Université Paris 1 Panthéon-Sorbonne
École d'Économie de la Sorbonne
PHARE

ENTRE HISTOIRE ET ANALYSE :

LE PROGRÈS SELON DAVID HUME ET ADAM SMITH

/

BETWEEN HISTORY AND ANALYSIS:

PROGRESS ACCORDING TO DAVID HUME AND ADAM SMITH

Thèse pour l'obtention du titre de Docteure en Sciences Économiques

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J'ai commencé en me référant à Hume. Je termine en lui empruntant ses mots une fois encore : "I have had some invitations, and some intentions of taking a trip to Paris; but I believe, it will be safer for me not to go thither, for I might probably settle there for life" (A William Robertson, 25 janvier 1759, L,1: 294).

AVERTISSEMENT

Ce travail rassemble trois articles qui donnent lieu, chacun, à un chapitre séparé. Le chapitre 1 a vocation à être soumis à publication, au moins en partie. Le chapitre 2 prolonge la matière d'un article publié dans *The European Journal of the History of Economic Thought* en 2017. Enfin, le chapitre 3 est en révision pour *The Adam Smith Review*.

En tant qu'articles ayant une problématique propre, ces chapitres peuvent faire l'objet d'une lecture indépendante. Pourtant, ils s'inscrivent l'un et l'autre dans un projet de mise en relation de l'analyse et de l'histoire dans la pensée de Hume et de Smith.

LISTE DES ABRÉVIATIONS

Œuvres de David Hume

A *An Abstract of a Book lately Published; Entituled, A Treatise of Human Nature, &c. Wherein the Chief Argument of that Book is farther Illustrated and Explained* in T.

E *Essays moral, political, and literary*, Eugene F. Miller (ed.) Indianapolis: Liberty Classics (1994). Abbreviations of the individual essays cited in this study, with date of first publication:

E-BG "Whether the British Government inclines more to Absolute Monarchy, or to a Republic" (1741)

E-BP "Of the Balance of Power" (1752)

E-BT "Of the Balance of Trade" (1752)

E-CL "Of Civil Liberty" (1741)

E-Co "Of Commerce" (1752)

E-CR "A Character of Sir Robert Walpole" (1742; withdrawn after 1768)

E-DT "Of the Delicacy of Taste and Passion" (1741)

E-In "Of Interest" (1752)

E-JT "Of the Jealousy of Trade" (1760)

E-Mo "Of Money" (1752)

E-NC "Of National Characters" (1748)

E-OC "Of the Original Contract" (1748)

E-OG "Of the Origin of Government" (1777)

E-PC "Of Public Credit" (1752)

E-RA "Of Refinement in the Arts" (1752)

E-RP "Of the Rise and Progress of the Arts and Sciences" (1742)

E-SH "Of the Study of History" (1741; withdrawn after 1760)

E-Ta "Of Taxes" (1752)

EHU *An Enquiry concerning Human Understanding*, Tom L. Beauchamp (ed.), Oxford: Oxford University Press (1999).

EPM *An Enquiry concerning the Principles of Morals,* Tom L. Beauchamp (ed.), Oxford: Oxford University Press (1998).

HE *The History of England from the Invasion of Julius Caesar to The Revolution in 1688*, 6 vols., William B. Todd (ed.), Indianapolis: Liberty Classics (1983).

L *The Letters of David Hume, 2 vols*, J. Y. T. Greig (ed.), Oxford: Clarendon Press (1932).

NHR *Natural History of Religion*, T. L. Beauchamp (ed.), Oxford: Oxford University Press (2007).

T *A Treatise of Human Nature*, David F. Norton and Mary J. Norton (eds.), Oxford: Oxford University Press (2000).

Œuvres d'Adam Smith

All references are to the Glasgow Edition of the Works of Adam Smith, published by Oxford University Press, Oxford and republished by Liberty Fund Press, Indianapolis.

Corr	*Correspondence of Adam Smith*, ed. E. Mossner and I. Ross (1977).
EPS	*Essays on Philosophical Subjects*, ed. W. Wightman, J. Bryce, and I. Ross (1980).
LJ	*Lectures on Jurisprudence* ed. R. Meek, D. Raphael, and P. Stein (1978).
LJ(A)	Lectures on Jurisprudence 1762/3 in LJ.
LJ(B)	Lectures on Jurisprudence 1766 (or 1763/4) in LJ.
TMS	*The Theory of Moral Sentiments*, ed. A. Macfie and D. Raphael (1976).
WN	*An inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. Campbell and A. Skinner (1976).

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INTRODUCTION GÉNÉRALE

> *"I believe this is the historical Age and this the historical Nation"* (L,2: 230).
>
> David Hume, dans une lettre à son éditeur, août 1770

C'est une banalité de rappeler qu'avant le XVIII[e] siècle, il y avait évidemment des idées économiques mais que celles-ci ne constituaient pas un savoir homogène, cristallisé, du type de celui qui s'est imposé ultérieurement, comme ce sera le cas au moins au XIX[e] siècle chez Ricardo, Marx ou Walras, par exemple, autant d'auteurs pour lesquelles les idées économiques ne sont pas éparses mais reliés les unes les autres. Le XVIII[e] siècle est précisément l'âge de cette transformation d'un savoir épars vers un savoir cristallisé ou, dit autrement, celui de la naissance de l'économie politique.

On peut discuter abondamment des auteurs et des contextes qui ont permis cette transformation. Je voudrais ici privilégier un contexte et deux auteurs. Le contexte est celui des *Lumières écossaises*, c'est-à-dire, d'un élan créatif qui donna lieu à de nombreux travaux dans les domaines, en termes actuels, de la philosophie, de la sociologie, de l'économie, et de l'histoire ou encore de la chimie, de la géologie, de la peinture, de la poésie etc. (Broadie 2001).[1] Nous reconnaissons aujourd'hui en David Hume (1711-1776) et Adam Smith (1723-1790) deux de ses représentants. Mon objectif n'est pas de soutenir l'idée selon laquelle leurs conceptions seraient identiques même si l'influence du premier sur le second est aujourd'hui largement reconnue.[2] Il s'agit plutôt de montrer comment

[1] Ce mouvement succéda à la rébellion jacobite de 1745 dirigée contre la dynastie de Hanovre (Trevor-Roper 1967). Après l'union des Parlements en 1707, Ecosse et Angleterre furent unies dans un seul royaume sous le nom de Grande-Bretagne. Pour une explication des conditions spécifiques de l'Ecosse qui permit un tel essor intellectuel, voir Emerson (2015).

[2] Une étude très récente sur la relation personnelle et intellectuelle entre Hume et Smith est celle de Rasmussen (2017). Même si cette étude semble exagérer la similarité de leur conception philosophique ainsi que l'influence de Smith sur la pensée humienne (Lecaldano, Russell, Rasmussen 2018), elle souligne l'importance d'étudier ces deux auteurs ensemble pour une compréhension totale de leurs pensées respectives. Cela consiste non seulement considérer Smith

une opération similaire se déroule chez l'un et chez l'autre conduisant à faire apparaître une analyse économique comme un produit de leurs réflexions sur l'Histoire.

On sait la place que les *Lumières écossaises* ont accordée à l'histoire. Cette période a connu non seulement des grands historiens comme David Hume et William Robertson — dont *The History of England from the Invasion of Julius Caesar to the Revolution in 1688* (1754-61) et *The History of Scotland, During the Reigns of Queen Maryand of King James* (1759) ont, respectivement, établi leur réputation d'historiens et marqué la discipline[3] —, mais aussi l'émergence d'une conception particulière de l'histoire nommée « histoire conjecturale » par Dugald Stewart (1982, II.48), qui s'intéressait aux origines de la société pour rendre compte du progrès des institutions sociales. C'est cette culture historiographique qui a abouti ultérieurement à l'identification d'une « école historique écossaise » (Skinner 1965, 1967, Hopfl 1978, Binoche 2013: 73, Waszek 2003: 8).

Même si l'idée du progrès permet de regrouper les penseurs écossais au sein d'une « école » (Trevor-Roper 1967, Forbes 1975a: xi, Meek 1976a: 5-37, Berry 1997, Sebastiani 2013),[4] cette dernière n'était pas homogène et la présence de perspectives historiques n'empêchait pas qu'elle conduisît à des conclusions parfois opposées. Ainsi, là où, schématiquement, Hume et Smith concluent à un effet globalement positif du progrès économique des sociétés, Adam Ferguson, par exemple, met en évidence des effets négatifs : contrairement aux premiers, Ferguson soutient que l'extension du commerce, plus particulièrement celui du luxe, corrompt les valeurs morales et les vertus militaires, en prônant

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à la lumière de Hume, mais aussi de considérer Hume à la lumière de Smith, comme le fait par exemple Haakonssen (1981).

[3]Edward Gibbon, le fameux historien britannique, dont l'œuvre *The History of the Decline and Fall of the Roman Empire* (1776-1788) a connu un grand succès, rend un grand hommage à ces deux historiens dans son mémoire (Pocock 1999: 163).

[4]Ce fut Dugald Stewart en premier, l'un des derniers représentants la pensée écossaise des Lumières, qui décela une telle école. De surcroît, en rédigeant, respectivement, les biographies d'Adam Smith, de William Robertson et de Thomas Reid, Stewart se distingue de ses contemporains par sa contribution à l'historiographie de Lumières écossaises (Wood 2000).

l'assouvissement de l'intérêt personnel et met en danger l'avenir de la société commerciale elle-même (Forbes 1966, Sher 1989).

Cependant, au-delà de leur diversité, tous ces penseurs s'accordent sur l'idée que la société commerciale est un produit de l'histoire et que l'histoire est un processus de développement. Ce processus se résume à une lente transition de la simplicité à la complexité et à la diversité dans tous les aspects de la vie. Les relations humaines qui sont à la base de la vie sociale, économique, politique et juridique se multiplient et se complexifient. Parallèlement, toutes les institutions qui permettent de maintenir la société en ordre s'intensifient et se transforment graduellement pour s'adapter aux nouveaux besoins. Cette évolution nécessaire découle principalement de l'augmentation soutenue de la population, qui à son tour, résulte de l'enrichissement.[5]

Bien que ce progrès de l'humanité n'implique pas nécessairement une amélioration pour Ferguson,[6] aux yeux de Hume et Smith le progrès équivaut au perfectionnement de la société et est désirable. Pour tous les deux, l'enrichissement signifie non seulement une prolifération des biens de nécessité et de convenance dans l'ensemble de la société mais aussi une facilité d'accès à ces biens par les catégories les plus modestes. L'enrichissement suppose ainsi une infiltration progressive de l'échange dans les sphères jusqu'alors isolées de la société de même que son extension au niveau national et international. L'échange, à son tour, présuppose la communication entre individus, et plus précisément, un accord atteint à travers un processus d'échange des sentiments.

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[5]Au XVIII[e] siècle, la population était un indicateur principal de la richesse si bien que l'on peut considérer que les écrits sur la population sont directement liés à la question du développement économique (Brewer 1995: 611). En effet, Smith écrit que « the most decisive mark of the prosperity of any country is the increase of the number of its inhabitants » (WN I.viii.23). Une contribution majeure dans ce sujet est l'article de Hume intitulé « Of the Populousness of Ancient Nations » (1742) qui a pour but de réfuter l'idée, alors répandue, selon laquelle le monde ancien était plus peuplé que le monde moderne. Pour une étude sur le rôle de la population dans la pensée smithienne voir Lange (2017).

[6]Emerson (1984: 65 n.2) signale que le progrès ou le développement, qui sont utilisés de manière synonyme au XVIII[e] siècle, désigne simplement un changement, et pas forcément un changement pour le mieux.

Il n'est donc pas étonnant que le terme *commerce* soit utilisé à l'époque afin de dénoter, outre son sens actuel, l'échange social. L'extension de l'échange, par conséquent, crée des individus *civils* dotés d'une sociabilité plus intense et d'une pratique sociale plus active. La société commerciale, du point de vue de Hume et de Smith, correspond ainsi à la société civile qui est caractérisée par des vertus modernes comme la sociabilité, la politesse et l'humanité.[7] La société civile, qui désignait jusqu'alors une société politique, c'est-à-dire, une société gouvernée par une autorité centrale —l'Etat— dans de diverses théories contractualistes provenant de la tradition de la jurisprudence naturelle (Grotius, Pufendorf) ainsi que de Hobbes et de Locke (Haakonssen 2009b :147, Forbes 1975a), en vient à être également associée au progrès économique et au raffinement des mœurs (Sebastiani 2011).[8]

Un autre déplacement simultané plus important pour notre étude se produit au niveau du critère de jugement, de l'évaluation de ce qui est civil et de ce qui ne l'est pas : la société civile se définit de moins en moins par opposition à un état de nature (un état dépourvu de toute autorité) et plutôt par opposition à un état

[7]Surtout à cause son avertissement sur les effets négatifs de la division du travail sur l'esprit des travailleurs (WN V.i.f.50), Smith est souvent considéré comme plus pessimiste que Hume sur le progrès (Forbes 1975a: 87, Schabas 2012 :337). Alvey (2003) suggère qu'on peut retrouver deux points de vue de l'histoire chez Smith : une interprétation optimiste qui présente la société commerciale comme la fin de l'histoire et une autre pessimiste. Il soutient que celle-ci présente la société commerciale ni comme la fin de l'histoire, ni comme inévitable. Cohen (2014), par contre, souligne que l'approche historique de Smith et de Hume n'est pas téléologique, donc l'histoire n'a pas une fin, elle est simplement « naturaliste » : comme on le verra, elle consiste à expliquer les phénomènes par la nature humaine et par les circonstances dans lesquelles les êtres humains se trouvent.

[8]La relation entre la richesse et la vertu dans la pensée écossaise ainsi que les sources d'influences sur cette pensée ont été un sujet abondamment discuté dans la littérature secondaire (Hont and Ignatieff 1983, Pocock 1985, Sebastiani 2011). A cet égard, Adam Ferguson est généralement conçu comme être représentant de la tradition du républicanisme classique (ou encore l'humanisme civique) dans l'école écossaise. Hume et Smith sont aussi influencés par cette tradition (Hirschman 1977, Winch 1978) de même que de la tradition de la jurisprudence naturelle (Forbes 1975a, Haakonnsen 1981, Pocock 1985, Muller 1993). Mais ils apportent, à chacun sa manière, une critique des éléments majeurs de ces deux traditions. Par exemple, Moore (1977) soutient que la science politique de Hume devrait être considérée comme une réponse critique de la tradition du républicanisme classique. Leur point commun se cristallise dans leur projet de réconcilier le commerce et la vertu, au lieu de les opposer.

primitif où les *sauvages* sont relativement insensibles et grossiers.[9] Ce déplacement s'effectue en partie grâce à l'accès de plus en plus facile par les européens aux récits de voyages, surtout des missionnaires qui partent au Nouveau Monde. Par exemple, les *Mœurs des Sauvages Américains, comparées aux mœurs des premier temps* (1734) de Lafitau et le *Journal historique d'un Voyage dans l'Amérique Septentrionale* de Charlevoix étaient des sources de première importance (Marouby 2004: 110). Il s'ensuit que, selon la formulation élégante de Hume, « *industry*, *knowledge*, and *humanity*, are linked together by an indissoluble chain, and are found, from experience as well as reason, to be peculiar to the more polished, and, what are commonly denominated, the more luxurious ages » (E-RA: 271) par opposition aux époques rudimentaires de la civilization où règnent « ignorance, sloth, and barbarism » (E-JT: 327-8, Cf. Berry 2006, Schabas 2012).

Le recours à la « société primitive » forme la base de toute enquête de Hume et de Smith portant sur la société. Une enquête qui recouvrirait aujourd'hui les sciences sociales, la philosophie politique, la philosophie morale, le droit ou l'économie. Aussi retrouvons-nous une homogénéité dans des dispositifs méthodologiques voisins qu'utilisent Hume et Smith. Chez l'un et l'autre, l'Histoire a au moins une double dimension : une histoire conjecturale d'abord, sur laquelle on peut penser que schématiquement ils se retrouvent, qui est mise en relation avec un autre type d'histoire, une histoire procédant de la méthode expérimentale chez Hume, et une histoire que, faute de mieux, je qualifierai d'histoire *anhistorique* chez Smith. C'est cette mise en relation qui fait apparaître la nécessité d'une analyse qui va permettre la cristallisation du savoir économique.

En effet, l'analyse économique de la société commerciale par Smith relève d'une comparaison *statique* entre celle-ci et la société primitive, « the early and rude

[9]Hopfl (1978: 26) note que l'école écossaise a pris soin de distinguer la société primitive de l'état de nature, même si, au bout du compte, il soutient qu'ils étaient utilisés dans un même but.

state of society » (WN I.vi.1). A partir d'une telle comparaison, Smith détermine les deux causes, intimement liées, de la richesse des nations : la division du travail et l'accumulation du capital. Le sens du mot *analyse* abordé ici renvoie donc à son sens premier : la décomposition d'un tout en ses parties. Si la conception de l'Histoire qui constitue la base de la théorie économique smithienne est appelée *anhistorique*, c'est précisément parce qu'elle ne porte pas sur la *dynamique*. Toutefois, comme Smith l'enseigne à ses élèves dans ses *Lectures on Rhetoric and Belles Lettres*, l'un des buts des écrits historiques est de révéler la dynamique interne de la société :

> The design of historicall writing … has in view the instruction of the reader. It sets before us the more interesting and important events in human life, *points out the causes by which those events were brought about* and by this means points out to us by what manner and method we may produce similar effects or avoid similar bad ones (LRBL: 90, souligné par moi).

Plutôt que d'instaurer le point de départ d'un processus de développement économique attestant l'intensification de la division du travail et l'accumulation du capital, la société primitive sert à poser la norme, à l'aune de laquelle on examine la société commerciale. Elle permet à Smith de définir les caractéristiques de la société avancée comme le profit, les relations de dépendance salariale, l'accaparation du produit du travail etc. qui sont toutes liées à l'existence du capital et à l'état avancé de la division du travail. « The early and rude state of society » est ainsi dépourvue de contexte historique.

Cette approche anhistorique coexiste dans la pensée smithienne avec, au moins, une autre approche qui, cette fois, relève de la dynamique. Il s'agit de l'histoire dite « théorique » ou « conjecturale » (ou encore « histoire naturelle » ou « histoire raisonnée ») — généralement formulée par ceux qui ne se considèrent pas comme des historiens (Pocock 1999: 310) — qui se distingue de l'histoire narrative écrite par des historiens (Stewart 1982, II.48). Selon Stewart, l'histoire conjecturale dérive également d'une comparaison entre la société commerciale du XVIII^{e} siècle et la société primitive (1982, II.45). Mais loin d'être une comparaison statique, elle s'intéresse au changement social, à savoir aux

« gradual steps [by which] the transition has been made from the first simple efforts of uncultivated nature, to a state of things so wonderfully artificial and complicated » (*Ibid*.). S'interroger sur le progrès et ses causes exige la détermination d'une origine, en d'autres termes, d'un début de l'Histoire. Cependant, comme il n'y a pas de preuves sur les origines de l'humanité autres que les sources antiques et les *Ecritures*, Smith, comme ses compatriotes, prend comme source d'information les récits de voyages sur les sociétés primitives qui lui sont contemporaines, principalement celles de l'Amérique du Nord.[10] La société primitive est ainsi considérée comme représentant l'état de l'humanité à son origine.[11] Il va de soi qu'au milieu de ce manque d'information vis-à-vis de faits historiques, « we are under a necessity of supplying the fact by conjecture ; and … of considering in what manner they [men] are likely to have proceeded » dans le processus de civilisation (Stewart 1982, II.46).[12] Selon Stewart, Smith utilise cette méthode philosophique d'examen du progrès non seulement dans *The Dissertation on the Origin of Languages* (1761) mais aussi, dans une version similaire à celle-ci, dans *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776) et dans les *Lectures on Jurisprudence* (1762-4) (Stewart 1982, II.52).[13] Surtout dans ces dernières, l'histoire conjecturale smithienne prend une forme spécifique qui explique l'origine des institutions sociales à travers l'évolution des sociétés en quatre stades : le progrès historique est conçu comme la succession de modes de subsistance différents, "first, the Age of Hunters;

[10]Dans ses *Lectures on Jurisprudence*, Smith dit: "Father Charlevoix and Monsieur Laffitau … give us the most distinct account of the manners of those nations [the savage nations of America]" (LJ(A) iv.6).

[11]La formulation suivante de Locke est révélatrice: "In the beginning all the World was *America*" (Locke 1980[1690]: 29).

[12] Il faut noter que selon Stewart lui-même, l'histoire conjecturale montre l'évolution des sociétés vers une finalité donnée par la Providence. Cela n'est pas le point de vue de Hume ni de Smith (voir la note du bas de page n. 21). Si l'on réfère à la définition de Stewart ici, c'est parce qu'il fut le premier à préciser la méthode de l'histoire conjecturale chez Smith et chez Hume.

[13]Concrètement, il signale que le livre III de la *Richesse des Nations* est écrit avec une méthode similaire. Dans ce livre Smith avance sa théorie de l'ordre naturel des progrès de l'opulence et il montre que les nations européennes n'ont pas suivi cet ordre naturel en mettant l'accent sur les causes qui l'ont inversé. Meek (1976a: 227-37) suit le point de vue de Stewart. En revanche, je maintiendrai ultérieurement que l'approche historique du livre III n'est pas conjecturale d'autant qu'elle ne s'intéresse pas aux origines des institutions sociales.

secondly, the Age of Shepherds; thirdly, the Age of Agriculture; and fourthly, the Age of Commerce" (LJ (A) i.27).[14] Cette façon de considérer l'histoire constituait le cadre du cours de Smith sur la justice, qu'il donnait à l'Université de Glasgow en tant que titulaire de la chaire de la philosophie morale. John Millar, étudiant de Smith à l'époque, rapporte le cours de la manière suivante :

> Upon this subject he followed the plan that seems to be suggested by Montesquieu ; endeavouring to trace the gradual process of jurisprudence, both public and private, from the rudest to the most refined ages, and to point out the effects of those arts which contribute to subsistence, and to the accumulation of property, in producing correspondent improvements or alterations in law and government (Stewart 1982,I.19).[15]

Cette théorie du progrès historique donne lieu à la philosophie politique de Smith. En effet, la politique repose toujours sur une conception particulière de l'histoire (Nikulin 2017: xi) ou encore dans les mots de John Stuart Mill qui écrit dans son *Autobiography* : "any general theory or philosophy of politics supposes a previous theory of human progress, and that this is the same thing with a philosophy of history" (1981: 169). Si, à l'instar de McArthur (2007: 6) — qui lui-même suit Locke — on distingue deux parties dans la philosophie politique, une qui s'intéresse à l'origine et l'évolution du pouvoir politique, et une autre qui correspond à l'art du gouvernement. C'est avant tout la première qui est en jeu dans la théorie de jurisprudence de Smith. Le but de la philosophie politique smithienne est d'élaborer une théorie de gouvernement qui serait alternative aux théories du contrat social et du droit naturel. L'origine du gouvernement ne dérive plus d'un contrat établi entre les membres de la société et le gouvernant, mais d'une nécessité qui découle de l'accumulation de la propriété, elle-même un produit historique. Dans l'âge des chasseurs, la propriété privée s'étend à très peu de choses qui ne sont pas accumulables si bien qu'un gouvernement régulier qui

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[14] Cette approche a été ultérieurement nommée "la théorie des quatre stades" par Meek (1971, 1976a). Ce dernier soutient que ce sont Smith et Turgot qui ont formulé la première version complète de cette théorie. Il ajoute que plusieurs écossais comme John Millar, William Robertson et Adam Ferguson élaborent leur propre version de la théorie des quatre stades. Mais Meek (1976a: 227-37) distingue l'histoire conjecturale de la théorie de stades, en arguant que celle-ci représente l'histoire réelle, et pas conjecturale.

[15] L'influence de Montesquieu a été discutée par Meek (1976a).

protégerait la propriété n'est pas nécessaire. Celui-ci apparaît dans l'âge des bergers à la suite de l'émergence des inégalités de richesse qui est susceptible de créer des conflits.

Tableau 1

Chez Smith	Analyse	Histoire conjecturale
Point de départ	« early and rude state of society »	« age of hunters »
Approche	statique	dynamique

Le tableau 1 résume l'articulation des deux approches historiques différentes que renferme le système de pensée smithien. A rebours du « early and rude state of society », déployée en tant qu'outil d'évaluation de la société commerciale dans l'analyse économique de Smith, « the age of hunters », qui relève de l'histoire conjecturale forme alors le point de départ d'une succession progressive qui tend vers la norme : la société commerciale. Autrement dit, tandis que c'est le point de départ qui fournit le critère dans analyse économique anhistorique de Smith, la norme transparaît ici dans le progrès et elle est déterminée par le point d'arrivée. L'origine et l'évolution du gouvernement ainsi que le système juridique vont de pair avec la succession des modes de subsistance, autrement dit, avec le progrès économique. La contribution smithienne au changement de paradigme dans la philosophie politique se reflet ainsi dans le remplacement de l'état de nature par l'âge des chasseurs enraciné dans l'Histoire.

Ce changement de paradigme a été déjà amorcé par Hume dans *A Treatise of Human Nature* (1739-1740) où il réfute l'idée du contrat comme fondement du gouvernement en adoptant une approche historique voisine de celle que l'on retrouvera chez Smith. La philosophie politique de Hume est insérée dans une théorie morale dans laquelle la justice n'est pas une vertu naturelle mais une vertu artificielle. En d'autres termes, l'objet de la justice ne concerne pas des personnes mais des artifices ou créations humaines. Cette théorie humienne de la justice établit un pont entre les théories du droit naturel et la jurisprudence

romaine enseignées dans les universités écossaises du début du XVIII[e] siècle, par exemple par Hutcheson, et l'approche historique de la théorie des quatre stades formulée par les penseurs écossais de la seconde moitié du siècle (Moore 1977: 809, Haakonssen 1981). D'une part, en effet, même s'il est vrai que Hume réfute le droit naturel selon lequel les principes moraux résulteraient de la nature des choses, si bien qu'il s'éloigne des diverses théories contractualistes, il recourt aux outils méthodologiques formulés par cette même tradition, à savoir l'*état de nature* ou le *contrat*, pour élaborer sa philosophie politique. D'autre part, même si chez Hume il n'y a pas une théorie du progrès de la société qui passe par quatre étapes, Hume est l'un des précurseurs de l'approche en termes d'histoire conjecturale[16] (Skinner 1965, Santos Castro 2017) qui a ouvert la voie à l'émergence de ces mêmes théories.[17] On voit ainsi apparaître chez Hume une opération similaire à celle qui se déroulera chez Smith : tout comme ce dernier, Hume met en relation l'approche en termes d'histoire conjecturale avec une autre approche historique qui relève de sa méthode expérimentale d'*analyse* de la nature humaine. Ces deux approches sont toutes les deux inscrites dans sa philosophie politique où se trouvent deux explications différentes de l'origine du gouvernement.

