canon of a specific kind of Scottish thought. He characterizes Scotland's history before 1745 as marked by "intolerance, bigotry, and barbarism" (cited in Wood 2000, 4). As Stewart rejects "the study of local laws and forms of government for an analysis of the underlying principles upon which progress occurred" and "The thrust of Stewart's moral philosophy was, therefore, anti-traditional," he would not have included Sir James Stewart among his canon of enlighteners (Brown 138-139).<sup>262</sup>

In order to make his and Smith's teachings on freedom from tradition and authority more acceptable to a society still threatened by the events in post-Revolutionary France, Stewart has to further separate politics from political economy. Thus he stresses both the anti-interventionism, commercial rationality, and moderation of the WN rather than the more radical aspects of Smith's system of natural liberty. Smith is presented as a political moderate, as opposed to how he originally appeared, as a semi-radical French *philosophe* (Rothschild 2002). To accomplish this alteration, however, Stewart uses Smith's tool of placing his argument firmly in the mind. For example, he identifies Smith's goal in the WN to be "the provision made by nature in the principles of the human mind, and in the circumstances of man's external situation, for a gradual and progressive augmentation in the means of national wealth" (149). Increased rationality and political moderation were of course very much in vogue to the English-speaking British audience of Stewart's teachings in the wake of the French Revolution. From Stewart's classroom audience, his interpretation and further refinement of the universal Scotland of the mind

---

<sup>262</sup> Stewart (1966) does mention the *Principles* in a positive light in his lecture notes. He praises the work for its wealth of factual knowledge but refers students to it only as a secondary source to the WN (458).

spread was spread by his students, who included, among others, several editors of the influential *Edinburgh Review* and James Mill.<sup>263</sup>

When Stewart separates his political economy lectures from the moral philosophy course in 1802, the first chair in political economy is also created, and political economy is seen to emerge from the university. But it is a particular kind of political economy that was promoted: a conjectural study of abstract unverifiable entities that can conjure universally applicable policies. True to his word to Pulteney, Smith, while never mentioning him, completely countered Stewart's assumptions and obscured his contribution to political economy. Thus, in Dugald Stewart, there is an even more distilled version of Sir James Stewart's original project of the science of political economy. Rather than adding to his "canvas," both Smith and Stewart continue to remove figures from it: namely the importance of history, location, culture, religion, and government guidance of the economy and economic policy. In the end, in the turn to such abstraction that allows for further universalization, and thus governance from farther and farther away, the phantasmal invasion that began in Chapter One with the initial movement of the Scottish court to London is now complete.

Rather than emerging full grown from the head of Smith from his analysis of the natural laws governing human nature, political economy can be seen to have emerged from a variety of contestations in the eighteenth century: between empirically verifiable fact and the abstract, history and conjecture, intervention and free trade, commerce and tradition, sovereignty and subordination. It also grew as a reaction to the dissolution of the Scottish government, and the subsequent movement to similarly dissolve traditional

---

<sup>263</sup> Among Stewart's pupils were: Francis Jeffrey, Henry Reeve, Macvey Napier, and Henry Brougham (Brown 137 & Hont 1983, 315).

communities and economies in favor of the Union government and modern commerce. In a sense, political economy is also a solution to the Scottish cultural inferiority complex resulting from the Union. As a would-be politician and anti-Unionist operative, Steuart's *Principles* implicitly display a patriotic reaction of how a smaller nation can rise from economic obscurity to prominence through careful and knowledgeable governance and leadership. Smith, as a university professor and well-regarded philosopher, intellectualizes the subject of political economy by moving the object of analysis to the mind. He of course also stresses uniformity and English civility as has been pointed to above. In Dugald Stewart's triumphal version of political economy, the moderating and rational aspects of Smith's conjectural system are emphasized, and he continues to place the field of analysis firmly in the mind. By placing the field of discourse in the abstract, in the realm of the mind, Smith and his cohorts demonstrate to the larger world that they have attained an intellectual sophistication belying their status as citizens of a backwater nation. Although the same could be said of Steuart's patriotic version of political economy, that generalizes the Scottish situation, Smith and Stewart hope to achieve something more than the solution of economic problems. In Smith and Dugald Stewart's triumphant universal version, that generalizes the rational Scotsman, these authors wish to signal something greatly significant to themselves and to the world of ideas, concerning Scotsmen. In the Scottish creation and proliferation of a universalist, abstract, modern form of political economy, Smith and Stewart show that the Scots are civilized citizens. Rather than ignoble, they are now enlighteners.

### **10.5 Trading Futures: What was Lost to Economic Theory and Policy**

As has been noted in the introductory chapter of this dissertation, the Steuart literature has for too long been mired in the explication of Steuart's statesman or ways in

which he prefigures Smith, while ignoring the vast amount of difference between the two, and from what those differences arise. In the end, the choosing of Smith over Steuart is not a simple matter of favoring non-intervention over intervention. It has been shown throughout the dissertation that both men had very different influences that form their frames of reference for establishing their political economies. Perhaps of equal importance to the tale of why and how economics changes from a Steuartian vision to a Smithian vision, is to identify what is at stake in adopting Smith's view of the economic future.

There is of course much material here for further study, to examine the movement of economics from a science from dealing with provision and human economic actions in context, i.e. taking account of observable reality and past realities, to a science dealing with the choices of the abstract mind influence the direction of economic thought and economic methodology. An entire narrative could be written on how, beginning with Smith, economics turned away from its Scottish historical school, Scottish Enlightenment contextual foundations and becomes more concerned with a narrowing of economic agents and objects to the atomistic individuals they are in neoclassical theory. I wish to begin to point out here what was lost to economic theory and policy in turning away from Steuart's broader themes, which have been explored throughout.

Steuart's system of political economy, as has been shown, is consistent with Andrew Fletcher's wish for a looser federation of nations than what Great Britain became. In valuing a universal system over one that favors individual sovereign nations, Steuart's emphasis, through his promotion and acknowledgment of the history and Spirit of a People, of culture was lost. This has led to a loss of Steuart's commitment to diversity. Steuart promoted not only a diversity of cultures, and thus possible political economies,

but also of individual human actions. The possible outcomes in his market scheme are legion compared to Smith and subsequent theories because he admits that people act not only out of self-interest, but other motives as well. There is a much fuller picture of the human individual than one can find in a system that is supposed to be paying respect to individual choice.

Steuart's treatment of and attitude towards various variables in the economy also is lost in the jettisoning of the *Principles*. The primacy of importance placed on the worker is definitely reduced in Smith, where the valuation is now placed on the process of the division of labor, rather than on the workers themselves, who are viewed as being made more ignorant by their participation in the market rather than less. Rather than seeing people as the wealth of the nation, who can be enriched by the market process as they strive to implement innovations, the emphasis has been placed on outputs and the productive processes. It has also been noted above in other chapters how Steuart has a different notion of profit and production as things contributing to the creation of social wealth by generating employment and subsistence, rather than simply viewing wealth as the value of outputs alone. In his stress on all sectors having something integral to contribute to the economy, and in the competition between both buyers and sellers in markets, Steuart allows for his economic agents to be constantly active and different. This is opposed to the static agents of neoclassical theory who are similar and moving inexorably towards equilibrium.

There is also in Steuart a definite acknowledgement of the impact of the money economy on society. Money itself is not seen as a neutral force or a veil, but as an object which causes people to participate in the economy and to demand goods. He takes great pains to examine the impact of adopting modern commerce's "complicated scheme of

living” and the rise of the monied class (76). He acknowledges the changes brought about in society by the resulting changes in the balance of wealth, as seen in the difficult financial situation of the landed gentry that this change has caused (64-65). Opposed to the feudal system, where there were few to no shifts in the balance of wealth between sectors of society, the modern system regularly causes changes in the balance:

Modern luxury is *systematical*: it cannot make one step, but at the expence of an adequate equivalent, acquired by those who stand the most in need of the protection and assistance of their fellow citizens; and without producing a vibration in the balance of their wealth (281).

The effect of the balance of wealth is also examined in terms of its impact on politics:

“From reason it is plain, that industry must give wealth, and wealth will give power, if he who possesses it be left the master to employ it as he pleases” (213). In his conclusion that the diffusion of wealth of the market society brings about a new form of power to bring down a despotic monarch, he acknowledges the clear role that money and the market play in politics (278-281). Rather than seeing the economy simply as a natural outgrowth of sociableness and society, as in Smith, Steuart sees the economy and economic factors as causing changes in society, culture, and government and vice versa.

Urquhart (1999) has noted another major general difference between Steuart and subsequent economic theory. Steuart’s organic metaphor of the economy as a ship that is buffeted by the trade wind that has to be steered by the statesman/captain has very different implications than economic metaphors based on mechanism. While mechanisms can be left to themselves, Steuart is adamant that such is not the case with the economy: “It requires the constant attention of the statesman, as well as the intelligent interaction of the statesman with the people, conceiving of and planning for the system of commerce as a whole” (127). Urquhart compares Steuart’s image with that of machines or natural mechanical systems, metaphors which dominate classical and neoclassical theory: “These,

indeed, have only to be set in motion, and left to themselves. Plan, engagement, action, and purpose have no place in the orthodox economist's tasks" (128). Therefore, Steuart's theory allots freedom and choice to all the actors in the economy and requires of the statesman a certain amount of specialized knowledge.

In allowing statesmen the regard that they were capable of attaining such knowledge Steuart also has a higher regard for politicians than is found in Smith. Steuart apportions a large amount of civic virtue to his government, and the need to attend to that virtue and consider it in policy. By claiming that the invisible hand will rectify market imbalances, Smith erases the role that civic virtue and civic engagement play in the *Principles*, and thus denies that a people should hold their government to such high standards, and that statesmen can live up to them.

There is another organic metaphor that Steuart uses besides that of the ships. In seeing the economy as a body, Steuart does not do anything new, compared to the work of Quesnay and the other Physiocrats who looked at the circulation of goods as parallel to the circulation of the blood in the *Tableau*. However, in his emphasis that the economy is a body *to be healed*, Steuart's work goes against the grain of self-governing sentiment. Unemployment is presented as a disease to be avoided, but if not to be avoided then to be cured:

Such members of the society as remain unemployed, either from natural infirmities or misfortunes, and who thereby become a load upon others, are really a load upon the state. *This is a disease which must be endured. There is no body, no thing, without diseases.* A state should provide retreats of all sorts, for the different conditions of her decayed inhabitants: humanity, good policy, and christianity, require it (1767, 66, emphasis mine).

Steuart's view has an important implication not only for the act of intervention but for the intervenors themselves: intervention with the body does not result in harm but brings restoration. In thinking in these terms Steuart also sees that the body sometimes cannot



heal itself and thus intervention will be necessary. This confers a certain respect, as well as a responsibility, to the ones who doctor the body: the statesmen. Smith, by contrast, when he mentions the human body or the economic body, it is often with a degree of disgust. As Gibbons (2003) has shown, in Smith the wounded body must be left to heal itself and to suffer in dignity; intervention here is only interference that will violate the bounds of propriety (39-80). For, to admit disease and suffering, is to allow for greater passions than are seemly to the impartial spectator and admit of a lack of faith in the power of the market system to heal itself. The final result of such thinking became apparent in the Great Depression. This is not to say that if economic theory had adopted Steuart's line of thinking from the beginning that the Depression would not have still occurred, but it is to say that the theory would in all likelihood have arrived at Keynes' solutions more quickly.

In acknowledging that markets cannot be counted on to always operate properly and in the best interests of everyone, Steuart also displays a realism that is absent from Smith's theory of the invisible hand. Steuart is also upfront in his belief that the market does not necessarily lead one to increased virtue. In commenting on the difference between ancient and modern economies, he says: "Men were then forced to labour because they were slaves to others; men are now forced to labour because they are slaves to their own wants" (214). The emergence of the market economy changed people's tendency to truck, barter, and trade. Rather than the acquisition of goods being entirely natural and leading to civility, Steuart sees it as a result of a historical process that causes wants to increase, according to circumstance. Self-interested actions of individuals starting from very unequal positions of wealth cannot be relied upon to bring the greatest

good to society, and thus the state, through the use of public credit, is called upon to correct the imbalance.

