

daughter—the son's shares to go equally and the daughter's shares to form a common fund subject to mother's appointment amongst daughters and their issue. With farmers, unless there be a son of age and designated by the father by having him joined with father in management of farm, farm to go to widow until youngest son attains twenty-one, then to the son that she shall select, or if there be only daughters, in like event to the daughter that she shall select. When widow thus displaced by child in such succession, to have her room, furniture thereof, and maintenance; and other children to have house-room and maintenance till twenty-one, and their portions.

In the case of professional men and all those living by salary and wages, the statute of distributions, as modified by the old custom of the province of York, would probably be found the most satisfactory.

Such is an outline of the solution of the question of succession which I would venture to submit. As wills are all registered and settlements are all prepared by professional men, it would not require any amount of research too large, having regard to the importance of the subject, to place beyond doubt the different facts necessary for legislation—what was in fact the usual disposition of the four classes I have pointed out—at what figure of annual value, whether £300, or more or less, the limit between farmer, proprietor, and landed gentry should be drawn—how to deal with the cases of persons partly capitalists, and partly professional men or living on salaries.

Again, the working of the law of legitim in Scotland should be carefully examined as a basis of an ultimate assimilation of the Scotch and English law of succession.

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XI.—On (1) the Value of Adam Smith's "*Wealth of Nations*," as a text book at the present day; and (2) the History of his Life as an illustration of the importance of Endowments for Higher Education and for research. By W. Neilson Hancock, LL.D.

[Read 25th June, 1878.]

As this Society took its origin in part from the section of Economic Science and Statistics of the British Association, it occurred to me that it would be fitting to close the session with an economic paper, showing that though Irishmen took no prominent part in the compliment so recently paid to Adam Smith, his writings are as thoroughly appreciated here as elsewhere.

The systematic teaching of economic science in Trinity College, in each of the Queen's Colleges, in the National Schools, and under the Barrington Lecture Trust, has produced a state of opinion highly favourable to progressive study of economic science.

As evidence of this, I need only refer to prizes in connexion with the Barrington lectures, amounting to £10, voluntarily raised by the Cork Literary and Scientific Society, the cost of gold medal, and £6

for additional prizes, raised by the Dublin Mercantile Clerks' Association, and other sums contributed by the Church of Ireland Young Men's Christian Association, and National Model School at Limerick.

The *Wealth of Nations* was published in 1776, exactly one hundred and two years ago, and when the centenary of its publication came round, it received a compliment, which, so far as I know, is unique in the history of books. The centenary of its publication was celebrated by the Political Economy Club in London, at a meeting over which so distinguished a man as Mr. Gladstone presided, and at which the Finance Minister of France, M. Leon Say, grandson of the great French Economist, and M. Emile de Lavelaye, the Belgian economist, attended. Mr. Lowe, M.P., was the first speaker. His eulogy on Adam Smith is very marked.

"I think," he says, "Adam Smith is entitled to the merit, and unique merit of all men who ever lived in this world, of having founded a deductive and demonstrative science of human actions and conduct."

Of the *Wealth of Nations* he speaks as indicating a remarkable faculty of exposition in the author, which gains a great deal from being clothed in beautiful language. He adds:—

"If you consider Adam Smith in his literary character, as perhaps the very best or almost the best prose writer in the English language."

Thus a writer in the *Economist* says:—

"Many persons are deterred from reading the *Wealth of Nations* by the dullness of the modern books on political economy; but most of it consists of some of the most striking and graphic writing in the language."

Another writer notices the educational characteristics of the book:—

"Teaching like Adam Smith's, imperfect and extern as from its method it is, vitally changes the minds and maxims of thousands, to whom an abstract treatise is intolerable."

Whilst I was always a devoted admirer of Adam Smith, I have thought it right to supplement my views by the authorities I have quoted.