L'*analyse* humienne de l'origine du gouvernement décrit un processus de la transition d'un état de nature à la société civile qui désigne à la fois le niveau du développement économique et la société politique. Le progrès vers la société civile s'effectue par l'instauration graduelle des lois régulant d'abord la propriété privée, ensuite l'échange de celle-ci par l'intermédiaire du troc et enfin

[16]Dugald Stewart donne *Natural History of Religion* (1757) de Hume en tant qu'exemple de l'histoire conjecturale. Malherbe (1995) discute l'approche historique déployée par Hume dans son histoire naturelle de la religion.

[17]Quoique Meek (1976a: 31 n.80) remarque que Hume fait référence à la société primitive dans sa théorie de l'origine du gouvernement, il affirme qu'on ne peut pas trouver une théorie des stades. Similairement, Henderson (2010: 168-191) maintient que Hume n'a pas une telle théorie, mais il suggère que Hume avait une influence majeure dans la formulation de cette théorie par Smith. Stewart (1963: 161), par contre, en reconstruit une chez Hume à partir des idées éparpillées dans les œuvres de Hume.

l'obligation de respecter les contrats.[18] Ces lois sont indispensables à la possibilité et au maintien de la société dont on ne saurait rendre compte de l'origine sans un point de départ fictif, celui de l'état de nature. Celui-ci, en tant que conception philosophique, découle pour Hume de la distinction entre les deux parties de l'esprit humain, l'entendement et les passions sur laquelle s'appuie l'explication de l'origine de la société.[19] Tandis que l'opération unique des passions humaines est la caractéristique d'un état de nature, dépourvu de lois régulant la propriété et son échange, l'opération conjointe des passions et de l'entendement donne lieu aux règles de la justice et de la société. En effet, l'origine de ces dernières est expliquée en grande partie par l'opération des *règles naturelles de l'entendement*, à savoir les principes d'association (la ressemblance, la contigüité et la causalité), ce qui permet à Hume d'avancer que la propriété privée ainsi que les règles de l'échange résultent de l'expérience, qui en transférant dans les croyances une partie de la force des passions, poussent les individus à agir. L'origine du gouvernement, à son tour, découle de la nécessité de faire observer les lois de justice pour maintenir la société. Cette fois, cependant, Hume, au lieu de recourir au rôle de l'expérience dans la fondation du gouvernement, privilégie le rôle d'un principe de la nature humaine qui veut que nous accordions plus de poids au présent qu'au futur. Non seulement ce principe peut nous conduire à préférer ce qui ne nous accorderait pas le plus grand plaisir — dans ce cas l'observance des lois de justice —, mais aussi il peut nous amener à inverser nos préférences — à revenir sur notre respect des lois de justice — lorsque les objets auparavant lointains se rapprochent. Cette caractéristique, que l'on désigne aujourd'hui sous le nom d'incohérence temporelle, est selon Hume, ce qui suscite chez nous le plus grand malaise (Diaye et Lapidus 2018). C'est afin de l'écarter que nous

[18]Ceci est une interprétation économique de la justice et de la société (Forbes 1975a: 83-7). Stewart (1963: 109) soutient que ces lois représentent les « règles de la concurrence », qui doivent être adoptées afin d'atténuer la concurrence promue par l'avidité qui est destructeur pour la société. Wennerlind (2002) suggère que ces lois correspondent aux institutions actuelles de la société commerciale du XVIII[e] siècle : la propriété, l'échange et la monnaie.

[19] Cette distinction est mise en œuvre dans le livre III du *Treatise*, consacré à la théorie morale. On rappelle que les livres I et II sont, respectivement, consacrés à l'entendement et aux passions.

sommes disposés à consentir à un gouvernement qui ne nous protégera de nos incohérences temporelles qu'en annulant les effets de l'impatience qui nous fait accorder plus poids au présent qu'au futur. Cette théorie de l'origine du gouvernement suppose que les individus sont dotés de la connaissance selon laquelle le gouvernement est la solution qui permettrait d'écarter ce malaise. Autrement dit, l'entendement humain permettrait d'atteindre une telle connaissance sans aucune expérience préalable qui engage les passions. A cet égard, Hume présente l'origine du gouvernement comme dérivant de l'opération unique de l'entendement.

L'approche historique sous-jacente à l'analyse humienne est d'un ordre particulier. L'explication de l'origine du gouvernement et de la société est insérée dans un processus de développement dont le point départ est fictif. En ce sens, cette approche historique se distingue d'autres approches historiques qui prennent l'état primitif pour point de départ. Par ailleurs, l'origine du gouvernement y est expliquée à travers un principe de la nature humaine. L'explication des phénomènes moraux par les principes de la nature humaine procède de la méthode utilisée pour étudier « la science de l'homme » (T intro. 4). C'est cette méthode qui implique une approche historique que je tâcherais de décrire maintenant.

D'après Hume, la science de l'homme équivaut à la philosophie de l'esprit humain, ou encore à la philosophie morale (EHU 1.1), en d'autres termes à ce qui est « mental » en opposition à ce qui est « physique » (Jaffro 2016). La méthode, en revanche, est empruntée à la philosophie naturelle qui s'occupe précisément du monde physique. Il s'agit de la méthode newtonienne (dont le terrain était préparé par Bacon), qui consiste à remonter de l'expérience à la théorie en simplifiant l'apparence de la variabilité du monde extérieur par les principes généraux. Au lieu de partir d'hypothèses imaginées pour expliquer des phénomènes, cette méthode recourt à l'observation et à l'expérience pour établir

les lois qui décrivent l'opération des phénomènes naturels (Siskin 2016: 86).[20] L'application de cette méthode à la philosophie morale est annoncée dans le sous-titre du *Traité*: « tentative pour introduire la méthode expérimentale dans les sujets moraux ».[21]La méthode expérimentale dans la science de la nature humaine implique une approche *historique* : il s'agit d'une « enquête sur les

[20] Pour Newton, il s'agit d'imiter la nature pour simplifier. La nature ainsi que ses lois était simple. Dans ses propres mots: « Nature does nothing in vain, and more causes are in vain when fewer suffice. For nature is simple and does not indulge in the luxury of superfluous causes » (Siskin 2016: 102).

[21]Cette méthode de faire de la philosophie n'est pas spécifique à Hume. Presque tous les penseurs des Lumières écossaises se veulent Newtoniens, malgré les différences qui les séparent. Une grande source de différence découle du rôle de la religion : Suivant vraisemblablement la remarque de Newton lui-même à la fin d'*Opticks* (1718) selon laquelle sa méthode scientifique devrait être adoptée pour fonder une vraie philosophie morale, à l'instar de Hutcheson, la plupart des penseurs— le courant dominant de la pensée écossaise selon Haakonssen (1996: 6) — considéraient que les lois physiques et morales, en tant qu'universelles et nécessaires, démontrent l'existence d'un ordre établi par la Providence. La philosophie avait pour mission d'enseigner aux individus leur rôle dans ce plan providentiel, en montrant qu'ils agissent et qu'ils doivent agir en fonction de la volonté de la Providence. L'épilogue mentionné de Newton en donne une vue globale : « In this third Book I have only begun the Analysis of what remains to be discover'd about Light and its Effects upon the Frame of Nature, hinting several things about it, and leaving the Hints to be examin'd and improv'd by the farther Experiments and Observations of such as are inquisitive. And if natural Philosophy in all its Parts, by pursuing this Method, shall at length be perfected, the Bounds of Moral Philosophy will be also enlarged. For so far as we can know by natural Philosophy what is the first Cause, what Power he has over us, and what Benefits we receive from him, so far our Duty towards him, as well as that towards one another, will appear to us by the Light of Nature. And no doubt, if the Worship of false Gods had not blinded the Heathen, their moral Philosophy would have gone farther than to the four Cardinal Virtues; and instead of teaching the Transmigration of Souls, and to worship the Sun, and Moon, and dead Heroes, they would have taught us to worship our true Author and Benefactor » (cite dans Henry 2017 :21). Henry (2017) conjecture sur la raison pour laquelle Newton conclut une étude sur la physique en évoquant la philosophie morale, perçue comme indissociable de la religion. Pour une étude détaillée de systèmes moraux de Hutcheson, de Lord Kames (Henry Home) et de George Turnbull, voir Norton (1982). La distinction de Hume entre « être » et « devoir-être », connue également comme la loi de Hume, vise à critiquer, parmi d'autres, cette approche morale. Par contre, l'originalité de Hume et de Smith réside dans leur séparation des questions morales de la religion (Forbes 1975a: 3-58, Haakonnsen2003: 207). Sinon, tout comme Hume, Smith aussi suit la méthode newtonienne. Dans ses *Lectures on Rhetoric and Belles Lettres*, Smith enseigne qu'un discours scientifique devrait être un « discours didactique » dont la forme idéale est la méthode newtonienne qui consistait à instaurer « certain principles, known or proved, in the beginning, from whence we account for the several phaenomena, connecting all together by the same chain » (LRBL ii.133-5). L'influence newtonienne sur les deux auteurs, a fait l'objet d'études nombreuses qui se concentrent sur une analogie entre la loi newtonienne de la gravitation et le principe de sympathie (Dellemotte 2002) ou la propension naturelle à échanger (Hetherington 1983) chez Smith, et le principe de l'association des idées (Noxon 1973) ou l'analyse de la monnaie chez Hume (Schabas 2001). Les limites de ces types d'interprétations sont soulevées, par exemple, par Montes (2004) et Demeter (2014).

faits »(Jaffro 2009) réalisée par l'introspection ainsi que par une « cautious observation of human life » (T Intro. 10). A cet égard, la disposition humaine qui nous fait accorder plus de poids au présent qu'au futur, comme principe qui explique l'origine du gouvernement, est le fruit d'une enquête sur les faits de la nature humaine et c'est en ce sens-là que l'analyse humienne est *historique*. En effet, la politique est, selon Hume, une science qui dépend de la science de la nature humaine. L'introduction du *Treatise* est claire sur ce point : toutes les sciences («*Logic, Morals, Criticism,* and *Politics* » et même « Mathematics, Natural Philosophy, and Natural Religion » (T intro.5)) en dépendent. Toutefois, alors que « morals and criticism are not so properly objects of the understanding as of taste and sentiment » (EHU 12.33),[22] la politique est proprement l'objet de l'entendement en tant qu'une science qui traite de faits généraux tout comme la philosophie naturelle (EHU 12.31).[23] Tout au début de ses *Political Discourses* (1752), au commencement de son essai « Of Commerce », Hume rappelle cette méthode : il s'agit de former des généralisations (« universal propositions » ou encore « whole science in a single theorem » (E-Co: 253)). Ce qui nous intéresse ici c'est précisément ce que Hume désigne comme la science politique, dans un sens étendu : les considérations sur les individus comme unis dans la société et dépendant les uns des autres (T intro.5). En d'autres termes, ce que nous appellerions aujourd'hui les sciences sociales sont fondées sur la méthode expérimentale. L'analyse humienne de l'origine du gouvernement provient ainsi

[22] Parce que "beauty, whether moral or natural, is felt, more properly than perceived" (EHU 12.33). Mais, cela ne veut pas dire que la morale et le criticisme (qui désigne le goût esthétique) ne sont pas sujet à l'examen philosophique: "Or if we reason concerning it [beauty], and endeavour to fix its standard, we regard a new fact, to wit, the general taste of mankind, or some such fact, which may be the object of reasoning and enquiry"(*Ibid*.).

[23] Dans les mots de Hume: "The sciences, which treat of general facts, are politics, natural philosophy, physic, chemistry, etc. where the qualities, causes and effects of a whole species of objects are enquired into". L'assimilation entre la politique avec les sciences naturelles repose seulement sur leur objet qui est de découvrir les généralisations à partir de l'expérience et de l'observation, et pas sur leur capacité de démonstration (Moore 1977:809).

d'une reconstruction philosophique qui cherche à découvrir l'origine des phénomènes moraux à partir des lois de l'opération de l'esprit humain. [24]

L'approche historique dite *expérimentale* coexiste avec l'approche en termes d'histoire conjecturale au sein de la philosophie politique de Hume. D'une façon similaire à ce qu'enseignera Smith à ses élèves, mais sans recourir aux stades, Hume attribue à l'enrichissement l'origine du gouvernement régulier, dont le but premier serait de résoudre les conflits juridiques résultant de l'allocation inégale de la propriété. Selon Hume, un tel gouvernement serait donc inutile dans une société primitive comme celle des tribus d'Amérique du Nord. Il ne s'ensuit pourtant pas que la société primitive soit dénuée de toute forme de gouvernement. En effet, il y apparaît une forme d'autorité politique pendant le temps de guerre sans laquelle l'organisation et la coordination efficace de la communauté en face de l'ennemi seraient impossible. Hume soutient que c'est précisément cette expérience sous le pouvoir d'un chef militaire qui fait connaitre aux individus l'avantage du gouvernement, et ainsi d'y recourir quand le besoin d'ordre perdure. De fait, l'expérience est la source principale de la connaissance humaine sur le monde extérieur. Ainsi peut-on conclure que, tandis que l'explication du gouvernement à travers le principe de la nature humaine, qu'on a vu plus haut, appartient à l'analyse philosophique de Hume, l'histoire conjecturale de l'origine du gouvernement relève de la pratique historique (tableau 2).

[24]Hume adopte la même méthode dans son épistémologie ou dans son ontologie : par exemple, c'est à partir des lois de l'association (ou les relations naturelles) que Hume explique l'origine de l'idée de la connexion nécessaire entre la cause et l'effet. Ou encore, le principe de copie selon laquelle les idées (simples) sont les copies des impressions (simples) explique l'origine de l'idée des objets. C'est la raison pour laquelle la science de la nature humaine est une science des lois, et non des causes (Jaffro 2009). Mais, à la différence de la politique, l'introspection s'avère la méthode principale de la découverte de ces lois.

Tableau 2

Chez Hume	Analyse	Histoire conjecturale
Point de départ	état de nature	société primitive
Approche	dynamique qui relève de la méthode expérimentale	dynamique qui relève de la pratique historique

Cependant, la relation entre l'approche historique qui relève de la méthode expérimentale et celle qui relève de l'histoire conjecturale doit être examinée de plus près parce qu'elles sont intimement connectées (Malherbe 1995, Jaffro 2011). En effet, elles sont si entremêlées dans la théorie humienne de l'origine du gouvernement que l'on caractérise généralement l'approche historique de la philosophie politique de Hume, comme un tout, comme l'histoire conjecturale ou naturelle du gouvernement (Haakonssen 2009a: 356, Santos Castro 2017).[25] Or, comme on le verra, il est important de distinguer l'une de l'autre.

La difficulté vient du fait que l'histoire conjecturale repose elle-même sur la méthode expérimentale. En effet, on ne peut faire des conjectures sur la manière dont les individus ont agi dans le passé qu'à partir des lois établies par la méthode expérimentale.[26] Cela consiste donc en deux étapes. En premier lieu, la

[25] Même si plusieurs commentateurs remarquent qu'il se trouve deux théories de l'origine du gouvernement au sein de la philosophie politique humienne, l'une conceptuelle, l'autre s'intéressant à son origine réelle (Mackie 1980: 108, Harrison 1981: 188, Miller 1981: 81, Whelan 1985: 259), les approches historiques différentes sous-jacentes à ces deux théories n'ont pas été évoquées à l'exception, à ma connaissance, de Binoche (2013: 77-93). Ce dernier soutient que la première relève de la genèse qui est par définition anhistoristique tandis que l'autre relève de l'histoire empirique. Je me distingue de lui à deux titres : premièrement, l'uniformité de la nature humaine ne permet pas, à elle seule, de qualifier d'anhistorique la première approche. C'est vrai que l'histoire, comme on la comprend maintenant et depuis le XIXe siècle d'ailleurs, présuppose l'historicité des êtres humains. Autrement dit, l'histoire est fondée sur la nature historique des êtres humains elle-même (Jaffro 2011: 98). Cependant, pour le XVIII[e] siècle, et pour Hume, la supposition de l'uniformité de la nature humaine est un prérequis pour faire de l'histoire : comment l'historien pourrait-il comprendre le passé et les anciennes sociétés, sans supposer que la nature humaine est constante ? Deuxièmement, l'explication historique humienne de l'origine du gouvernement apparaît plus comme conjecturale qu'empirique, d'autant qu'il s'agit de découvrir les causes de l'*origine* du gouvernement.

[26] Si l'on peut avoir l'impression que la conception de la « conjecture » indique à une approche historique arbitraire, la méthode de l'histoire conjecturale est, à l'opposé, scientifique car elle

science de la nature humaine formule les lois à partir de l'expérience, à savoir l'introspection et l'histoire elle-même :

Mankind are so much the same, in all times and places, that history informs us nothing new or strange in this particular. Its chief use is only to discover the constant and universal principles of human nature, by shewing men in all varieties of circumstances and situations, and furnishing us with materials, from which we may form our observations, and become acquainted with the regular springs of human action and behaviour (EHU 8.7).

Les *principes* dont il est en question ici sont l'opération des passions et de l'entendement qui est universelle, c'est-à-dire constante pour chaque individu en tout lieu, en tout temps. En second lieu, en reposant sur ces principes, on réalise dans l'imagination des conjectures sur le comportement des individus. En supposant une nature humaine dont les principes sont constants, l'histoire conjecturale vise alors à découvrir ce que Hume appelle les « causes morales » qui reflètent l'influence des circonstances dans lesquelles les individus se retrouvent sur le comportement humain :[27]

By moral causes, I mean all circumstances, which are fitted to work on the mind as motives or reasons, and which render a peculiar set of manners habitual to us. Of this kind are, the nature of the government, the revolutions of public affairs, the plenty or penury in which the people live, the situation of the nation with regard to its neighbours, and such like circumstances (E-NC: 198).[28]

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repose sur les lois atteintes par l'expérience. Remettant en cause le point de vue générale (Hopfl 1978, Emerson 1984), Wood (1990: 114) suggère qu'il faut faire attention à ne pas identifier toutes les histoires naturelles formulées par les écossais avec l'histoire « conjecturale ». En effet, Adam Ferguson lui-même avait trouvé le terme « conjectural » inapproprié parce que cette approche historique consistait simplement à appliquer la méthode scientifique de la philosophie naturelle à la philosophie morale (Cohen 2014: 762).

[27] Stewart définit ainsi la méthode de l'histoire conjecturale: « … considering in what manner they [men] are likely to have proceeded from the principles of their nature, and the circumstances of their external situation » (1982, II.46).

[28] Hume présente cette définition des causes morales dans son essai "Of National Characters" (1742,1777) en opposition aux "causes physiques" comme le climat. Dans cet essai, il critique l'idée de Montesquieu selon laquelle les causes physiques ont un rôle important dans la détermination des institutions sociales.

C'est à partir des différences de circonstances que Hume (comme Smith) explique la diversité de l'expérience humaine.[29]A cet égard, l'inégalité de richesse explique l'existence du gouvernement chez Hume ainsi que chez Smith. Cela nous permet, de nouveau, de distinguer l'histoire conjecturale de l'approche historique qui relève de la méthode expérimentale au sein de la philosophie politique de Hume : la première a pour but de déterminer la cause du gouvernement : la richesse. Elle permet aussi de montrer la cause de l'émergence d'une première autorité politique : la guerre. La seconde l'approche historique, à son tour, explique l'origine du gouvernement par une loi, et non une cause. Elle permet à Hume de montrer *la raison d'être* du gouvernement qui repose sur la protection de la propriété privée, conforme à l'intérêt de tous. Ce faisant, Hume établit un critère pour juger si un gouvernement est civil, en d'autres termes, si un gouvernement est ou n'est pas dirigé en fonction des lois de justice. Enfin, il y a une autre divergence : l'histoire conjecturale est relative à des origines inaccessibles dans la mesure où on ne les connaît pas ; tandis que l'approche historique dite *expérimentale* s'occupe de la description des faits dont les origines sont accessibles par l'introspection (Jaffro 2011) et l'histoire.

Face à une littérature secondaire qui privilégie, tant pour Hume que pour Smith, une unité d'approche, j'ai au contraire, fait apparaître chez l'un et chez l'autre, une dualité d'approches qui tenait à une intention distincte. C'est le cas chez chacun d'une distinction entre analyse et histoire conjecturale (Tableau 3). Cette distinction permet d'éviter quelques confusions auxquelles abouti un point de vue unitaire : ainsi de l'idée que la philosophie politique de Hume serait incohérente (Forbes 1975a: 76, Haakonnsen 1994: xxvii), que sa conception de

[29]L'hypothèse de l'uniformité de la nature humaine n'exclut pas la diversité dans les actions humaines :« We must not, however, expect, that this uniformity of human actions should be carried to such a length, as that all men, in the same circumstances, will always act precisely in the same manner, without making any allowance for the diversity of characters, prejudices, and opinions" (EHU 8.10).

l'histoire serait anhistorique (Black 1926: 97, Colingwood 1993[1946]: 77,),[30] ou encore de prêter à Smith une même approche dans la théorie des quatre stades et dans la description de l'émergence du système mercantile dans le livre III de la *Wealth of Nations* (Cook 2013).[31]

Tableau 3

Approche	Analyse	Histoire (conjecturale)
Hume	anhistorique	histoire conjecturale
Smith	méthode expérimentale	théorie des quatre stades

Cependant, plutôt que de considérer séparément la manière dont Hume et Smith articulent l'histoire avec l'analyse, la comparaison des poids respectifs qu'ils donnent à l'une et l'autre est plus fructueuse pour comprendre la cristallisation du savoir économique qui devait ultérieurement donner lieu à l'économie classique. En effet, comme plusieurs commentateurs l'ont déjà remarqué (Rotwein 1955: cix-cx, Hutchison 1988: 213-4, Rostow 1990: 18, Skinner 2009: 411),[32] la pensée économique de Hume est imprégnée par une appréciation de la dynamique de l'histoire plus large que celle de Smith. Pourtant, au lieu de se contenter de ce constat général, il faut préciser en quoi la pensée économique humienne reflète une perspective plus *historique* que celle de Smith.

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[30] Comme déjà évoqué à la note de bas de page n. 25, cette caractérisation semble anachronique. Dans cette thèse, on privilège la compréhension smithienne et humienne de l'histoire pour savoir si une approche est historique ou anhistorique. Tandis que la première relève de la dynamique, l'autre relève, comme on l'a vu de la statique. Pourtant, il faut noter que l'hypothèse de l'uniformité de la nature humaine a suscité un grand débat dans la littérature secondaire. Aux deux extrêmes se trouvent ceux qui soutiennent qu'il s'agit d'une approche anhistorique et ceux qui maintiennent que Hume est un précurseur des historicistes ou relativistes (Livingston 1984, Schmidt 2003). Entre les deux, plusieurs commentaires tentent de plus en plus de réconcilier l'uniformité et la diversité de la nature humaine de manière différente (Forbes 1975a: 102-124, Wertz 1975, Berry 2007).

[31] Cela amène même Cook (2013: 313) à conclure que la société commerciale en tant que quatrième stade de l'évolution de la société, n'est pas propre aux nations européennes du XVIII[e] siècle, mais qu'elle était aussi atteinte par les sociétés grecques et romaines antiques. La divergence entre ces deux histoires est discutée dans les notes du bas de page n.40-41.

[32] Skinner note qu'à la différence de Hume: "in Smith history is the *preface* to political economy rather than integral to the treatment".

Cela se révèle à travers leurs opinions sur l'un des grands problèmes politiques de leur époque, celui de la dette publique britannique qui ne cesse de croître depuis la Glorieuse Révolution de 1688 avec l'arrivée au pouvoir d'un couple protestant (Guillaume III et Marie II). Il en est résulté une série de guerres de plus en plus coûteuses avec la France catholique s'accompagnant d'une de lutte pour la domination des marchés coloniaux à partir, environ, du milieu du XVIII^{e} siècle. Hume, de même que Smith, sont soucieux de la politique internationale britannique qui favorise la guerre ainsi que de la pratique usuelle consistant à la financer par la dette publique, plutôt que par l'impôt.

Avant d'expliquer les raisons de leur aversion à cette politique, il faut noter que Smith et Hume ne sont pas seulement des théoriciens de l'origine du gouvernement, mais que leur intérêt les porte vers l'art du gouvernement. En effet, les *Political Discourses* (1752) de Hume, qui contiennent ses essais économiques et qui se retrouvent dans la version finale des *Essays, Moral, Political and Literary* (1777) sont écrits principalement pour proposer une alternative aux politiques contemporaines. C'est la raison pour laquelle la pensée économique humienne a été nommée "practical economics" (Velk and Riggs 1985).[33] De même, Smith envisage l'économie politique comme « a branch of science of a statesmen or legislator » (WN IV.1). La « science du législateur » (Haakonssen 1981, Winch 1978, 1983) est définie par Smith à la fin de la *Theory of Moral Sentiments* (1759), comme un « system of … natural jurisprudence, or a theory of the general principles which ought to run and be the foundation of the laws of all nations … not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law » (TMS VII.iv.37). Smith voulait achever ce grand projet en écrivant un traité sur la

[33] L'économie pratique de Hume ne représente qu'une partie de son aspiration à influencer ses lecteurs par ses écrits, à savoir avec ses *Essays* et *History of England*. C'est pourquoi Hume est conçu comme un "moraliste" (Phillipson 1978, Immerwahr 1992). L'histoire, selon Hume (comme selon Smith), sert précisément à ce but : non seulement elle est une source de divertissement et d'instruction, mais elle est aussi un moyen de renforcer les vertus par l'engagement des passions des lecteurs (E-SH: 563-568).

jurisprudence mais, comme il signale dans la préface de la dernière édition de la *Theory of Moral Sentiments* (1790), il ne parvint à terminer que la partie portant sur « police, revenue, and arms » (TMS Advertisement.2) dans la *Wealth of Nations*. Ce dernier prend pour l'objet d'étude « political regulations which are founded, not upon the principle of justice, but that of *expediency*, and which are calculated to increase the riches, the power, and the prosperity of a State » (Stewart 1982, I.20).[34] Les deux auteurs envisagent ainsi d'améliorer par leurs œuvres le monde dans lequel ils vivent.

En ce qui concerne la question de dette publique britannique, Hume était plus inquiet que Smith. A moins que cette politique ne changeât, Hume soupçonnait que le résultat fût la conquête de la Grande-Bretagne par un ennemi[35] à cause d'un manque de ressources pour financer sa défense. La meilleure solution, selon lui, alors serait la banqueroute qui impliquerait la fin du gouvernement mixte et libre de la Grande Bretagne où le respect de la propriété était primordial pour le maintien de cette forme du gouvernement. De cette façon, Hume voulait attirer l'attention sur la nocivité de la politique belliqueuse de la Grande Bretagne qui menaçait la forme du gouvernement britannique, ou même le gouvernement lui-même. En traçant un parallèle avec l'empire romain, il pointait le danger de l'expansion impériale (Diatkine 2012: 1374). En effet, en réfutant l'idée classique selon laquelle la chute de l'empire romain était due à la corruption morale et politique causée par l'enrichissement, Hume avançait qu'elle était engendrée par « an ill modelled government, and the unlimited extent of conquests » (E-RA: 276). Mais à la différence de l'empire romain, l'expansion impériale de la Grande Bretagne procédait de son aspiration d'imposer un monopole dans son commerce avec ses colonies américaines (Robertson 1993: 371). Dans deux lettres rédigées en

[34]Il s'agit d'un résumé (par John Millar) d'une partie du cours de Smith à l'Université de Glasgow qui constituerait l'essentiel de la *Wealth of Nations*.