As has already been noted, the vital role Steuart allots to history is absent from the WN. In placing importance on the actual history and real culture of a people Steuart advocates policy that is appropriate to a particular culture, a lesson that has important implications for modern development policy. As Urquhart also notes, for Steuart political economy is very much a normative science, but one whose normative suggestions “must always be grounded in actual peoples and their cultures” (128). Contrasted with the universal formalizations of Smith and his successors, up to and through mainstream neoclassical economics, one can see how economics as subject narrowed itself, its view of the individuals and society, since the end of the Enlightenment, and abandoned the Scottish Enlightenment attention to context and history altogether, losing many elements that make Steuart’s work seem so dynamic today. Namely, Steuart, in keeping with the overall Enlightenment project of using reason to overcome the pitfalls of the world and the human condition, believes that it is possible for individuals and the statesman to have some positive role to play in the kind of economy and society they will have, a society where all can be employed and have sufficient subsistence. It is a very basic dream, but one that subsequent economic theories have failed to provide in practice in a variety of countries.

Certainly the implications of not following Steuart’s suggestions are manifold and there is also much material to be covered in the overlap between Steuart’s suggestions and what became alternative schools of economic thought. For instance, the emphasis on history and institutions did develop in Institutionalist economics, the role of crisis and alienation in Marxism, the need for intervention in Keynesianism, uncertainty and history

in Post-Keynesianism, and the role of knowledge in Austrian economics. There are other examples and these have been touched upon by Steuart scholars. One area where there has apparently been no research in English or any other language is on the overlap between Steuart and Catholic social teaching on the economy, especially in the overall theme that the economy is at the service of the people of the nation. There is particular common ground on caring for the poor, as the poor in Steuart are seen as to be cared from a notion of Christian charity, and as a form of good householding, to care for those who cannot care for themselves. Smith had a very different view of the poor as needing to contribute to society and thus to ensure that such would be the case, “their education and morality had to be overseen; their neighborhoods and their bodies had to be inspected” (Poovey 1995, 35). In addition, Steuart’s valuing of the worker, the contribution of individuals, and emphasis on local decisions being made by those with local knowledge all show a parallel with major encyclicals on the economy.<sup>264</sup> In allowing that people both influence and are influenced by their culture, history, and religion, who are not just following self-interested impulses, he also presents a fuller view of the individual as more than a rational, self-interested machine. Whether this is a function of the time Steuart spent among Jacobite and other Catholic intellectuals while in Scotland, Rome, Paris, and elsewhere on the Continent, or to some other common source requires more research.<sup>265</sup>

Overall one can see in the movement to higher and higher abstract theory a loss of the accomplishment of the original goals of political economy as set out by Steuart: to

---

<sup>264</sup> In particular I have noted parallels with themes and policy suggestions in *Rerum Novarum* (1891), *Mater et Magistra* (1961), *Pacem in Terris* (1963), *Populorum Progressio* (1967), *Laborem Exercens* (1981), *Sollicitudo Rei Socialis* (1987), *Centesimus Annus* (1991), and *Evangelium Vitae* (1995).

<sup>265</sup> Attempts to discover whether Steuart had secretly become a Catholic have thus far proved inconclusive. However, the author of the contemporary Woodhouselee MS reports that Steuart traveled to France with the “popish Duager Countess of Strathmore,” that the two are “degenerat Protestants” who are “owt of the beliefs of their ancestors” (Chambers 1907, 88).

ensure that people are employed so as to be able to generate income to sustain themselves and their families. In the movement to more abstract and individualist theories in economic methodology and philosophy, the realities of what the economy is for have been obscured: the economy is not a freely emerging entity but is formed by and for people, and as such is at their service rather than the other way around.

As such it is perhaps fruitless to try to fit Steuart into the standard canon of the history of economic thought, i.e. of neoclassical economic thought, because his goals and methodology are different from those that do fit into that particular canon. Apart from being the founder of political economy as a separate science, Steuart is as out of step with the mainstream of today as he was when his work was marginalized in the nineteenth century. Rather he should be viewed as the founder of the canon of what became heterodox economics, including postmodern economics, which admits of the validity of various approaches, and postcolonial critiques of market structures and economic institutions, which criticism Steuart engaged in as well, whose various alternative approaches display a similar view of the world and the role of political economy as Steuart's. Ironically many of the alternative approaches of today have similarities of outlook and method with Steuart, who, as the first writer of economics as a subject, was once, as the only stream, also the mainstream.

### **10.5.1 Returning Light?**

Although he acknowledges the difficulty of formalization, Urquhart (1999) believes that the elements of Steuart that have been lost to current economic theory can be recaptured. The one arena where I feel that Steuart's theory could best be adopted is in development, where a better grasp of local needs and modes of organization and distribution will result in better policy. A portion of the development literature

recognizes, “A culturally aware approach to public action pays attention to factors that may be common sense to the intended beneficiaries but are often exotic, irrelevant, or irrational from the perspective of the policymaker (Rao and Walton 2004, 8). Ignoring such factors, “policymakers impose a structured and formulaic set of interventions on societies that ill serve the purpose of improving well-being (9).

Of course, in keeping with Steuart’s perspective, a culture-based approach is one that values the role that culture plays in the development process, rather than one that, while acknowledging culture, views it as an impediment to the implementation of market structures and those who have it as steeped in a traditionalism that is incompatible with market growth and development. A Steuart-based approach would be much more in line with the work of anthropologists like Mary Douglas (2004 and 1998), development ethicists such as Goulet (2006) who stress the importance of local knowledge and input into the development policy process, and the fieldwork necessary to gain such knowledge, and the recent work of economists like Amartya Sen, on culture and well-being. As Rao and Walton comment, culture is to be used not necessarily as a prescription but to provide a new lens through which to view development issues, and one could add, development solutions (9).

## **10.6 Conclusion & Recapitulation**

The thesis serves as a direct challenge to the prominent and prolific Andrew Skinner’s ongoing tepid attitude towards Steuart in relation to his contributions and in relation to Smith. Although Skinner has allowed that in some areas Steuart is superior to Smith, the attitude to which I refer is best summed up in Skinner’s latest biographical foray in the Pickering and Chatto edition of the *Principles*, that:

...Steuart anticipated the more lucid and influential *The Wealth of Nations* not only [in] his obvious interest in the origin of economic institutions which faced him, but also in his self-conscious attempt to establish political economy as a distinct branch of social science” (1998, xii).

Rather than a pale foreshadow of the WN, the thesis shows that Steuart made a unique contribution to the foundation of economics as science, under very unique circumstances and unique influences, and that his principles are formed around the idea of a nation reifying its national identity in terms of modern economic strength and the elements necessary to do so: self-sufficiency, interested government, adequate subsistence and employment to provide demand, and a shared culture. The major contribution of the present work is to emphasize the role that Steuart allotted to culture in the economic development process and in the formation of economic policy. An outgrowth of Steuart’s emphasis on the role of culture in the art and science of political economy is his devotion to complexity and the possible variety of political economy. Further the thesis makes the strong claim that Smith’s WN, rather than being the full flowering of the incomplete work of Steuart, is in actuality a strong reaction to Steuart’s *Principles*. The implication of the WN as a reaction and how Smith deals with answering his rival is the acknowledgement that economic knowledge and the economics canon are contested and changing objects, just as much now as in the eighteenth century.

Like Steuart, this work has been committed to complexity and diversity, and it is a complex and diverse arrangement of factors that finally leads us to the end of our tale. Our purpose here has been to first raise the discourse of Steuart out of the mire of the debate about “control,” socialism, and the interventionist statesman that has tended to dominate it. I am not denying any of these aspects of Steuart’s work, but rather that the full complexity of Steuart’s political economy has been obscured by these issues. As has been seen here, and as has been pointed out by others, the importance of this issue

diminishes with attention to the specific circumstances under which the statesman is supposed to intervene. Therefore, the second and major purpose has been, through contextualization, to provide new perspectives on Steuart's theory formation and its applicability. The major framework or theses that the dissertation have started with are that economic thought is not static, that Steuart's is a viable alternative to Smith's system of political economy, that Steuart is party to alternative political structures and alternative Enlightenments, which influence his view of economy and society, and thus contribute to his later being expunged from the canon.

I began from the assertion that economics is not and has not always been one thing. The science of political economy began, I have suggested, as a reaction to modernity, which has been identified here as the confluence of changes wrought by the emergence of the market economy and the social, political and economic ramifications of the Act of Union of 1707 and the defeat of the Jacobite forces at Culloden that caused Scotland to need to forge a new national identity. This identity, I claimed, was being reconstructed on an economic rather than purely political basis, and began with Steuart. Smith's work is seen here as an equal engagement with the problems of modernity and also as a reaction to Steuart.

Formed by his experiences on the Continent and at home, Steuart's political economy certainly has a different tenor than Smith's. Based on the notion that an economy's basic purpose is to provide for the subsistence needs of the people, Steuart uses a householding metaphor to present the role of the statesman in relation to the people. Each member of society is expected to contribute to the economic commonwealth, if they are able. Society has an obligation to care for those who cannot. For the able as well as the disabled, all members of economic society are interdependent on each other. Likewise

the people and the statesman are interdependent too. As there is no guarantee that individual actions will bring about the public good, the statesman must remain local and be prepared to craft policy that takes the people's needs, culture, and benefit into account. He or she must act with knowledge and prudence. Likewise, on the part of the government or the people, change is to be gradual and is to occur within society and government rather than in violent revolution. Economic development takes place as people become more industrious and more innovative in their work, and aspire to higher levels of living. Demand is thus the driving force in the economy and serves to maintain the focus on people rather than production as the purpose of the economy. Production is characterized more for use than for the creation of surplus profit. Any surpluses in the economy are ideally to be stored against a time of need and to produce further goods for use. In the final analysis, Steuart measures the economic strength of a nation once trade and industry have already appeared, and thus it is measured in terms of the knowledge, innovation, and industriousness of the workers in the economy (1767, 170-179). The growth potential of the economy is thus limited, but as long as population is not outstripping the food supply, self-sufficiency is fine. More than growth and accumulation, Steuart's utmost concerns are with stability, subsistence, and employment. Thus Steuart's system of sectoral dependence, historical relevance, and intervention is indeed very different from Smith's system of natural liberty, based on self-interest and sympathy, capital accumulation and the division of labor.

Despite the glowing terms in which I have cast my reading of Steuart as an Enlightenment figure and his text as a work of enlightened, civic humanist national identity formation, Steuart and his work are in no wise perfect. The generous reading of him here has seemed necessary to bring his accomplishments to the fore, given the iconic



figure of Adam Smith to whom he is compared. I do not fault Steuart on the counts that other critics have from the *Monthly Review* of 1767, to the *Annual Review* critic of 1805, down to Skinner and Blaug in the present day as to his style. While Steuart's prolixity does not always make the *Principles* a quick read, the repetitions and clarifications make it almost impossible to *misunderstand* him. It is unfortunate that too many critics have focused on his style rather than his content.<sup>266</sup> It is incorrect to say, as the 1805 *Annual Review* author does, that Steuart proceeds without a clear purpose in mind. While he does present his inference for the reader after his arguments rather than before, this is part of Steuart's methodology, not a lack of direction: rather than use a general rule, to make an assessment of the facts, the historical development of the circumstances and actors involved, and then to make a conclusion as to what action should be taken.

It is not Steuart's overall political economy that lacks specification, but particular instances within the work. Perhaps influenced by his personal flair not only for the dramatic but also the melodramatic, in his examples Steuart relies on cryptic allusion to contemporary events and national conflicts. Whether such instances are out of guarded habit from his Jacobite days, and his wife certainly remains quite circumspect on Steuart and his political involvements throughout her memoir, as do many of their family in their correspondence, or because such instances would have been widely known to his contemporary audience is not known. Although one understands his delicate political position, one wishes that Steuart did not cause his reader to do quite so much work to uncover precisely the contemporary situations and national interests at stake that he is referencing. Another instance where the *Principles* suffers from a lack of detail is, given

---

<sup>266</sup> Lady Mary Wortley Montagu, to whom Steuart dedicated the first edition of the *Principles*, wrote to Steuart of his style: "The solidity of your reflections would overbalance a defect in style, if there was any, but I sincerely find none" (cited in Kobayahsi 1998).

the importance placed on government intervention, in some instances of intervention, such as the underproduction of subsistence goods where he recommends government move workers to the deficient sector, but does not specify how the government is going to cause this movement to occur while respecting individual liberty. While of course the final policy is dependent on local circumstance, Steuart does not even provide general ideas as to how governments will accomplish this task.