Besides his scientific and literary merits, his book has another charm—it is the book of a man of wide thought and study. He wrote a book that would have made a reputation for any other man, on the *Theory of Moral Sentiments*. This led to another characteristic of his writings, which has been thus described:—

"He was indeed full of humanity. In all his speculations he never loses sight of any class, and least of all that most numerous array of labourers, who form the bulk of the population of all civilized communities."

In the preface to the *Theory of Moral Sentiments*, published many years previous to his *Wealth of Nations*, he gives an account of what he had in his mind to write—embracing, it will be seen, outside political economy, the whole science of jurisprudence. That work he did not complete. His words are:—

"I shall in another discourse endeavour to give an account of the general principles of law and government, and of the different revolutions they have undergone in the different ages and periods of society—not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law."

The fact that he had thought out two such large cognate branches of human science, as moral philosophy and jurisprudence, is what adds such extraordinary value to his book. He treats economic science always as a part, and not as the whole of the scientific considerations connected with human affairs.

He is thus not what we hear some modern writers described—a mere economist. This breadth of view gives value to the modifications of the various principles to which he calls attention. This also is what I think prevents his book being too exclusively deductive, and gives it the happy combination of induction from facts, and deduction from principles once established, which is so appropriate to the subject. Professor Rogers describes him thus:—

“He is the one man who least of all started from hypothetical theories, and therefrom developed political economy from the depths of his own consciousness. On the contrary, he always appeals to facts, and he forms inductions from the theories at which he arrives.”

Having said thus much to interest you in the book itself, and in Adam Smith’s capacity and method of treatment, I next come to trace its effect in laying the foundations of economic science.

The first point he directs attention to is the extraordinary results to be obtained from the division of labour. From this simple principle, so self-evident when attention is called to it, he proceeds to show the extraordinary value of well-directed labour, in the work of production. From the same elementary principle springs one powerful argument for free trade, which has been well described as the territorial division of labour.

His method of arriving at his principles by observations could not be better illustrated than by the simple case which he takes. He mentions a small pin manufactory which he had seen, where only ten persons were employed, and therefore some performed two or three operations. These poor labourers, rather indifferently supplied with machinery, made 48,000 pins a day, or 4,800 a day each. He adds:—

“But if they had all wrought separately and independently, and without any of them having been educated to this particular trade, they certainly would not each have made twenty, perhaps not one, pin in a day; that is, certainly not the two hundred and fortieth, and perhaps not the four thousand eight hundredth part of what they are at present capable of performing, in consequence of a proper division and continuation of their different operations.”

Having arrived at his principle by so simple a set of observations, he then proceeds to generalize:—

“In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one, though in many of them the labour can neither be so much subdivided nor reduced to so great a simplicity of operation.”

Having established division of labour, he proceeds to show that it enters as a component element in the price of all commodities.

Having thus raised labour to its true and natural place in the part of production, he then proceeds to lay down some admirable maxims as to the care and treatment of the labourer:—

“The common complaint that luxury extends itself even to the lowest ranks of the people, and that the labouring poor will not now be contented

with the same food, clothing, and lodging which satisfied them in former times, may convince us that it is not the money price of labour only, but its real recompense, which has augmented."

He then considers an objection to the people being better off :—

"Is this improvement in the circumstances of the lower rank of the people to be regarded as an advantage or an inconvenience to society? The answer seems at first sight abundantly plain—servants, labourers, and workmen of different kinds make up the far greater part of every political society. But what improves the greater part can never be regarded as an inconvenience to the whole.

"No society can surely be flourishing or happy in which the far greater part of the members are few and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged."

At the centenary celebration of the *Wealth of Nations*, Mr. Gladstone took this as the key-note for estimating the effects of a century of such teaching.

"I hold," he says, "that the great glory of the science of which we look upon Adam Smith as the founder, is not that it has made a number of rich men richer than they were before, nor made men rich who formerly were poor, but that it has mastered the beneficial and blessed secret of mitigating the state of those who were in hard and biting circumstances, and of giving comfort and even reasonable abundance—not to scores, or hundreds, or thousands, but—to millions to whom before their outward life was a burden."