[35] Hume notait naturellement que cet ennemi serait la France quand il écrivait son essai "Of Public Credit" en 1752, juste quatre ans avant la Guerre de Sept Ans (1756-1763). A la fin de cette guerre, il était évident que la France, vaincue, n'atteindrait pas son aspiration pour une "Monarchie Universelle". Ainsi, dans ses révisions ultérieures, Hume a modifié son essai (Robertson 1993).

fin d'année 1775 — où les conflits avec ces colonies avaient déjà commencé — Hume prévoyait correctement que l'insistance sur le monopole forcé aboutirait à une conquête territoriale despotique — comme les conquêtes romaines — et une guerre très couteuse avec les colonies et avançait ainsi que la Grande Bretagne gagnerait beaucoup plus de ce qu'elle perdrait en se séparant volontairement de ces colonies et en développant le libre-échange avec les Amériques (L,2: 300-4).[36] Hume avait ainsi remarqué que les guerres procédaient de la subordination de la politique à l'économie qui prenait la forme d'une concurrence globale pour les marchés en tant qu'activité principale de l'Etat: le titre de l'un de ses essais en témoigne : « Of the Jealousy of Trade » (Hont 2005: 6). Hume y réfute précisément l'idée qui se trouve à la base de cette politique agressive, celle selon laquelle les nations ne pourraient s'enrichir qu'au détriment les unes des autres. [37] C'est cette idée qui se trouvait derrière les régulations protectionnistes entravant le libre échange international.

Smith continuera et approfondira la critique de ces politiques et de ces doctrines dans la *Wealth of Nations*, cette fois, en les nommant : « le système mercantile ».[38] La question de la dette publique britannique devient ainsi indissociable de la question coloniale et s'insère dans sa critique du système mercantile. Smith rédige en effet son œuvre après la Guerre de Sept Ans (1756-1763), à la suite de laquelle la Grande Bretagne apparaît aux yeux de tous comme un pouvoir mondial, et au milieu de l'intensification des conflits dans les colonies américaines qui aboutira à la Guerre d'Indépendance Américaine (1775-1783). Aussi soucieux que Hume du remboursement d'une dette publique croissante,

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[36]Dans l'un de ces deux lettres envoyées à son éditeur londonnien, William Strahan, Hume souligne que même si la Grande Bretagne arriverait à maitrîser ses colonies, ces dernières seraient ingouvernables à cause de leur distance: "Think only of the great Kingdom of France which is within a days [sic.] sailing of the small Island of Corsica; yet has not been able, in eight or nine years, to subdue and govern it, contrary to [the] Sentiments of the Inhabitants" (L,2: 304).

[37] Selon quelques auteurs mercantilistes comme Davenant, le commerce est irréconciliable avec la paix (Pocock 1975: 438).

[38] Ce terme est utilisé pour la première fois par les Physiocrates, dans la *Philosophie Rurale* (1763: 91) de Mirabeau. Cependant, Smith est généralement reconnu comme créateur du concept du mercantilisme (Coleman 1980, Magnusson 2007: 46)

Smith envisage deux solutions pour éviter la guerre avec les colonies américaines, ce qui supprimerait aussi le problème de la dette publique. Tandis que l'une proposait la séparation volontaire des colonies pour éviter les dépenses de guerre, l'autre proposait un projet de réforme qui consistait à instaurer une forme d'Etat généraux de l'Empire Britannique — qui serait une zone de libre-échange — pour augmenter les revenus fiscaux. Même si ces solutions n'étaient pas des plus réalistes, cela n'empêche pas d'y reconnaître un apport théorique de Smith (Winch 1978: 154).[39] Cet apport ainsi que le moindre danger de la dette publique pour Smith par rapport à Hume, découlent de sa théorie économique. En ce qui concerne son projet d'un empire *pacifique*, sa proposition reposait sur le constat d'une source de revenu imposable dans les colonies, surtout dans l'Amérique du Nord. D'après Smith, même si ces dernières n'étaient pas encore aussi riches que la Grande Bretagne, elles avaient connu un taux de croissance élevé, comme on pouvait remarquer à la croissance de sa population. Ainsi, il s'agissait d'une illustration du « natural progress of opulence » (WN III.i) selon lequel « the greater part of the capital of every growing society is, first directed to agriculture, afterward to manufactures, and last of all to foreign commerce » (WN III.i.8). Quant au moindre pessimisme de Smith vis-à-vis de la dette publique, cela était dû à son constat selon lequel le gaspillage du revenu public — qui aurait pu être mobilisé en tant que capital par les créanciers publics — était compensé par l'épargne privée. Alors, même si la pratique de l'endettement public avait pour conséquence une croissance moindre, l'accumulation du capital avait quand même soutenu une croissance remarquable.

Ainsi, tandis que Hume mobilise l'*histoire*, Smith met en avant la *théorie économique* afin de remettre en cause la politique contemporaine de l'endettement public. La même tendance apparait dans leurs critiques respectives des doctrines et politiques mercantiles. Non seulement la pensée économique de

[39] Robertson (1993: 371) constate qu'il est curieux que Hume n'ait pas proposé un tel ordre politique international qui contrecarrerait la jalousie commerciale.

Hume s'inscrit dans une perspective historique, mais dans son effort de réfutation des idées mercantiles il explique aussi plusieurs phénomènes économiques par le progrès historique lui-même (Rotwein 1955: xvi, Diatkine 1989: 10, Skinner 2009, Berry 2006). De fait, à l'encontre de l'identification de la richesse à la monnaie, qui résulte de la croyance que la quantité abondante de la monnaie est la cause de la richesse et le pouvoir des nations, Hume soutient que l'abondance ou la rareté de la monnaie sont l'effet, et non la cause, respectivement, de la richesse ou de la pauvreté. La cause de la richesse réside dans « a change in the manners and customs of the people » (E-Mo: 294, Cf. E-Mo: 290) qui dépend du progrès historique. Par ailleurs, Hume réfute l'idée selon laquelle la quantité abondante de la monnaie est la cause de la diminution du taux d'intérêt de la même façon : l'abondance de la monnaie, de nouveau, n'est pas la cause du taux d'intérêt bas ; l'une et l'autre sont dépendants des « habits and manners which prevail » (E-In: 298) qui, s'ils sont raffinés, indiquent un niveau développé du commerce et des manufactures. Cela signifie que les prêteurs sont relativement plus nombreux que des emprunteurs, ce qui explique le niveau bas du taux d'intérêt dans les nations riches.

De même, Hume explique dans son essai « Of Commerce » et, dans sa *History of England* (IV,1983[1756]), le niveau avancé du développement britannique par un changement dans les mœurs et dans le mode de vie du peuple anglais : avec l'introduction dans le marché domestique des produits de luxe (ou des biens de convenance) par le commerce étranger, le goût et le mode de vie du peuple ont commencé à changer. Cela a incité les seigneurs ainsi que les vassaux à produire davantage de produits agricoles afin de les échanger contre les produits du luxe. Plus les seigneurs se sont habitués à consommer ces derniers, moins ils pouvaient conserver de vassaux, ce qui a abouti à la chute de leur pouvoir politique. Parallèlement, les dépenses des nobles féodaux ont enrichi les commerçants et les artisans qui habitaient dans les villes, créant ainsi une classe moyenne riche et

puissante. Ainsi, « the change of manners was the chief cause of the secret revolution of government » (HE,4:385). [40]

Bien que Smith reprenne l'explication historique de Hume à propos de la chute du système féodal et l'émergence du système mercantile dans son livre III de la *Wealth of Nations* (Brewer 1998), il renverse le rôle de l'histoire dans sa critique du système mercantile : au lieu de s'appuyer sur l'histoire elle-même, il élabore un modèle théorique de croissance, le « natural progress of opulence » qui sert de base à sa critique. Pour amplifier celle-ci, il continue en évaluant l'histoire à travers cet ordre naturel du progrès : les nations européennes n'avaient pas suivi cet ordre, mais son inverse. Son but est de montrer comment le progrès naturel de l'opulence, qui assurerait un maximum de croissance, a été perverti par les conditions historiques qui ont donné lieu au système mercantile. [41]

L'éloignement graduel de la théorie économique de l'histoire que l'on observe en passant de Hume à Smith conduit à voir dans le second, plus que dans le premier, le précurseur de l'économie classique. Un point de vue différent se retrouve chez

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[40] En effet, Hume continue sa recherche des causes dans sa pensée économique. Cela devrait être la raison pour laquelle Rotwein soutient que la pensée économique de Hume est insérée dans une "natural history of the rise and progress of commerce" (1955: xxiv). Pourtant, suivant la définition de l'histoire conjecturale précisée dans cette thèse, on ne pourrait pas dénommer « conjecturale » l'explication humienne de l'évolution du commerce d'autant qu'elle ne s'intéresse pas aux origines. Autrement dit, l'origine du commerce n'est pas l'objet de l'analyse humienne. En effet, Hume ne cherche pas à déterminer la cause de l'origine du commerce internationale, au contraire, Hume la prend comme donnée. Cette dernière devient le point de départ de son analyse de l'évolution économique. Pourtant, Hume cherche, en effet, les causes de cette évolution. Cela procède de sa méthode expérimentale qui cherche à former des généralisations à partir de l'expérience. Une telle méthode requiert l'attribution des mêmes effets aux mêmes causes (T 1.3.15.6).

[41]Smith se réfère à Hume dans ce contexte: "Commerce and manufactures gradually introduced order and good government, and with them, the liberty and security of individuals, among the inhabitants of the country, who had before lived almost in a continual state of war with neighbours, and of servile dependency upon their superiors. This, though it has been the least observed, is by far the most important of all their effects. Mr. Hume is the only writer who, as far as I know, has hitherto taken notice of it" (WN III.iv.4). D'après moi, cette histoire européenne ne devrait pas être désignée comme une histoire conjecturale car, comme l'on a vu, celle-ci s'intéresse aux origines. Or, ce qui s'intéresse Smith dans le livre III ce n'est pas l'origine du progrès naturel de l'opulence, mais les causes de sa perversion (Winch 1992: 107). A cet égard, il ne faut pas confondre la théorie des quatre stades avec le livre III dont l'approche historique s'approche plutôt de celle de *History of England* de Hume.

certains commentateurs qui privilégient, en partie, la réfutation des doctrines et politiques mercantilistes pour prêter à Hume la qualité de précurseur que l'on reconnaît à Smith (Rotwein 1955: civ, Hayek 1963, Deleule 1979).[42] Pourtant, la théorie économique humienne se rapproche pas aussi facilement de celle de Smith : chez Hume il n'y a pas de concept du marché, ni de théorie de la valeur d'échange (Diatkine 1989), ni de théorie de la croissance spontanée (Brewer 1995). Tous ces éléments apparaissent avec l'analyse économique de Smith, ce qui s'accompagne d'un glissement de référence de l'économie monétaire à l'économie réelle. Même si Hume soutient, comme plusieurs auteurs mercantilistes d'ailleurs,[43] que la richesse réside dans la population et l'activité, sa théorie économique, plutôt que de s'intéresser à la richesse réelle, tourne autour de la question de l'importance de la monnaie pour l'échange. La monétarisation de l'économie est indispensable, selon lui, pour le développement du commerce qui est la source primaire — et externe — de la croissance économique (Paganelli 2006a). De fait, chaque fois que Hume s'intéresse à la richesse réelle, c'est principalement pour en examiner les conséquences monétaires (Rotwein 1955, Diatkine 1989: 7). Chez Hume, on ne trouve pas l'idée, attribuée aux classiques, selon laquelle la monnaie n'est pas nécessaire pour comprendre l'économie, une idée qui se résume dans les mots de John Stuart Mill (1965 [1848], 3: 506) : « there cannot, in short, be intrinsically a more insignificant thing, in the economy, than money ». Le passage de la monnaie à l'arrière-plan de la théorie économique après Hume — jusqu'à sa réapparition au XXème siècle — (Schabas 2008a: 127) s'effectue avec Smith. D'après ce dernier, les marchandises ont une valeur d'échange de sorte qu'il revient au même de les échanger les unes contre les autres ou de les échanger contre leur prix en monnaie (WN I.i.10, Cf. Diatkine

[42] Hutchison (1988: 214) et Schabas et Wennerlind (2008: 1) signalent la difficulté que l'on rencontre si l'on veut classer Hume dans un courant de pensée. Rotwein (1955) évoque la même difficulté mais il conclut en privilégiant les aspects qui s'approche Hume vers l'économie classique.

[43] Par exemple, Mun écrit: "… all men do know, that the riches or sufficiency of every kingdom, state, or commonwealth, consisteth in the possession of those things, which are needful for a civil life" (Viner 1995: 20).

1993: 208). A cet égard, pour Smith, la monnaie ne modifie guère l'ajustement du marché et les mécanismes de l'économie (Desmedt et Piégay 2007: 118).

Les divergences entre leurs théories économiques sont, de nouveau, mises en évidence par la manière dont ils considèrent les problèmes de la dette publique britannique. Hume insiste, à plusieurs reprises, sur l'importance des métaux précieux comme moyen de financer la guerre ou pour les négociations internationales (E-Mo :282,4, E-BT :316). Il affirme qu'il s'agit là des *seuls* avantages d'une quantité abondante de métaux précieux. Or, traitant les titres de la dette publique comme une sorte de papier monnaie, il affirme que ces derniers chassent les métaux précieux de l'économie domestique. C'est probablement la raison pour laquelle Smith critique Hume pour avoir confondu la richesse avec la monnaie (LJ(B) 253).[44] En effet, l'attribution aux métaux précieux de fonctions d'une importance capitale pour le bien-être de la nation était un trait commun aux auteurs mercantilistes et, aux yeux de Smith, cela revenait au même que de veiller à maintenir une balance commerciale excédentaire, ce qui était l'un des principes sur lequel se fonde le système mercantile (WN IV.1.13).[45] Smith, par contre, insiste sur le fait que la source ultime du financement de guerre est « the annual produce of the land and labour of the country » (WN IV.i.28) et que la Grande Bretagne en tant qu'exportateur de produits en forte intensité de capital pourrait payer des guerres couteuses sans utiliser des métaux précieux (WN IV.i.29). De surcroît, même si Smith accepte l'avantage des métaux précieux sur l'utilisation répandue du papier monnaie en cas de guerre (WN II.ii.87), il opte dans le contexte de son attaque contre le système mercantile, pour une analyse non-monétaire, mise en évidence par ses considérations sur la dette publique britannique.

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[44] Les éditeurs des *Lectures on Jurisprudence* (Smith 1978: 507 n.28) ainsi que Viner (1955: 84 n.30) avancent cette proposition.

[45] L'autre principe s'appuie sur la fusion de l'intérêt général avec les intérêts marchands. Les politiques visant à promouvoir l'intérêt des marchands et manufacturiers sont très nocives au bien être public selon Smith. Voir Diatkine (2019) sur ce point.

Même si l'on peut discuter du caractère de précurseur de Smith sur tel ou tel point caractéristique de l'économie classique (Ruellou 2017), il reste celui dont le rôle fut décisif dans l'émancipation de l'économie par rapport à l'histoire. Le développement de la pensée économique de Smith atteste une tendance à faire abstraction des influences historiques qui serait ultérieurement caractéristique des économistes classiques en commençant par Ricardo (Rotwein 1955: cx). L'objectif de cette thèse est donc, premièrement, d'expliciter les manières de lier des approches historiques différentes dans la pensée politique et économique de Hume et de Smith, et deuxièmement, de montrer comment une certaine approche historique smithienne, que j'ai appelée *anhistorique,* jette les bases de ce qui deviendra la théorie classique.

Ce travail s'appuie essentiellement sur l'analyse des textes où on peut détecter une telle mise en relation de l'histoire avec l'analyse. Ce qui, pour une large part, laisse de côté les théories morales de Smith et de Hume. Je les mentionnerai certes, lorsque cela me semblera nécessaire, mais une étude des théories morales de ces deux auteurs—abondamment réalisée dans la littérature secondaire (par exemple, Raphael 1972, Haakonssen 1981, Rasmussen 2017: 86-112) —échappe à l'objet de cette thèse. L'examen porte donc tant sur les premiers travaux de Smith (ses *Lectures on Jurisprudence*) et de Hume (du *Treatise* et aux premiers essais), que sur leurs travaux de maturité (*Wealth of Nations* de Smith, et les derniers essais, leurs révisions et *History of England* de Hume). A cette démarche, qui suit le développement de pensée économique de Smith, s'ajoute l'examen des divergences entre la pensée économique de Hume et celle de Smith qui transparaissent dans des questions de politique économique, comme celle de la dette publique britannique.

Dans ce but, je procède en deux temps. **La première partie** examine la manière dont Hume ainsi que Smith confrontent l'approche en termes d'histoire conjecturale avec une autre approche qui relève d'une analyse portant sur la politique pour Hume et sur l'économie pour Smith. Le premier chapitre explicite

la théorie humienne de l'origine du gouvernement. Tout d'abord, il s'agit de distinguer deux explications différentes de l'origine du gouvernement chez Hume. On montre que, d'un côté, Hume explique l'origine du gouvernement civil par référence à un contrat ; d'un autre côté, il décrit l'émergence de l'autorité politique dans la société primitive à travers la nécessité engendrée par la guerre. Cela me permettra de montrer comment s'imbriquent ces deux explications différentes du gouvernement en répondent à deux questions différentes sur sa nature : la première définit sa fonction à partir d'une perspective philosophique, tandis que la seconde s'attache à l'histoire conjecturale de l'émergence du gouvernement. On montrera qu'à l'inverse de ce qui est habituellement suggéré cette distinction se révèle indispensable pour conclure à la cohérence, sur ce point, de la philosophie politique humienne.

Le second chapitre s'attache à la relation entre l'histoire conjecturale et l'analyse smithienne de l'économie. On observe que même si Smith se réfère à une société primitive dans sa théorie économique, et s'il est possible d'y reconnaître une perspective historique, il ne s'agit pas de la même histoire que celle qui relève de sa théorie de quatre stades. Je montre que cela doit être attribué à une division que Smith établit au sein de son système : alors que la théorie des quatre stades vise à instaurer une philosophie politique alternative aux théories contractualistes de l'Etat, la société primitive permet à Smith de développer une analyse économique de la société commerciale et d'y discerner les causes de la richesse : la division du travail et l'accumulation du capital.

La seconde partie de la thèse met en évidence une question sur laquelle les positions de Hume et de Smith se séparent, permettant au second de faire émerger une caractéristique majeure de l'économie classique : celle de porter sur une économie réelle. La question qui conduit à cette séparation est celle de la dette publique britannique. Dans le seul chapitre de cette partie, je montre que, dans une large mesure, les points de vue de Hume et de Smith s'accordent pourtant. L'un et l'autre mettent en évidence le caractère néfaste du recours à la

dette afin de financer la guerre. Cependant, ils divergent sur la nature et les conséquences de ces effets négatifs. Alors que, pour Hume, la politique d'endettement public prive la nation de sa capacité future de soutenir la défense nationale, elle ralentit, selon Smith, la croissance économique sans pour autant y mettre fin. En conséquence, Hume envisage la banqueroute volontaire comme moyen d'effacer la dette britannique tandis que Smith envisage des mesures pour son règlement. D'un côté, cette analyse fait ressortir l'optimisme politique relatif de Smith par rapport à Hume. Mais, d'un autre côté, en replaçant l'analyse de Smith, dans le cadre d'une critique des doctrines mercantilistes, cette analyse montre comment Smith fait apparaître le rôle explicatif des facteurs réels de l'économie, alors que, ce pas, fondateur de l'économie classique, n'est pas franchi par Hume.

PREMIÈRE PARTIE

DE L'HISTOIRE CONJECTURALE À LA THÉORIE ÉCONOMIQUE

> « … no man can be a politician except he be first a historian or a traveller; for except he can see what must be, or what may be, he is no politician. Now if he has no knowledge in history he cannot tell what has been, and if he has not been a traveller, he cannot tell what is; but he that neither knows what has been, nor what is, can never tell what must be, or what may be. »
>
> James Harrington, *Oceana and Other Works*
>
> (1737 [1656] :183).

The first part of this dissertation is composed of two chapters which both aim to reveal that there are at least two different historical approaches underlying Hume's and Smith's inquiry into progress: a conjectural history and another kind of history stemming from their respective methods of analysis of civil society. Taken together, these two chapters outline the gradual transformation of the manner in which the emergence of civil society is explained: the *state of nature*, used as a part of Hume's analysis, is replaced with the *primitive society* of North American Indians in his conjectural history, and it altogether disappears with Smith's theory of four stages which is a specific form of conjectural history. This transformation, moreover, goes in hand in hand with the gradual prominence of economic determinants in the explanation of the civil society: the emphasis Hume puts on the economic institutions such as property, exchange and contracts in the explanation of the origin of government paves the way for its explanation by modes of subsistence in Smith's theory of four stages. Finally, this part shows that such a shift culminates in Smith's *ahistorical* approach to the economic analysis of the commercial society in the first two books of the *Wealth of Nations*.

Smith's economic analysis, in other words, his determination of the causes of the wealth of nations as the division of labour and the accumulation of capital, forms the basis for his policy proposals. Political economy, as a branch of the science of legislator, however, requires foremost that the property of every individual

should be secured. It is only on the grounds of the security of property that exchange, and all economic activities become intelligible. Such security is, then, the primordial function of the government. Following a long tradition of thought, both Hume and Smith put property at the forefront of their theory of law and government such that government arises from an unequal distribution of property, which derives, in turn, from economic development. This account of the origin of government is informed by a conjectural history which is embedded in Hume's *Treatise* and *Essays* and in Smith's *Lectures on Jurisprudence* and the fifth book of the *Wealth of Nations*.

In Hume's case, this conjectural history is put into relation with another account of the origin of government whose aim is to provide the *raison d'être* of the government rather than its historical origin. Rather than a conjectural history, this account gives another kind of philosophical history which seeks to explain the origin of moral phenomena by the principles of human nature. Discerning in this way two kinds of historical approaches within Hume's political philosophy is important for assessing the development of Hume's thought: against a line of interpretation which holds that Hume's political philosophy became conjectural-historical towards the end of his life, the distinction I draw between two historical approaches indicate that there is no substantial change (Chapter 1).

In Smith's case, the conjectural history of law and government stands along with another historical approach, which I call *ahistorical*: Smith's comparison of a primitive society and an advanced state of society within his economic theory lacks the dynamic perspective of the theory of four stages, and as such, it lacks historical context. Again, distinguishing between these two sorts of histories within Smith's thought is essential for the comprehension of the development of Smith's economic thought and the division he establishes within his system. Whereas the latter was embedded in a jurisprudential context in his early years, Smith comes to separate it — though not rendering it autonomous— from his theory of law and government (Chapter 2).

CHAPITRE 1: David Hume's account of the origin of government between analysis and history

1. Introduction

Hume's rebuttal of the idea — mostly Locke's — that authority of government derives from promise is commonplace. For him, people obey their government, not because they promised, but because they are accustomed to do so: they are naturally induced to believe that they should obey their rulers. This question of the obligation of obedience is separate in Hume's account from the question of the origin of government. In this respect, as well his political philosophy is at odds with Locke's — whose philosophical arguments were frequently deployed by the Country party at Hume's time — according to which the origin of both government and obedience resides in mutual promises between the king and people.[46]

Focusing exclusively on the question of the origin of government, the purpose of this chapter is to cast doubt on a line of interpretation which holds that Hume changed his theory of the origin of government between the *Treatise* (1740) and the *Essays* (1777).[47] Some commentators argue that, while in the former work Hume allowed that government is initially founded on promise; in the late essay he wrote in 1774 and published after his death in 1777, "Of the Origin of Government" [OG] and in the additions he made for the latest version (1777) of his early essay published in 1748, "Of the Original Contract" [OC], he withdrew this argument and replaced it with the more realistic, historical one according to

[46]The similarities and differences of Hume's account with the social contract theory have been widely mooted in the literature, for example in Thompson (1977), Buckle and Castiglione (1991), Whelan (1994).

[47] The *Essays* have undergone through various editions throughout Hume's life. The *Essays, moral and political, and literary* was first published in 1741 and did not contain the essays on government which are discussed in this chapter. His essay "Of the Original Contract" was first published in 1748 in *Three Essays, Moral and Political*, along with other two essays "Of National Characters" and "Of Passive Obedience." "Of the Origin of Government", on the other hand, was first published in the posthumous edition of the *Essays and Treatises on Several Subjects* (1777) which contained along with Hume's essays, his *Enquiries concerning Human Understanding and the Principles of Morals*.

which government originates from the habit of obeying the military leader in time of war (Stewart 1963: 153-160, Forbes 1975a: 76, Waszek 1988: 99, Haakonnsen 1994: xxvii, 2009: 355).[48]

Now, all these commentators are aware of the fact that the latter, namely the more realistic or historical account, is already present, though concisely, in the *Treatise* under the section "Of the source of allegiance" (T 3.2.8). But some — Forbes explicitly, and Haakonnsen implicitly by referring to Forbes on this point — suggest that Hume in his early work, by presenting the original contract as "an historical (or conjectural-historical) actuality" (1975a: 76), had disrupted the continuity of this historical account and had offended "the principle of economy" (1975a: 76) which pertains to "explaining all effects from the simplest and fewest causes" (1975a: 83). Forbes also criticizes Levi-Strauss for having overlooked that Hume had accepted contract as an act which took place among primitive people (1975a: 76, n.2). Furthermore, they find Hume's early theory of the origin of government even less convincing because, in their view, Hume was unable to demonstrate the necessary condition for the actualisation of a contract, that is to say, that people were in equal conditions before laying the foundations of political hierarchy: Hume was endorsing an original contract while at the same time arguing that government arose after the emergence of considerable wealth, i.e. material inequality. It is thus implied that Hume subsequently withdrew his endorsement of original contract because he remarked that his early theory of government was inconsistent with the rest of his account (Forbes 1975a: 76, Haakonnsen 1994: xxvii). Haakonssen adds that "after a lifetime of reflecting on the problem, and presumably, after discussing it with his friend Adam Smith", Hume changed his argument in OG (2009a: 355).

[48]Most of our references will be to Stewart (1963) and Forbes (1975a) as the main representatives of the here opposed line of interpretation. Waszek (1988) and Haakonnsen (2009) mention the change only in passing and they themselves refer to Stewart(1963) and Forbes (1975a), respectively.

From a general point of view, this line of interpretation is plausible. It is consonant with the bulk of Hume's historical writings after the *Treatise* and his own abandonment of it as a work representing his true philosophical views.[49] It also makes sense of the more general difference between the *Treatise* and the *Essays*, which is argued to be more than alterations in style.[50]

From a particular point of view, this line of interpretation appears questionable, not least because it seems to overlook Hume's consistency on a key point: even though Hume explicitly endorsed an original contract in his earlier works, it does not necessarily follow that Hume changed his argument regarding the origin of government. For both in the *Treatise* and in the OG, the need for and the rise of political authority is attributed to the emergencies of a war, and thus the rudimentary form of government, in the form of submission to a military leader in a primitive society, precedes the institution of a *civil* government in both works.