Perhaps the greatest area of the *Principles* in need of greater definition is the explanation of the respective roles of producers and merchants. Although Steuart acknowledges the emergence of the monied class, he does not always draw a firm distinction between producers and middlemen, between workers and producers, or more specifically between capitalists and workers. Although, as others like Perelman (2000) have remarked, Steuart does discuss primitive accumulation, and he has a detailed analysis of financial capital and financial hoarding, Kobayashi (1998) claims that due to this emphasis on the accumulation of money, the accumulation of capital and ability to earn a return to capital are “denied” (lxxx). However, “left undefined” is a more apt phrase here than “denied.” Steuart discusses producers who can afford expensive machinery, and their subsequent boon to output, but his focus is more on how such capital affects employment and represents positive changes in innovation, adding to the nation’s wealth of ingenuity (1767, 122-123).<sup>267</sup> In terms of capitalists however, Steuart discusses only those owners who benefit from the profit earned from their workers’ output, and profit is identified as a markup rather than a return to capital. Steuart of course does not believe that either the large-scale use of capital or having capitalists are necessary for

---

<sup>267</sup> Of the country’s machines and their replication by foreigners Steuart says, “...for let all the world copy your improvements, they still will be the scholars.” (1767, 123).

economic growth, and indeed is opposed to the introduction of new machinery for a nation that has reached a peak of self-sufficiency, comparing such to medicine for the healthy (122). Thus his work tends to focus on small-scale producers and individual craftsmen. While this is a virtue of the work in terms of developing economies, in the late eighteenth century and beyond, especially in the wake of Smith's explication and reading Steuart's work outside of its overall context, the lack of a fuller description of capitalism and large scale producers makes the *Principles* stand out in a deficient way.

Latter critics examine the *Principles* and WN side by side rather than successively, and can only point to the lack in Steuart rather than what he added, which, as has been the goal to show here, was much. Smith of course would have found it difficult to write the WN without the *Principles* to react against, and it has been contended in the thesis that the WN should be read as a sequel to or expansion upon that work. On the issue of capital accumulation especially, Smith can be seen to be building upon the absence in the *Principles*, although the lack of discussion of capital accumulation was ironically not one of the contemporary criticisms of Steuart's book as it was overtaken by the WN.

Smith's ascendancy, however, like our starting point of the Union itself, was neither inevitable nor unanimous. I have suggested that Steuart was written out of the canon due to the cosmopolitan character of his work that did not suit the tastes either of the literary public or the English government in its imperial quest of expansion. Hand in hand with this emergence of taste and public opinion is a rearrangement of what proper economic knowledge, and therefore theory, is considered to be. As examined above, a shift in opinion of economic knowledge being universalizable despite a change in location or circumstance became "true economic theory" rather than a theory that changes with location, culture, and motivation. The necessity of shifting theory according to

circumstance is reflective of the changes in Steuart's own life and the diversity of economic thought and organization he encountered, both in terms of the schools of thought he was exposed to and the different countries and societies to which he was exposed in his travels.

Likewise one other element of his work that would definitely have contributed to its being anathema in some circles of English society is Steuart's Jacobite connection. Besides the commitment the work shows to diversity and tolerance, which is in keeping with the general aims of the Jacobite movement, implicit throughout the work is the memory of the Union and the effects of the defeat of the '45. It is striking how for Steuart the process of the emergence of the capitalist market economy arises from separation. He speaks of the separation "between the parent earth and her laborious children" (1767, 50), the separation of the society in landlords and freehands, the further separation into sectors, and the separation of the land between city and country. The need for the statesman to be the keeper of virtue speaks of a separation of the people from their former political purpose of the pursuit of virtue. He also often speaks of alienation, where the use of money itself is an alienation of people from the natural exchange process of one good for another good, and profit too is seen as an alienation. While the economy is able to bring the now disparate parts of society together, the market is prone to discord. Only the hand of someone who knows the people and their past is capable of setting things right, or has the foresight to prevent them from going astray in the first place. So it is local government, counter to an imperial seat of power, and a shared national history that will unite them.

It is curious, but helpful for our thesis that both authors are dealing with the division caused by the Act of Union and completed with the Battle of Culloden, that the

language of division is to be found in Smith as well. But he turns the division always into something to be desired, something very positive. In the WN, for instance, the division of labor, is not only natural but it is an immensely useful step in the progress of commercial society. The division as it relates to English-Scottish relations is much more clear in the TMS, when Smith speaks of the impartial spectator and the source of virtue:

When I endeavor to examine my own conduct...it is evident that, in all such cases, I divide myself, as it were, into two persons; and that I, the examiner and judge, represent a different character from that other I, the person whose conduct is examined into and judged of. The first is the spectator, whose sentiments with regard to my own conduct I endeavor to enter into, by placing myself in his situation, and by considering how it would appear to me, when seen from that particular point of view. The second is the agent, the person whom I properly call myself, and of whose conduct, under the character of a spectator, I was endeavoring to form some opinion (113).

As Poovey says, identity in Smith is based on speculation, on seeing, and virtue depends on being seen (33).

Whether Steuart is consciously putting such ideas reflective of the Scottish situation at the Union and his own situation as an exile because of the consequences of that Union or not, the elements and the context remain, and the idea of the economy as a potential source of discord that causes separations in historical time makes it incommensurate with the universal, unifying, civilizing natural process popular to the late eighteenth and early nineteenth centuries and beyond. Economic thought thus changes to reflect the changing intellectual and social values of society, or at least literary, academic, and political society. By putting people and particulars at the forefront of his political economy rather than production and universals, Steuart is thus not as acclaimed in the literary journals and universities of the day as Smith. However, it would be well to learn the lesson of Steuart that economics and good economic policy, as well as the

establishment of economic canons, is just as much about history and context as it is about the economy.

And so I exit the tale much where it began: at the blurred boundaries between history, context, and economy.

### **10.7 Epilogue: In the Border Country**

Although he was now hampered by poor health from attacks of the gout, Steuart continued to write after the Corn Law debates. In 1778, he began to focus more on theological and philosophical problems and he produced both the *Critical Remarks on Mirabaud's Systeme de la Nature* and his *Motive for Obedience to the Laws of God* which appear in the *Works*. Over the following year, Steuart suffered from a severe attack of the gout, compounded by periods of lightheadedness. He was attended at Coltness by his very able physician Sir Stuart Thriepland of Fingask, an old friend and fellow Jacobite who had hidden with Prince Charles in the Highlands after Culloden. By the summer of 1780 he was recovered enough to take a brief tour to visit friends, and that fall began a correspondence with the banker Sir George Colebrooke and his daughter (CC 331). One final product on economics emerged from this correspondence: an account of the French finances and the economic troubles that France had experienced since the resignation of Turgot.<sup>268</sup>

However, the very night he finished the work on the French finances, in October 1780, his gout became worse. Frances tells us that he suffered from a respiratory problem, probably a secondary infection, in addition to the gout. The couple removed to Edinburgh to seek further medical assistance, and stayed at the lodgings they had bought

---

<sup>268</sup> The work was never printed and is in the *Chalmers MS* in the Special Collections of the University of Edinburgh library.

in the winter of their first return to Scotland. One night Steuart heard a salt seller on the street below and invited her to come in and tell him about her life. As Skinner notes, the scene must have been interesting, “the old knight, rebel and man of letters listening with real interest to the life of a salt-seller” (1966b, lvi). But the tale is also very telling of the man’s character: an inquiring scholar and a gentleman in every sense of the word.

Steuart died from his infection on Sunday, November 26<sup>th</sup>, 1780, one month and seventy-four years since the start of the Union (CC, 332). Much mourned by his friends and relations, he was remembered by his niece as:

...amiable, a warm and firm friend, and active on every opportunity...He was an affectionate and indulgent father, a kind and equitable master, liberal in both his thoughts and actions. [He was] blessed with eloquence and a constant flow of cheerfulness and good humour... (Mure 1787).<sup>269</sup>

He was buried two days later, surrounded by family and friends both noble and common, in the family vault at Cambusnethan, “upon the riverside, there his dear remains were most tenderly posited (at his own desire)...” (F Steuart np). Frances lived a further nine years without him and, from her subsequent correspondence, was quite inconsolable. However, that same correspondence shows that she did rouse herself from her grief to ensure the French translation of the *Principles* by William Goguel, who seems to have been the student at Tübingen who helped Steuart with the early drafts.<sup>270</sup> Fortunately, she also worked on the memoir in February 1785 which has helped in the writing of the present work. Unfortunately, she cut out a number of the leaves of manuscript, as she herself relates, from the time of the publication of the *Principles* to the death of Steuart.

---

<sup>269</sup> Interestingly she continues that such “eloquence and clearness of comprehension” from his conversation was not reflected in his writings: “there is a darkness in his writing, that he could dispel in a moment by words” (Mure 1787).

<sup>270</sup> The letters are preserved in the Coltness Papers in the Special Collections at the University of Edinburgh Library.

One wonders what was in those pages that caused her to do so. Certainly she was very aware of the balancing act that her husband maintained between multiple boundaries.

“I am a borderer...between two generations,” says Walter Scott’s Chrystal Croftangry in “Chronicles of the Canongate” (1887, 91-92). Very similar to Steuart, Croftangry spent some time as a lawyer before going into exile and returning many years later to his home in Scotland, to find it much changed and the “community of ties” between himself and his former fellows to be dissolved. He turns to a study of Scottish history and antiquities to restore the past to himself and himself to his past.

Steuart likewise can be characterized as a borderer, between many countries, between Scotland and the Continent, between Jacobitism and the Hanoverians, between Scotland and England. Intellectually, socially, and culturally he borders, not modernity and traditionalism, but different ways of engaging with modernity, that are sometimes modern and sometimes borrowed from traditional societies. His use of practicality and theory, as well as observation and abstraction, for he too is dealing with an abstraction of the market, the banking system, public credit, a system of taxation, etc, makes him a foreigner in either camp. As he blurred the lines in his writing between nationality and ideology, between market and culture, economy and identity, city and country, just as he blurred his political associations throughout his life, Steuart’s adaptability and cosmopolitanism causes him to run afoul not only of national, but also cultural politics. On the one hand he is part of Britain, but on the other he is a Jacobite exile, a borderer between the Continent and his native land, an exile and a patriot, the first political economist and yet unremarked upon in the wake of Smith’s ascendancy. He is both wholly modern and yet seemingly antiquated because of his non-engagement with sympathy, civility, and other abstract tropes of the empire of the sentiments of his time. A



traveler between Enlightenments, nearly the father of economics, if it were not for the revisions that occurred in the nineteenth century, he dwells in what Ferris calls the “unsettling modality of the ‘almost’” (82). But life on these borders grants Steuart a perspective that is often absent in Smith, one that allows him to view others not as “other” but simply as “another,” whether it be another individual seeking to provide for family and the self, or another nation seeking economic strength through self-sufficiency, whether in the present or in another time.

Steuart’s legacy is both in his difference from and contribution to economic and Enlightenment thought. For all of his difference, he did have something in common with the project of the Scottish Enlightenment, that despite man’s given imperfect situation, choices can be made about how a nation or community can rise above its given station and find ways to provide for itself. Rather than focus on the limitations posed by the need to balance population, subsistence, and employment, and indeed the limitations posed by limited world political power, Steuart instead focuses on the possibilities of the interaction between an interested statesman and the people, and the different sectors of society, and how the market can bring about a situation in which all people can aspire to better themselves while helping to provide for their countrymen, and thus create national economic strength. Likewise scholars would do better to focus on the rich possibilities and insights inherent in Steuart’s text when it is read in its proper context, rather than the limitations that have been arbitrarily imposed upon it, which begin with Smith’s omission of it from the WN. A better appreciation and application of Steuart’s general approach to economics and economic policy will result in policy that is more considerate and thus better serves the population for which it is being formulated. Thus, a final and full analysis of Steuart’s impact and possible application are yet to be written.

Life along the border is often more interesting than life further inland, whether geographically or intellectually, and this has been seen to be the case with Steuart. Although he may have wished for a life that was less rife with “many strokes of adverse fortune” (1767, 646), Steuart maintained a positive attitude throughout a life that seems as winding and complex as his political economy.<sup>271</sup> Through it all however, according to Frances, he used often to say that the events of one’s life were laid down by God, “each of the smallest of them making...a link of the chain which comprehends the great all, and cannot be altered to please the plans of we weak mortals” (1785 np). He could have seen then that despite, or perhaps because of, his marginalization, his is the policy guide that is best suited to the marginalized. Frances also shares that Steuart believed that there is a continuity to life and events despite a seeming death, such that he was the continuation of his father’s existence and his son of his, and so on (1785 np). So will Steuart’s political economy and ideas live on in the work of others with the same dedication to and belief in the power of people and policymakers to determine the proper course for their own nations, economy, and society. Steuart is upfront about the realities of modern economic life but he also offers, not a system, but a hope that the limitations faced can be overcome and everyone can be provided for. Despite his name being expunged from the record, in the final or any analysis, one cannot thus help but agree with the author of the memoir in the *Works* that Sir James Steuart “the great author of the *Political Oeconomy* was an extraordinary man, while extraordinary men flourished, in his country” (388).