Amongst the circumstances that made life a burden, not the least was the existence of slavery; and, to Adam Smith's credit, it must be borne in mind that he laid down these wise, good, and humane principles as to human labour, in that part of the *United Kingdom* where slavery existed during the entire time, he lectured as a professor, and during the greater part of the time he was writing his book. M'Culloch, in his notes to Adam Smith, shows it was only one year before the *Wealth of Nations* was published, that the Imperial Parliament attempted to grapple with a form of slavery that existed in Scotland under an old Scotch law, amongst the colliers, coal-heavers, salters, and all individuals employed in collieries and salt-works. They were bound to perpetual service at the works to which they belonged. They had so feeble rights at home, that they were frequently transported on board vessels for America and the West Indies, and in some of the early publications on the Anti-Slavery question we find accounts of sales in the slave colonies, of negroes and Scots. It was not until 1799 that this slavery was finally terminated in Scotland; and to this day there are in the parts of Scotch laws and institutions that differ from the English some traces of remnants of the institution of slavery, such as parts of the marriage law, the poor-law as to able-bodied, and the bothy system of housing farm-labourers.

While Adam Smith's writings contributed to the extinction of slavery in his native land, he laid down two principles as to slave labour that had a very powerful effect upon the great struggle which is the glory of our modern civilization since his time—the abolition of slavery.

In his analysis of the division of labour, he showed that one of the principles to which it owes its success is the invention of machinery, and then he makes the shrewd observation that slaves are not inventive :—

“Slaves,” he says, “however, are very seldom inventive, and all the most important improvements, either in machinery or in the arrangement and distribution of the work which facilitate and abridge labour, have been the discoveries of freemen. Should a slave propose any improvements of this kind, his master would be very apt to consider the proposal as the suggestion of laziness, and of a desire to save his own labour at his master’s expense. The poor slave, instead of reward would probably meet with much abuse, perhaps with some punishment. In the manufactures carried on by slaves, therefore, more labour must generally have been employed to execute the same quantity of work than in those carried on by freemen. The work of the former must, upon that account, generally have been dearer than that of the latter.”

He follows this view up with a statement of further reasons of the real costliness of slave labour :—

“The experience of all ages and nations I believe demonstrates that the work done by slaves, though it appears to cost only their maintenance, is in the end the dearest of any. A person who can acquire no property, can have no other interest but to rest as much and to labour as little as possible. Whatever work he does beyond what is sufficient to purchase his own maintenance, can be squeezed out of him by violence only, and not by any interest of his own.”

He then proceeds to show how slavery rested not on any sound economic view of human affairs, but upon arbitrary selfishness :—

“The pride of man makes him love to domineer, and nothing mortifies him so much as to be obliged to condescend to persuade his inferiors. Wherever the law allows it, and the nature of the work can afford it, therefore, he will generally prefer the services of slaves to that of freemen.”

While the subsequent struggle of the movement for the abolition of slavery has verified the principles here laid down, emancipation in the British colonies was only carried after a long agitation, and by large compensation to the slave-owners. In America, where the people could not see the wisdom of compensation, they had to spend in the civil war far more than the compensation would have cost.

In Brazil emancipation has been carried for the future, by only emancipating those born after a certain day.

In Russia serfdom has been terminated by the present Emperor. But slavery still prevails in Cuba, through a large part of Africa, and of Asia.

The slow progress of abolition is thus a verification of the truths which Adam Smith so early pointed out.

The part of the *Wealth of Nations* which brought him the most lasting fame, was what he wrote on free-trade. From the adoption of a protectionist policy by Great Britain at the close of the French war, one of the most famous political contests of the present century was that initiated for the repeal of the Corn-laws. The two champions of the Anti-Corn-law League were Cobden and Bright—names that have ever since filled the public mind. Sir Robert Peel, after struggling against the agitation, gave way in 1846, and carried free trade—breaking up a powerful party by doing so.