Accordingly, in this chapter I will suggest that Hume makes, albeit implicitly, a distinction between the origin of a first ruler amongst the more or less egalitarian primitive society and the origin of civil government whose *raison d'être* is to enforce the rules of justice, especially of the property rights which tend to be violated in societies characterised by material inequality. Hume believes that the authority of a first ruler originates from the consent of the people (and not from promises), while he allows for the foundation of civil government on the contract (or exchange of promises). He takes the first, and only the first, to be an historical-conjectural actuality, whereas the latter pertains to his philosophical analysis whose primary aim is to justify authority.

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[49] See "Advertisement" to the last edition of *Essays and Treatises on Several Subjects* published in 1777.

[50] Phillipson (2011: 21) asserts that *Essays* had been written by Hume with polemical purposes so as to make the citizens and legislators to think critically about their political opinions, by contrast to the *Treatise* which was written for the learned. On the other hand, Haakonssen (1981: 37) doubts the connection between the *Treatise* and the *Essays*.

I believe that the prevalent source of misunderstanding of Hume's writings arises from the well-known tension in Hume between analysis and history, or between "the theoretical and the historical" (Haakonssen 2009a: 343), or again, between "analysis and anthropology" (Forbes 1975a:80 n.1). For that matter, this chapter proposes to draw a demarcation line between Hume's, what I call "rationalistic" account of the origin of *civil* government and the "historical" account of the primitive one. Though it may be misleading to define the "historical" aspect in a thinker such as Hume whose whole philosophy emphasizes the historicity of concepts by focusing on their origins, the war-habitual obedience account of government could be called properly conjectural-historical; since it takes the society of American Indians as its starting point. The appeal to American Indians along with some other primitive societies known of was a commonplace in the 18th century (Meek 1976a: 37-67). These societies were used as the starting point of "conjectural histories" which sought to reveal the simplest causes underlying progress (Hopfl 1978, Santos Castro 2017: 163). Such an historical approach cannot be identified with the one adopted by Hume in his rationalistic account which takes the state of nature — a state by definition ahistorical — as the starting point for analysis.[51]

In the first section of this chapter, I provide an exposition of these two accounts given in the *Treatise* under two successive sections "Of the origin of government" (T 3.2.7) and "Of the source of allegiance" (T 3.2.8), by also pointing out the differences between them. Many scholars have already pointed out that Hume gives two different accounts of the origin of government in the *Treatise* (Dees 2008: 389, Binoche 2013: 82-88, Whelan 2015: 137 n.1).[52] The exposition here

[51] This is the reason why, by contrast to Santos Castro (2017), I believe that Hume's account of justice does not have the same status as Hume's other conjectural histories regarding religion, commerce or government. The latter seeks to cover a real stretch of time by contrast to the former.

[52] Dees (2008) identifies a third account which relates the emergence of moral obligation, namely the sense that obeying is the right way to act. McArthur (2007: 37-56) also holds that Hume has two accounts of the origin of government, one civilized, the other barbarous. He detects that the latter account is found in Hume's essay "Of the Rise and Progress of the Arts and Sciences". As he

differs from them in that it proposes an analysis of these two accounts which, for instance, emphasizes a generally neglected aspect of Hume's theory of origin of government, namely government's ability as an institution to remediate simultaneously two problems of different status: one from *philosopher's point of view*, the other *from people's*. Here, I attempt to reconcile the original contract and the historical account in Hume's early work, by arguing that Hume uses the contract as a methodological device for his philosophical analysis.

In the second section, I provide further arguments to support my thesis for Hume's pragmatic and rhetorical use of contract. I try to show that Hume does not embrace original contract as an historical actuality, but that he argues that the authority of the first ruler in the primitive society derives from the consent of the community. This argumentation relies on the difference between the consent and the promise. For instance, the primary purpose of Hume's theory of obligation of keeping promises is to solve the problem of the simultaneity of barter, a problem which cannot be solved by consent alone. Finally, by comparing passages from the *Treatise*, the OC and the OG, I question the line of interpretation summarized above. As a result, though not denying that there are important changes in Hume's various writings on the origin of government, it is argued that these changes derive from a change of presentation of Hume's argument depending on his specific intentions in different contexts rather than from a substantial change in the content of his argument about the origin of government.

2. The origin of government in the *Treatise*

In the *Treatise*, Hume's political philosophy is embedded in his theory of morals. Its primordial object is to lay the foundations of a theory of justice which is

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is mainly concerned with Hume's legal theory rather than his political philosophy, he does not seem to link the emergence of the barbarous government to Hume's account of the emergence of government in primitive societies (T 3.2.8). I believe that a connection may be drawn between these two accounts to the extent that laws regarding the security of property have not become general rules in both cases.

independent from religion and solely dependent on empirical laws about human nature and on empirical facts about the circumstances which surround human beings. The crux of his argument is that justice is not a natural virtue like benevolence which is a spontaneously produced sentiment in our social interactions, but an artificial virtue which requires artifices or conventions created by human action in order to produce sentiments. It is on the grounds of this theory of justice that Hume extends his examination of artificial virtues to cover allegiance to government — which is here referred to as obedience for the sake of simplification — and others such as obedience to laws of nations for rulers (T 3.2.11) or modesty and chastity for women (T 3.2.12). As a result, it is crucial to briefly recall Hume's account of justice in the first subsection of this chapter (2.1). The second subsection focuses on the rationalistic account of the origin of government which is shown to be a corollary of this theory of justice, but with a notable difference: unlike rules of justice, government is not the result of reasoning in a Humean sense which combines understanding with experience, but solely of understanding (2.2). The last subsection compares the rationalistic account with the historical one, concluding that these two are complementary to the extent that they respectively intend to answer the question of *why* government exists and *how* it emerges (2.3).

2.1. The rules of justice

Rules of justice are generalized rules of conduct or conventions which make society possible. These rules are absolutely necessary for upholding the society, such that Hume also refers to them as "rules of society" (T 3.2.8.1; T 3.2.10.2). People can only live together, and more importantly, benefit from living together by observing three main rules of justice: abstaining from other's property, transferring property only upon consent and keeping their promises in transactions (T 3.2.2-5). He appeals to a state of nature which depicts human beings in a "savage and solitary condition" in order to show the benefits arising from society: people gain force, ability and security by working together; they can

accomplish great projects, they become specialized in particular arts and they can protect themselves from all kinds of danger (T 3.2.2.3).

But do people spontaneously follow these rules in their original state? If not, where do these rules of justice come from? Hume's answer explains that people come to adopt and reinforce these rules of behaviour, by trial and error, through their experience in the social world. In order to account for the emergence of these conventions, Hume has again recourse to a state of nature where these conventions were absent, thereby endorsing the use of the concept of state of nature as "a mere philosophical fiction, which never had, and never cou'd have any reality" (T 3.2.2.14). Hume explicitly embraces its use "because nothing can more evidently show the origin of those [artificial] virtues" (T 3.2.2.16). The state of nature thus becomes the starting point of his philosophical analysis of the origin of justice and society. Such analysis requires the separation of "the two component parts of the mind", i.e. the passions and the understanding:

> Human nature being compos'd of two principal parts, which are requisite in all its actions, the affections and understanding; 'tis certain, that the blind motions of the former, without the direction of the latter, incapacitate men for society: And it may be allow'd us to consider separately the effects, that result from the separate operations of these two component parts of the mind. The same liberty may be permitted to moral, which is allow'd to natural philosophers; and 'tis very usual with the latter to consider any motion as compounded and consisting of two parts separate from each other, tho' at the same time they acknowledge it to be in itself uncompounded and inseparable (T 3.2.2.14).

The separate consideration of passions (affections, emotions) and reason (understanding) thus coincides with the separate consideration of justice and society, although these binaries are in fact inseparable from each other. In the state of nature, passions are at their full force such that the selfish human nature, which confines people's concern to the well-being of themselves and of their loved ones, results only in partial acts. Such acts would determine the general rule of conduct in this state which would lead people to regard impartial acts as "vicious and immoral" (T 3.2.2.8). Therefore, even "our natural uncultivated ideas of morality" would foster our partiality rather than hindering it (T 3.2.2.8).

Respect to property or keeping our promises, exemplified by the act of paying back a loan, an act which by definition relates to our relationship to strangers, would be "unintelligible" (T 3.2.1.9) and "wou'd never have been dream'd of among rude and savage men" (T 3.2.2.8).[53]

Hume thus advances that people have naturally no motive to be just. He argues that people act justly because they are morally obliged to do so. But, if there is no natural motive for an action, other than it being a duty, "no action can be virtuous, or morally good" (T 3.2.1.7). However, justice is definitely a virtue because, as a quality which is useful to others (T 3.3.6.1), "its view causes a pleasure or uneasiness of a particular kind" (T 3.1.2.3), i.e. the moral sentiments of approbation or disapprobation; and "[e]very quality of the mind is denominated virtuous, which gives pleasure by the mere survey; as every quality, which produces pain, is call'd vicious." (T 3.3.1.30). Hume therefore deduces that justice is an artificial virtue "that produce[s] pleasure and approbation by means of an artifice or contrivance, which arises from the circumstances and necessities of mankind" (T 3.2.1.1).

There are two circumstances which make justice necessary: the relatively selfish human nature and the scarcity of goods which are easily seizable (T 3.2.2.16). These goods pertain to what Hume calls "external goods" (T 3.2.2.9) whose production can only be increased by division of labour and mutual assistance, or in other words by the foundation of society:

> There are three different species of goods, which we are possess'd of; the internal satisfaction of our mind, the external advantages of our body, and the enjoyment of such possessions as we have acquir'd by our industry and good fortune. We are perfectly secure in the enjoyment of the first. The second may be ravish'd from us, but can be of no advantage to him who deprives us of them. The last only are both expos'd to the violence of others, and may be transferr'd without suffering any loss or alteration; while

[53]Hume's appeal to anthropological vocabulary common to 18th century such as rude, savage, uncultivated in such contexts should not be misleading because avowedly state of nature concerns analysis and not anthropology (Forbes 1975a: 80 n.1) by contrast to his appeal to American Indians.

at the same time, there is not a sufficient quantity of them to supply every one's desires and necessities. As the improvement, therefore, of these goods is the chief advantage of society, so the instability of their possession, along with their scarcity, is the chief impediment (T 3.2.2.7).

The scarcity and the instability of goods taken together with the partial character of human nature activate people's avidity which threatens society: "This avidity alone, of acquiring goods and possessions for ourselves and our nearest friends, is insatiable, perpetual, universal, and directly destructive of society" (T 3.2.2.12). The passion of avidity has a peculiar status in Hume's theory of morals: while passions are usually countered or limited by other passions, there is no passion which is "capable of controlling the interested affection [avidity], but the very affection itself, by an alteration of its direction" (T 3.2.2.13). Therefore, only the corrected version of avidity, which has been called "enlightened self-interest" in the secondary literature (Garrett 2007, Norton 2009: 298) can motivate people to respect other's property. In a way which may appear paradoxical at first glance, avidity is represented both as the effect and the cause of society. On the one hand, people's interest lies in securing the possession of external goods because it is only by stabilizing property that they can preserve society and "make much greater advances in the acquiring of possessions" (T 3.2.2.13). In other words, their avidity is better gratified in society. On the other hand, respect to property becomes a general rule of conduct by people's success in restraining their avidity, i.e. by their enlightened self-interest.

Then, how do people come to restrain their avidity? They first experience the advantages of society in family — which is made possible by the sexual instinct (T 3.2.2.4) — where a rudimentary form of the rule concerning the stability of possessions is established by the parents among their children. Then, by the extension of this rule beyond the family to a group of families, people become more and more aware of its advantages and the interest they have in observing it.The natural relations of "resemblance" (T 1.1.5.3), of "contiguity" (T 1.1.5.5), and of "cause and effect" (T 1.1.5.9) play an important role in the emergence, the extension and the observance of these rules (Diatkine 1989: 17). For instance, the

extension of the rudimentary rule concerning the private property is enabled by the spontaneous association of "family" with "a group of families", and then with "a larger group of families" (or society) in people's mind. These ideas are connected in the imagination (T 1.1.4.1) by the operation of the relation of resemblance. Or again, the relations of contiguity and causation create automatically, in people's imagination, a connection between their respect (or disrespect) of property and the consequences which result immediately from their acts. The repeated experience of the constant conjunction between the respect to property and the interest derived from it as well as "our repeated experience of the inconveniences of transgressing it" thus results in "a general sense of common interest; which sense all the members of the society express to one another, and which induces them to regulate their conduct by certain rules" (T 3.2.2.10). The two other artifices, namely that of transferring property only upon consent and that of keeping promises emerge in a similar fashion.[54] These artifices are what Hume designates by "convention" construed as the gradual discovery of an enlightened self-interest which people have in maintaining society by observing certain rules of conduct and by restraining their avidity:

> So that upon the whole, we are to esteem the difficulties in the establishment of society, to be greater or less, according to those we encounter in regulating and restraining this passion (T 3.2.2.12).

This process, by definition, takes a certain amount of time as a process of learning. Moreover, rules of justice, as an outcome of the conflation of reflection and experience, are produced by reasoning in Humean sense such that Stewart (1992: 159) refers to them as "rules of reason".[55] This kind of reasoning, which Hume calls causal or probable, discovers causal relations between matters of fact or real existence (T.1.3.2) "and of this nature are all our reasoning in the conduct

[54]These conventions, especially the one regulating the fidelity of promises, are discussed in the section 3.2 of the chapter.

[55]It is interesting to note that Stewart (1992) does not argue for a change in Hume's account of the origin of government in contradistinction to Stewart (1963). However, there seems to be no probable reason to think that this implies a change of mind.

of life: on this is founded all our belief in history: and from hence is derived all philosophy, excepting only geometry and arithmetic" (A: 650). It is probable reasoning which enables us to find the means for our ends. In order to infer the cause (the means) from the effect (the end), probable reasoning requires experience, but not any kind of experience. It requires the repeated experience of the constant conjunction between the impression of the cause and the impression of the effect which creates the *habit* in our imagination of automatically associating the cause and the effect. As a result, when we perceive the impression of the cause or the effect, we believe that the effect will take place or that the cause has occurred.[56]

Regarding the rules of justice causal reasoning operates at least in two ways. On the one hand, the acquired custom or the habit of linking the observance of rules of justice with the advantages resulting from it is what makes people believe that similar causes will produce similar effects. It is on the basis of this belief that they infer that the extension and the strict observance of these rules will be highly beneficial to all. On the other hand, when people do not respect property or keep their promises, by the detrimental effects of their acts, they discover that they have to change their conduct. It is reason alone which informs them that the means adopted for the end pursued are defective (T 2.3.3.7).

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[56]While reason is able to infer the cause from the effect, it "can never shew us the connection of one object with another, tho' aided by experience, and the observation of their constant conjunction in all past instances" (T 1.3.6.12). It is the operation of the natural relations in the imagination which connects the objects with one another. Once we are accustomed to observing "their constant conjunction in all past instances", "our imagination passes from the first to the second, by a natural transition, which precedes reflection, and which cannot be prevented by it" (1.3.13.8). So when we perceive the impression of the effect, we infer that its cause has occurred. But, in order to regulate these transitions, it is required to "fix some general rules" by which to judge whether the cause inferred is the real cause of the effect "since … 'tis possible for all objects to become the causes or effects to each other" (T 1.3.15.2). Causal inferences then must be consistent with "the general and more establish'd properties of the imagination", in order "to reject all the trivial suggestions of the fancy [imagination]" (T 1.4.7.7).

In this sense, as rules of justice are the product of an historical, though fictitious because of its origin — the state of nature —, Hume's theory of the origin of justice is evolutionary. However, it also contains a rationalistic or a contractarian view (Haakonnsen 1981: 18, Pack and Schliesser 2006). For instance, in writing that convention represents "a general sense of common interest; which sense all the members of the society express to one another", Hume seems to indicate that rules of justice are established by all members of society at once. Such a view contradicts with his evolutionary analysis summarized above which depicts these rules, for example the respect to property as a behaviour which is improved in time by practice. Haakonnsen (1981: 17, 26) traces the origin of this paradox to the theoretical difficulty which arises from Hume's attempt to bring together the idea of justice as an individual virtue and the idea of justice as a social institution. On the one hand, rules of justice become rules by the repeated experience of every individual who gradually become just. On the other hand, rules of justice must be universally observed for justice to be justice.

Universal and strict observance of the rules of justice is essential for the system of justice to work as a whole. If some individuals tend to violate these rules, others would not be motivated to follow them either. A feature of the human nature does indeed prompt individuals to act unjustly at their own expense. The invention of government becomes therefore fundamentally necessary to enforce the rules of justice.

2.2. The rationalistic account of the origin of government

The need to enforce the rules of justice proceeds from two distinct levels of a problem whose solution, however, resides both in the institution of government. Similar to his account of the origin of justice, Hume presents the origin of government as a solution discovered to palliate the problem arising from human nature itself. But in divergence to the former, a close reading reveals that in his account of the origin of government Hume identifies one element which is problematic from the point of view of the philosopher, namely himself (i); and

another one which is problematic from the point of view of the very people who feel the necessity to adopt a government (ii). This distinction is noticed and examined in detail by Diaye and Lapidus (2018) who, by adopting the terminology of the contemporary decision theory, identify the former with impatience (which gives birth to time-discounting), and the second with time-inconsistency. For that matter, I draw extensively on their work which also points out the lack of attention for these two points of view in Hume's account of the origin of government in the *Treatise* — though there have been some exceptions which imply their presence (Cohon 2008: 219) — in the secondary literature.

i. For Hume, the need to enforce the rules of justice derives from an incurable feature of the human nature which makes them "prefer whatever is present to the distant and remote" and makes them "desire more according to their situation [present or remote] than their intrinsic value [the pleasure they produce]" (T 3.2.8.8, Diaye and Lapidus 2018: 14). This natural tendency stems from the operation of the natural relation of "contiguity" (T 1.1.4) on the imagination. According to this relation, the idea of a present object is more vivid and forceful in the imagination, than the idea of a remote object (T 2.3.7.2). As it is well known, Hume makes a distinction between the impression and the idea which is a copy of the impression.[57] The primary difference between these perceptions is that impressions are more vividly and forcefully perceived in the imagination, than the ideas (T 1.1.1) and by contrast to ideas, only impressions (i.e. sensations or passions), can give rise to action (T 1.3.10.2). Yet, there is a device in Hume's philosophical system namely "belief" which "makes an idea approach the impressions in force and vivacity" (T 1.3.10.3) thereby perhaps generating action.[58] It is exactly at this point that contiguity is influential: belief, namely, the transfer of force and vivacity from an impression to the idea, derives from the natural relations of resemblance, cause and effect, and, in our case, mainly from

[57]This is true for the "simple" ideas and impressions and not for the "complex" ones (T 1.1.2-7).
[58]In Hume's moral theory, sympathy also plays a similar role.

contiguity (T 1.3.9.10). Now, this boils down to saying that the present pleasure that one can obtain from breaking the rules of justice produces a more lively and vivid idea in our imagination than the distant pleasure and may cause us to act accordingly (T 3.2.7.2):

> This is the reason why men so often act in contradiction to their known interest; and, in particular, why they prefer any trivial advantage that is present, to the maintenance of order in society, which so much depends on the observance of justice (T 3.2.7.3).

When people compare their present and future pleasures, and opt for the smaller former one, for Hume this shows that their judgement is disturbed by a "violent passion". The violence of the passion has a direct impact on people's preferences in time by overvaluing the present with respect to the future. For Hume, the violent passion signifies the lack of "strength of mind":

> What we call the strength of mind, implies the prevalence of the calm passions above the violent; tho' we may easily observe, there is no man so constantly possess'd of this virtue, as never on any occasion yield to the solicitations of passion and desire (T 2.3.3.10)

The distinction between calm and violent passions usually conveys "the intensity with which a passion is experienced" (Immerwahr 1992: 294). Passions are calm because they provoke "no disorder in the soul" and "little emotion in the mind" in contradiction to violent passions which produce "uneasiness" (T 2.3.3.8). In this context this distinction also connects with wisdom.[59] Indeed, Hume advances that:

> Had every man sufficient *sagacity* to perceive, at all times, the strong interest, which binds him to the observance of justice and equity, and the *strength of mind* sufficient to persevere in a steady adherence to a general and a distant interest, in opposition to the allurements of present pleasure and advantage, there had never, in that case, been any such thing as government or political society, but each man, following his own natural liberty, had lived in entire peace and harmony with all others (EPM 4.1).

[59]Immerwhar (1992: 296) suggests that those who sacrifice the greater pleasure for a present one are "foolish" people (1992: 295).

Hume evidently sees lack of wisdom, and of strength of mind as a problem which cannot be cured as it makes part of the human nature. Government thus appears as a solution that obliges people to act upon a "general appetite to good" (T 2.3.4.10) which was supposed to be accomplished by people's strength of mind.

ii.For people, the need to enforce rules of justice proceeds from what they perceive to be the main problem: that their preferences change in time when the object of desire approaches, again because of the relation of contiguity. When people act in accordance with the effects of contiguity, it means that they feel the present pleasure more violently than otherwise, namely in the case when the same pleasure would be remote: "the same good, when near will cause a violent passion, which when remote, produces a calm one" (T 2.3.4.1). This is why, it is only when people distance themselves from the present object and consider their preferences between two relatively remote objects, that they can neutralize the effect of contiguity on their actions:

> When we consider any objects at a distance, all their minute distinctions vanish, and we always give the preference to whatever is in itself preferable [whatever provides the greatest pleasure], without considering its situation and circumstances … In reflecting on any action which I am to perform a twelvemonth hence, I always resolve to prefer the greater good, whether at that time it will be more contiguous or remote; nor does any difference in that particular make a difference in my present intentions and resolutions (T 3.2.7.5)

But even though they would be fully convinced that observance of the rules of justice would procure them the greatest pleasure (when comparing two distant pleasures at present), when time passes, "we are not able to regulate our actions by this judgement, but yield to the solicitations of our passions, which always plead in favour of whatever is near and contiguous" (T 3.2.7.2).[60] Again, this situation seems like a dead end: on the one hand, people know that their

[60]It is interesting to note that when Hume draws attention to people's point of view, he tends to use "we" or "I" (See T 3.2.7.5), whereas, when he gives his own point of view, he tends to distance himself from people by talking about « man ».

preferences will change in time at their own expense. On the other hand, they cannot change the effect of contiguity on their actions. Therefore:

> The remedy can only come from the consent of men; and if men be incapable of themselves to prefer remote to contiguous, they will never consent to anything which would oblige them such a choice, and contradict, in so sensible manner, their natural principles and propensities (T 3.2.7.4).

For this reason, people agree to put an external constraint on themselves by appointing rulers whose present interest would lie in the enforcement of the rules of justice: [61]

> These are the persons whom we call civil magistrates, kings and their ministers, our governors and rulers, who, being indifferent persons to the greatest part of the state, have no interest, or but a remote one, in any act of injustice; and being satisfied with their present condition, and with their part in society, have an immediate interest in every execution of justice, which is so necessary to the upholding of society. Here, then, is the origin of civil government and society … These persons, then, are not only induced to observe those rules in their own conduct, but also constrain others to a like regularity, and enforce the dictates of equity [justice] through the whole society (T 3.2.7.6).

Government is thus instituted by people with a view to cancelling the change in their preferences in time. The function of the ruler, on the other hand, consists, instead, in guaranteeing that people prefer their remote interest over the present one — as if they were under the influence of a calm passion — rather than rendering people's preferences consistent in time. Such an explanation sounds at first very Humean to the extent that it seems to tally with his idea of unintended consequences of human actions:[62] people seeking to cancel time inconsistencies come to adopt a government which also prevents violent passions.

Nonetheless, there are two related elements in this account which hinders its characterisation as truly Humean, both in the sense of "unintentional" and "evolutionary". First, it depicts the institution of government as a "voluntary

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[61]Execution of justice is not the only advantage of government, as necessity emerges rulers also judge disputes and undertake the provision of public goods (T 3.2.7.7-8).

[62]Haakonnsen (1981: 21) notes that this idea is not original to Hume but anticipated by Bernard Mandeville.

convention" (T 3.2.10.2) entered into by all men at once, and as such it is a rationalistic or contractarian account of government. It "has a structure of a Ulysses contract" (Cohon 2008: 223) as an intentionally made act to bind oneself in the future. Though people do not intend the end brought about by the government (cancellation of violent passions), "as it is impossible to change or correct any thing material in our nature" (T 3.2.7.6), they do intend the means (the foundation of government) for the end they desire.

Secondly, even though the creation of government as a means to achieve an end indicates that people sorted out the proper means by probable reasoning, a closer look reveals that this is not the case. This point needs further clarification. As already mentioned, the probable reasoning requires a repeated experience of the constant conjunction of the cause and the effect, in other words, respectively, of submission to the government and the advantages resulting from it. It is only on the basis of this custom of connecting them that people could infer that the foundation of government would be beneficial for themselves:

> It can never in the least concern us to know, that such objects are causes, and such others effects, if both the causes and effects be indifferent to us. Where the objects themselves do not affect us, their connexion can never give them any influence; and 'tis plain, that as reason is nothing but the discovery of this connexion, it cannot be by its means that the objects are able to affect us (T 2.3.3.3).

However, in the account given in the present section of the *Treatise* (3.2.7), people decide to submit to government without any prior experience neither of submission nor of the advantages resulting from it. Hume simply supposes that people have the knowledge that government *is* the means for their end. In this respect, I suggest that he uses, what one can call, the "as if" method; a method that he describes in another context, from which a parallel can be drawn to the present one. Indeed, in the section "Of the rules, which determine property" (T 3.2.3), Hume expressly announces the suppositions he makes in order to illustrate the general rules by which particular goods are assigned to particular persons. This long passage deserves to be quoted in full, as it seems to provide an answer

for the tension between the rationalistic and evolutionary features embedded in his overall account of justice and government:

> I first *consider* men in their savage and solitary condition; and *suppose*, that being sensible of the misery of that state, and foreseeing the advantages that wou'd result from society, they seek each other's company, and make an offer of mutual protection and assistance. I *also suppose*, that they are endow'd with such sagacity as immediately to perceive, that the chief impediment to this project of society and partnership lies in the avidity and selfishness of their natural temper; to remedy which, they enter into a convention for the stability of possession, and for mutual restraint and forbearance. *I am sensible, that this method of proceeding is not altogether natural*; but besides that I here only *suppose* those reflections to be form'd at once, which in fact arise insensibly and by degrees; besides this, I say, *'tis very possible*, that several persons, being by different accidents separated from the societies, to which they formerly belong'd, may be oblig'd to form a new society among themselves; in which case they are entirely in the situation above-mention'd (T 3.2.3.3, my emphasis).

The above passage seems crucial to evaluate what is truly Humean amidst the already mentioned tension: while the evolutionary view presents his true views concerning the origin of social institutions as unintended consequences of human actions, the rationalistic view derives from the "as if" method which Hume adopts for simplifying and facilitating his philosophical analysis of society. In the passage, Hume holds that one can just suppose that those who had fallen apart from society could form a new one by all the knowledge they derive from their former experience in society, in order to account for the origin of rules determining private property such as present possession, occupation, accession and so on. He seems to adopt such a method because it prevents him from repeating the gradual steps by which society comes into existence, presumably because he thinks that he has already explained those steps in his account of the origin of justice under the previous section "Of the origin of justice and property" (T 3.2.2). In a similar, but not identical, manner, in his account of the origin of government Hume supposes that people know that government will serve their ends because he assumes that these people have already acquired the necessary experience. One can readily think that those who had fallen apart from civil

society could form a new one by all the knowledge they derive from their former experience of submission.