---

<sup>271</sup> He even looked forward to death as a “happy change” and “that future world in which there shall be no obstruction to our complete progress in knowledge and virtue” (CC, 331).

APPENDIX A:  
A STEUART GAZETTEER



FIGURE 1.  
The River Calder, former estate of Coltness.



FIGURES 2 & 3. Calder Woods and Calder River in Winter, former estate of Coltness



FIGURE 4. Bridge approach to Coltness House, former estate of Coltness



FIGURE 5. Coltness House



FIGURE 6. Remains of the Coltness Outbuildings I, 2002



FIGURE 7. Remains of Coltness House outbuildings II, 2002.

(All photos above, courtesy of David Mooney, rector of Cambusnethan Parish, Cambusnethan, Scotland, 2002)



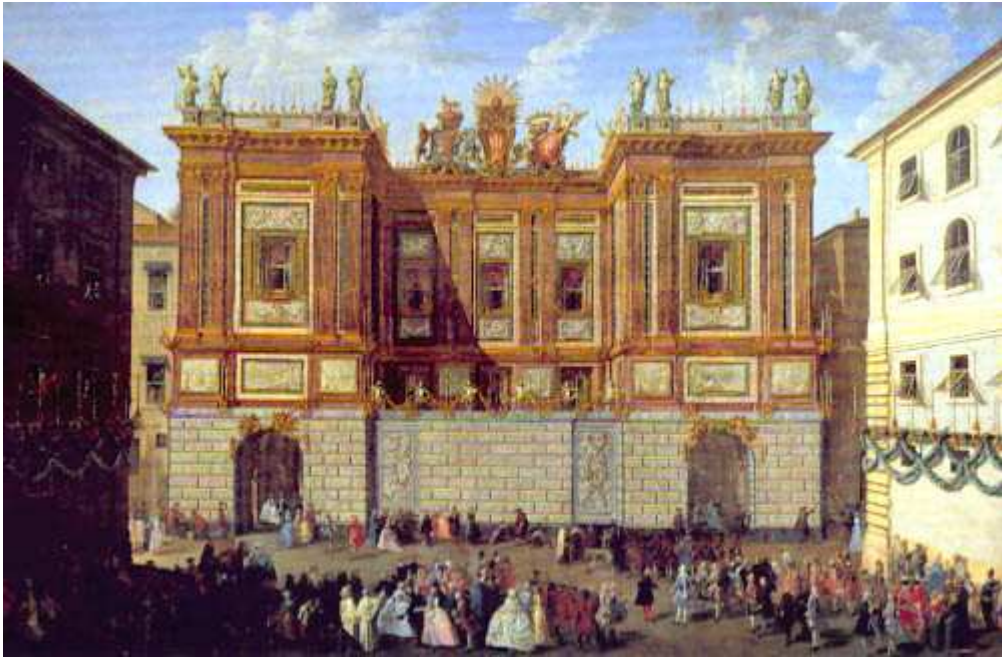


FIGURE 8.  
“A View of The Palazzo Muti,” 1747, Scottish National Portrait Gallery, Edinburgh.

APPENDIX B:

PAINTINGS REFERENCED IN CHAPTER SIX



FIGURE 9.

Gabriel Metsu, *Woman Reading a Letter*



FIGURE 10.

Jan Vermeer, *The Music Lesson*



FIGURE 11.

Gabriel Metsu, *The Music Lesson*



FIGURE 12.

Jan Vermeer, *The Concert*



FIGURE 13.

Jan Vermeer, *Young Woman  
Standing at a Virginal*



FIGURE 14.

Pieter de Hooch, *Mother Lacing Bodice  
Beside a Cradle*





FIGURE 15.

Jan van Eyck, *The Arnolfini Wedding*



FIGURE 16.

Jan van Eyck, detail from *Arnolfini Wedding*



FIGURE 17.

Jan Vermeer, *The Allegory of the Art*



FIGURE 18.

Jan Vermeer, *The Geographer*



FIGURE 19.  
Jan Vermeer, *Girl Reading a Letter by  
an Open Window*



FIGURE 20.  
Gerard Dou, *Maidservant at Open Window*



FIGURE 21.  
Jan Vermeer, *View of Delft*, c.1660-1661



FIGURE 22.  
Jan Vermeer, Detail from *Allegory  
of the Art*

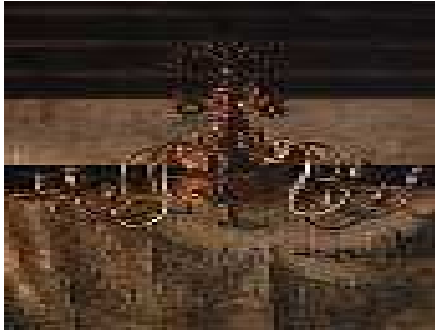


FIGURE 23.

Jan Vermeer, Detail from *Allegory  
of the Art*



FIGURE 24.

Jan Vermeer, detail from *Allegory  
of the Art*

## WORKS CITED

- Adam Smith, Janet. 1970. "Some Eighteenth Century Ideas of Scotland," in *Scotland in the Age of Improvement*. N. T. Phillipson and Rosalind Mitchison, eds. Edinburgh: Edinburgh University Press.
- Akhtar, MA. 1978. "Sir James Steuart on Economic Growth." *Scottish Journal of Political Economy* 25:57-74.
- \_\_\_\_\_. 1979. "An Analytical Outline of Sir James Steuart's Macroeconomic Model." *Oxford Economic Papers* 31: 283-302.
- Allan, David. 2002. *Scotland in the Eighteenth Century: Union and Enlightenment*. New York: Longman/Pearson Education.
- \_\_\_\_\_. 1995. *Virtue, Learning, and the Scottish Enlightenment: Ideas of Scholarship in Early Modern History*. Edinburgh: Edinburgh University Press.
- Alpers, Svetlana. 1983. *The Art of Describing: Dutch Art in the Seventeenth Century*. Chicago: University of Chicago Press.
- Alvey, James. 2003. "Adam Smith's View of History: Consistent or Paradoxical?" *History of the Human Sciences*, 16: 2, 1-25.
- Anderson, Gary M. and Tollison, Robert D. 1984-5. "Sir James Steuart as the Apotheosis of Mercantilism and His Relation to Adam Smith," *Southern Economic Journal*, 51: 456-68.

- \_\_\_\_\_. 1985-6. "Smith, Steuart and Mercantilism: Reply," *Southern Economic Journal*, 52: 853-5.
- Anonymous. 1805. "Review of the Works of Sir James Steuart," *Annual Review* 4: 252-253. Microfilm. University of Notre Dame Library.
- \_\_\_\_\_. 1767. "Review of Steuart's *Inquiry*," *Critical Review*, 23: 321-329, 411-416. Microfilm. University of Notre Dame Library.
- \_\_\_\_\_. 1767. "Review of Sir James Steuart's *Principles of Political Oeconomy*." *Monthly Review* 36 and 37: 1767. Microfilm 3738. University of Notre Dame Library.
- Backhaus, Jurgen, ed. 1998a. *Christian Wolff and Law and Economics. The Heilbronn Symposium*. New York: Georg Olms.
- \_\_\_\_\_. 1998b. "Christian Wolff on Subsidiarity, the Division of Labor, and Social Welfare," in Backhaus, ed. 1998a. *Christian Wolff and Law and Economics. The Heilbronn Symposium*.
- Backhouse, Roger. 1994. *New Directions in Economic Methodology*. New York: Routledge.
- Barbour, J.S. 1907. *William Paterson and the Darien Company*. William Blackwood and Sons: Edinburgh.
- Barrell, John. 1986. "Sir Joshua Reynolds and the Political Theory of Painting," *Oxford Art Journal*, 9:2, 36-41.
- Beck, LW. 1969. *Early German Philosophy: Kant and His Predecessors*. Cambridge: Belknap Press of Harvard University Press.

- Bell, R.E., editor. 1898. *Memorials of John Murray of Broughton, sometime secretary to Prince Charles Edward, 1740-1747*. Edinburgh: T. and A. Constable for the Scottish History Society.
- Belmont, Earl of. 1699. "Dispatch to the Lords Commissioners of Trade and Plantations, Boston, 26<sup>th</sup> October 1699," in *The Darien Shipping Papers*, ed. GP Insh. Edinburgh: University Press for the Scottish History Society, 1924.
- Berg, Maxine and Helen Clifford. 1999. *Consumers and Luxury: Consumer Culture in Europe, 1650-1850*. Manchester: Manchester University Press.
- Berry, Christopher. 1997. *Social Theory of the Scottish Enlightenment*. Edinburgh: Edinburgh University Press.
- Black, Jeremy. 1990. *Culloden and the '45*. New York: St. Martin's Press.
- Blaikie, W. B., editor. 1916. *Origins of the 'Forty-five: and Other Papers Relating to that Rising*. Edinburgh: Printed at the University press by T. and A. Constable for the Scottish History Society.
- Blanning, TCW. 1981. "The Enlightenment in Catholic Germany," in *The Enlightenment in National Context*, Roy Porter and Mikulas Teich editors, Cambridge: Cambridge University Press.
- Blaug, Mark, ed. 1991. *Pioneers in Economics vol. 11: David Hume and James Stewart*, Aldershot: Edward Elgar.
- \_\_\_\_\_. 1986. "Steuart, James Denham (1712-1780)," in *Great Economists Before Keynes*, Atlantic Highlands: Humanities Press, 241-2.
- \_\_\_\_\_. 1985. *Economic Theory in Retrospect*, Cambridge: Cambridge University Press.
- Boswell, James. 1950. *London Journal, 1762-1763*. New York: Mc Graw Hill.

- Brewer, Anthony. 1997. "An Eighteenth Century View of Economic Development: Hume and Steuart." *European Journal of the History of Economic Thought* 4:1-22.
- Broadie, Alexander. 1997. "Adam Smith--Scientific Discovery" in *The Scottish Enlightenment: An Anthology*. Edinburgh: Canongate Classics.
- Brown, Michael. 2000. "Creating a Canon: Dugald Stewart's construction of the Scottish Enlightenment," *History of Universities* 16: 135-154.
- Brown, Vivienne. 1997. "'Mere Inventions of the Imagination:' A Survey of Recent Adam Smith Literature," *Economic Philosophy*, 13: 281-312.
- \_\_\_\_\_. 1994. *Adam Smith's Discourse: Canonicity, Commerce, and Conscience*. London: Routledge.
- Browne, James. 1838. *A History of the Highlands and the Highland Clans, vol. III*. Glasgow: A Fullarton and Co.
- Buchan, James. 2004. *Crowded With Genius: The Scottish Enlightenment: Edinburgh's Moment of the Mind*. New York: Harper Collins.
- Buchan, John. 1928. *Montrose*. London: Thomas Nelson.
- "Cabal." 2004. *Oxford English Dictionary*. Accessed online. University of Notre Dame Library.
- Calinger, Ronald. 1969. "The Newtonian-Wolffian Controversy: 1740-1759," *Journal of the History of Ideas*, vol. 30, no 3, 319-330.
- Camic, Charles. 1983. *Experience and Enlightenment*. Chicago: University of Chicago Press.
- Campbell, R.H. 1964. "The Anglo-Scottish Union of 1707. II. The Economic Consequences," *Economic History Review*, new series vol. 16: 3, pp. 469-477.