This was a remarkable contest, engaging all the foremost minds in Great Britain from 1838 to 1846.

This, you will observe, was more than sixty years after the *Wealth of Nations* was published, and how does Mr. Lowe at the centenary describe this contest? Referring to the abolition of the corn-laws he says:—

“It was after a severe struggle, in which Adam Smith really found all the arguments.”

What greater evidence of influence sixty years after a man's death could there be than this!

Another subject he treated with great ability was the just treatment of colonies; and had his work appeared ten years earlier, it might have checked the feelings which produced the American War. But its publication was only contemporaneous with the Declaration of Independence of the United States, and the two countries were at war in the year in which it appeared.

Upon the subject of taxation he laid down some simple rules that have ever since had great authority.

While he dealt with these large questions, the smaller questions do not escape his notice. We have to the present time hard cases of poor-removals, though great steps have been taken to mitigate the evil. In his day the law was still more severe—allowing people to be removed for fear they might become destitute; and he thus treats the subject:—

“To remove a man who has committed no misdemeanour, from the parish where he chooses to reside, is an evident violation of natural liberty and justice. The common people of England, however so jealous of their liberty, but like the common people of most other countries never rightly understand where it consists, have now for more than a century together suffered themselves to be exposed to this oppression without a remedy. Though men of reflection have sometimes complained of the law of settlements as a public grievance, yet it has never been the object of any general popular clamour, such as against general warrants—an abusive practice undoubtedly, but such a one was not likely to occasion any general oppressions. There is scarce a poor man in England of forty years of age, I will venture to say, who has not in some part of his life felt himself most cruelly oppressed by this ill-contrived law of settlement.”

Another century has elapsed, and although the writings of Adam Smith have long since contributed to have that part of the law he objected to repealed, still how to frame a uniform law of poor removal and make provision that the relation of the destitute to the state may be the same in all parts of the United Kingdom, is one of the problems of economic science still under discussion and consideration.

When the Irish question came to be carefully examined after the famine, on principles of economic science, one of the difficulties was a number of prevalent opinions that seemed to preclude all hope of a remedy. One of these was that there was no hope for a nation that lived on potatoes. Another was that the cheapness of the food was a cause of the poverty. We found, however, both these subjects anticipated by the investigations of Adam Smith. Thus he says:—

“The improvements of agriculture, too, introduce many sorts of vegetable food, which, requiring less land and not more labour than corn, come

much cheaper to the market. Such are potatoes, and maize or what is called Indian corn—the two most important improvements which the agriculture of Europe—perhaps which Europe itself—has received from the great extension of its commerce and navigation.”

As to the cheapness of food and its effect on wages, he says :—

“Oatmeal, indeed, supplies the common people of Scotland with the greatest and best part of their food, which is in general much inferior to that of their neighbours of the same rank in England. This difference, however, in the mode of their subsistence is not the cause, but the effect of the difference of their wages, though by a strange misapprehension I have frequently heard it represented as the cause. It is not because one man keeps a coach, while his neighbour walks afoot, that the one is rich and the other poor ; but because the one is rich he keeps a coach, and because the other is poor he walks afoot.”

The extremely accurate and shrewd observations which Adam Smith made of human affairs, is one of the elements to which he owes his success as an economist. His comparison between the intelligence of a small farmer and that of an artizan is interesting in itself ; it is, besides, a very good illustration of his style :—

“Not only the art of the farmer, the general direction of the operations of husbandry, but many inferior branches of country labour, require much more skill and experience than the greater part of mechanic trades. The man who works upon brass and iron, works with instruments and upon materials of which the temper is always the same, or very nearly the same. But the man who ploughs the ground with a team of horses or oxen, works with instruments of which the health, strength, and temper are very different upon different occasions. The condition of the materials which he works upon, too, is as variable as that of the instruments that he works with, and will require to be managed with much judgment and discretion. The common ploughman, though generally regarded as the pattern of stupidity and ignorance, is seldom defective in this judgment and discretion. He is less accustomed to social intercourse than the mechanic who lives in a town. His voice and language are more uncouth and more difficult to be understood by those who are not used to them. His understanding, however, being accustomed to consider a great variety of objects, is generally much superior to that of the other, whose whole attention from morning to night is commonly occupied in performing one or two very simple operations. How much the lower ranks of the people in the country are really superior to those, is well known to every man whom either business or curiosity has led to converse much with both.”