However, the "not identical" element remains important: Hume has not yet explained this former experience of submission. He explains it not before or within this rationalistic account of government, but just afterwards, in the following section. Therefore, while my thesis concerning his use of the "as if" method, i.e. supposing that people have already the necessary knowledge about the government, still remains probable, the question remains as to why Hume does not talk about people's first experience of authority beforehand.

Putting aside the possible answer to such a question for the moment, I will further examine the differences between Hume's account of justice and government which confirm this gap in Hume's latter account. In the former, Hume alludes to the family life to explain how people acquire a somewhat rudimentary form of experience of society. This point is crucial for Hume in order to show that society and justice do not originate from rational design:

> But in order to form society, 'tis requisite not only that it be advantageous, but also that men be sensible of its advantages; and 'tis impossible, in their wild uncultivated state, that by study and reflection alone, they should ever be able to attain this knowledge (T 3.2.2.4).

In his account of the origin of government, it is exactly this point which is missing. How do people become sensible to the advantages of government, if they don't know beforehand what it consists in? Indeed, for people to appoint any rulers, "the very office of being a ruler will have to be invented by them" (Harrison 1981: 180). Rather than explaining the emergence of the office of being a ruler then, Hume presents the origin of government as a natural outgrowth of his account of the origin of justice, namely as founded on the experience in family life. As already shown, government is instituted for the strict observance of rules of justice which serves the same enlightened self-interest that people have in maintaining society. This "enlightenment of self-interest" starts with children's experience in the family. However, this contradicts with what Hume says in the

next section concerning the role of family in teaching about authority. Hume is adamant that experience of authority does not derive from family life but from military experience, and criticizes this generally held view—represented for example by Robert Filmer:[63]

> And this reason I take to be more natural, than the common one deriv'd from patriarchal government, or the authority of a father, which is said first to take place in one family, and to accustom the members of it to the government of a single person (T 3.2.8.2)

As a result, I think there are good reasons to suggest that Hume's rationalistic account of the origin of government is a part of his analysis which had begun with his separation between passions and understanding: not only did he "consider separately the effects" resulting from the full operation of passions, but also of the understanding. The state of nature which construes men as solely pursuing their passions, which is a principle which can be "applied to all men at once" (Forbes 1975a: 78 n.2), "incapacitate men for society". The understanding common to all, on the other hand, naturally results in the intentional creation of government. The following passage from OC is notable:

> Were all men possessed of so perfect an understanding, as always to know their own interests, no form of government had ever been submitted to, but what was established on consent, and was fully canvassed by every member of the society: But this state of perfection is likewise much superior to human nature (E-OC: 474).

I suggest that Hume supposes human understanding to be "perfect", in other words, to be a power enabling the discovery of the proper means to an end without experience. The reason for his recourse to this "as if" method is discussed in the next subsection. Suffice here to say that though the suggestion advanced here is open to discussion, there is a consensus in the secondary literature that Hume's theory of the origin of government depicted here is a "deductive", "admittedly hypothetical", "abstract account of the origin of government" (Whelan 1985: 259) which does not relate to the truth about its real origin

[63] Locke also criticizes Filmer's *Patriarcha; or the Natural Power of Kings* (1680). The latter work argues that authority of governments derives from the power given to Adam by God, which was transferred from generation to generation by male descendants (Norton and Norton 2000: 551)

(Mackie 1980: 108, Harrison 1981: 188, Miller 1981: 81, Cohon 2008: 218). Its real origin is discussed now.

2.3. The historical and the rationalistic account of the origin of government

As already made clear, the experimental process which was missing in the previous account is supplemented in the next section in the *Treatise* (T 3.2.8). Here Hume seems to give a quite divergent account of the origin of government. First, he argues that government is not necessary in all circumstances. One learns that avidity is only triggered in societies where "riches and possessions have become so considerable as to make them [people] forget … the interest they have in the preservation of peace and justice" (T 3.2.8.2). Unlike his account of justice, Hume thus defines the circumstances which necessitate government only after explaining the origin of government. And again, at variance with the circumstances of justice which are presumed to be timeless and universal,[64] here Hume implies that the circumstance which necessitates government, i.e. wealth, is the product of historical progress. This suggestion is supported by his appeal to the society of American Indians as epitomizing "the infancy of society" where there is no proper government as "the possessions, and the pleasures of life are few" (T 3.2.8.1). Note that it is the first time in Book III that Hume refers to a real-life society to point out the infancy of society which marks an important divergence from his account of the origin of justice where the state of nature was by no means an historical actuality. This is of course quite obvious and obligatory because justice is inseparable from society except for the sake of analysis, whereas government is separable from society as shown by human experience.

Although considerable wealth makes government necessary in order to maintain society, Hume argues that "the first rudiments of government" (T 3.2.8.2) arose

[64]It should however be noted that Hume refers to real life situations where justice would not be necessary such as civil wars (T 3.2.8.1) or in a shipwreck (EPM 3.8). But these are presented as exceptions which prove the general necessity of justice.

not from any growth of wealth within society, but from wars between different societies. In a manner which is at first sight puzzling, Hume refers to the "*American* tribes again, where men live in concord and amity among themselves without any establish'd government" (T 3.2.8.3) in order to explain the emergence of political authority in time of war. The need for protecting "life and limbs" (T 3.2.8.2) from the enemy requires a centralized authority of a captain or leader who would coordinate the members of society in the emergencies of a war. In this way, people experience the advantages of government and learn "to have recourse to it" (T 3.2.8.3) when a regular (or civil) government is needed. Hume thus advances that people acquire the habit[65] of associating authority with its utility by their repeated experience of war under a leader, "as many years must elapse before" (T 3.2.8.3) wealth increases considerably, and it is this experience alone which can lead them to infer the proper means for their end, when wealth becomes considerable: "the same kind of authority naturally takes place in that civil government, which succeeds the military" (T 3.2.8.3). He adds that this account explains "why all governments are at first monarchical" (T 3.2.8.3).

The brief account above tallies roughly with what Hume writes in the first two appendices to the *History of England*. In discussing the ancient Germans who "were little removed from the original state of nature", Hume notes that as "their possessions were so slender and so equal", they did not need much protection "against their fellow-citizens", but against their enemies (HE,1: 174). Hume also writes about how their "habitual attachment to the chieftain made them submit to his command" (HE,4: 457) and enabled the defence of the community in an emergency. Obviously, more information (whose relevance will be mentioned in

[65] Though it is not in our scope to contribute to the debate on whether Hume is a conservative or not (for example see for example Miller (1981) ,Whelan (1985) or Stewart (1992), what Hume implies here is revolutionary: he holds that it is our belief which gives power to governments, without it, they don't actually have any power. Though a far-fetched comparison, the resemblance to his theory of causation is striking: causes do not have in themselves the power to produce effects, it is our belief that there is such a power which enables us to discover that there are causes and effects. In other words, causation is not inherent to objects, it is a relation attributed to objects by our imagination.

the subsection 3.3), is provided in the appendices: the German people "were more guided by persuasion than authority, in the submission they paid to their princes" (HE,1: 160) and that "the consent of all the members was required in every important deliberation" (HE,1: 164). When Hume treats Saxons, he writes that their chieftain had only "a very limited authority" which "depended more on his personal qualities than on his station" (HE,1: 161), and that "the ordinary administration of government" requires the express or tacit consent of the people (HE,1: 162). The Saxon account also shows "how allegiance to a leader preceded any recognized stable property rights, at least to land" (Baier 2010: 127).

The precedence of allegiance to well-established rules of justice in the historical account seems to contradict the rationalistic account where the government succeeds rules of justice.[66] This is not the sole difference. Unlike the first account, here the government emerges for defence rather than for securing the property. This contradiction disappears when a distinction is drawn between what Stewart (1963: 106) calls "the principles of civil society" and "civilization, the process by which civil society comes into existence".[67] While Hume's rationalistic account establishes the end for which the civil government exists, i.e. "to ensure that there are laws sufficient to protect people's property and personal safety" which represents the "End of Government Doctrine" in McArthur's (2007: 38) words, the historical account simply depicts its historical origin. For Hume, civilized government is "a government of Laws, not Men" (E-CL:94, Cf. McArthur 2007: 68). However, "men" gave rise to laws and government so that explaining the origin of government boils down to relating how some men gained authority and subdued other men. Therefore, it is not puzzling that Hume refers to the primitive society of the American Indians in order to give an example of an actual

[66]Baier argues that the information Hume gives in History of England "revises" what Hume writes in Treatise Book 3 Part 2. However, while it indeed contradicts the rationalistic account, it is congruent with the historical one.

[67]This distinction is not universally accepted. For example, Wennerlind (2002) holds that Book III narrates the emergence of modern commercial society.

society without a government, and at the same time, of a society where there is a kind of government in time of war. In the rationalistic account, Hume refers to the absence of a *civil* government, whereas in the historical one, he talks about the emergence of the office of being a ruler.

Moreover, arguably, while the rationalistic account is intended to emphasize the best *reason* why we should believe that government is necessary, the second account aims to give the psychological and the historical *causes* which make us believe that government is necessary. These reasons and causes pertain to what Hume calls our "natural obligation of interest" (T 3.2.9.3) in the sense of our interested motivation to obedience[68] and not to our moral obligation. This distinction has to do with what is said in the opening passage of this chapter according to which Hume separates the question of the origin of government (and justice) and the question of moral obligation of obedience (and justice). In Hume's words: "*Thus self-interest is the original motive to the* establishment *of justice* [and government]: *but a sympathy with public interest is the source of the* moral approbation, *which attends that virtue*" (T 3.2.2.25). Our moral obligation to obedience (and to all virtues) arises from moral sentiments for which Hume can give reasons but not causes. Hume contends that giving reasons for these particular kinds of pleasure and uneasiness, which in the case of obedience and justice is their tendency to public good perceivable through sympathy, is sufficient to explain virtue and vice (T 3.1.2.3). Hume announces that he won't even "enquire into the cause of satisfaction" (T 3.1.2.3), as sensation "arises in the soul originally, from unknown causes" (T 1.1.2.1).[69]

[68]As Haakonnsen (1978: 14) remarks, Hume also uses "natural obligation" in referring to our obligation to perform natural virtues which originate from natural motives (T 3.2.5.6)
[69]In the introduction Hume implies that it is impossible to discover "the ultimate original qualities of human nature" (T.Intro 8).

The demarcation between *reasons* and *causes* is not always very clear in Hume's writings. Its most explicit form exists in the introduction to *Natural History of Religion* where Hume draws a distinction between the foundation of religious belief "in reason" and "its origin in human nature" (NHR Intro. 1). Pretending here that religious belief is obviously a true belief, as evident to every rational creature—a supposition which he vehemently challenges in the *Dialogues concerning Natural Religion*, he explains how religious belief came into existence "by referring to particular environmental, physical or cultural conditions, or to the individual history of the believer [causes], without commenting on the truth or falsity of the belief [reason]" (Gaskin 1993: xvi n.6).

Now, the *reason* why we should believe in authority has evidently nothing to do with the *reason* for religious belief which evaluates its truth or falsity. The latter is independent of experience, whereas the former is inseparable from experience: it relates to the *justification* of our belief in the authority. We are justified in believing that the government is necessary and that we should obey it if it is in our interest to do so, and this can only be discovered by experience. But *causes* of religious belief and causes of our belief in the authority coincide: they both relate to factual conditions which explain how the belief forms inevitably.

This distinction between reason and cause is vague and implicit for Hume such that, even after he avowedly separates them between the *Dialogues* and the *NHR*, he deals with causes in the last part of the *Dialogues* which, according to Yandell (1976: 112 n.12), has resulted in confusions and led commentators to find discontinuities in Hume's argumentation. Haakonnsen (1981: 18) alludes to a similar difficulty of distinguishing between causes and reasons, referring to them as "efficient" and "final causes", in Hume's account of justice. He holds that one cannot confine Hume's evolutionary account of conventions to his explanation of causes, and his rationalistic account of conventions, which are established by everyone all at once, to his explanation of reasons. He deduces that as Hume has

not explicitly established "some kind of bridge" between causes and reasons, one cannot argue that Hume intentionally uses "the rationalistic convention as a mere methodological tool" (1981: 18). On the other hand, though referring to the *reason* of moral evaluation, Ardal (1976: 104) advances that "Hume is always careful to distinguish the psychological explanation from the justification of an evaluation". He also adds: "though many readers of his work have failed to see this".

If one applies Haakonssen's reasoning to Hume's theory of the origin of government, it is true that here also Hume does not explicitly connect the reason provided by the rationalistic account of the origin of government and the cause provided by the historical one. Indeed, he seems to give two different explanations for the origin of government one after another. Associating these two different explanations respectively, with the reason and the cause of government (or authority) reconciles these two accounts by arguing that they simply answer two different questions: why and how? It also provides a possible reason for Hume's extraction of the experimental process by which people learn about authority, which corresponds to causes rather reasons. Furthermore, the difficulty which, for Haakonnsen, stands in the way of the distinction between causes and reasons in the justice account is not valid for the government account. This is the same difficulty which has already been mentioned: that of harmonizing the universality and the individuality of the concept of justice at the same time. Conversely, in the case of government, the concept of authority by definition pertains to universality and not individuality: it is a relation between an individual (or a group of them) and the community and not between equal individuals. The first ruler is obeyed by the whole community (or at least by the majority) from the outset, so that it is the submission of the whole which makes him *the* authority.

Now, in the rationalistic account, Hume shows that our belief in the authority of government is justified if it is in our interest to do so. As our interest is intrinsically linked to the security of our property, as long as our property is secured — as well as ourselves, self-protection is taken for granted — we have good reasons to obey the government. He thus provides a criterion for distinguishing reasonable belief from "bigotry and superstition" (T 3.2.10.15), which leads people to attach to particular rulers out of religious beliefs. In this manner, Hume connects the question of the general justification of government with the question of rebellion (Miller 1981: 79). He shows that rebellion can only be justified when people's property is in danger. Rebellion is not justified when king (Charles I) is overthrown and executed because of religious clashes which had led to the Civil War (Cf. Phillipson 2011: 63).[70]

The second account, on the other hand, explains that we come to believe in the authority of government from habit. Experience makes us believe that we have an interest in obeying our rulers. This interest is not necessarily linked to the security of property so that we can think that we have in interest in obeying any government, not exclusively the one which protects our property, just as we actually do in reality.

This may explain why Hume did not derive the criterion for best government from psychological explanations of how beliefs are formed. Indeed, "for Hume, the justification of a belief lay not in its origin in experience, but in its consequences" (Lyon 1970 quoted in Venning 1976:80 n.8). The best way to propound the desirability of the government was then to incorporate it in an account which presented government *as if* it was invented for its consequences. Such an account evidently stresses an intentional design: people intended to constraint themselves to cancel the nocuous effect of contiguity on their

[70]The criterion Hume sets for righteous rebellion saddles him with the problem of justifying the Glorious Revolution, before which property was not, again, at risk. See for example Whelan (2015).

preferences. The necessity of prior experience which yields such an information to the people was taken for granted. Hume simply assumed that people had a "perfect" understanding, for his aim was to put forward philosophical concepts rather than explaining facts. He used "contract" therefore, as a methodological device just as he used the "state of nature".

3. From the *Treatise* to the *Essays*

Until now the primary purpose was to confine the frontiers of what has been called the rationalistic and the historical account of the origin of government. Drawing, from now on, on this distinction, it is first argued that Hume resumes his rationalistic account, just after the historical one, in the section "Of the source of allegiance" (T 3.2.8). This is crucial because the scholars discussed here advance that Hume endorsed original contract as a conjectural- historical actuality by referring to a passage where Hume, for the first time, mentions "promise" in relation to obedience (T 3.2.8.3). It is again shown that in this context Hume's endorsement of an original contract does not belong to his historical explanation of the origin of government (3.1). The second subsection deals with a problem which, I believe, is an important source for this confusion: commentators usually assimilate the passages arguing for original contract in the *Treatise* with a passage from the OC. However, whereas the latter deals with the origin of the first ruler in the primitive society, the former relates the origin of civil government, and not the origin of the first ruler. In this respect, I comment on Hume's distinction between consent and promise, emphasizing Hume's explanation of the convention regarding the fidelity to promises (3.2). The last subsection, on the other hand, examines Hume's texts in detail in search for evidences of the supposed change of his theory of the origin of government. Though not denying that Hume's late theory relies more upon historical facts compared to the *Treatise*, it is argued that the crux of Hume's argument remains the same (3.3).

3.1. The original contract in the *Treatise*

Just after his historical account of government, Hume goes on by reminding the order in which conventions concerning property, its transfer by consent and the performance of promises, arise by underscoring that these conventions precede the establishment of government. He advances that since rules of justice coexist with society, government "*upon its first establishment*, wou'd be naturally supposed to derive its obligation from those laws of nature, and, in particular, from that concerning the performance of promises" (T 3.2.8.3). Hume emphasizes that this reasoning is so natural that it is commonly supposed that people obey government because they have promised to do so. Evidently, his aim here is to refute this commonly held idea, but just before doing so he seems to admit that there may indeed have been an original contract:

> tho' the duty of allegiance be at first grafted on the obligation of promises, and be for some time supported by that obligation, yet as soon as the advantages of government are fully known and acknowledg'd, it immediately takes root of itself, and has an original obligation and authority, independent of all contracts (T 3.2.8.3).

Now, it seems obvious that Hume's return to his justice account indicates that the historical account has come to an end and that he continues the rationalistic account he has given in the previous section. This abrupt change in his discourse has been noticed by the editors of the *Treatise* who note in the annotations to the *Treatise* (Norton and Norton 2000:545 n.3) that here Hume returns to the issue he had discussed concerning the rules determining private property (T 3.2.3.3). In other words, they imply that Hume resumes the "as if" method which he has formerly announced.

Hume also uses the same method when he discusses the rules which determine the particular magistrate to whom people submit. Although he does not this time announce his method, he invokes his discussion about rules determining the property of particular persons as reminiscent of the present account (T 3.2.10.3). Here again, Hume clearly unites his rationalistic account of government with an original contract. After a brief summary of the rationalistic account, he writes:

"Government, therefore, arises from the voluntary convention of men; and 'tis evident, that the same convention, which establishes government, will also determine the persons who are to govern, and will remove all doubt and ambiguity in this particular. And the voluntary consent of men must here have the greater efficacy, that the authority of the magistrate does at first stand upon the foundation of a promise of the subjects, by which they bind themselves to obedience; as in every other contract or engagement." (T 3.2.10.2)

It follows that in the *Treatise* every time Hume accepts that government is founded upon contract (Cf. T 3.2.8.6, T 3.2.10.14), he is referring to a *civil* government, which in Hume's logical order of conventions, succeeds the convention concerning obligation to keep promises. Contract is thus embedded in his philosophical analysis which he performs with the "as if" method. This is the reason why contract cannot be construed as a conjectural-historical actuality which has taken place within the primitive society.

3.2. Consent vs. Promise

The passage in the OC, which commentators consider to be similar to those in the *Treatise*, is the following:

When we consider how nearly equal all men are in their bodily force, and even in their mental powers and faculties, till cultivated by education; we must necessarily allow, that nothing but their own consent could, at first, associate them together, and subject them to any authority. The people, if we trace government to its first origin in the woods and desarts, are the source of all power and jurisdiction, and voluntarily, for the sake of peace and order, abandoned their native liberty, and received laws from their equal and companion. The conditions, upon which they were willing to submit, were either expressed, or were so clear and obvious, that it might well be esteemed superfluous to express them. If this, then, be meant by the *original contract*, it cannot be denied, that all government is, at first, founded on a contract, and that the most ancient rude combinations of mankind were formed chiefly by that principle (E-OC:467-8, henceforth **Passage A**]

Here, Hume is talking about the emergence of the office of being a ruler in a primitive society rather than the foundation of civil government upon the obligation to keep promises. He refers to a society "in the woods and desarts", "rude combination of mankind" characterised by men with "natural liberty", who are "nearly equal". What is the reason, then, of its assimilation with what Hume

writes about original contract in the *Treatise*? It stems from Hume's explicit use of the term "original contract". However, the original contract Hume defines here is not the "original contract" which is founded on promises that he defines in the *Treatise*. In this passage, Hume defines it differently: original contract is equated with consent, which Hume construes as requisite for the choice of a first ruler. In a situation where there is no prior authority, everyone is nearly equal, so no one can be forced to obey another unless they are willing to do so. Thus, authority must first arise from consent, and the first ruler is legitimate because everyone has consented to his authority (Stewart 1963: 130).

No wonder then, in identifying passage A with those in the *Treatise,* Forbes and Haakonssen found Hume's account inconsistent. In the *Treatise*, as they have well remarked, Hume explains that government is founded upon the obligation of keeping promises which is a convention that comes to be established because of the necessity generated by material inequality. In order to clarify this point, it is required to explain the emergence of the two other rules of justice which succeed the right of property. After particular possessions are allocated to individuals, the problem of the convenience of these possessions to individual wants and desires arises. Therefore, another convention regulating the exchange of property comes to be adopted thereby giving rise to barter (T 3.2.4). However, barter can solve only a fraction of the problem of adjusting possessions according to wants and desires, "because it can only take place with regard to such objects as are *present* and *individual*, but not to such as are *absent* or *general*" (T 3.2.5.8). These inconveniences in return necessitate yet another convention, i.e. the obligation to keep promises which enable the exchange of absent and general possessions between individuals. It is interesting to note Hume's originality on this issue, remarked by Diatkine (1993: 209, 2012: 1382): in the economic literature the inconvenience of using barter as an exchange mechanism proceeds usually from, what is commonly called, the double coincidence of wants, and it is remedied with the use of money as a medium of exchange; by contrast, Hume defines the problem of barter, and its solution in a different manner. But what

does Hume mean by present (vs. absent), on the one hand, and, individual (vs. general) on the other hand?

The presence of objects relates to the simultaneity of the exchange required by barter: "One cannot transfer the property of a particular house, twenty leagues distant; because the *consent* cannot be attended with delivery, which is a requisite circumstance" (T 3.2.5.8, my emphasis). The same problem also applies to exchange of services: "Your corn is ripe today; mine will be so tomorrow. 'Tis profitable for us both, that I shou'd labour with you to-day, and that you shou'd aid me to-morrow. [But because of lack of reciprocal kindness, we don't help each other]; and both of us lose our harvests for want of mutual confidence and security" (T 3.2.5.8). Individual objects, on the other hand, relate to identifiable objects (for example the wine of Mrs. X): "Neither can one transfer the property of ten bushels of corn, or five hogshead of wine, by *the mere expression and consent*; because these are only general terms, and have no direct relation to any particular heap of corn, or barrels of wine" (T 3.2.5.8, my emphasis).

Hume thus presents the obligation to keep promises not only as a remedy to overcome problems arising from material inequality but also as diverging from "mere expression and consent". Indeed, promise is more than an agreement or any expression of agreement: it is an intention of performing an act expressed by "a certain form of words", which are conventionally instituted signs (T 3.2.5.10). Such promises regulate what Hume calls the "self-interested commerce" performed between strangers, unlike the "disinterested commerce" which is performed between family and friends (T 3.2.5.10). While it is true that people have an interest "in the *institution* and *observance* of promises" (T 3.2.5.11) as they would gain from commercial transactions with strangers, the utility of keeping promises is not sufficient, for Hume, to oblige people to observe their promises. He notes that a further motive to keep promises proceeds from people's concern for their reputation: "whoever uses them [promises] is immediately bound by his interest to execute his engagements, and must never expect to be trusted any

more, if he refuses to perform what he promis'd" (T 3.2.5.10). Therefore, not only promises are somewhat slippery, but they are also mysterious for Hume (Diatkine 1989:14), as it is difficult to see how a "certain form of words" can bring about action:

'tis one of the most mysterious and incomprehensible operations that can possibly be imagin'd, and may even be compar'd to *transubstantiation*, or *holy orders*, where a certain form of words, along with a certain intention, changes entirely the nature of an external object, and even of a human creature (T 3.2.5.14).

Hence, all the more reason for the creation of government to enforce the rules of justice, especially the rule concerning the obligation to keep promises. Hume's scepticism towards the obliging power of promises taken together with the creation of such a rule with a view to regulating commerce (rather than with a view to obliging obedience) support the interpretation suggested in this chapter: Hume makes *as if* government is founded on contract, rather than seriously endorsing it. His opinion about promise is well summarized in the following paragraph:

"tho' there was no such thing as a promise in the world, government wou'd still be necessary in all large and civiliz'd societies; and if promises had only their own proper obligation, without the separate sanction of government, they wou'd have but little efficacy in such societies" (T 3.2.8.7).

3.3. *Treatise* vs. *Essays*: a change?

The so-called change in Hume's argument takes place between the *Treatise* (1740) and the first version (1748) of the OC (his early theory of the origin of government), on the one hand, and the OG and the additions he made to the OC, which both appeared in 1777 (his late theory), on the other hand. In order to examine the supposed change, I go on from where I left off with the passage A in the OC where Hume had defined original contract as a relation of consent, and not as an exchange of promises. Hume subsequently inserts another passage right after the passage A, which has been considered as a proof that Hume diverges from his early theory, by revising it in order to bring it into line with the OG (Forbes 1975a: 76 n.3). Similarly, it has been argued that here Hume denies the

idea of the original contract and renders his account less deliberate as it is in the OG (Stewart 1963: 157).[71] Furthermore, as already mentioned, Haakonssen suggests that "after a life time of reflecting on the problem", Hume changed his argument presumably under Smith's influence (2009a: 355).

The passage added to the OC is the following one:

Yet even *this consent* was long very imperfect, and could not be the basis of a regular administration. The chieftain, who had probably acquired his influence during the *continuance of war, ruled more by persuasion than command*; and till he could employ force to reduce the refractory and disobedient, the society could scarcely be said to have attained a state of civil government. *No compact or agreement, it is evident, was expressly formed for general submission; an idea far beyond the comprehension of savages*: Each exertion of authority in the chieftain must have been particular, and called forth by the present exigencies of the case: The sensible utility, resulting from his interposition, made these exertions become daily more frequent; and their frequency gradually produced *an habitual*, and, if you please to call it so, a *voluntary, and therefore precarious, acquiescence* in the people (E-OC:468-469, my emphasis, henceforth **Passage B**]

In fairness to these commentators, the affinity with OG is undeniable. In the latter, after summarizing the rationalistic account he gave in the *Treatise*, Hume goes on:

But though this progress of human affairs may appear certain and inevitable, and though the support which allegiance brings to justice, be founded on obvious principles of human nature, *it cannot be expected that men should beforehand be able to discover them, or foresee their operation*. Government commences *more casually and more imperfectly*. It is probable, that the first ascendant of one man over multitudes begun during *a state of war*; where the *superiority of courage and of genius* discovers itself most visibly, where unanimity and concert are most requisite, and where the pernicious effects of disorder are most sensibly felt. The long continuance of that state, an incident common *among savage tribes*, endured the people to submission; and if the chieftain possessed as much *equity* as *prudence and valour*, he became, even during peace, the arbiter of all differences, and could gradually, *by a mixture of force and consent*, establish his authority. The benefit sensibly felt from his influence, made it be cherished by the people, at least by the peaceable and well disposed among them; and if his son enjoyed

[71]However, in his comparison of the passage A and the Treatise, Stewart says that Hume thinks of contract "in much less formal and specific terms" in the OC. He also adds that here the origin of government is not quiet as deliberate as Treatise suggests, though he still argues that the later additions that Hume made to the OC changed his argument. (1963: 156)

the same good qualities, government advanced the sooner to maturity and perfection; but was still in a feeble state, till the farther progress of improvement procured the magistrate a revenue, and enabled him to bestow rewards on the several instruments of his administration, and to inflict punishments on the refractory and disobedient. Before that period, each exertion of his influence must have been particular, and founded on the peculiar circumstances of the case. After it, *submission was no longer a matter of choice in the bulk of the community*, but was rigorously exacted by *the authority of the supreme magistrate*. (E-OG: 39-40, my emphasis, henceforth **Passage C**)

Before arguing for the similarities between passages A, B, C and the *Treatise*, I first point out the changes which catch the reader's eye in the passages B and C. Firstly, what strikes the reader in passage C is that Hume's explanation of the origin and the development of government is very articulate and smooth. Here, there is no longer the gap established by Hume in the *Treatise* between the rationalistic and the historical account. He also underlines that political authority was fragile from the outset, and that it got more and more solid with historical progress. Another change which is noticed in both passages is the emphasis put on the superior personal qualities of the chieftain especially in the explanation of how he comes to acquire the people's consent.