- Candidus. 1817. "‘Sitting Below the Salt,’ and the Stewarts of Allanton," *Blackwood's Magazine*. Vol. 1, no. 4, July 1817, 349-352.
- Carlyle, Alexander. 1910. *The Autobiography of Dr. Alexander Carlyle of Inveresk, 1722-1805*. John Hill Burton, ed. London: T. N. Foulis.
- Cassirer, Ernst. 1965. *The Philosophy of the Enlightenment*. F. Koelln and J. Pettegrove, trans. Boston: Beacon Press.
- Chambers, CES, ed. 1907. *The Woodhouselee MS : A Narrative of Events in Edinburgh and the District during the Jacobite Occupation, September to November 1745*. London: W & R Chambers.
- Chambers, Robert. 1860. *History of the Rebellion of 1745-6*. Edinburgh: W & R Chambers.
- Chamley, Paul. 1965. *Documents Relatif à Sir James Steuart*. Paris: Dalloz.
- \_\_\_\_\_. 1963. *Economie Politique et Philosophie Chez Steuart et Hegel*. Paris: Dalloz.
- \_\_\_\_\_. 1962. "Sir James Steuart: Inspirateur de la *Theorie Generale* de Lord Keynes?" *Revue d'economie Politique*, vol 72: 303-13.
- Charteris, E., editor. 1907. *A Short Account of the Affairs of Scotland in the Years 1744, 1745, 1746 by David, Lord Elcho*. David Douglas: Edinburgh.
- Clerk, Sir John of Pennicuik. 1993. Translated and edited by Douglas Duncan. *History of the Union of Scotland and England*. Extracted from the manuscript "De Imperio Britannico." Edinburgh: the Scottish History Society.
- Colley, Linda. 1992. *Britons: Forging the Nation 1707-1837*. New Haven: Yale University Press.
- The Coltness Collections*. 1842. Edinburgh: The Maitland Club.



The Coltness Manuscripts. Special Collections, University Library. University of Edinburgh.

Company of Scotland. 1704. "Warrant for the Capture of the East India Ship 'Worcester,' Captain Green," in the *Darien Shipping Papers: Papers Relating to the Ships and Voyages of the Company of Scotland Trading to Africa and the Indies 1696-1707*. Edited by George Pratt Insh. Edinburgh: University Press for the Scottish History Society, 1924.

*CORN-BILL Hints in Answer to the Memorial for the Merchants, Traders, and Manufacturers of the City of Glasgow*. 1777. Glasgow. Eighteenth Century Collections Online. University of Notre Dame Library.

Corp, Edward, ed. 2003. *The Stuart Court in Rome: The Legacy of Exile*. Hants, England: Aldershot.

\_\_\_\_\_. 2003. "Introduction," in Corp, ed., *The Stuart Court in Rome: The Legacy of Exile*. Hants, England: Aldershot.

Coull, Sam. 2000. *Nothing But My Sword: The Life of Field Marshal James Francis Edward Keith*. Edinburgh: Birlinn.

Craik, Sir Henry. 1911. *A Century of Scottish History, from the Days Before the '45 to Those Within Living Memory*. Edinburgh: W. Blackwood and Sons.

Cruikshanks, E., ed. 2000. *The Stuart Courts*. Stroud: Sutton.

\_\_\_\_\_. 1982. *Ideology and Conspiracy: Aspects of Jacobitism 1689-1759*. Edinburgh: John Donald Publishers.

Cullen, LM and TC Smout. 1977. *Comparative aspects of Scottish and Irish Economic and Social history, 1600-1900*. Edinburgh: Donald.

- Dalrymple, Hew Lord Drummore. 1748. Letter to Baron Mure. Nov 28<sup>th</sup>, 1748 in  
Correspondence of Baron Mure in *Selections from the Family Papers Preserved  
at Caldwell*, 1883.
- Darnton, Robert. 1982. *The Literary Underground of the Old Regime*. Cambridge:  
Harvard University Press.
- \_\_\_\_\_. 1979. *The Business of Enlightenment: A Publishing History of the  
Encyclopédie. 1775-1800*. Cambridge: Belknap Press.
- Deane, Seamus. 1997. *Strange Country: Modernity and Nationhood in Irish Writing  
Since 1790*. New York: Oxford University Press.
- Defoe, Daniel. 1955. *Letters*. George Healey, ed. Oxford: Clarendon Press.
- \_\_\_\_\_. 1799. *A History of the Union Between England and Scotland*. Dublin:  
John Eckshaw.
- \_\_\_\_\_. 1727. *A Tour Through the Whole Island of Great Britain: Divided Into  
Circuits or Journies*. Dublin: James Williams, 1779 edition.
- \_\_\_\_\_. 1706. *An Essay Aimed at Removing National Prejudices Against the  
Union*. Microfilm N13, Reel 255. University of Notre Dame Library
- De Fontenelle, Bernard Le Bouvier. 1728. *An Account of the Life and Writings of Sir  
Isaac Newton*. 2nd edition. London: T. Warner. Eighteenth Century Collections  
Online. University of Notre Dame Library.
- De Marchi, Neil. 1999. “Adam Smith’s Accomodation of Altogether Endless Desires”  
in *Consumers and Luxury*, ed. Berg and Clifford. Manchester: Manchester  
University Press.
- Devine, TM. 2001. *The Scottish Nation: A History, 1700-2000*. New York: Penguin  
History.

- Diatkine, S. and M. Rosier. 1999. "Steuart and Smith on Banking Systems and Growth," in *The Economics of James Steuart*, R. Tortajada, ed. London: Routledge, pp. 218-234.
- Douglas, Mary. 2004. "Traditional Culture—Let's Hear no More About It," in Rao and Walton eds. *Culture and Public Action*, Stanford: Stanford University Press.
- \_\_\_\_\_. 1998. *Missing Persons: A Critique of the Social Sciences*. Berkeley: University of California Press.
- Doujon, Ruhdan. 1994. "Steuart's Position on Economic Progress," *European Journal of the History of Economic Thought*, 1: 495-518.
- Dow, Alexander, Sheila Dow, and Alan Hutton. 1997. "The Scottish Political Economy Tradition and Modern Economics," *Scottish Journal of Political Economy*, 44:4, 368-383.
- Dwyer, John. 1998. *The Age of the Passions: An Interpretation of Adam Smith and Scottish Enlightenment Culture*. East Linton: Tuckwell Press.
- Eagly, Robert. 1961. "Sir James Steuart and the 'Aspiration Effect.'" *Economica* 28:53-81.
- Edgar, J. 1741. Letter to John Murray of Broughton. June 29, 1741. Stuart Papers at Windsor. Microfilm.
- Ege, Ragip. 1999. "The New Interpretation of Steuart by Paul Chamley," in *The Economics of Sir James Steuart*, ed. by Ramon Tortajada, London: Routledge.
- Eltis, Walter. 1990. "Sir James Steuart's Corporate State," in *The Scottish Contribution to Modern Economic Thought*, ed. Douglas Mair, Aberdeen: Aberdeen University Press, pp. 197-219.

- Emerson, Roger. 2003. "The Contexts of the Scottish Enlightenment" in *The Cambridge Companion to the Scottish Enlightenment*. Cambridge: Cambridge University Press, pp. 9-28.
- Erskine, John. Eleventh Earl of Mar, Secretary of State. 1706. Letter to Lord Sidney Godolphin. September 22, 1706, in *Letters Relating to Scotland in the Reign of Queen Anne*, ed. by James Ogilvy. Edinburgh: Edinburgh University Press, p. 176.
- Erskine, David Steuart. 1792. *Memoir of Sir James Steuart*, in the Murray MS 336, item no. 11, special collections, University of Glasgow.
- Ewald, A.C. 1904. *The Life and Times of Prince Charles Stuart*. London: Chapman and Hall.
- Ferguson, Adam. 1966. *Essay on the History of Civil Society*. Edinburgh: Edinburgh University Press.
- Ferguson, William. 1977. *Scotland's Relations with England: A Survey to 1707*. Edinburgh: John Donald.
- Ferris, Ina. 2004. "Melancholy, Memory, and the 'Narrative Situation' of History in Post-Enlightenment Scotland," in Duncan, Davis, and Sorenson eds. *Scotland and the Borders of Romanticism*, Cambridge: Cambridge University Press, pp. 77-93.
- Fitzgibbons, Athol. 1995. *Adam Smith's System of Liberty, Wealth, and Virtue: The Moral and Political Foundations of the Wealth of Nations*. Oxford: Clarendon Press.
- Flammermont, Jules. 1888. *Remonstrances du Parlement de Paris au 18e Siecle*. Vol. I. Paris: Imprimerie Nationale 1888-98.

- Fletcher, Andrew. 1997. *Political Works*. John Robertson, ed. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1979. *Fletcher of Saltoun: Selected Writings*. David Daiches, ed. Edinburgh: Scottish Academic Press.
- Fox, Peter. 2005. "Footprints of the Lion" exhibition on Newton, Cambridge University Library, online 2005.
- Frangsmyr, Tore. 1975. "Christian Wolff's Mathematical Method and Its Impact on the Eighteenth Century," *Journal of the History of Ideas*, 36: 4, 653-668.
- Frijhoff, Willem. 1992. "The Dutch Enlightenment and the Creation of Popular Culture," in *The Dutch Republic in the 18th Century*, London: Cornell University Press.
- Fry, Michael. 1998. "Politics," in *Modern Scottish History*, C. Whately ed. East Linton: Tuckwell Press, pp. 43-62.
- \_\_\_\_\_. 1992. *The Dundas Despotism*. Edinburgh: Edinburgh University Press.
- Gaillet, Lynnée Lewis. 1994. "An Historical Perspective on Collaborative Learning," *Journal of Advanced Composition*, 14.1. Accessed online 2003.
- Garrioch, David. 2002. *The Making of Revolutionary Paris*. Berkeley: University of California Press.
- Gazeteer for Scotland*. 2004. University of Edinburgh. Accessed online 2004.
- Gay, Peter. 1966. *The Enlightenment: An Interpretation*. 2 vols. New York: Knopf.
- \_\_\_\_\_. 1964. "Towards Synthesis," in *The Party of Humanity: Essays in the French Enlightenment*, Peter Gay ed. New York: Knopf.

- Gibbons, Luke. 2003. "The Sympathetic Sublime: Edmund Burke, Adam Smith, and the Politics of Pain," in *Edmund Burke and Ireland: Aesthetics, Politics, and the Colonial Sublime*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1996. *Transformations in Irish Culture*. Notre Dame, IN : University of Notre Dame Press.
- \_\_\_\_\_. 1991. "History, Art, and Romantic Nationalism in Ireland," in *Ideology and the Historians*, Ciaran Brady ed., Historical Studies XVII: Papers Read Before the Irish Conference of Historians, Trinity College Dublin 8-10 June 1989. Dublin: The Lilliput Press.
- Gislain, Jean-Jacques. 1999. "James Steuart: Economy and Population" in *The Economics of James Steuart*, Ramon Tortajada ed. London: Routledge, pp. 169-85.
- Goulet, Denis. 2006. *Development Ethics at Work: Explorations 1960-2002*. London: Routledge.
- Great Britain. 1705. *The Manuscripts of the House of Lords*. London: printed for HM Stationery office by Eyre and Spottiswoode, 1900.
- Greig, JYT. 1936. *The Letters of David Hume*. 2vols. Oxford: The Clarendon Press.
- Grijzenhout, Frans. 1992. "A Myth of Decline," in *The Dutch Republic in the Eighteenth Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Griswold, Charles L. 1999. *Adam Smith and the Virtues of Enlightenment*. New York: Cambridge University Press.
- Haakonssen, Knud. 1981. *The Science of a Legislator: The Natural Jurisprudence of Adam Smith and David Hume*. New York: Cambridge University Press.

- Halsband, Robert, ed. 1965. *The Complete Letters of Lady Mary Wortley Montagu*.  
Oxford: Clarendon Press.
- Hampson, Norman. 1963. *A Social History of the French Revolution*. 2 vols. London:  
Routledge.
- Harrington, James. 1977. *The Commonwealth of Oceana. The Political Works of  
James Harrington*, JGA Pocock, ed. Cambridge: Cambridge University Press.
- Heilbroner, Robert. 1973. "The Paradox of Progress: Decline and Decay in the '*Wealth  
of Nations*,'" *Journal of the History of Ideas*, 34: 2, 243-262.
- Henderson, G. 1908. *Lady Nairne and Her Songs*. Paisley: A. Gardner.
- Henry, Robert. 1771-75. *The History of Great Britain, from the First Invasion of It by  
the Romans under Julius Caesar*, 6 vols. London: T. Cadell. Eighteenth Century  
Collections Online. University of Notre Dame Library. Accessed online  
February 2006.
- Hodgson, Geoffrey. 2001. *How Economics Forgot History: The Problem of Historical  
Specificity in Economics*. London: Routledge.
- Hont, Istvan. 1983. "The Rich Country-Poor Country Debate in Scottish Classical  
Political Economy" in *Wealth and Virtue*, Hont and Ignatieff eds. Cambridge:  
Cambridge University Press.
- Hont, Istvan and Michael Ignatieff. 1983. "Needs and Justice in the Wealth of  
Nations: An Introductory Essay, in Hont and Ignatieff, eds. *Wealth and Virtue:  
The Shaping of Political Economy in the Scottish Enlightenment*. Cambridge:  
Cambridge University Press.
- Hook, M. and W. Ross. 1995. *The 'Forty Five: The Last Jacobite Rebellion*.  
Edinburgh: National Library of Scotland : HMSO.