Some of the commentators on the *Wealth of Nations* have questioned this as true at the present day. I have quoted this passage, however, not as necessarily true for all time ; but those who question it should submit to the test Adam Smith lays down—the opinion of people whom either business or curiosity has led to converse *much with both*.

His appreciation of the agriculturists as a class is carried out into a just estimate of the value of the improvements they effect. The passage which closes Book III.—on the different progress of opulence in different nations—bears upon this point, and is a good sample of his style :—

“The ordinary revolutions of war and government easily dry up the sources of that wealth which arises from commerce only. That which arises from the more solid improvements of agriculture is much more durable, and cannot be destroyed but by those more violent convulsions occasioned by the depredations of hostile and barbarous nations, continued

for a century or two together—such as those that happened for some time before and after the fall of the Roman Empire in the western provinces of Europe.”

If an illustration was wanted of the truth enunciated here, the rapid recovery of France after the Franco-German War of 1870 would afford the illustration.

The conception by Adam Smith of the effect of stable and just laws on national prosperity is stated in the following passage. In answering those who ascribed the prosperity of England to a system of bounties long since abolished, he said :—

“That security which the laws of Great Britain give to every man—that he shall enjoy the fruits of his own labour—is alone sufficient to make any country flourish, notwithstanding there are twenty other absurd regulations of commerce ; and this security was perfected by the Revolution [of 1688], much about the same time that the bounty was established. The natural effort of every individual to better his own condition, when suffered to exert itself with freedom and security, is so powerful a principle, that it is alone, without any assistance, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions with which the folly of human laws too often encumber its operations, though the effect of these obscurities is always more or less either to encroach upon its freedom or to diminish its security. In Great Britain industry is perfectly secure, and though it is far from being perfectly free, it is as free or freer than in any other part of Europe.

Having given such an account of the *Wealth of Nations*, I may sum up this part of my subject with the judgment of Sir James Mac-kintosh of its effects :—

“It is, perhaps, the only book which produced an immediate, general, and irrevocable change in some of the most important parts of the legislation of all civilized nations.”

The account of such a book naturally raises a curiosity as to the biography of the author—who was Adam Smith, and by what system of training were such varied accomplishments of mind produced? Adam Smith was born at Kirkaldy, on the Frith of Forth, which, from a place of considerable importance in Charles I.'s time, had, in the middle of the last century, sunk to the position of having two ferry-boats and one coasting-vessel. How small it was may be estimated by the fact, that notwithstanding a considerable increase of population since 1763, at the end of a century it only reached 10,800. Of this small port Adam Smith's father was comptroller of customs. His start in life commenced with the affliction of having lost his father by death a few months before he was born. He was thus thrown on a mother's care alone. His constitution during infancy is said to have been extremely infirm and delicate, and required all the anxious attention of his mother, who treated him with the greatest indulgence. This did not, however, produce any unfavourable effect on his temper or disposition, and he repaid the fond solicitude of his parent by every attention that filial gratitude and affection could dictate during the long period of sixty years. He only survived his mother six years. Their long companionship presents a specimen of one form of family life—mother and son. It is described that he declined in health by grief and vexation at her death.

The tranquil, refined, and happy domestic life that he enjoyed was



most favourable to his devoting his undivided attention from his 43rd to his 53rd year in composing the *Wealth of Nations*.