On the other hand, in line with his early theory, Hume stresses that political authority, embodied in a war leader, derives from consent. The habitual and voluntary obedience informs people of the advantages of government. And it is only after a long period of progress that civil government is founded. While it is evident that Hume articulates his historical account in the OG more meticulously, by adding more information than what we can find in the *Treatise* — mainly about the superior personal qualities and the naturally arising consent, the main argument remains the same: "the same kind of authority naturally takes place in that civil government, which succeeds the military" (T 3.2.8.3). Regarding the missing parts in the *Treatise*, they are not necessarily a sign of Hume's change of mind. In the *Treatise*, as already mentioned, consent was shown to be logically necessary in order to establish the first political authority. And there is no reason not to assume that Hume thought, maybe as early as the *Treatise*, that this was also historically true. While his historical account in the *Treatise* does not

mention any superior qualities, his assertion that "neither man nor any other being ought ever to be thought possest of any ability, unless it be exerted and put in action" (T 2.1.10.4), concurs with the idea that under the emergencies of war, some people turned out to be braver, stronger and more willing to dominate others and consequently became the naturally obeyed leaders of the community (Cf. Harrison 1980: 180,189). Moreover, the parallel passages from *History of England*, mentioned above, confirm the latter assumption, by also showing that the seemingly new information articulated in the historical account of the origin of government in the OG was not that new. Hume begins writing the last two volumes of the *History of England* which relate ancient governments (which became the two first volumes in the complete edition of the *History* in 1762) in the summer of 1759 and finishes them two years later (Harris 2015: 388). Though the similarity of this information with those in the students' notes on Smith's *Lectures on Jurisprudence* (1762-4) is evident,[72] and though it is very likely that Hume and Smith discussed this subject, there is no reason to suppose that the passage B and C are the outcome of a lifetime of reflection. Hume's interest in history began as early as the time of the *Treatise* (Todd 1982: xi)[73] as well as his interest in wars, as the notes he took in his *Early Memoranda* (Mossner 1948) indicate.

Here it seems also appropriate to assess the alleged change in the OC, namely between the passage A and B. Commentators construe the "original contract" in

[72]In his *Lectures on Jurisprudence*, Smith explains the emergence of government as the outcome of a historical progress whose starting point is a first stage, namely "age of hunters" where the possessions are few and there is no need for government. In such conditions, the leader "never can do anything without the consent of the whole" (LJ (B) 19) and the leadership arises some natural sources of authority, such as "superior strength" and "superior mental capacity" (LJ(B) 12). The government, on the other hand, arises in the second stage of society where possessions have to be defended against the retainers. "In this stage, as property is introduced, one can be eminent not only for his superior abilities and renowned exploits but also on account of his wealth and the estate he has derived from his forefathers." (LJ(A) iv.43). Smith takes up this stages theory with general lines in the Book V of the *Wealth of Nations*. This subject is treated in the second section of the second chapter of the dissertation.

[73]Mossner (1941: 227) holds that Hume formed the intention of writing the *History of England* as early as 1739.

the passage A, as referring to an exchange of promises. Accordingly, they view the following statement in the passage B as evidence for Hume's change of mind: "No compact or agreement, it is evident, was expressly formed for general submission; an idea far beyond the comprehension of savages". Firstly, the reason they take passage A as arguing for original contract is, not only Hume's use of the term "original contract" (as already mentioned above), but also his statement that the conditions upon which the "contract" is established might be "expressed". But as we have already seen, the express consent is not enough to make it a "promise" in Hume's eyes. Notice how Hume chooses to begin his passage B with "this consent", rather than any mention of "original contract", which is further evidence that Hume had assimilated them in the Passage A. Indeed, when passage A is considered in abstraction from the "original contract", it tallies to a large extent with the *Treatise* as well as all these passages: in passage B, Hume talks about "an habitual" or "a voluntary, and therefore precarious, acquiescence in the people". In the passage C, he implies that the determination of the first ruler was "a matter of choice" and that he established his authority "by a mixture of force and consent". Stewart (1963: 159) was therefore right in asserting that Hume derives the source of authority from consent in all his works.

Secondly, concentrating solely on the difference between the passage A and B, these commentators seem to overlook the context in which these passages are embedded. Just like in the *Treatise*, in the OC, Hume formulates his attack on contract first by giving a summary of the "fashionable system of politics" (T 3.2.8.3, Cf. E-OC: 466) which traces obedience to contract, then seemingly endorses it (T 3.2.8.3, E-OC: 468), before refuting it. He seeks to show that even if one assumes that government is first founded upon contract, the conclusions drawn by his opponents do not necessarily follow. This method of argumentation stands out in the OC because, just before his attack on the fashionable system, he uses the same method to refute the idea of passive obedience. Here, he seems to accept as the Court party (by using old Tory arguments) does, that government derives from the Deity (E-OC: 466-7). He intends to show that even if one

assumes that authority derives from the Deity, authority of a particular king cannot be justified, because with this assumption we would be equally obliged to obey "an inferior magistrate, or even an usurper, or even a robber and a pyrate" (E-OC: 467, Cf. Phillipson 2011: 63).

As a result, if one considers Hume's endorsement of the original contract as the commentators do, one should bear in mind that Hume accepts the "original contract" in the same manner that he accepts the role of the "Deity" in procuring royal power. However, Hume's scepticism about the Deity, which is widely known, is accepted by these very commentators. However, if one considers the original contract as referring to consent, there arises the problem of reconciling the passages A and B in relation to Hume's method of argumentation. I suggest that here Hume's rhetoric is at work, as it is usually the case especially in the *Essays*: he pretends, by a rhetorical twist, to accept the common idea of the original contract, though he actually reaffirms what he already believes in.

As to the OG, as already hinted at, Hume devotes approximately one page for a rationalistic account of the origin of government in this short essay of four pages: as man "is seduced from his great and important, but distant interests, by the allurement of present, though often very frivolous temptations" and as "[t]his great weakness is incurable in human nature", "OBEDIENCE is a new duty which must be invented to support that of JUSTICE" (E-OG: 38). Then, he connects this rationalistic account to the historical one by stating that the invention of government was not deliberate but rather an historical accident. Though important, the removal of this gap does not indicate to a change of argument as this idea was already implicit in the *Treatise*.

This change of presentation may be traced to Hume's intentions. In the OG, Hume does not seek to define the end of government neither does he intend to refute the idea of original contract. He wants to draw attention, as he does in many of his essays, to the fragility of the British political constitution which

rested on a delicate balance between the parliament and the king. Hume feared that, some way or another, this balance could slide the constitution into a republic or an absolute monarchy. But these transitions would imply a change in "deeply rooted habits of allegiance", which would be "extremely painful" (Miller 1981: 181). Hume therefore dedicates the last page of his essay to emphasize the struggle between "authority" and "liberty". Hume's last phrase is telling: since authority is absolutely necessary for every government such that it "must always support itself", he advises that we should concentrate on the protection our liberty (E-OG:41). With hindsight, one discovers that his aim here is to highlight that obedience is self-supporting. The reason why Hume can take authority for granted here is because he believes that authority remains stable when people obey their rulers by habit. Hence, the emphasis on obedience as a naturally growing, habitual phenomenon.

4. Conclusion

This chapter drew a distinction between Hume's two different explanations for the origin of government. The rationalistic account was shown to harbour two different points of view, namely, the philosopher's and people's, which has been largely neglected in the secondary literature; the historical account, on the other hand, was shown to be relating to the real origin of government according to Hume. This distinction between the rationalistic and the historical explanation for the origin of government in the *Treatise* is interpreted in relation to Hume's intentions. By circumscribing the rationalistic account to Hume's aim of providing the best reason for obedience and his historical account to his aim of providing the causes which naturally make us obey, these two accounts become complementary.

The best reason for obedience could be reached by a "perfect" understanding which would establish, by contract, a government of law: people choose to obey the government upon the condition that their property is secured. The causes for obedience, on the other hand, consist in the influence of repeated experience of

authority on the imagination. Obedience, then, is inevitable. The reason and cause of obedience are obviously inseparable in practice: People believe that their obedience is justified when they see repeatedly that government respects their property. But not every government respects property, and Hume later on would advance that stability of government is more important than anything, because the sufferings caused by a civil war triggered by rebellion would be way more important than the gains to be expected from the protection of property.

In contrast with the line of interpretation criticized in this chapter, I attempted to show that the rationalistic account provides an explanation for the origin of civil government whereas the historical one depicts the emergence of the first political leader in primitive societies. Actually, for people to appoint rulers there needs to be an office of being a ruler in the first place. It follows that what Hume considered as a historical actuality was not an original contract but consent. In his *Tristes Tropiques*, Lévi-Strauss argued that consent is the origin of power in primitive societies and implied that Rousseau was right, and Hume was wrong in imagining "a political organization in which they ['contract' and 'consent'] are not present" (1961:308). Conversely, my interpretation suggests that both Levi-Strauss and Forbes were wrong. The former failed to see that Hume indeed thought that consent was essential for the emergence of authority. The latter failed to see that contract was not an anthropological act for Hume, which led him to deduce that as it invalidated the historical account given in the *Treatise*.

Hume's endorsement of the original contract, however, has not been denied. It has been shown that it makes sense within the theoretical framework of the moral theory in Book III of the *Treatise*. In a similar vein, its explicit acceptance may arguably be best understood within the context of Hume's argumentation against the "fashionable system of politics" in the OC. However, contract used as a methodological or argumentative device, is shown to be simply incongruous in OG and hence inexistent. Therefore, though Hume might indeed had gathered

more historical information towards the end of his life, it is plausible to suggest that the difference between these works stems from a change in context rather than from a change in the content of Hume's main argument about the origin of government.

CHAPITRE 2: How did it all begin? Adam Smith on the early and rude state of society and the age of hunters

1. Introduction

Since the discovery in 1958 of a new set of student notes on Smith's lectures on jurisprudence,[74] studies on the historical dimension of Smith's works have multiplied. These studies tend to examine Smith's historical approach as a whole, especially with reference to his particular place within the *Scottish Historical School*. The common feature of this school is the use of a specific theory of stages (Skinner 1965: 1-2, Meek 1967: 34, Sebastiani 2013: 8),[75] a framework in which historical progress is understood through four successive modes of subsistence. Smith, who pioneered the formulation of the theory of "four stages" (Meek 1971, 1976a: 99; Stein 1979: 628),[76] is generally seen as employing the essence of this historical theory in his *WN* (Forbes 1954: 648, Meek 1976a: 221, Stewart 1982: 295, Skinner 1982, 1996, Raphael 1985: 1-2).

While this is a plausible assessment of Smith's considerations in Book V of the *WN* where he discusses government expenditure, according to Hollander, "the work as a whole is not governed by the [stadial] tradition" (1998: 89). Analysing Book III, where Smith gives an historical account of the emergence of European commercial societies, Hollander notes that "the incorporation of the [historical] materials into the *Wealth of Nations* was designated with an eye upon something other than the account of major historical transitions in terms of the standard stadial model" (1998: 92). He holds that Smith propounds a theoretical growth model in Book III as a basis for his "very violent attack … upon the whole commercial system of Great Britain" (Corr: 251), just as he implies in the

[74] This set of notes (relating to Smith's Glasgow lectures in 1762-3) provides a more elaborate version than the earlier one published by Edwin Cannan in 1896 which relates to lectures given in the 1763-4 session. The former is referred to as LJ (A) and the latter as LJ (B) or *Cannan notes*. The new discovery also contains notes on Smith's lectures on rhetoric.

[75] Berry (2015:25) disagrees, arguing that Scottish historiography can't be limited to the use of the stadial theory.

[76] Pesciarelli (1986) questions Meek's arguments for giving Smith priority in the elaboration of the theory.

"introduction and plan of work" of *WN*. Bowles (1986: 110) also draws attention to the distinct purpose of the historical discussion in Book III in comparison to the *Lectures on Jurisprudence*.[77] These studies indicate that an assessment of Smith's historical approach which depends on taking a broad overview of his work may lead us to overlook the complexity of his thought (i.e. his capability to use history differently according to his specific objectives), as well as the division of labour which he establishes between and within his works.

Following Bowles (1986) and Hollander (1998), this chapter aims to show the possibility of a different approach in reading the primitive society as depicted in the "analytical" books (Schumpeter 1994: 181) of *WN*, namely Books I and II.[78] It is argued that Smith's reference to history in the form of recourse to primitive society in these books doesn't fit into the traditional discourse of historical progress put forward through the four stages theory. The comparison between an early and an advanced society in his economic analysis constitutes a narrative which is distinct both in purpose and in nature from the account of the development of societies by stadial sequence. The differences between these two discourses are hinted at by Dellemotte and Walraevens (2015: 718),[79] and

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[77] Many scholars combine Book III of *WN* with Book V and LJ in their analysis of the four stages theory (Pascal 1938, Winch 1978, Haakonssen 1981, Skinner 1982, 1996, Stull 1986, Reid 1989, Salter 1992, Kim 2009). There are indeed many parallels between what Smith narrates in *LJ* and Book V. However, forging a link between these narratives is not straightforward. There is no mention of the first two stages of hunters and shepherds in Book III. Moreover, as will be seen, the four stages theory doesn't represent a factual history of the past, as opposed to Book III which gives an historical account of the emergence of the mercantile system. These dissimilarities haven't been entirely neglected. Haakonssen (1996: 135) notes: "*both* in the abstract natural, or conjectural, 'history' of the four stages of civil society *and* in the historical account of the past" (my emphasis). Pocock (1999: 315) emphasizes the intertwining of natural history and civil history in Smith's system. The editors of *WN* mention in passing a possible reason for the difference between Book III and Book V/LJ by suggesting that in Book III "Smith was concerned with a socio-economic *system* as distinct from a system of *police* or government policy" (WN III.ii.n.1: 381).

[78] Though I cite Schumpeter here in relation to Books I and II, I do not agree with his distinction between Smith's economic analysis as limited to Books I and II, and Smith's application of this economic analysis in the other books. Smith indeed performs an economic analysis in the first two books, but he also does in the other books, for instance in his "natural progress of opulence" in Book III. It is, therefore, not straightforward to separate theory and application in the *WN*.

[79] They compare these two narratives from the sole perspective of the division of labour. In their view, while the early/advanced state comparison points out the subordination of workers and the

previously by Hollander (1998: 89) who notes that "apart from the discussion in Book V, the notion of a hunting 'stage' is used largely as a *fiction* for analytical purposes rather than for its own sake as a part of a treatment of historical development". They do not, however, mention the political ambition of the stadial tradition. Furthermore, Pocock (1999, 2006: 286-7) underlines the profusion of narratives in Smith "which are more than mere footnotes to his system". In our case, the use of different narratives stems from his two different yet related objectives:

i. Economic theory: the chief aim of Smith's recourse to primitive societies in *WN* is to solve the paradox which he lays out in the introduction. Why are the "savage societies" poorer than modern societies, despite the fact that almost every individual is employed in the former, by contrast to the latter? On the basis of a static comparison between an early and an advanced state of society, he lays the foundations of his economic theory according to which wealth arises principally from capital accumulation and advanced division of labour (WN Book I and II).

ii. Political philosophy: Smith wanted to construct a theory of justice and government.[80] A draft of this uncompleted project is the LJ where he opposes the social contract theory and the narrative according to which private property is a natural right. Making property the linchpin of his account, Smith endorses the view that government was first established to secure property and that its evolution goes hand in hand with the alteration of the latter. He provides this account by reference to the "four stages theory", according to which societies pass through stages in the process of development: "1st, the Age of Hunters; 2dly, the

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negative effects of the division of labour, the stadial scheme indicates the development of prosperity and the positive effects of the division of labour.

[80] Smith had an ambitious project which aimed at giving "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" (TMS VII.iv.37). Smith was unable to accomplish his aim concerning the theory of justice and government before his death.

Age of Shepherds; 3dly, the Age of Agriculture; and 4thly, the Age of Commerce" (LJ (A) i.27).

The purpose of this chapter is thus to emphasize the importance of distinguishing one from the other in order to grasp the different aspects of Smith's inquiry in its unity. In order to discern Smith's two different historical narratives in terms of their purpose and nature, two types of primitive society are outlined:

i. "early and rude state" as representative of the comparison between an early and advanced state of society, thus referring to his economic analysis;
ii. "age of hunters" as illustrative of the four stages theory, thus referring to his political philosophy.[81]

This task requires expounding the role of the early state (section 2) and that of the age of hunters (section 3) in Smith's thought. The comparison shows us their divergences as well as their interconnectedness in his system (conclusion). While Smith's argument concerning political philosophy requires that the primitive state be embedded in a historical and legal context, the primitive state detached from its historical and legal ties suffices for his economic analysis. These two narratives are complementary in so far as the former lays the historical and institutional foundations for the eighteenth-century British economy which is the subject matter of the latter.

[81] I build this reconstruction, as far as I can, on Smith's own terminology which albeit with great variety—"barbarous and uncivilized state" (WN I.iii.8), "that early and rude state of society" (WN I.vi.1), "that original state of things" (WN I.viii.2), "age of hunters" (LJ (A) i. 27), "state of hunters" (LJ (B) 10), "in the beginning of society", "in their primitive state" (LJ (B) 334)—seems to admit of some consistency: the former is deployed more in an economic context whereas the latter appears usually within a political framework. However, there are exceptions, such as the opening paragraph of chapter 6 of Book I where he gives the example of the exchange between two hunters, right after his first use of "early and rude state of society".

2. Early and rude state of society: economic theory

Before examining the function of the primitive society in Smith's economic theory, it is required to place economic theory itself in Smith's system of thought. The following subsection therefore provides a brief outline of the latter (2.1). The second one examines the importance of the division of labour in Smith's theory of economic growth (2.2), whereas the third subsection focuses on the role of the accumulation of capital (2.3). The last subsection, on the other hand, shows the interplay between the division of labour and the accumulation of capital in Smith's growth theory (2.4).

2.1. The division of labour among Smith's system

The distinction which will be drawn in this chapter between Smith's economic and political purposes may have an additional justification on the following grounds. There is good reason to think that Smith gradually singled out political economy as *the* subject matter which concerned him, culminating in his *magnum opus*. In addition to endorsing "the division of labour in scientific endeavour" (Aspromourgos 2011: 83), he also comes to extend this "division of labour" into his jurisprudential and economic works.

This shouldn't be taken to mean that Smith's political economy is independent from his jurisprudence and ethics. On the contrary, "Ethics, Jurisprudence and Economics were certainly subjects which Smith treated as the separate but inter-related parts of a system of the moral or social sciences" (Skinner 2000: 6). Indeed, Smith sees political economy "as a branch of the science of a statesman or legislator" (WN IV.1) described as a system of "natural jurisprudence or a theory of the general principles which ought to run through and be the foundation of the laws of all nations" (TMS VII.iv.37). He intended to write this theory of jurisprudence which would encompass the four great objects of law, "Justice, Police, Revenue, and Arms" (LJ (B) 5). In the Advertisement to the last edition of *TMS*, he notes that "*in the Enquiry concerning the Nature and Causes of the Wealth of Nations*, I have partly executed this promise; at least so far as

concerns police, revenue, and arms" (TMS, 2). Thus, the very existence of *WN* is evidence that, for Smith, "political economy is a separable but not thereby autonomous science" (Aspromourgos 2011: 82).

As for the view that Smith gradually came to single out his economic analysis, the observations of the editors of Smith's various works are crucial. Firstly, W. R. Scott holds that Smith decided to separate his economic material from "the treatment of Jurisprudence in which it had been previously embedded" (1937: 319), presumably comparing *WN*, the *Early Draft* and the *Cannan notes*.[82] Secondly, Meek and Skinner (1973: 1102) remind us of the obvious fact that the *Early Draft* of *WN* is an "attempt by Smith to translate the 'economic' material in his Jurisprudence lectures into book form". This clearly supports the idea that at some stage Smith took what Scott (1937: 319) calls an "epoch-making decision" to separate out his economic analysis. Moreover, by comparing the fragments on the division of labour and *WN* they discover that Smith omits a passage which "explicitly established a connection between mode of subsistence, size of community, and division of labour, illustrating the point in terms of three distinct economic types (hunting, pasturage and agriculture)" (1973: 1109). They deduce that Smith may have "purge[d] the more 'analytical' parts of his material of some of the 'sociological' illustrations" (1973: 1108 n.1). All these appear congruent with the fact that there are very few direct references to the four stages theory in *WN* — as noticed rightfully by Meek (1976a: 220) — except in the sections on defence and justice in Book V. Finally, thanks to Meek (1976b), who published the *Anderson Notes*, one can trace back the development of Smith's thought to an earlier period. These new notes comprise summarized extracts made by John Anderson sometime in 1753-5, from notes on Smith's lectures on jurisprudence probably delivered, according to Meek, between 1751 and 1754 (that

[82] W.R. Scott discovered the *Early Draft* of *WN* as well as Smith's two fragments on the division of labour. The latter is composed of two pieces of documents presenting sketchy discussions on the division of labour. Meek and Skinner (1973) believe that Smith wrote them in 1760s as a substitute for the division of labour section of the Early Draft, which in turn was probably written before April 1763.

is nearly ten years earlier than the lecture notes LJ (A)). Meek (1976b: 70) discovers that Smith, in his early Glasgow period, dealt with his analysis of price, money, interest etc. in a jurisprudential context following the natural law tradition (especially Hutcheson). Comparing these notes with LJ (A), he realises that Smith moved his economic analysis from the section dealing with "Contracts" to the section on "Police". With this background, it seems easy to pin down Smith's gradual isolation of economic analysis from its jurisprudential and historical context. The explanation of this choice could be that Smith simply did not need these materials for his economic argument.

2.2. The division of labour in Smith's theory of growth

Similar to the division of labour he establishes across his overall system, Smith also implements a division of labour within the five books of *WN*. In the "Introduction and plan of work", he explicitly divides these books in respect of their different purposes. Pack (1991: 8) regrets the Introduction's underemphasis in the literature, and with good reason, in so far as it facilitates the comprehension of Smith's intentions. It is known that Smith's main purpose in *WN* is to propose policy recommendations which would assure the proper functioning of the capitalist system. He bases this political programme (Book IV, V) on his analysis of the operation of the capitalist economy (Book I and II).[83] The introduction is clear on this point: after equating the "wealth of nation" with its supply of "all the necessaries and conveniences of life for which it has occasion" (*WN* 1-2), which depends on the labour produced in the country,[84] he distinguishes two types of societies in respect of their abundance of these goods:

Among the nations of hunters and fishers, every individual who is able to work, is more or less employed in useful labour, and endeavours to provide, as well as he can, the necessaries and conveniences of life, for himself, or such of his family or tribe as are

[83] As already mentioned (n.4), Book III is the historical account of the commercial society and its policies (*WN* 7) against which Smith argues in Book IV.
[84] The opening sentence of *WN* implies labour to be the sole source of wealth. Blaug (1985: 53) notes that being "among the shibboleths of the time", it is "a convenient weapon against mercantilist thinking". For Smith, the other source of wealth is land.

either too old, or too young, or too infirm to go a hunting and fishing. Such nations, however, are so miserably poor, that, from mere want, they are frequently reduced, or, at least, think themselves reduced, to the necessity sometimes of directly destroying, and sometimes of abandoning their infants, their old people, and those afflicted with lingering diseases, to perish with hunger, or to be devoured by wild beasts. *Among civilized and thriving nations*, on the contrary, though a great number of people do not labour at all, many of whom consume the produce of ten times, frequently of a hundred times more labour than the greater part of those who work; yet the produce of the whole labour of the society is so great, that all are often abundantly supplied, and a workman, even of the lowest and poorest order, if he is frugal and industrious, may enjoy a greater share of the necessaries and conveniences of life than it is possible for any savage to acquire (WN 4, my emphasis).

A country is rich or poor according to the quantity of goods with which it is supplied. But since it is labour which supplies the goods, how is it possible that a society where nearly everyone works is poor whereas the other where many do not work is rich? The abundance of goods or the richness of the "civilized" nations thus needs an explanation. Smith informs us that Book I and Book II will give us the reasons: advanced division of labour, and the accumulation of capital (WN 5-6).

The comparison between these two types of societies (in the form of "savage"/"civilized" or "early","rude"/ "advanced","improved") appears almost in every chapter of Book I.[85] Chapter 1 answers the above question directly: The opulence in the advanced society is explained by the increasing productivity of labour which stems from the division of labour. Specialisation on a single task enhances the skill of the labourer, makes him save time which he would lose if he was to switch to another task and promotes the invention of machinery. Because of these advantages, the division of labour "is generally carried furthest in those countries which enjoy the highest degree of industry and improvement; what is the work of one man, in *a rude state of society*, being generally that of several in

[85] There is no reference to primitive society in chapter 7, and no direct reference in chapter 5 but an implication: "when barter ceases, and money has become …" (WN I.v.6). In Book II apart from the opening paragraph and an allusion to "savages in North America" (WN II.iii.34), there seems to be no recourse to primitive societies.

an improved one" (WN I.i.4, my emphasis). The advanced division of labour, in contrast to its rudimentary state in a rude society, lies behind "that universal opulence which extends itself to the lowest ranks of the people" (WN I.i.10). This is why the European peasant is "richer" than the African king:

> [T]he accommodation of an European prince does not always so much exceed that of an industrious and frugal peasant, as the accommodation of the latter exceeds that of many an African king, the absolute master of the lives and liberties of ten thousand naked savages (WN I.i.11).[86]

Chapter 2 shows the origin of the division of labour: "the propensity to truck, barter and exchange one thing for another" (WN I.ii.1), which in turn is triggered by self-interest. If the source of the division of labour is founded on human nature, then it is inseparable from human society, and thus exists in every society:[87]

> *In a tribe of hunters or shepherds* a particular person makes bows and arrows, for example, with more readiness and dexterity than any other. He frequently exchanges them for cattle or for venison with his companions; and he finds at last he can in this manner get more cattle and venison, than if he himself went to the field to catch them. From a regard to his own interest, therefore, the making of bows and arrows grows out to be his chief business, and he becomes a sort of armourer. Another excels in making the frames and covers of their little huts or moveable houses (WN I.ii.3, my emphasis).[88]

This passage, taken together with "the work of one man, in *a rude state of society*, being generally that of several in an improved one", informs us that the division

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[86] When we read the reference to the "African king" through the stadial scheme, it appears that Smith is not here referring here to the first stage, that of hunters (as he usually does) but to the second stage. As will be seen in section 3, political authority first appears in the 2nd stage which would partly explain the African king's absolute authority. The possible significance of this minutiae will be mentioned below.