- Hopfl, Henry. 1978. "From Savage to Scotsman: Conjectural History in the Scottish Enlightenment," *The Journal of British Studies*, 17(2): 19-40.
- Horner, Francis. 1806. "Playfair's Edition of the *Wealth of Nations*," *The Edinburgh Review*. 7 January 1806, 470-1.
- Hume, David. 1987. "Of the Refinement of the Arts," in *Essays, Moral, Political, and Literary*, Eugene F. Miller ed., Indianapolis: The Liberty Fund.
- \_\_\_\_\_. 1757. "Of the Standard of Taste," in *Four Dissertations*. London: Andrew Millar. Eighteenth Century Collections Online. University Library University of Notre Dame, 2005.
- Hume Brown, Peter. 1914. *The Legislative Union of England and Scotland*. Oxford: Oxford University Press.
- Hutchison, T.W. 1988. *Before Adam Smith: The Emergence of Political Economy 1662-1776*, Oxford: Basil Blackwell.
- \_\_\_\_\_. 1978. "The Keynesian Revolution and the History of Economic Thought," chapter 7 in *On Revolutions and Progress in Economic Knowledge*. Cambridge: Cambridge University Press.
- Insh, George Pratt, ed. 1924. *Darien Shipping Papers: Papers Relating to the Ships and Voyages of the Company of Scotland Trading to Africa and the Indies 1696-1707*. Edinburgh: Edinburgh University Press.
- Jacob, Margaret C. and Mijnhardt, Wijand W. 1992. "Introduction," in *The Dutch Republic in the 18th Century*, Jacob and Mijnhardt eds. London: Cornell University Press.
- Jameson, Fredric. 2002. *A Singular Modernity: An Essay on the Ontology of the Present*. London: Verso.



- Johnson, EAJ. 1937. *Predecessors of Adam Smith: the Growth of British Economic Thought*. Englewood Cliffs, NJ: Prentice Hall.
- Jones, Peter. 1983. "The Scottish Professoriate and the Polite Academy, 1720-1746," in *Wealth and Virtue: the Shaping of Political Economy in the Scottish Enlightenment*, Hont and Ignatieff eds. Cambridge: Cambridge University Press, pp. 89-117.
- Jongste, Jan. 1992. "The Resoration of the Orangist Regime in 1747: The Modernity of a 'Glorious Revolution,'" in *The Dutch Republic in the Eighteenth Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- JR. 1817. "Reply to the Article 'On Sitting Below the Salt, and the Stewarts of Allanton,' Vindication of the Accuracy of the Author of the Memorie of the Somervilles; with a Veritable Statement of the Original Ancestry of the Family of Allanton." *Blackwood's Magazine*. Vol 1, no. 4, August 1817, 476-483.
- Justman, Stewart. 1993. *The Autonomous Male of Adam Smith*. Norman: University of Oklahoma.
- Kippis, Andrew. 1842. *Memoir of Sir James Steuart Denham, Bart. of Coltness and Westshield* in the *Coltness Collections*, Edinburgh: Maitland Club, pp. 281-332.
- Karayianis, Anastassios D. 1994. "Sir James Steuart on the Managed Market," in *Economic Thought and Political Theory. Recent Economic Thought Series*, D. Reisman, ed. Dordrecht and Boston: Kluwer Academic, pp. 37-61.
- \_\_\_\_\_. 1991. "Sir James Steuart on Value and Prices." *Spoudai* 41(2):167-190.
- Kidd, Colin. 1996. "North Britishness and the Nature of Eighteenth-Century British Patriotisms," *The Historical Journal* 39: 2 (1996): 361-382.

- \_\_\_\_\_. 1993. *Subverting Scotland's Past: Scottish Whig Historians and the Creation of an Anglo-British Identity*. Cambridge: Cambridge University Press.
- Kobayashi, Jun. 2001. "Karl Knies's Conception of Political Economy: The Logical Status of *Analogie* and *Sitte*," in *The German Historical School: The Historical and Ethical Approach to Economics*, Y. Shionoya ed. London: Routledge.
- Kobayashi, Noboru. 1998. "The First System of Political Economy," in *An Inquiry into the Principles of Political Economy by Sir James Steuart*, A. Skinner ed. London: Pickering and Chatto, pp. lxix-xcix.
- \_\_\_\_\_. 1967. *James Steuart, Adam Smith, and Friedrich List*. Tokyo: Science Council of Japan, Division of Economics, Business, and Commerce.
- Koerner, Lisbet. 1999. *Linnaeus: Nature and Nation*. Cambridge: Harvard University Press.
- Kossmann, E. H. 1992. "The Dutch Republic in the Eighteenth Century," in *The Dutch Republic in the Eighteenth Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Kwass, Michael. 2004. "Consumption and the World of Ideas: Consumer Revolution and the Moral Economy of the Marquis de Mirabeau," *Eighteenth Century Studies*, 37(2), 187-213.
- Lai, Cheng Chung, ed. 2000. *Adam Smith across Nations: Translations and Receptions of the Wealth of Nations*. New York: Oxford University Press.
- Latour, Bruno. 1987. *Science in Action: How to Follow Scientists and Engineers Through Society*. Cambridge: Harvard University Press.

- Lenman, Bruce. 1982. "The Scottish Episcopal Clergy and the Ideology of Jacobitism," in E. Cruickshanks, ed. *Ideology and Conspiracy: Aspects of Jacobitism 1689-1759*. Edinburgh.: John Donald Publishers.
- \_\_\_\_\_. 1980. *Jacobite Risings in Britain 1689-1746*. Edinburgh: Holmes and Meier Publishers, Inc.
- Lockhart, Sir George of Carnwath. 1995. *Scotland's Ruine: Lockhart of Carnwath's Memoirs of the Union*, D. Szechi ed. Aberdeen: Association for Scottish Literary Studies.
- \_\_\_\_\_. 1714. *Memoirs concerning the affairs of Scotland from Queen Anne's accession to the throne, to the commencement of the union of the two kingdoms of Scotland and England, in May, 1707*. London: Booksellers of London and Westminster.
- Luzac, Elie. 1752. *Man More Than a Machine*. London: W. Owen. Eighteenth Century Collections Online. University of Notre Dame Library.
- Macfie, A.L. 1955. "The Scottish Tradition in Economic Thought," *Scottish Journal of Political Economy*, June 1955.
- MacInnes, Allan. 2001. "Union Failed, Union Accomplished: the Irish Union of 1703 and the Scottish Union of 1707," *Acts of Union: The Causes, Consequences and Contexts of the Act of Union*, Keogh and Whalen, eds.. Dublin: Four Courts Press.
- \_\_\_\_\_. 1999. "Scottish Jacobitism: In Search of a Movement," in Devine and Young, eds., *Eighteenth Century Scotland: New Perspectives*. East Linton: Tuckwell Press.
- Macmillan, Duncan. 1990. *Scottish Art, 1460-1990*. Edinburgh: Mainstream Publishers.

- “Manifesto of May 16, 1745.” 1974. *Great Britain: The Lion at Home*, Joel H. Wiener, ed. New York: Chelsea House, pp. 232-234.
- “Manifesto of October 10, 1745.” 1838. *A History of the Highlands and the Highland Clans, vol. III*. Glasgow: A Fullarton and Co.
- Mann, Alistair. 2004. “An Introduction to the Pre-1707 Parliament of Scotland.” Scottish Parliament Project, University of St Andrew’s. Accessed online May 2004.
- Manning, Susan. 2004. “Antiquarianism, the Scottish Science of Man, and the Emergence of Modern Disciplinarity,” in *Scotland and the Borders of Romanticism*, Duncan, Davis and Sorenson, eds. Cambridge: Cambridge University Press, pp. 57-76.
- Marcil, I. and K. Watanabe. 1999. “Bibliography,” in *The Economics of James Steuart*, R. Tortajada, ed. London: Routledge, pp. 297-317.
- Marx, Karl. 1978. *Capital: A Critique of Political Economy*, Volume I, New York: Penguin.
- McCloskey, Deirdre. 1998. *The Rhetoric of Economics*. Madison, Wis.: University of Wisconsin Press.
- McFerran, N. 2002. “A Jacobite Gazeteer,” *The Jacobite Heritage*. Accessed online April 2004.
- Meek, Ronald. 1958. “The Economics of Control Prefigured by Sir James Steuart,” *Science and Society*, 22(4), 289-305.
- Memoirs of the Life of Sir James and Lady Frances Steuart*. 1818. London: Greenock.
- Memorial for the Merchants, Traders, and Manufacturers of Glasgow*. 1777. Eighteenth Century Collections Online, University of Notre Dame Library.

- Mijnhardt, Wijand W. 1992. "The Dutch Enlightenment: Humanism, Nationalism, and Decline," in *The Dutch Republic in the 18th Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Mill, James. 1806. *Literary Journal* vol 1 1806, 228.
- Montes, Leonidas. 2003. *Adam Smith in Context: A Critical Reassessment of Some Central Components of His Thought*. Palgrave Macmillan.
- Mossner, Ernest Campbell and Ian Ross, eds. 1977. *The Correspondence of Adam Smith*. Oxford: Clarendon Press.
- Moulinas, Rene. 2000. "James Butler, second Duke of Ormonde in Avignon," in *The Dukes of Ormonde, 1610-1745*, T. Barnard and J. Fenlon, eds., pp. 255-262.
- Mulier, Eco Haitsma. 1992. "Between Humanism and Enlightenment: The Dutch Writing of History," in *The Dutch Republic in the 18th Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Muller, Jerry Z. 1993. *Adam Smith in His Time and Ours: Designing the Decent Society*. New York: Free Press.
- Mure, Elizabeth. 1787. Letter to Mrs Calderwood-Durham, 20 December 1787, in the Coltness Papers, University of Edinburgh Library Special Collections.
- Mure, William, ed. 1854. *Selections from the Family Papers Preserved at Caldwell*, Glasgow: The Maitland Club.
- Murphy, Antoin E. 1986. *Richard Cantillon: Entrepreneur and Economist*. New York: Oxford University Press.
- Murray, John of Broughton. 1898. *Memorials of John Murray of Broughton, sometime secretary to Prince Charles Edward, 1740-1747*. Edinburgh: T. and A. Constable for the Scottish History Society.

- Namier, Sir Lewis B. 1964. *The House of Commons, 1754-1790*. New York: Oxford University Press.
- National Library of Scotland. 2004. "Rare Books Important Acquisitions Directory." Accessed online June 2005.
- Nicholson, Eirwen E.C. 2003. "'Revirescit': The Exilic Origin of the Stuart Oak Motif," in *The Stuart Court in Rome*, E. Corp, ed. Hants: Ashgate, pp. 25-48.
- Niehans, Jurg. 1990. *A History of Economic Theory*. Baltimore : Johns Hopkins University Press.
- Norquay, Glenda and Gerry Smyth, eds. 2002. "Introduction: Crossing the Margins," in *Across the Margins: Cultural Identity and Change in the Atlantic Archipelago*. Manchester, Manchester University Press, pp. 1-10.
- O'Ciardha, Eamonn. 2002. *Ireland and the Jacobite Cause, 1685-1766: A Fatal Attachment*. Dublin: Four Courts Press.
- Ogilvy, James. 1705. Earl of Seafield. Letter to Sidney Godolphin, Lord Treasurer of England. April 4, 1705, in *Letters Relating to Scotland in the Reign of Queen Anne by James Ogilvy, First Earl of Seafield and Others*. Edinburgh: TA Constable.
- Oliphant, TL Kingston. 1870. *The Jacobite Lairds of Gask*. Edinburgh: Grampian Club.
- Ommer, Rosemary E. 1986. "Primitive Accumulation and the Scottish *clann* in the Old World and the New," *Journal of Historical Geography*, 12 (April 1986), 121-41.
- Ommer, Rosemary and Turner. 2004. "Informal Rural Economies in History." *Labour/LeTravail: Journal of the Candian Labour Studies Association*, 53. (Spring). 127-57.

