

April 1935

The House of Adam Smith

E. H. Vickers
West Virginia University

Follow this and additional works at: <https://researchrepository.wvu.edu/wvlr>



Part of the [Law and Economics Commons](#), and the [Legal Biography Commons](#)

Recommended Citation

E. H. Vickers, *The House of Adam Smith*, 41 W. Va. L. Rev. (1935).
Available at: <https://researchrepository.wvu.edu/wvlr/vol41/iss3/22>

This Book Review is brought to you for free and open access by the WVU College of Law at The Research Repository @ WVU. It has been accepted for inclusion in West Virginia Law Review by an authorized editor of The Research Repository @ WVU. For more information, please contact researchrepository@mail.wvu.edu.

be employed to recover a chattel unlawfully held by a wrong-doer, even though the original taking was lawful" (likely inadvertent). Statement (p. 47) that, in detinue, "The damages are ordinarily measured by the value of the goods as found by the jury". Apparent assumption (p. 54), contradicted in later text, that all actions in trespass are confined to (1) violence to the person, (2) *de bonis asportatis* or (3) *Quare clausum Fregit*. Statement (p. 77) that in actions for libel or slander "The 'colloquium' is the defamatory statement itself" and the innuendo serves "to connect those words with antecedent statements in the declaration". Statement (p. 96) that Special Assumpsit developed after General Assumpsit (*Ames contra*). Statement (p. 188) that "Misjoinder or non-joinder of parties plaintiff or defendant must be pleaded in abatement". Statement (p. 223) that the general issue is very narrow in all cases except trover, case and assumpsit, later contradicted (*e. g.*, on p. 234 as to debt). Assumption (pp. 229, 259) that the plea of *liberum tenementum* is always a sham plea. Statement (p. 273) that a motion in arrest of judgment, sustained, always terminates the case. As to Latin phraseology, see (pp. 93, 126) "*cum personam*" and (p. 138) "*in propria personam*".

Some of the author's observations on matters of history seem to be novel. Here again there is a lack of citations and it does not appear whether he has made independent research, is stating conclusions reached by others, or is reaching too facile conclusions of his own by way of deduction from well known generalities.

The author states that the forms in the second part of the volume have been taken from Maryland, District of Columbia and Virginia precedents. Collaboration of John A. Bresnahan of the District of Columbia Bar in preparation of the forms is acknowledged. Sources of the forms are not cited "because they are not considered necessary to the purposes of this work". Why? Because it is intended for students? Even if students should not be interested in these sources, is it not likely that instructors would be interested?

—LEO CARLIN.

West Virginia University.

THE HOUSE OF ADAM SMITH. By Eli Ginsberg. New York: Columbia University Press. 1934. Pp. 267.

This book attempts in Part One "to reconstruct and interpret the *Wealth of Nations* without constant recourse to direct quo-

tation". The reconstruction disregards the outline and organization of the materials in that voluminous work. It gives the author's distillate of Smith's economic and political philosophy in seven integral aspects. Each aspect is a sort of thesis developed in a special chapter, the subject of which aptly suggests a basic doctrine of Smith. These seven chapter headings are: Merchants and Knaves, Farmers and Gentlemen, The Laboring Poor, Big Bad Business, The Costs of Evil, The Learned and the Pious and A Better World for All.

The interpretation reveals Smith as a realist, aroused by economic and political abuses that were inherent in a decadent social order. He was disgusted with the hypocrisy and chicanery then practiced by merchants and manufacturers. Disguising selfish aims under a cloak of patriotic pretense, merchants and manufacturers had shrewdly induced the honest but stupid "farmers and gentlemen" who controlled Parliament to develop that Mercantilistic national policy which enriched merchants and manufacturers at the expense of both farmers and the laboring poor; and which also, far from furthering, actually fettered the national welfare. Monopoly, abuse of the power of money, class privileges and antagonisms, bad effects of well intended but stupid acts of government officials all bring about injustices and impede progress towards the desired increase in the wealth of nations. The multifarious resulting "costs of evil" are perpetuated because "the learned and the pious" in the universities and in the Church, who were maintained by subsidy, were indolent and negligent about education and even actively opposed to education for the masses. Sympathetic with farmers and laborers, deeply indignant at the injustices resulting from stupid government action, convinced that the way to the wealth of nations and a better world for all was thereby blocked, the great liberal philosopher and humanitarian was rather a polemicist than a *laissez faire* doctrinaire. Such is the gist of Mr. Ginsberg's argument.