[87] In the *Early Draft* of *WN*, Smith seems to deny the existence of this disposition to barter among savages: "But without the disposition to truck, barter, and exchange, every man must have procured for himself every necessary of life which he wanted. Every man must have employed himself in everything, All must have had the same work to do and the same duties to perform, and there could have been no such difference of employment as could alone give occasion to any great difference of character. It is upon this account that a much greater uniformity of character is to be observed among savages than among civilized nations. Among the former there is scarce any division of labour and consequently no remarkable difference of employments" (LJ: 573).

[88] The possible significance of this indifferent use of "hunters" and "shepherds" will be dealt with in subsections 3.2 and 3.3.

of labour in the hunter society is a division of labour between different occupations (social division of labour), that here there is no technical division of labour (one task is performed by one man), and that the extant division of labour is at a rudimentary state. The transition from the primitive to advanced society "is characterised by an enormous proliferation in the number of productive activities" (Rosenberg 1965: 134). In the early state the number of occupations is low and the number of tasks performed by a single worker is high, whereas in the advanced state the number of occupations is high and the number of tasks performed by a single worker is low.

The extent of specialization depends on the "extent of the market" (WN I.iii). The anticipation of selling their goods induces individuals to specialize in order to produce more. The bigger the market and the better the transportation, the more advanced will be the division of labour. Hence arises the commercial society:

> When the division of labour has been once thoroughly established, it is but a very small part of a man's wants which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant and the society itself grows to be what is properly a commercial society (WN I.iv.1).

2.3. The accumulation of capital

Above all other activities, exchange which represents the "cooperation and assistance of great multitudes" (WN I.ii.2) characterises the advanced economy. Here "all goods and services command a price" (Campbell and Skinner 1976: 15). Indeed, what is exchanged is exchanged for a price through the market and "people … relate to each other through the price mechanism" (Pack 1991: 44). Thus examining the price and market mechanism is necessary for understanding the advanced economy, and the growth of wealth which Smith sought to explain

(Aspromourgos 2009: 65).[89] Accordingly, the most important contrast between the early and advanced society which helps us to seize the essence of Smith's analysis of the capitalist economy lies in chapter 6, concerning "the component parts of the price of the commodities".

Here Smith writes that price determination in an early society would be different from that in an advanced society. The early state is defined as a society composed of "small independent producers owning their own means of production" (Meek 1956: 64 n.1) which they produce themselves without the interference of a capitalist who advances them the means of production or their wages. They produce for their own consumption and above it, so exchanging the surplus with one another:

> In that early and rude state of society which precedes both the accumulation of stock and the appropriation of land, the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another. If among a nation of hunters, for example, it usually costs twice the labour to kill a beaver which it does to kill a deer, one beaver should naturally exchange for or be worth two deer (WN I.vi.1).

The relative price of the commodity is determined by the quantity of labour which is required for producing the commodity. This is because the entire production stems only from labour.[90] The "natural recompense of labour" being the "produce of labour" itself (WN I.viii.1), in this state "the whole produce of labour belongs to the labourer" (WN I.vi.4). On the contrary, in the advanced state, "as soon as stock has accumulated in the hands of particular persons" (WN I.vi.5) and "as soon as the land of any country has all become private property" (WN I.vi.8), the price of a commodity can no longer be determined by the labour required for its production. In addition to labour, capital and land enables the production of a commodity. Capital is advanced "in order to make a profit by the

[89] Aspromourgos also underlines the importance of the Introduction to *WN*, noting that in such a detailed summary, Smith doesn't mention prices or markets.
[90] However, this should not be taken to mean that here Smith advances a labour theory of value (Ricardo 1951[1817]: 22-23), because labour is not subject to market exchange. It can be taken to indicate a theory of income (Faccarello 1983: 26).

sale of their work" (WN I.vi.5) while "the landlords … demand a rent" (WN I.vi.8) for the land which they lease. The labourer must this time share the produce of his work with the owner of the capital and that of the land: "an additional quantity … must be due for the profits of the stock which advanced the wages and furnished the materials of that labour" (WN I.vi.7) and the labourer "must give up to the landlord a portion of what his labour either collects or produces" (WN I.vi.8). In other words, the price of a commodity must not only cover the "natural recompense of labour" which equates to wages, but also the recompense of capital and land, namely profit and rent. Price is thus determined by the cost of producing the commodity, calculated by "adding up" (Dobb 1973: 46) the incomes of different classes.[91] Consequently, "wages, profit, and rent, are the three original sources of all revenue as well as of all exchangeable value" (WN I.vi.17).

This contrast permits Smith to insert capital into his economic analysis, so that it is not only the extent of exchange which characterizes the advanced economy but also the existence of capital and so of profit.[92] In any event, capital and profit are inseparably connected, as the distinction Smith draws between "stock" and "capital" demonstrates: "His whole stock … is distinguished into two parts. That part which, he expects, is to afford him … revenue, is called his capital. The other is that which supplies his immediate consumption" (WN II.i.2). If the stock is used to gain profit, Smith calls it capital. The transition from the early to advanced society thus implies the transition from independent work to dependent work, i.e. wage labour. The worker no longer possessing the means of production is obligated to work for those who possess them in order to gain his

[91] Smith's theory of value has been subject to vast debate (Douglas 1928: 88, Schumpeter 1994: 183, Dobb 1973: 45, Hollander 1973: 116, Winch 1978: 90, Blaug 1985: 38-9). Since our main object, as well as Smith's, is the determinants of economic growth, this issue is not discussed in the present chapter. See Hueckel (2000) for a recent study.

[92] For instance, Bowley (1975) argues that the role of capital is even more important than the role of the division of labour in economic growth.

subsistence. Labour is thus set into motion by capital with a view to profit.[93] The more capital that is used, the more labour will be demanded in the economy; wages will rise, the population will grow and so will the economy (WN I.viii).

2.4. The relation between the division of labour and the accumulation of capital

The passage from the early to advanced economy parallels the emergence of capital and capitalists as a social class. Yet there is no hint in the early state of what would trigger the dynamic process leading to the accumulation of capital and thus to the advanced state. This lack of explanation results in Marx's rightful astonishment: "whence come the 'industrious people' who possess neither means of subsistence nor materials of labour—people who are hanging in mid-air?" (1988: 385). To which we may add: How is the stock accumulated "in the hands of particular persons" (WN I.vi.5)? Smith tells us that the original source of accumulation is "parsimony" (WN II.iii.16). Accounting for the transition to the advanced state boil downs to showing that the saving performed in the primitive society paves the way for the accumulation of capital.

Nonetheless, trying to figure out this process by using all the information we have on the early state leads to a dead end. Book II informs us of the crucial interdependence of the division of labour and accumulation of capital: "the accumulation of stock must, in the nature of things, be previous to the division of labour, so labour can be more and more subdivided in proportion only as stock is previously more and more accumulated" (WN II.3). Accumulation of stock appears as a prerequisite for the more and more extensive specialisation and technical progress which generates economic growth.

[93] "Labour" here obviously refers to what Smith calls "productive labour". The definition of productive labour is the labour set in motion by capital. On the other hand, the part of the stock dedicated to immediate consumption is used to hire "unproductive labour". Smith explains the accumulation of capital in relation to productive labour in WN II.3.

Keeping Smith's distinction between "stock" and "capital" in mind, this passage may be interpreted in the case of a primitive society as follows: the rudimentary social division of labour is enabled by some accumulation of stock, namely accumulation of that part of the stock which is used for consumption. By saving consumer goods, the individual supplies his subsistence during the process of production until the time when he exchanges his surplus for another good that he needs. For instance, an armourer is first obliged to hunt a deer to maintain himself during the production of bows and arrows until he exchanges these arrows for deer. The rudimentary form of division of labour can be thus explained in proportion to the savings of the limited stock the primitive people would have. Since accumulation of capital is impossible (the very definition of the early state suggests the inexistence of capital), this state "was at an end, therefore, long before the most considerable improvements were made in the productive powers of labour" (WN I.viii.5).[94]

It is in order to undergird this idea that Smith chooses to present the early state as a state of autarky without any division of labour when he opens his second book on the "nature, accumulation, and employment of stock":

In that rude state of society in which there is no division of labour, in which exchanges are seldom made, and in which every man provides everything for himself, it is not necessary that any stock should be accumulated or stored up beforehand in order to carry on the business of the society. Every man endeavours to supply by his own industry his own occasional wants as they occur. When he is hungry, he goes to the forest to hunt; when his coat is worn out, he cloths himself with the skin of the first large animal

[94] Cf. *LJ (B)* 286: "A rude and barbarous people are ignorant of the effects of the division of labour, and it is long before one person, by continually working at different things, can produce any more than is necessary for his daily subsistence. Before labour can be divided some accumulation of stock is necessary. A poor man with no stock can never begin a manufacture. Before a man can commence farmer he must at least have laid in a years provision, because he does not receive the fruits of his labour till the end of the season. Agreeably to this, in a nation of hunters or shepherds no person can quit the common trade in which he is employed, and which affords him daily subsistence, till he have some stock to maintain him and begin the new trade. Every one knows how difficult it is, even in a refined society, to raise one's self to moderate circumstances. It is still more difficult to raise one's self by these trades which require no art nor ingenuity. A porter or day labourer must continue poor for ever. In the beginnings of society this is still more difficult".

he kills: and when his hunt begins to go ruin, he repairs it, as well as he can, with the trees and the turf that are nearest it (WN II.1).

Here Smith seems to reverse the order: if there is no division of labour, there is no accumulation of stock. Smith's purpose is to show the impossibility of accumulating capital in such a state; in doing so he also denies the possibility of stock accumulation, but this may be because he has not yet drawn the distinction between capital and stock which he will effectuate immediately afterwards in chapter 1. At any rate, the economic behaviour which stimulates accumulation of capital doesn't occur in the primitive state. "The pursuit of profit for profit's sake" (Diatkine 2010: 399) is specific to the capitalist economy.[95]

The interconnection between the division of labour and accumulation of capital makes the way out of an early state as defined by Smith inconceivable. The reference to the early state remains thus in the form of a static comparison with the advanced economy. Whereas the latter stands out as representative of the actual economy of eighteenth-century Britain, the former seems to represent an economic model with one factor of production and one type of agent. Accordingly, the early state is said to be an "idyllic state" (Hollander 1987: 74), "a state of nature" (Pack and Schliesser 2006: 57), a "fictitious society of independent workers" (Dellemotte and Walraevens 2015: 698) with "pedagogical significance" (Hueckel 2000: 469). Whether the early state is a fiction or representative of actual primitive tribes doesn't really matter. What matters is how it is used by Smith: as a model of a simple market economy whose comparison with the capitalist economy allows Smith to define and analyse the modern economy which is his object. The sociological and historical schemes that characterise the primitive society are insignificant for this analysis. If an economy hasn't reached the fourth commercial stage, in Smith's eyes it is an

[95] Diatkine (2010) maintains that this new economic behaviour results from the love of system, which Smith relates with the parable of the poor man's son in *TMS*. In doing so, he offers a solution to the new *Adam Smith Problem* of reconciling *WN*, which praises savings and the desire for wealth, and *TMS,* which repudiates them. Similarly, Smith doesn't explain the origin of this passion.

unimproved economy and thus can be used as an example to contrast with the improved one. This is why he can use "hunters" or "shepherds" indifferently or compare the European prince to an African King. However, the differences between hunter and shepherd societies are indeed remarkable in his stadial analysis.

3. The age of hunters: political philosophy

The theory of four stages forges a link between different disciplines such as anthropology, history, economics, ethics, sociology, politics, and law. Therefore, it is not straightforward to define it solely as a political theory nor to confine its use to Smith. Indeed, many Scottish thinkers such as Adam Ferguson, William Robertson, Lord Kames and John Millar propound their own versions of the theory of four stages.[96] The stages theory is more specifically embedded in the Scottish natural jurisprudence tradition from whence Smith's economic analysis arose. The first subsection stresses the former point (3.1). The second and the third subsection deals with, respectively, the age of hunters (3.2) and the age of shepherds (3.3) whereas the fourth subsection discusses the age of agriculture and the age of commerce (3.4). The last subsection shows that the four stages theory is a form of conjectural history whose characteristics has been outlined in the introduction to this dissertation (3.5).

3.1. Smith's four stages theory as a part of his natural jurisprudence

The stages theory appears in Smith's discussions concerning law and government: in Book V of *WN* where Smith deals with the expenses of defence and justice which are the first two duties of government,[97] and in its most complete form in the lectures on justice in *LJ*, whose major part is dedicated to law and government (Winch 1978: 57). More specifically, the stadial scheme is used as "an organizing principle of considerable power and importance" (Meek

[96] The theory of four stages in not only Scottish. For example, Turgot elaborates his own theory probably at the same time as Smith does. See Meek (1976a).
[97] The third one is that of maintaining certain public works and institutions (WN IV.ix.51).

1976a: 120) in the lectures on rights regarding an individual's estate (i.e. private jurisprudence), where the rules concerning the acquisition of property are discussed in relation to the mode of subsistence; and in the lectures on rights regarding citizens (i.e. public jurisprudence), which relate the origin of government and its different forms to the extent of property. In the introduction to the lectures on public jurisprudence, Smith indicates the importance of the four stages of society in a proper analysis of law:

> In order to consider more distinctly those rights which belong to a man as a member of a society or community or state, it will be necessary to consider the severall forms of government which are in use in different societies and the manner in which they have arose (LJ (A) iv.1).

By emphasizing that positive laws are not immutable, Smith sets out the evolution of the government using the four stages theory as *the* analytical framework. Similarly, he uses the same scheme in order to teach that the extent of the right to property varies depending on the society concerned.[98]The evolution of the government is closely linked to that of the property: "Property and civil government very much depend on one another. The preservation of property and the inequality of possession first formed it, and the state of property must always vary with the form of government" (LJ (B) 11).

It follows that what we would call political theory or more properly political philosophy stands out in this jurisprudential scheme. By privileging the contribution Smith makes to the political theory, then, this chapter construes Smith's version of the four stages theory principally as a theory of government which aims to attack Locke and Hobbes's contractarian theories. In this respect,

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[98] Smith changes the teaching order of the part on "Justice". In LJ (A) and in *Anderson Notes* he discusses property first and government last. In LJ (B), during his last year at the University of Glasgow, Smith starts by treating government, saying that it is the civilians' method and is preferable. Haakonssen (1996: 129-53) argues that Smith reorganized his lectures for a better exposition of his theory of rights, since rights presuppose government. As the government evolves, rights evolve. Metzger (2010) suggests that Smith chose to start with the discussion on government in order to avoid a practical difficulty. The origin of most laws could be explained with reference to different forms of government and this paved the way for the discussion of rights.

then, Smith's attempt to provide a theory of the origin of government can be considered as a response to a wider philosophical question of authority, political obligation and forms of government which dates from antiquity and is at the same time a response to the contemporary political debates. However, one should not forget that Smith's political philosophy was only one of the "narratives of civil government" (Pocock 1999)[99] which were elaborated in the *Scottish Historical School*. Their common purpose was to propose an alternative theory to the social contract theories of government and civil society, which have also been used frequently in the political arguments of parties in Britain.[100]

This insistence on the political purpose of the four stages theory might seem to downplay its explanatory power in relation to economic development, which is how many have interpreted it (Stull 1986, Reid 1989, Meek 1971, 1976a: 225, Skinner 1982, 1996, Brewer 1998, Marouby 2004). As an all-encompassing theory of progress, it indeed demonstrates the improvement of division of labour and security of property through the stages, and culminating in the eighteenth-century British economy.

At this point, it is useful to draw a distinction within the four stages of the theory. In Skinner's words, "the primitive and the succeeding pastoral stage [can be taken] as illustrative of the *origin* of property and authority; [and] the agrarian and exchange economies as illustrative of the connection between economic organisation and the changing *nature* of subordination" (1965: 8). The distinction, which is drawn rather casually by Skinner (he says that he divides the theory into these two sections "for the sake of convenience"), is on the contrary noteworthy.

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[99] See Castiglione (2013) for an overview of the narratives of civil government of eighteenth-century Britain.

[100] Principally by the Whigs and then by the Country party. According to Forbes (1954, 1975b), this would correspond to the vulgar Whig position. He famously distinguishes the scientific or sceptical Whiggism of Hume, Smith and Millar which aimed to discard factionalism in their scientific inquiries.

Firstly, in explaining the origin of government and property, the first two stages represent the essence of Smith's political philosophy. This political philosophy has a universal scope to the extent that the first and second stages provide a general explanation regarding the nature of government and authority, with reference to the history of the diverse nations of the world. On the other hand, the bulk of the third and fourth stages are placed within a particular European framework which diminishes the universal explanatory power of the theory (Pocock 2006: 284-5). Since nowhere was more developed than Europe, the theory of progress had to focus on that region, but this combination resulted in "the problem of the relation of natural history to civil history, of philosophy to historiography" (Pocock 1999: 315). The table of contents of the "public jurisprudence" elaborated by the LJ editors illustrates the gradual overtaking of the history of Europe in the lectures (LJ*:* 24).[101] This historiographical account of Europe places the evolution of economic organisation within an institutional and historical framework and underlines the consolidation of law and government through progress. This analysis is similar in general terms (yet not reducible) to the history of Europe in Book III, to the extent that many scholars refer to *WN* for their study of the remaining stages (Skinner 1965, 1982, 1996, Haakonnsen 1981, Winch 1978).[102]

Secondly and correspondingly, different forces cause the transition from one stage to another: the third stage becomes the fourth with the advance in division of labour, whereas the growth of population causes the adoption of different modes of subsistence through the first three stages (Berry 1997: 97, Sebastiani

[101] "1. Of the original principles of government (a. Utility and authority; b. Doctrine of an original contract), 2. Of the nature of government and its progress in the first stages of society (a. Forms of government; b. Early progress of government), 3. How republican governments was introduced, 4. How liberty was lost, 5. Of military monarchy, 6. How military monarchy dissolved, 7. Of the allodial government, 8. Of the feudal system, 9. Of the English Parliament, 10. How the government of England became absolute, 11. How liberty was restored, 12. Of the English courts of justice, 13. Of the little republics of Europe (a. Origin of these republics; b. Manner of voting), 14. Of the rights of sovereigns, 15. Of citizenship, 16. Of the rights of subjects.

[102] See n.77.

2013: 48).[103] Hence, the first part of the theory responds to the general philosophical question of the origin of government, so as to challenge the consent-based accounts of contract theories. On the other hand, the second part of the theory, built on the history of Europe, necessarily underlines the unique economic development of this part of the world while criticizing its contemporary laws, regulations and politics — such as slavery and primogeniture. The complexity of human relations, economy, laws and regulations in the developed societies may be a reason why, in contrast to the clear exposition of the first two stages, the remaining part of Smith's analysis is vague and complicated, to the extent that one cannot always be sure which stage he is talking about.

Therefore, the following subsection rests primarily on an examination of the first and second stages and the following one discusses briefly the third and fourth stages, this being necessary to illuminate the ultimate purpose of the theory, yet by no means sufficient to do justice to Smith's theory of jurisprudence as a whole.

3.2. The first stage: age of hunters

In the first stage, "such as we find it among the native tribes of North America" (WN V.i.a.2),[104] the ways of acquiring subsistence are mainly hunting and in a lesser degree fishing and gathering:

> If we should suppose 10 or 12 persons of different sexes settled in an uninhabited island, the first method they would fall upon for their sustenance would be to support themselves by the wild fruits and wild animals which the country afforded. Their sole business would be hunting the wild beasts or catching the fishes (LJ (A*)* i.27).

Smith argues that this precarious mode of subsistence can only provide for a small number of people (WN V.i.a.5), who are more or less equal since "universal

[103] Changes in the mode of subsistence as a result of the growth of population is the usual explanation for the natural law tradition of Grotius and Pufendorf, embraced also by Hutcheson (Berry 1997: 96, Pesciarelli 1986: 81). Haakonssen (1981, 1996) and Forbes(1954,1975a,b) underline the great influence of the natural law tradition on Smith, Hume and Millar.

[104] References to Book V of *WN* are preferred as much as possible for the obvious reason that it is a published work.

poverty establishes there universal equality"(WN V.i.b.7). Indeed, in such a society "there is scarce any property, or at least none that exceeds the value of two or three days labour" (WN V.i.b.2). Property is determined solely by occupation[105] which is defined by the simple possession of the object: "Among savages property begins and ends with possession, and they seem scarce to have any idea of any thing as their own which is not about their own bodies" (LJ (B) 150).

The narrow extent of property doesn't generate major conflicts because people will not be tempted to steal from another when they are more or less equal in their possessions. Since there will be no great "injuries to property" (WN V.i.b.2), there will be no need for an administration of justice whose object is "to prevent the members of a society from incroaching on one anothers property" (LJ (A) i.1). Therefore, a "civil government is not so necessary" (WN V.i.b.2) because justice is "the foundation of government" (LJ (B) 5). Indeed, as already indicated in *TMS*, it is the government's duty to enforce the practice of the virtue of justice (TMS VII.iv.36). Justice as a negative virtue consists in avoiding injuring other people. When harm is done, it causes resentment which, if also felt by the impartial spectator, requires a punishment (TMS II.ii.a). In this way, Smith explains the right to property by his theory of the impartial spectator, according to which the proprietor is justified in "using … whatever it is in what manner he pleases" (LJ (A) i.36) if the spectator sympathises with his "reasonable expectation" of using it.[106] In other words, a person has a property right to an object if the spectator

[105]Occupation is the first rule of the determination of property: "We will find that there are five causes from whence property may have its occasion, 1st, Occupation, by which we get anything into our power that was not the property of another before. 2ndly, Tradition, by which property is voluntarily transferred from one to another. 3rdly, Accession, by which the property of any part that adheres to a subject and seems to be of small consequences as compared to it, or to be a part of it, goes to the proprietor of the principall, as the milk or young of beasts. 4thly, Prescription or Usucapio, by which a thing that has been for a long time out of the right owners possession and in the possession of another, passes in right to the latter. 5thly, Succession, by which the nearest of kin or the testamentary heir has a right of property to what was left him by the testator" (LJ(A) i.25-6).

[106] "How it is that a man by pulling an apple should be imagined to have a right to that apple and a power of excluding all others from it—and that an injury should be conceived to be done when

agrees that an injury is done when the proprietor is deprived of the object. In the age of hunters, the spectator would only sympathise with the hunter's reasonable exception of using what is only under his possession (LJ (A) i.43-5). This kind of property is apparently very low in value, and more importantly, it cannot be accumulated.

People can "injure one another only in their persons or reputations" (WN V.i.b.2) and when such a disturbance occurs, it is generally an elderly leader who handles it. Indeed, some individuals come to the fore in the community owing to their superiority in personal qualities like wisdom and strength, and more specifically to their superiority of age (WN V.i.b.5-6). These are the natural sources of authority which foster no real political value, so that the leader "never can do anything without the consent of the whole" (LJ (B) 19). Thus, "the whole of the government in this state, as far as there is any, is democratic" (LJ (A) iv.7).

3.3. The second stage: age of shepherds

In time, as the population grows, the sustenance acquired by hunting becomes insufficient, and thus people discover a new mode of subsistence, namely pasturage. In this second stage, in "a more advanced state of society, such as we find it among the Tartars and Arabs" (WN V.i.a.3), "flocks and herds" constitute the principal objects of property:

> In process of time, as their numbers multiplied, they would find the chase too precarious for their support. They would be necessitated to contrive some other method whereby to support themselves … The most naturally contrivance they would think of, would be to tame some of those wild animals they caught, and by affording them better food than

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such a subject is taken for the possessor. …we may conceive any injury was done one when an impartial spectator would be of opinion he was injured, would join with him in his concern and go along with him when he defend(ed) the subject in his possession against any violent attack, or used force to recover what had been thus wrongfully wrested out of his hands… The reasonable expectation therefore which the first possessor furnishes is the ground on which the right of property is acquired by occupation" (*LJ (A)* i.36-37).

what they could get elsewhere they would induce them to continue about their land themselves and multiply their kind (LJ (A) i.28).[107]

Being durable and more valuable in nature, flocks of animals can be accumulated and transferred from one generation to another. The change in the mode of subsistence is accompanied by the multiplication of the rules determining property. Occupation is no longer confined to the present possession of the object: property is extended to movable objects. In addition, new rules arise such as accession and tradition (i.e. voluntary transfer) which now confer a right to property. In other words, from now on the spectator judges that an injury is done in the case of a transgression of property so acquired. The extension of property rules enables an accumulation of wealth which is further fostered by its transference throughout generations, thereby creating rich families. This creates a considerable inequality of wealth: "Wherever there is great property, there is great inequality" (WN V.i.b.2). Inequality provokes passions such as avarice, ambition and envy (*Ibid.*) which were latent in a more or less equal society. As a result, conflicts multiply, which necessitates the administration of justice, and thus government:

> [T]he appropriation of herds and flocks, which introduced an inequality of fortune, was that which first gave rise to regular government. Till there be property there can be no government, the very end of which is to secure wealth, and to defend the rich from the poor (LJ (B) 20).

Government doesn't arise from the intentions of the rich to secure themselves from the poor; it rather arises naturally and necessarily with the emergence of

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[107] This seems a rather dubious explanation. In *WN*, Smith writes that "men, like all other animals, naturally multiply in proportion to the means of their subsistence" (I.xi.b.1). Forging a link between this statement and all the others which indicate that the precarious mode of subsistence of the hunting society entails that only a small number of people can subsist (WN V.i.a.5) results in a contradiction. (For example, "an army of hunters can seldom exceed two or three hundred men. *The precarious subsistence which the chace affords* could seldom allow a greater number to keep together for any considerable time" (WN V.i.a.5, my emphasis), or "[i]n the age of hunters it is impossible for a very great number to live together. As game is their only support they would soon exhaust all that was within their reach" (LJ (A) iv.36)). If this means of subsistence is precarious, and if the population grows in proportion to subsistence, then how does the population grow in the first place? See Marouby (2004: 58-67) for a detailed discussion. He also argues that Smith minimizes the magnitude of the population in the hunter societies.

property. The observance of rules of property is enforced partly by the community leaders who naturally acquire superiority over others in the following manner: Those who don't possess the means of subsistence — namely "flocks and herds"— become dependent on the rich for their maintenance. In the absence of manufactures and commerce, the rich, having no other alternative to spend their wealth, maintain as many retainers and dependents as they can. Thus, the superiority of fortune and accordingly the distinction of being born in a wealthy family induce authority: "The second period of society, that of shepherds, admits of very great inequalities of fortune, and there is no period in which the superiority of fortune gives so great authority to those who possess it" (WN V.i.b.7) because "there are no nations among whom wealth is likely to continue longer in the same families" (WN V.i.b.10). The leaders of clans thus becoming the generals of the community in time of war, and their judges in time of peace enjoy "some sort of executive power" and "some sort of the judicial authority" (WN V.i.b.11).[108] They have "some sort" of power because they can't take decisions alone on matters concerning the community as a whole: it is ultimately the community which possesses the power of making war or peace and of punishing those who don't obey the laws of society.[109] Thus, the authority stemming from the superiority of fortune doesn't imply real political power other than political influence: the rich "had not any authority more than what was acquired by their private influence" (LJ (A) iv.12).[110] So that while "a state of this sort to a careless

[108] "He is the person …to whom all those who are too weak to defend themselves naturally look up for protection. It is to him that they naturally complain of the injuries which they imagine have been done to them, and his interposition in such cases is more easily submitted to, even by the person complained of, that that of any other person would be" (WN V.i.b.11). The enforcement of law by the leader is a means of acquiring revenue for him (WN V.i.b.13).