- The Parliament of Great Britain. 1900-53. *Manuscripts of the House of Lords*. London: H. M. Stationery Office by Eyre and Spottiswoode.
- Paterson, William. 1924. "Report of Matters Relating to the Colony of Caledonia," in *The Darien Shipping Papers*, G.P. Insh, ed. Edinburgh: University Press for the Scottish History Society.
- Perelman, Michael. 2000. *The Invention of Capitalism: Classical Political History and the Secret History of Primitive Accumulation*. Raleigh Durham: Duke University Press, pp. 139-170.
- Pettit, Philip. 1997. *Republicanism: A Theory of Freedom and Government*. Oxford: Clarendon Press.
- Phillips, Mark Salber. 2000. *Society and Sentiment: Genres of Historical Writing in Britain, 1740-1820*. Princeton: Princeton University Press.
- Phillipson, Nicholas. 1993. "Propriety, Property, and Prudence." *The Varieties of British Political Thought: 1500-1800*. J Pocock et al., eds. Cambridge: Cambridge University Press, pp. 302-320.
- \_\_\_\_\_. 1983. "Adam Smith as Civic Moralist," in *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*, Hont and Ignatieff, eds.. New York: Cambridge University Press.
- Pickering, Andrew. 1992. *Science as Practice and Culture*. Chicago: Chicago University Press.
- Pittock, Murray. 2001. *Scottish Nationality*. London: Macmillan Palgrave.
- \_\_\_\_\_. 1998. *Jacobitism*. New York: St Martin's Press.
- \_\_\_\_\_. 1994. *Poetry and Politics in Eighteenth Century Britain and Ireland*. New York: Cambridge University Press.

- \_\_\_\_\_. 1991. *The Invention of Scotland: The Stuart Myth and the Scottish Identity, 1638 to the Present*. London: Routledge.
- Pocock, JGA. 1999. *Barbarism and Religion*. Vols I & II. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1993. "A Discourse of Sovereignty: Observations on the Work in Progress." *The Varieties of British Political Thought: 1500-1800*. J Pocock et al., eds. Cambridge: Cambridge University Press, 377-428.
- \_\_\_\_\_. 1992. "The Dutch Republican Tradition," in *The Dutch Republic in the 18th Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- \_\_\_\_\_. 1985. "Virtue, Rights, and Manners." *Virtue, Commerce, and History*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1983. "Cambridge Paradigms and Scotch Philosophers: a Study of the Relations between the Civic Humanist and the Civil Jurisprudential Interpretation of Eighteenth-Century Social Thought," in *Wealth and Virtue*, Hont and Ignatieff, eds., pp. 235-252.
- \_\_\_\_\_. 1977. "Oceana: Its Ideological Context." *The Political Works of James Harrington*. Cambridge: Cambridge University Press, pp. 15-42.
- \_\_\_\_\_. 1975. *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition*. Princeton: Princeton University Press.
- \_\_\_\_\_. 1965. "Machiavelli, Harrington, and English Political Ideologies in the Eighteenth Century." *William and Mary Quarterly* 22(4): 549-583.
- Poovey, Mary. 1998. *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society*. Chicago: University of Chicago Press.



- \_\_\_\_\_. 1995. *Making a Social Body: British Cultural Formation 1830-1864*. Chicago: University of Chicago Press.
- Prebble, John. 1970. *The Darien Disaster*. Hammondsworth, England: Penguin Books.
- Rae, John. 1895. *Life of Adam Smith*. New York: Augustus M. Kelley, reprinted 1965.
- Ramsay, John, of Ochtertyre. 1888. "Sir James Steuart," in *Scotland and Scotsmen in the Eighteenth Century*, edited by David Brown. Bristol: Thoemmes Press, reprinted 1996.
- Ramsay, Allan. 1762. *A Dialogue on Taste*. London, 2<sup>nd</sup> edition. Eighteenth Century Collections Online, University of Notre Dame Library.
- \_\_\_\_\_. 1753. *An Essay on Ridicule*. London: A. Millar. Eighteenth Century Collections Online, University of Notre Dame Library.
- Rao, V. and M. Walton, eds. 2004. *Culture and Public Action*. Stanford: Stanford University Press.
- Rashid, Salim. 1998. *The Myth of Adam Smith*. Cheltenham, UK: Edward Elgar.
- \_\_\_\_\_. 1992. "The Wealth of Nations and Historical Facts." *Journal of the History of Economic Thought* 14: 225-43.
- \_\_\_\_\_. 1986. "Smith, Steuart, Mercantilism: Comment," *Southern Economic Journal*, 52(3): 843-852.
- Redman, Deborah. 1997. *The Rise of Political Economy as a Science: the Methodology of the Classical Economists*. Cambridge, MA: the MIT Press.
- Redman, Deborah. 1996. "Sir James Steuart's Statesman Revisited in the Light of the Continental Influence," *Scottish Journal of Political Economy*, 43: 48-70.

- Reinert, Eric and Arno Daastol. 1998. "Exploring the Genesis of Economic Innovations: The Religious Gestalt-Switch and the Duty to Invent as Preconditions for Economic Growth," in *Christian Wolff and Law and Economics. The Heilbronn Symposium*, Backhaus, ed. New York: George Olms.
- Reynolds, Sir Joshua. 1772. *A Discourse Delivered to the Students of the Royal Academy, on the Distribution of the Prizes, December 10, 1771, by the President*. London: Thomas Davies. Eighteenth Century Collections Online, University of Notre Dame Library, University of Notre Dame.
- Robertson, John. 2005. *The Case for the Enlightenment: Scotland Naples 1680-1760*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 2000. "The Scottish Contribution to the Enlightenment," in *The Scottish Enlightenment: Essays in Reinterpretation*, P. Wood, ed. Rochester: University of Rochester Press, pp 37-62.
- \_\_\_\_\_. 1983. "The Scottish Enlightenment and the Civic Tradition," in *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*, Hont and Ignatieff, eds. Cambridge: Cambridge University Press.
- Roche, Daniel. 1998. *France in the Enlightenment*, trans. Arthur Goldhammer. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1994. *The Culture of Clothing: Dress and Fashion in the "Ancien Régime."* New York: Cambridge University Press.
- Register, John. 1995. *Louis XV and the Parlement of Paris, 1737-1755*. Cambridge: Cambridge University Press.

- Rorty, Richard. 2001. "The Continuity between the Enlightenment and 'Post-modernism,'" in *What's Left of the Enlightenment?*, Baker and Reills, eds. Stanford: Stanford University Press, pp 19-36.
- Ross, Ian Simpson. 1998. *On the Wealth of Nations: Contemporary Responses to Adam Smith*. Bristol: Thoemmes Press.
- \_\_\_\_\_. 1995. *The Life of Adam Smith*. Oxford: Clarendon Press.
- Rothschild, Emma. 2002. *Economic Sentiments: Adam Smith, Condorcet, and the Enlightenment*. Cambridge: Harvard University Press.
- Rouet, William. 1766. Letter to William Mure. 11 March 1766. Caldwell Papers, vol 2, W. Mure, ed. Glasgow: The Maitland Club.
- Sambrook, James. 1993. *The Eighteenth Century: The Intellectual and Cultural Context of English Literature, 1700-1789*. London: Longman Group UK Limited.
- Schama, Simon. 1981. "The Enlightenment in the Netherlands," in *The Enlightenment in National Context*, R. Porter and M. Teich eds., Cambridge: Cambridge University Press.
- Schmidt, James. 2000. "What Enlightenment Project," *Political Theory* 28 (2000): 734-57.
- Schumpeter, Joseph. 1961. *The Theory of Economic Development*. New York: Oxford University Press.
- \_\_\_\_\_. 1954. *A History of Economic Analysis*. New York: Oxford University Press.
- Scots Magazine*. 1741. Syllabus of Charles Mackie. vol. 3: 372-3.
- Scott, Jonathan. 2004. *Commonwealth Principles: Republican Writing of the English Revolution*. Cambridge: Cambridge University Press.

- Scott, Paul Henderson. 1994. *Andrew Fletcher and the Treaty of Union*. Edinburgh: Saltire Society.
- \_\_\_\_\_. 1979. *1707: The Union of Scotland and England*. Edinburgh: The Saltire Society.
- Scott, Sir Walter. 1887. *Chronicles of the Canongate*. London: A & C Black.
- Seeley, Sir John. 1883. *The Expansion of England*. London: Macmillan and Company.
- Sen, S.R. 1957. *The Economics of Sir James Steuart*. Cambridge: Harvard University Press.
- \_\_\_\_\_. 1947. "Sir James Steuart's General Theory of Employment, Interest and Money," *Economica*, 14:19-36.
- Senn, Peter. 1998. "What is the Place of Christian Wolff in the History of the Social Sciences?," in *Christian Wolff and Law and Economics. The Heilbronn Symposium*, J. Backhaus, ed. New York: Georg Olms.
- Sewall, Hannah R. 1901. *The Theory of Value before Adam Smith*. New York: Augustus Kelley, reprinted 1968.
- Shapiro, Michael J. 1993. *Reading "Adam Smith."* Newbury Park: Sage.
- Sharp, L. W. 1962. "Charles Mackie, the First Professor of History at Edinburgh University," *Scottish Historical Review*.
- Sharp, Richard. 1996. *The Engraved Record of the Jacobite Movement*. Aldershot, England: Aldgate Press.
- Shaw, John Stuart. 1999. *The Political History of Eighteenth-Century Scotland*. London: Macmillan Press.

- Shapin, Steven and Michael Schaeffer. 1985. *Leviathan and the Airpump: Hobbes, Boyle, and the Experimental Life*: including a translation of Thomas Hobbes, *Dialogus physicus de natura aeris* by Simon Schaffer. Princeton: Princeton University Press.
- Shaw, John Stuart. 1999. *The Political History of Eighteenth-Century Scotland*. London: Macmillan Press.
- Shennan, J.H. 1998. *The Parlement of Paris*. Gloucestershire: Sutton Publishing Limited.
- Sher, Richard B. 1985. *Church and University in the Scottish Enlightenment*. Princeton: Princeton University Press.
- “Sir James Steuart on the Causes of Human Multiplication.” 1998. *Population & Development Review* 24(1): 141-147.
- “Sketch of the Life of Sir James Steuart.” 1781. *The Gentleman’s Magazine*.
- Skidelsky, Robert. 1986. *John Maynard Keynes*. New York: Viking.
- Skinner, Andrew. 1999a. "Sir James Steuart and the Jacobite Connection" in *The Economics of Sir James Steuart*, R. Tortajada, ed. London: Routledge, pp. 1-23.
- \_\_\_\_\_. 1999b. “James Steuart: Aspects of Economic Policy,” in *The Economics of James Steuart*, R. Tortajada, ed. London: Routledge, pp. 139-150.
- \_\_\_\_\_. 1998. “Introduction: Biographical,” in *An Inquiry into the Principles of Political Economy by Sir James Steuart*, A. Skinner, ed. London: Pickering and Chatto, pp. xi-lxviii.
- \_\_\_\_\_. 1981. "Sir James Steuart: Author of a System," *Scottish Journal of Political Economy*, 1981, 28(1), pp. 20-42.

- \_\_\_\_\_. 1975. "Adam Smith: An Economic Interpretation of History." In *Essays on Adam Smith*, ed. Andrew S. Skinner and Thomas Wilson. Oxford: Clarendon Press.
- \_\_\_\_\_. 1966a. "Analytical Introduction," in *An Inquiry Into the Principles of Political Oeconomy* by Sir James Steuart, A. Skinner, ed. Chicago: University of Chicago Press.
- \_\_\_\_\_. 1966b. "Biographical Sketch," in *An Inquiry Into the Principles of Political Oeconomy* by Sir James Steuart, A. Skinner, ed.. Chicago: University of Chicago Press.
- \_\_\_\_\_. 1965. "Economics and the Problem of Method: An Eighteenth Century View," *Scottish Journal of Political Economy*, 12 (3), November 267-80.
- \_\_\_\_\_. 1963. "Sir James Steuart: International Relations," *Economic History Review*, 15: 438-50.
- \_\_\_\_\_. 1962. "Sir James Steuart: Economics and Politics," *Scottish Journal of Political Economy* 9: 17-37.
- Small, Albion. 1909. *The Cameralists: The Pioneers of German Social Polity*. New York: Franklin.
- Smith, Adam. 1997. *A History of Astronomy in The Scottish Enlightenment: An Anthology*. Alexander Broadie, editor. Edinburgh: Canongate Classics.
- \_\_\_\_\_. 1994. *The Wealth of Nations*, edited by Edwin Canaan. New York: The Modern Library Press.
- \_\_\_\_\_. 1982. *Lectures on Jurisprudence*, ed. by RL Meek, DD Raphael, and PG Stein. Indianapolis: Liberty Fund.
- \_\_\_\_\_. 1976. *The Theory of Moral Sentiments*. Oxford: Clarendon Press.