Part Two is a criticism of the way in which Adam Smith was made "the patron saint of nineteenth century capitalism". Its four chapters are entitled, respectively: False Prophets, Hell Called Heaven, A Dangerous Oracle and Flesh and Spirit. Herein is set forth the view that Smith was misinterpreted by the beneficiaries and the defenders of the newly rising capitalism and of the individualism that seemed to support it. Doctrines that Smith used to undermine mercantilism were generalized into universal

principles that would justify practices and policies abhorrent to Smith's philosophy.

Under the influence of Malthus, Ricardo and Mill, who were avowed disciples of Smith and "false prophets", the *laissez faire* doctrines were made to justify practices that created a "hell called heaven". "A dangerous oracle" is typified in Mr. Herbert Hoover who "probably considers himself a lineal descendant of Adam Smith and therefore does not hesitate to employ the theories of the Scottish economist." But Adam Smith "developed an economic philosophy to meet the problems of his day," whereas "Herbert Hoover attempted the reverse." Somewhat farther afield, Mr. Ginsberg, in the chapter on Flesh and Spirit, is similarly severe in criticism of the priesthood and especially Pope Pius, because he finds their interpretation of natural law at variance with that of Smith—the reason being that they so interpreted natural law as to justify such social institutions as marriage and the ban on divorce by means of arguments that Smith's pragmatic philosophy would reject.

In sum, the contentions and implications of Part Two are to the effect that Smith's doctrines were intended to apply to the conditions which called for reform at the time he wrote; that they were not conceived or intended as principles applicable at all times and under all conditions; that both their spirit and the philosophy which moulded them are at variance or in direct conflict with the interpretation given them and the uses made of them during the last century and longer. Hence the author contends that Mr. Hoover and Pope Pius, whom he depicts as indiscriminating or ill-informed conservatives, both misapply Smith's doctrines and torture the spirit of his philosophy in their efforts to defend and maintain the present social order.

That Smith was a realist rather than a doctrinaire theorist in writing the *Wealth of Nations* is a view not altogether novel. In the acute controversy about economic method, leaders in the Historical School earnestly maintained that Smith was greater as philosopher than as economist, also that in method he belonged with them and not with the Liberal School. Furthermore, it is generally agreed that the liberal philosophy of the eighteenth century was inspired and invigorated by irritations generated within an obsolescent social order. What could be more natural, since the function of pain is to cause a conscious quest of some cure for the irritant ailments? Whether Smith was more realist than theorist is, therefore, merely a matter of emphasis. He was

in fact both realist and theorist — a fact which made his book understandable and convincing.

Many will question Mr. Ginsberg's view that Smith's work was merely a polemic against Mercantilism, and that consequently neither his economic doctrines nor his political philosophy have, or was by him intended to have, practical validity at other times and under other conditions. The weight of Smith's influence lay precisely in the conclusive evidence which he presented to show that the chief vices of Mercantilism sprang from its violation of basic principles of human nature and of sound government — principles that must endure because they inhere in the nature of man and of government. He argued that self-interest, or man's desire to better his fortune, is a deep and dominant motive of men; that it naturally finds expression in a sort of "unconscious cooperation" which most effectively promotes the public welfare; that no government and no group of men have the wisdom to contrive benefits equal to those issuing from that "system of natural liberty" which "arises of itself" in the absence of government restraint. This is the heart of Smith's liberalism and of his individualism. It is vitalized by his conception of human nature and his distrust of both the motive and the wisdom of government. Mercantilism became vicious by disregarding and violating such basic truths. This and much more of like tenor will leave many unconvinced that the liberal philosopher, were he now living, would join with present self-styled "liberals" in advocating what as a genuine liberal he so doughtily fought against; namely, the initiative of government with its fetters and compulsions (a re-nascent mercantilism) as a means of achieving a better world for all. Individualists do not easily turn socialists. Smith was an unusually vigorous and convincing individualist.

The preceding sketch and comment show that the book is timely. It gives a background in history and political philosophy for an estimate of current issues from the standpoint of the "New Deal". Whether or not the reader finds himself in accord with the author, he will be interested and be forced to think. The work is thoroughly documented with references both to Smith's treatise and to the rich mine of literature, especially tract and pamphlet, in the Seligman Library of Economics covering the period 1688-1776.

—E. H. VICKERS.

West Virginia University.