The modest opinion he had of his own natural gifts, and the extent to which he ascribes his success to education, is indicated in a singular passage in the *Wealth of Nations* :—

“The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions when grown up to maturity, is not upon many occasions so much the cause as the effect of the division of labour. The difference between the most dissimilar characters—between a philosopher and a common street porter for example—seems to arise not so much from nature as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were very much alike, and neither their parents nor their playfellows could perceive any remarkable difference. About that age, or soon after they came to be employed in different occupations, the difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarcely any resemblance.”

When he was able to achieve so much, and when he himself ascribes his success to the benefits he enjoyed, it becomes of some importance to trace what those benefits were. The town where he was born, though a small Royal burgh of less than 10,000 inhabitants, had its grammar or intermediate school—no doubt, one of those burgh schools for which Scotland is celebrated, and which have contributed so much to the progress and success of the Scotchmen of the middle classes.

He entered the University of Glasgow at the early age of fourteen. The absence of a matriculation examination, and the absence of compulsion to take more classes in a year than a student was prepared for, and the freedom to select the order in which the classes may be kept, affords the maximum of encouragement to young students, and to those of slender means. At Glasgow he obtained an exhibition on the “Snell” foundation, which enabled him to pursue his studies in the University of Oxford, where he continued till he was twenty-four. When he was twenty-five he commenced his career as a lecturer; at twenty-eight he was appointed Professor of the University of Glasgow. When he was forty-one, or at the very prime of life, he was appointed tutor to the Duke of Buccleugh. He travelled with his noble pupil on the Continent for upwards of two years—one of which he spent in Paris, where he met Quesney and Turgot, the most accomplished French economists of that day. At the age of forty-five he returned to Kirkcaldy, and devoted the next ten years of his life to the studies necessary for the composition of his great work, the *Wealth of Nations*. From the time he was fifty-three till he was fifty-five he spent in London, enjoying the reputation his great work had brought him.

We see from this history that for the development of the gifted mind, organized educational institutions—schools, colleges, and universities—are required, with appropriate endowments, especially in the form of exhibitions.

The progress of such endowments has been sadly marred by a doctrine in recent years—an abuse of the free trade principle—what is called free trade in education.

It is impossible, however, to read the life of Adam Smith, and not see how much the cultivation and enlargement of his mind was owing to the educational organizations and endowments of which he had the benefit. It is quite true that he shared that of the wealthier endowments, of which there was in his time a great abuse, owing to indolence and carelessness. The idea was not then proposed, as has been proposed in more recent reforms, to check this abuse by constituting endowments for research as well as for teaching.

In his long retirement he had been living on his savings, and the profits of even such a work as the *Wealth of Nations* would not enable him to pursue his great object of completing and publishing his theory of jurisprudence. Within a year of his death he writes:—

“The theory of jurisprudence” which I have long projected, I have hitherto been hindered from executing, by the same occupations which had till now prevented me from revising the present work. Though my advanced age leaves me, I acknowledge, very little expectation of ever being able to execute this great work to my own satisfaction, yet as I have not altogether abandoned the design, and as I must still continue under the obligation of doing what I can, I have allowed the paragraph to remain as it was published more than thirty years ago, when I entertained no doubt of being able to execute everything which it announced.”

The occupations to which he referred were those arising from his having been appointed; by the influence of his old pupil, the Duke of Buccleugh, Commissioner of Customs. Had there been adequate endowments for research in his time, the same influence and public appreciation which obtained for him the dignified office he held, would have secured for him such an endowment for research as would have enabled him to complete his theory of jurisprudence, for which he had collected so much materials, and which, there is every reason to expect, would have been as great a work as his *Wealth of Nations*. His biography thus throws a flood of light on the whole question of endowments for education and research. When we reflect, too, on the vast benefits this single gifted man has conferred on the human race, and how much of his success was owing to the opportunities he enjoyed, we are encouraged to increased effort in all educational enterprises, as we never know whether there may not be amongst those benefited by our plans some gifted mind which may confer benefits on mankind as great as Adam Smith.

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