- Smout, TC. 1983. "Where Had the Scottish Economy Got to by the Third Quarter of the 18th Century?," in *Wealth and Virtue*, Hont and Ignatieff, eds. Cambridge: Cambridge University Press, 45-72.
- \_\_\_\_\_. 1964. "The Anglo-Scottish Union of 1707. I. The Economic Background." *The Economic History Review*, New Series, 16: 3, 455-467.
- \_\_\_\_\_. 1963. *Scottish Trade on the Eve of Union, 1660-1707*. Edinburgh: Oliver & Boyd.
- Snelders, HAM. 1992. "Professors, Amateurs, and Learned Societies: The Organization of the Natural Sciences" in *The Dutch Republic in the 18th Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Stettner, W.F. 1945. "Sir James Steuart on the Public Debt," *Quarterly Journal of Economics* 59: 451-76.
- Steuart, Lady Frances Wemyss. 1785. Memoir. Unpublished, Special Collections, University of Edinburgh Library, University of Edinburgh.
- Steuart, Sir James. Lord Advocate. 1708. Letter from Sir James Steuart to James Ogilvy, Earl of Seafield, Edinburgh, March 2<sup>nd</sup>, 1708 in *Seafield Correspondence from 1685 to 1708*, J. Grant ed.. Edinburgh: T and A Constable for the Scottish History Society, 1912.
- \_\_\_\_\_. 1689. *Salus Populi Suprema Lex or The Free Thoughts of a Well-Wisher for a Good Settlement in a Letter to a Friend*, microfilm 1071, reel 801, item 15, University of Notre Dame Library.
- \_\_\_\_\_. 1688. "Some Extracts out of Mr James Stewart's which were Communicated to Myn Heer Fagel, the States Pensionary of the Province of Holland." Microfilm 1071, reel 515, item 28. University of Notre Dame Library.

- \_\_\_\_\_. 1675. *An Account of Scotland's Grievances by Reason of the Duke of Lauderdale's Ministrie, Humbly Tendered to His Sacred Majestie*. Microfilm. University of Notre Dame Library.
- \_\_\_\_\_. 1669. *Ius Populum Vindicatum, or, the People's Right to Defend Themselves and Their Covenanted Religion Vindicated*. London. Microform. University of Notre Dame Library.
- \_\_\_\_\_. 1667. *Naphtali, or, The Wrestlings of the Church of Scotland for the Kingdom of Christ*. Microform. University of Notre Dame Library.
- Steuart, Gen. James, ed. 1967. "Anecdotes on the Life of Sir James Steuart of Coltness, Bart." in *Works*, New York: Augustus M. Kelley Publishers.
- Steuart, Sir James. 1966. *An Inquiry into the Principles of Political Oeconomy*. Chicago: University of Chicago Press.
- \_\_\_\_\_. 1805. *The Works, Political, Metaphysical, and Chronological of Sir James Steuart*, in six volumes, New York: Augustus M. Kelley Publishers, reprinted 1967.
- \_\_\_\_\_. 1779. *Critical Remarks and General Observations upon a Book Entitled System of Nature, by M. de Mirabaud*, reprinted in *Works*, vol 5. 1805
- \_\_\_\_\_. 1770. *An Inquiry Into the Principles of Political Economy*. Dublin: James William and Richard Moncrieff. Eighteenth Century Collections online.
- \_\_\_\_\_. 1769. *Considerations on the Interest of the County of Lanark*. Glasgow. Eighteenth Century Collections Online, University of Notre Dame Library.



- \_\_\_\_\_. 1767. *An Inquiry Into the Principles of Political Economy: Being an Essay on the Science of Domestic Policy in Free Nations*. London: A Millar and T. Cadell. Eighteenth Century Collections Online. University of Notre Dame Library.
- \_\_\_\_\_. 1761. *A Dissertation Upon the Principles of Money Applied to the German Coin*, Tübingen, reprinted in *Works*, vol. 5, 171-265.
- \_\_\_\_\_. 1759. *A Dissertation on the Policy of Grain, with a View to a Plan for Preventing Scarcity or Exorbitant Prices in the Common Markets of England*. London: W. Strahan and T. Cadell. Eighteenth Century Collections Online. University Libraries of Notre Dame, University of Notre Dame.
- \_\_\_\_\_. 1757. *A Vindication of Newton's Chronology*, orig. published as *Apologie du Sentiment de Monsieur le Chevalier Newton sur l'Ancienne Chronologie des Grècs, Contenant des Réponses à Toutes les Objections qui y ont été Faites Jusqu'à Présent*, Frankfurt, reprinted in *Works*, vol. 6, 91-318.
- \_\_\_\_\_. 1749. Letter to King James. 7 January 1749, Angouleme. Stuart Papers at Windsor, vol 296, item 59. Microfilm.
- \_\_\_\_\_. 1746. Letter to King James. 23 May 1746, Paris. Stuart Papers at Windsor. vol. 274, item 139. Microfilm.
- \_\_\_\_\_. 1743. Letter to Lady Sutherland. 23 August 1743, Edinburgh. *Coltness Manuscripts*, special collections, University of Edinburgh.
- \_\_\_\_\_. 1740. Letter from Steuart to James Edgar. 14 January 1740, Rome. Stuart Papers at Windsor, vol. 223, item 45. Microfilm.

- \_\_\_\_\_. 1737. Letter to Thomas Calderwood of Polton. Seville, 5 March 1737.  
Reprinted in *Original Letters from the Rt. Hon. Lady Mary Wortley Montagu to Sir James and Lady Frances Stuart* (1818). University of Glasgow.
- Steuart, Margaret Calderwood. 1842. *Narrative*, in the *Coltness Collections*,  
Edinburgh: The Maitland Club.
- Stewart, Dugald. 1854-60. *The Works of Dugald Stewart*, Sir William Hamilton ed.,  
vol 9. Edinburgh: T Constable.
- \_\_\_\_\_. 1793. *Biographical Memoir of Adam Smith*. New York: Augustus Kelley  
Publishers, reprinted 1966.
- Stone, Andrew. 1746. "Examination of John Murray of Broughton, Esq. in the County  
of Peebles." 13 August 1746, in Bell, ed. *Memorials of Murray of Broughton*  
1898, pp. 422-36.
- Stuart, James III. 1746. Letter from Rome, 14 January 1746, in the Stuart Papers at  
Windsor, vol 272, letter 18. Microfilm.
- Szechi, Daniel. 1997. "Constructing a Jacobite: The Intellectual and Social Origins of  
George Lockhart of Carnwath," *The Historical Journal* 40(4): 977-996.
- Tamura, Shin'ichi. 2001. "Gustav von Schmoller and Werner Sombart: A Contrast in  
the Historico-Ethical Method and Social Policy," in *The German Historical  
School: The Historical and Ethical Approach to Economics*, Y. Shionoya, ed.  
London: Routledge.
- Taylor, A. and Henrietta. 1939. *The Stuart Papers at Windsor; Being Selections from  
Hitherto Unprinted Archives*. New York: E. P. Dutton.
- Taylor, G. and A. Skinner. 1776. "The Road from Edinburgh to Glasgow," in  
*Survey and Maps of the Roads of North Britain*. Edinburgh.

- Taylor, W.L. 1957. "A Short History of Sir James Steuart: Political Economist," *South African Journal of Economics*, 25: 290-292.
- Teichgraber, Richard F. III. 1987. "‘Less Abused than I had Reason to Expect’: The Reception of the *Wealth of Nations* in Britain, 1776-90," *The Historical Journal*, 30 (2): 337-366.
- \_\_\_\_\_. 1986. *“Free Trade” and Moral Philosophy: Rethinking the Sources of Adam Smith’s Wealth of Nations*. Durham: Duke University Press.
- Thorpe, Victoria. 2003. "Mysterious Jacobite Iconography," in *The Stuart Court in Rome: The Legacy of Exile*, E. Corp, ed. Hants, England: Aldershot, pp. 95-110.
- Thomasson, Katherine. 1958. *The Jacobite General*. Edinburgh: Blackwood.
- Tortajada, Ramon, ed. 1999. *The Economics of James Steuart. Studies in the History of Economics, vol. 26*. London and New York: Routledge.
- Tribe, Keith. 1999. "Adam Smith: Critical Theorist?" *Journal of Economic Literature*, 37: 609-32.
- \_\_\_\_\_. 1988. *Governing Economy : The Reformation of German Economic Discourse*. New York: Cambridge University Press.
- \_\_\_\_\_. 1981. *Genealogies of Capitalism*. Atlantic Highlands, NJ: Humanities Press.
- \_\_\_\_\_. 1978 *Land, Labor, and Economic Discourse*. London: Routledge.
- Urquhart, Robert. 1999. "Steuart's Method: Aristotelian Political Economy," in *The Economics of Sir James Steuart*, R. Tortajada, ed. London: Routledge.
- \_\_\_\_\_. 1996. "The Trade Wind, the Statesman, and the System of Commerce: Sir James Steuart's Vision of Political Economy," *European Journal of the History of Economic Thought*, 3:379-410.

- Vauban, Marechal de. 1707. *Projet Dixieme Royale*. Eighteenth Century Collections Online. University Libraries of Notre Dame, University of Notre Dame.
- Velema, Wyger R.E. 1992. "Elie Luzac and Two Dutch Revolutions: The Evolution of Orangist Political Thought," in *The Dutch Republic in the Eighteenth Century*, Jacob and Mijnhardt, eds. London: Cornell University Press.
- Wemyss, Alice. 1988. "Lord Elcho and the '45," in L. Scott Moncrieff ed. *The '45: To Gather an Image Whole*. London: Mercat Press.
- West, E.G. 1996. *Adam Smith into the TwentyFirst Century*. Cheltenham, UK: Edward Elgar.
- \_\_\_\_\_. 1976. *Adam Smith: The Man and His Works*. Indianapolis: Liberty Press.
- Whaley, Joachim. 1981. "The Protestant Enlightenment in Germany," in *The Enlightenment in National Context*, R. Porter and M. Teich eds., Cambridge: Cambridge University Press, 1981.
- Whately, Christopher A. 2001. *Bought and Sold for English Gold?: Explaining the Union of 1707*. East Linton: Tuckwell Press.
- \_\_\_\_\_. 1998. "The Union of 1707," in *Modern Scottish History: 1707 to the Present*. East Linton: Tuckwell Press, pp. 1-22.
- Wiener, J. H., ed. 1974. *Great Britain: The Lion at Home*. New York: Chelsea House.
- Willis, Kirk. 1979. "The Role in Parliament of the Economic Ideas of Adam Smith," *History of Political Economy* 11:505-44.
- Winch, Donald. 1996. *Riches and Poverty: An Intellectual History of Political Economy in Britain, 1750-1834*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 1992. "Adam Smith: Scottish Moral Philosopher as Political Economist," *The Historical Journal*, 35:1, 91-113.

- \_\_\_\_\_. 1983a. "Adam Smith's 'Enduring Particular Result'" in Hont and Ignatieff.
- \_\_\_\_\_. 1983b. "Science and the Legislator: Adam Smith and After." *The Economic Journal*, 93, 501-520.
- \_\_\_\_\_. 1978. *Adam Smith's Politics: An Essay in Historiographic Revision*. New York: Cambridge University Press.
- Wood, P. 2000. "Introduction: Dugald Stewart and the Invention of the Scottish Enlightenment," in *The Scottish Enlightenment: Essays in Reinterpretation*, P. Wood, ed. Rochester: University of Rochester Press, pp. 1-35.
- \_\_\_\_\_. 1994. "Science, the Universities, and the Public Sphere in Eighteenth-Century Scotland," *History of Universities*, 13: 99-132.
- Yang, Hang-Seok. 1999. "James Steuart's Macroeconomic Analysis of Money, Price, and Output," in *The Economics of James Steuart*, R. Tortajada, ed. London and New York: Routledge, pp. 275-296.
- \_\_\_\_\_. 1994. *The Political Economy of Trade and Growth: An Analytical Interpretation of Sir James Steuart's Inquiry*. Aldershot, UK: Edward Elgar.
- Young, Jeffrey. 1997. *Economics as a Moral Science: The Political Economy of Adam Smith*. Cheltenham: Edward Elgar.
- Young, JR. 1999. "The Parliamentary Incorporating Union of 1707: Political Management, Anti-Unionism and Foreign Policy," in *Eighteenth Century Scotland: New Perspectives*, Young and Devine, eds. East Linton, Scotland: Tuckwell Press, pp. 24-52.