[109] For example, crimes such as treachery and cowardice are pernicious to the welfare of the community and thus concern the society as a whole (LJ(A) iv.26). Note that laws in this state are unwritten laws since in this state there is no legislation (LJ (A) iv.12-4).

[110] Cf. WN I.v.3: "the person who either acquires, or succeeds to a great fortune, does not necessarily acquire or succeed to any political power, either civil or military".

observer would appear to be monarchical" (LJ (A) iv.32), "the government is entirely democratical" (LJ (A) iv.26).[111]

Smith may seem equivocal in determining the form of government at the shepherd stage. But, his insistence that "the authority of an Arabian scherif is very great; and that of a Tartar khan altogether despotical" (WN V.i.b.7), is compatible with the existence of democratic government. This is precisely because he defines the authority of the former as the power of commanding the service of the poor. Their economic power doesn't automatically convey upon them absolute political power. Smith stresses the greatness of this authority because he wants to show that as manufactures and commerce emerge, this strict economic dependency dissolves.[112]

3.4. The third and fourth stages: Age of agriculture and age of commerce

Having thus determined the first form of government to have been democratic (LJ (B) 30), Smith goes on to explain the European history of the birth of republics, military monarchies, allodial, feudal governments and the mixed government of Britain, through the third and fourth stages. The third stage is marked by the invention of agriculture and eventually by the appropriation of lands:

When a society becomes numerous they would find a difficulty in supporting themselves by herds and flocks. Then they would naturally turn themselves to the cultivation of land

[111] Cf. LJ (B) 26: "By this means the chieftan would still further encrease his authority, and the government would appear in some degree monarchical. But this is only in appearance, for the final decision is still in the whole body of the people, and the government is really democratical".
[112] For the view that there are different states in the age of shepherds see Phillipson (2010: 110). He notes that in the early ones disputes are resolved by the entirety of the people, whereas in more developed ones by the chiefs, "and eventually by hereditary rulers". Yet Smith, as seen, isn't straightforward about this. Moreover, he is ambiguous concerning the heredity of authority in this state. He says that the authority "would soon become hereditary" (LJ(A) iv.12), that the "authority of this chieftain was naturally hereditary" (LJ (A) iv.32) and that "to this day among the Tartars the king is not succeeded by his son, but by one of the royal family who is oldest" (LJ (B) 161).

and the raising of such plants and trees as produced nourishment fit for them (LJ (A) i.30).

With the extension of property to immovable objects, the rules of acquiring property multiply: beyond occupation, accession and voluntary transfer, prescription and succession come in use. "This last species of property, viz. in land, is the greatest extension it has undergone" (LJ (A) i.53). Legislation concerning for instance "the will of a deceased person", "marriage settlements" and "voluntary contracts" (LJ (A) iv.10) become necessary since many "great sources of debate" which were "not known in the earlier periods of society" arise. Accordingly, numerous lawsuits raise the need for the specialization of the administration of justice. "As men were generally employed in some branch of trade or another … they could not spare time to wait upon" (LJ (B) 25) these lawsuits, as was the case in the earlier periods of society. It is in this manner that Smith explains the emergence of the profession of judges and of the senatorial power in Ancient Rome (LJ (A) iv.17). In stark opposition to the first two stages, the administration of justice is no longer a source of revenue but becomes an important part of government expenditure (WN V.i.b.19).[113]

With the fourth stage, when the division of labour is thoroughly established, international commerce becomes the characteristic feature of the economy:

> As society was farther improved, the several arts, which at first would be exercised by each individual as far as was necessary for his welfare, would be separated… They would exchange with one another what they produced more than was necessary for their support, and get in exchange for them the commodities they stood in need of and did not produce themselves. This exchange of commodities extends in time not only betwixt the individuals of the same society but betwixt those of different nations (LJ (A) i.31).

The division of labour on the national and international scale leads to increasing productivity and generates an immense multitude of goods. The rich spend their fortunes on this multitude of available goods and services rather than on a multitude of retainers, thereby losing their political influence over them (LJ (A)

[113] Defense and army expenses increase in like manner (WN V.i.a).

iv.8). The dependence of the poor on the rich for their subsistence disappears, giving way to the interdependence of everyone on everyone else.[114] The exchange of goods supposes their mobility, which is the main characteristic of property (Berry 1997: 98) in the fourth stage: "property would in time be extended to almost every subject" (LJ (A) i.53).[115] The further extension of property necessitates a more consolidated and expensive government: "The more improved any society is … the greater will be the number of their laws and regulations necessary to maintain justice, and prevent infringements of the right of property" (LJ (A) i.34-5).

3.5. The four stages theory as a form of conjectural history

The four stages theory, thus, forges an undeniable link between the mode of subsistence and the extent and nature of law and government. This has resulted in a vast debate about the materialist stance of the theory. Meek remarks that this is "a materialist conception of history" (1967: 40), yet it is materialist in the sense that certain material conditions are necessary for certain political and legal institutions to emerge (Salter 1992: 223). And these material conditions are not exclusively determined by modes of subsistence. For instance, the rough climate and geographical conditions of Tartary explain why its people are doomed to remain at the second stage of progress: "As the Tartars have always been a state of shepherds, which they will always be from the nature of their country, which is dry and raised above the sea, with few rivers, tho' some very large ones, and the weather and the air is too cold for produce of any grain" (LJ (A) iv.53). So, this

[114]Smith acknowledges the more immediate dependence of the workers on their masters: "A landlord, a farmer, a master manufacturer, or merchant, though they did not employ a single workman, could generally live a year or two upon stocks which they have already acquired. Many workmen could only subsist a week, few could subsist a month and scarce any year without employment. In the long-run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate" (WN I.viii.12).

[115] Since the subjects of commerce are the products of hunting, farming and of manufactures, the age of commerce has a rather different status than the other stages (Meek 1976a: 227; Skinner 1982: 87). Smith points out some objects which are unlikely to become the subject of property, such as the air, the sea or the wild beasts etc. (LJ (A) i.53-63).

materialism does not indicate that economic conditions exclusively determine social change, nor does it suggest that sole economic dependence entails unquestioned political subordination.[116] Smith's explanation of social change—which by the way cannot be reduced to his four stages theory—is much more complex, containing intertwined social, geographical, moral, political and economic factors.[117]

The history of social change as accounted for by the four stages theory in the Scottish tradition conforms rather to a particular kind of method of inquiry named "Theoretical or Conjectural History" (Stewart 1982: II.48). Such history is theoretical to the extent it appeals to a scientific method in constructing a general theory of human progress based on experience and observation. It is also conjectural in the sense that when "facts" are insufficient, the gap is filled by conjecture:

> In this want of direct evidence, we are under a necessity of supplying the place of fact by conjecture; and when we are unable to ascertain how men have actually conducted themselves upon particular occasions, of considering in what manner they are likely to have proceeded, from the principles of their nature, and the circumstances of their external situation (Stewart 1982: II.46)[118].

This general theory requires positing human nature as uniform so that conjectures can be made on the basis of what is known about their material conditions. This is why conjectural history, in Hopfl's words (1978: 23), deals with the "typical society" in contrast to factual history which deals with what is "unique and particular". As already indicated, it is the claim of the present

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[116] For this strict materialist reading see Meek 1967, 1976a, Skinner 1975, Reisman 1976, Clarke 1982. Meek argues also that Smith's labour theory of value "was intimately associated with" (1956: 52-3) this materialist conception of history.

[117] For this view see for example Winch (1978), Haakonssen (1981: 185), Skinner (1982) and Evensky (2005: 10 n.17). Besides, Haakonssen (2009b: 149) argues that Smith envisages the four stages theory as a conceptual tool for his ethics, more specifically for his social theory of personality as put forward in the *TMS*.

[118] Meek (1976a: 227-37) disagrees. He argues that Stewart's characterization of conjectural history is pointed out in Book III. For Meek, the four stages represent the actual process of history in the eyes of the inventors of this framework. Similarly, Cohen (2014: 762) maintains that the naturalistic and historical explanations of events in LJ are by no means conjectural.

chapter that the first two stages do indeed represent typical societies, whereas the third and the fourth correspond to particular ones. This is what Pocock meant by the intertwining of natural and civil history.[119]

It is in this way that Smith offers an explanation for the origin of government that is different from Hobbes's or Locke's narratives according to which civil government is established by a voluntary contract amongst people in a state of nature. He asserts that the government arose, "not as some writers imagine, from any consent or agreement of a number of persons to submit themselves to such or such regulations, but from *the natural progress which men make in society*" (LJ (A) iv.19, my emphasis).[120] In showing that government isn't an intentional design, Smith follows his friend Hume[121] who in his *Three Essays*[122]and *Treatise of Human Nature* views the origin of government as an outcome of a social evolutionary process. Furthermore, in defining property as an "acquired right" (LJ (B) 11) and as varying according to the state of society, Smith objects to Locke

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[119] In Smith's account, the typical society represented by North American Indians is subject to more than conjectures aimed at filling historical gaps. Marouby (2004), an anthropologist, demonstrates that Smith sometimes contradicts his own anthropological sources or avoids factual information available to him in order to consolidate his theory. For instance, he underestimates the magnitude of agriculture in his model of hunting society, while his own sources insist on the fact that the principal dish of North American Indians was a corn mash called "sagamité" (2004: 71). In doing so, Smith stands by his theory of succession which stipulates that societies can't leapfrog from one stage to another: "we find accordingly that in almost all countries the age of shepherds preceded that of agriculture" (LJ (A) i.30), which according to Brewer (2008), constitutes pure conjecture. He also marginalises the productive role of women, the place of gathering in acquiring subsistence, and the size of population. See Marouby (2004), especially chapter 3, for a detailed account of Smith's deviations from facts. Similarly, Metzger (2004: 3) suggests that Smith is selective in using Roman law sources in his analysis of servitudes. Rashid (1998: 52-95), on the other hand, criticizes Smith's careless use of facts in WN. All these suggest that Smith accommodates the information he has to his theory in question; after all, he was also a teacher of rhetoric.

[120] Cf. WN V.i.b.12: "It is in the age of shepherds, in the second period of society, that the inequality of fortune first begins to take place, and introduces among men a degree of authority and subordination which could not possibly exist before. It thereby introduces some degree of that civil government which is indispensably necessary for its own preservation: and it seems to do this *naturally, and even independent of the consideration of that necessity*" (my emphasis).

[121] For example, Philipson (2000: 64) and Haakonssen (1981) argue that one of Smith's ambitions was to complete or even to develop further Hume's account of justice.

[122] *Three Essays, Moral and Political*, now included in *Essays*, was published in 1748 and contained his essays "Of National Characters", "Of the Original Contract" and "Of Passive Obedience."

according to whom the property right is a natural right arising simply from having mixed one's labour with something (1690: §27).[123]

4. Conclusion

Aspromourgos (2011: 81) has pointed out the danger of interpreting Smith's thought based on a broad overview of his work, warning that "something important about Smith's intellectual achievement might be lost". Following Smith's own division of labour amongst his works, this chapter separates the functions of *WN* and *LJ* by taking the primitive society as a point of reference. This separation reveals Smith's ability to use history in different ways in order to achieve his different objectives. Moreover, it demonstrates the unity of Smith's system as a whole. After all, we can often better understand the whole once we separate it into parts.

Smith's economic and jurisprudential purposes produce two different historical narratives. In his economic analysis, Smith refers to an early state of society where nearly everyone has to work in order to satisfy their basic needs. A comparison with contemporary society allows Smith to define the fundamental characteristics of the modern economy and set out the determinants of economic growth. Here, private property comprises the means of production, capital and land. Labour is set into motion by capital in order to acquire more revenue which would permit further accumulation of capital if invested in useful labour. The division of labour, which becomes more and more advanced in proportion to the capital used, engenders increased labour productivity which results in turn in an abundance of all kinds of goods. In contrast to the simplicity of the primitive

[123] This is a debated issue. Young (1995: 760) argues that for Smith property is a natural right because it originates from a moral principle: the opinion of the spectator. Raphael (1972: 98) and Dellemotte and Walraevens (2015: 697 n.14) disagree. I share their opinion insofar as the spectator and thus property presupposes society. In contrast, Locke defines property as a natural right in the state of nature. Smith follows Hume who defines justice as an artificial virtue, and the rules concerning property as social conventions whose existence depends on the external circumstances in addition to the characteristics of human nature. Hume's account of justice is already discussed in the first section of the first chapter of this study.

society, this is a complex society composed of three classes of people subsisting on three kinds of revenues, where everyone is more or less dependent on each other. Thus, Smith's appeal to the early state appears as a means to perform an economic analysis which is the basis of *WN*.

His political philosophy as put forward in a part of his uncompleted theory of jurisprudence also appeals to primitive society. The age of hunters, depicted similarly as a poor society, constitutes the starting point for a historical analysis which aims to show the origin of government as a product of history, rather than as an immutable manifestation of reason. The comparison of the hunter society, where there is almost no property, with the shepherd society where property is amenable to accumulation, explains the origin of government. Government is coeval with the existence of non-negligible property. The progress of humanity is thus accounted for throughout the transition from one mode of subsistence to other and entails the evolution of laws and regulations and government along with that of property. In this way, Smith gives a historical account of the institutions of contemporary society. In this narrative the age of hunters appears as a model of a typical society as represented by the North American Indians, and forms the basis of a conjectural history put forward as a scientific inquiry into human progress.

The distinct purposes of the narratives is the reason for their distinct natures: while the static comparison of the "early state" with an "advanced state" abstracted from the jurisprudential context is sufficient for Smith to define the economic characteristics of the capitalist society, the historical account of progress calls for a dynamic explanatory principle. Accordingly, the mechanism which would impel the transition from an early to an advanced state is unaccounted for. This may be judged as a deficiency of Smith's theory of growth, but it complements the argument of the chapter, according to which the early state is deployed simply as a model, independent from Smith's endogenous growth analysis. On the other hand, the transition from one mode of subsistence

to another is a result of the growth of population and the division of labour. While they remain unsatisfactory, as briefly mentioned, the attempt to provide a dynamic scheme remains evident. Another point of divergence between these narratives is rather obvious: the sequence of four stages doesn't parallel the direct passage from an early to advanced state.

Yet the contrast between the early and advanced states of society, and the natural sequence between the four stages, does not result in a clash that renders Smith's system contradictory. On the contrary, these two narratives are complementary in Smith's system taken as a whole. The links between Smith's different works have been the focus of much research. Haakonssen (1981), who links his ethics and jurisprudence, and Young (1995), who argues that Smith's natural price theory is a corollary of his theory of property, are just a few examples. Indeed, the stadial analysis explains the historical and institutional framework upon which the economic analysis is founded. In the same vein, just as he needed a historical context to perform his economic analysis, Smith needed to understand human behaviour in order to perform these analyses. His *TMS* provided an understanding of morality and showed that manners changed depending on "the different situations of different ages and countries" (TMS V.2.7). *LJ* complements this by showing that in addition to manners, institutions change according to different situations. Finally, *WN* is concerned with commercial society which, as demonstrated by *LJ*, is a product of history (Meek and Skinner 1973, Campbell and Skinner 1976, Meek 1976a, Pack 1991, Skinner 1996, 2000, Hollander 1998). This elucidates Skinner's (1996: 205-2) opinion that "history is the *preface* to political economy rather than integral to the treatment". Moreover, thanks to the account that John Millar has given of Smith's lectures on Moral Philosophy (Stewart 1982: I.18-22), we know the order in which Smith performed his teaching: once the part on natural theology was finished, he dealt first with ethics, then jurisprudence, and finally economics. This can be taken as representative of the development of his thought, as well as the best form of exposition he found in advancing his system.

DEUXIÈME PARTIE

LA DETTE PUBLIQUE : LIMITE AU PROGRÈS?

> « There is not perhaps in human affairs anything so unaccountable as the indignity and cruelty with which the far greater part of mankind suffer themselves to be used under pretence of government. For some men falsely persuading themselves that bad governments are advantageous to them, as most conducing to gratify their ambition, avarice, and luxury, set themselves with the utmost art and violence to procure their establishment: and by such men almost the whole world has been trampled underfoot, and subjected to tyranny, for want of understanding by what means and methods they were enslaved. For though mankind take great care and pains to instruct themselves in other arts and sciences, yet very few apply themselves to consider the nature of government, an enquiry so useful and necessary both to magistrate and people … It is therefore very strange that they should think study and knowledge necessary in everything they go about, except in the noblest and most useful of all applications, the art of government. »
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> Andrew Fletcher of Saltoun, *A Discourse of Government with Relation to Militias* (1755[1698]:3-4).

It appears that both Hume and Smith explain the emergence of the social institutions of the civil society in relation to their moral theory: property and government are artifices which make possible complex social relations by controlling the desire of acquiring wealth of the members of the society. The second part of this dissertation is an outgrowth of the first one in so far as the former emphasizes that, once governments are established, its rulers lack the social control which is indispensable in ordinary social life. As a result, governments, if they have the necessary support from certain influential groups of the society, may abuse their power at the expense of the collective interest of the society. Such abuse is illustrated by the practice of public borrowing which is condemned both by Hume and Smith. This practice had started off in order to finance Britain's recurrent wars, and in time public debt

had transformed into perpetual debt, which, in their view, had negative impacts on the economy.

The only chapter of this part deals with Hume's and Smith's stance on the question of British public debt. The main focus is on the differences between the two Scots regarding the nature and the consequences of public debt. While, for Hume, perpetual debt deprived the nation of its future capacity to sustain national defence; according to Smith, it had slowed down the economic growth without being able to suppress it, thanks to private savings. Accordingly, whereas Hume envisaged a voluntary bankruptcy as the only way of discharging the debt; Smith proposed schemes for its payment. The divergence in their opinions on public debt reveals many underlying differences between their perspectives. First, Smith, in contrast to Hume, by treating mercantile policies and doctrines as representing a system, conflates his analysis of public debt with his critique of mercantile system. Secondly, in relation to the first point, Smith develops a purely real analysis of public debt in conformity with the general perspective of his economic theory which contrasts with Hume's emphasis on money within his economic theory (Chapter 3).

This part thus indicates that whereas Hume envisaged public debt as a real obstacle to progress and even to the maintenance of the unique form of British government, Smith was more worried about the danger posed by the mercantile system itself which created the illusion that mercantile interest served the collective interest of the society.

CHAPITRE 3: David Hume and Adam Smith on War and Public Debt

1. Introduction

Winch (1998) argues that it is possible to trace the different attitudes towards public debt in the eighteenth century, to the differences in economic theory. The fact that these attitudes were "bound up with politics in every conceivable sense of the term" (1998: 4) does not constitute an obstacle for this undertaking according to him.

In the light of Winch's assertion, this chapter relates David Hume's and Adam Smith's account of public debt to their economic theory. This will lead to putting forward two interconnected arguments: that Hume and Smith's treatment of public debt is divergent and that this can partly be attributed to Hume's complete reliance on the precious metals for war finance and partly to the theoretical innovations of Smith's theory of economic growth.

The secondary literature on the comparative analysis of Hume and Smith has paid more attention, to their views on commerce, growth, luxury and money in relation to the price-specie-flow mechanism (Petrella 1968, Hutchison 1988, Rostow 1990, Manzer 1996, Brewer 1998, Marshall 2000, Wennerlind 2000, Berdell 2002) than on public debt. This less attention may be proceeding from the belief that they similarly condemned public debt on the grounds that it was ruinous, without acknowledging its sustainability. For instance, as early as 1857, John Ramsay McCulloch "treated Hume and Smith as falling into the common error of their time in underestimating those economic changes associated with the growth of manufacturing that would enable the burden [of debt] to be borne" (Winch 1998: 10 n.19, see also Winch 1978: 124). Accordingly, those studies aiming to provide a general overview of the main theories of public indebtedness classify both as "public debt pessimists" along with the other classical economists (Matsushita 1929, Salsman 2017).

However, studies which concentrate on the issue of public debt point to some divergences between them. Rashid (1998: 109) notes that Smith doesn't show the "phobia" against public debts that Hume does by prophesying that "either the nation must destroy public credit, or public credit will destroy the nation" (E-PC:360-1). Pocock (1985), in arguing that Hume's aversion from public debt is not a result of "a blockage in his economic thinking" (Hont 2005: 352 agrees) hints at Smith's less pessimistic view when he notes "one [blockage] that not even Smith could quite overcome, or de Pinto persuade him to abandon" (1985: 139). Winch (1998: 11) states that Smith had a fuller account of the economic consequences of public debt in comparison to Hume and adds that he "held less cataclysmic opinions" (1998:11, Cf. Winch 1978: 135) on its political consequences. The most extensive comparative studies which exist on the subject, to my knowledge, add further differences: placing them in the context of contemporary political debate Winch (1978) underlines that, in contrast to Hume, Smith was not concerned with the effects of public debt on the domestic political dynamics, such as the effects of the over-taxation of landowners. On the other hand, Dome (2004: 58) stresses the different methods put forward by Hume and Smith for clearing the public debt: while Hume envisaged bankruptcy, Smith proposed solutions for paying it. He also implies that Smith was one of the thinkers which made a progress in overcoming Hume's problem, in other words, his posit according to which the mixed constitution of Great Britain and the high level of public debt cannot coexist (Dome 2004: 5).

While important differences have been pointed out, the reason why Smith was less pessimistic concerning the effects of public debt has not been investigated. Although Winch (1998) traces Ricardo's and Smith's different views concerning public debt to their divergent analysis of profit and capital accumulation, he contents with a simple comparison of Hume and Smith's considerations about public debt without linking it to their economic theory. Though it is true that Hume's aversion against public borrowing stems from his political views, rather than his economic theory (Pocock 1985, Winch 1998, Hont 2005), it is still

possible to draw a parallel between these two and show that Hume's economic theory also makes him a public debt pessimist.

In order to contrast Hume and Smith, this chapter will, first, provide a brief discussion of their similar considerations about war and the resulting public debt; second, emphasize the prominence of the issue of war finance in Hume's account of public debt, thereby propounding an economic interpretation of Hume's views alternative to Paganelli's (2012) who rightly remarks the lack of serious economic interpretations in comparison to the abundant political evaluations (Forbes 1975a, Pocock 1985, Hont 2005); third, draw attention to Smith's almost forgotten last chapter of the *Wealth of Nations* on public debt which tends to be mostly examined only in relation to the colonial question conflated with Smith's attack on the mercantile system.

It will thus be argued, on the one hand, that Hume proposed bankruptcy as a solution for financing war because of his observation that no economic resource would be sufficient for it in the presence of a very high level of public indebtedness. On the other hand, it will be maintained that Smith's proposals for paying off the debt owed to his different appreciation of economic growth. Not only growth of national income compensated, to some extent, for the negative effects of public debt on the British economy, but it could also provide further taxable wealth in the case of American colonies. Smith's insistence on the growth of "annual produce of land and labour" as the ultimate source for war finance (WN IV.i.28), despite his recognition of the advantage of gold and silver over the widespread use of paper money in the case of a war (WN II.ii.87), arose from his willingness to undermine mercantile doctrines and to break away with Hume on this very subject. As the culmination of his attack on mercantile system, no wonder was his treatment of public debt based on a purely real analysis of economic growth.

2. Hume and Smith on Public Debt

This section is composed of two parts. The first subsection concentrates on the historical context which gave rise to vast scale public borrowing (2.1) whereas the second section clarifies the kind of public debt which both Hume and Smith were apprehensive about: the "perpetual funding" (2.2).

2.1. The context: the British Fiscal Military State

War accompanied most of Hume's and Smith's adult life. "The forty years' war of the eighteenth century" (Rothschild 2009: 419), conceived as the period covering three major wars (War of Austrian Succession 1739–1748, the Seven Years' War 1756–1763 and the American War of Independence 1775–1783) as well as the interwar periods, set the background condition for their economic and political thinking.

After a series of conflicts with the Dutch in the second half of the seventeenth century which led to the Glorious Revolution of 1688, England (Britain after the union with Scotland in 1707) had a new enemy: France, notably, under the reign of Louis XIV and Louis XV, was commonly thought to threaten Europe with her aspirations for establishing a Universal Monarchy (Robertson 1993, Pagden 1998: 4, Winch 1998:5). The Protestant Succession of Britain thus had to be defended against the Catholic France which was conspiring to overthrow Protestant monarchs. This conflict was intensified by the struggle for dominating the colonial markets, which took place mainly in America (Pagden 1998:2).[124]

Hume thought that these wars originated from a national belligerent passion seeking to dominate other states, whereas Smith located the source of war in the economic interests of the merchants and manufacturers, epitomized by their defence of the monopoly of colonial trade (Manzer 1996:373, Diatkine 2018). For Smith, "the capricious ambition of kings and ministers" had been less detrimental

[124]Hont (2005) examines the concept of "jealousy of trade", which was coined by Hume in his essay "Of the Jealousy of Trade" published in 1758 (2005: 1), considered as the cause of these wars.

to the peace of Europe than "the impertinent jealousy of merchants and manufacturers" (WN IV.iii.c.9). These different causes notwithstanding, the consequence of war was the same for both: burgeoning of public debt.[125]

Public debt grew exponentially with each war Britain fought. Between the beginning and the end of the eighteenth century, it had increased fifteenfold in current prices (Brewer 1989: 114).[126] It amounted to £ 46.9 million at the outbreak of the so-called forty years' war and to £ 242.9 million at its end (Mitchell and Deane 1971: 401-2) — an amount much larger than Hume ever witnessed.

Britain's capacity to raise such tremendous amounts of money in order to wage war against France, and her concomitant emergence as an imperial power has been attributed to the modern system of public borrowing which gained its full force after the Glorious Revolution (Dickson 1967: 9).[127] The system of public borrowing was modern in the sense that an active secondary market in government securities enabled people who held different forms of government debt to trade (Salsman 2017: 12-15). In the absence of such a market which rendered the long-term public debts "liquid for the individual", Britain could not have borrowed so prodigiously (Dickson 1967: 457, Cf. Brewer 1989: 120). Bank of England (1694), which was itself founded to enable further long-term public borrowing, had an important role in developing this market and assuring the

[125] "Here then we see, that above half of our wars with France, and all our public debts, are owing more to our own imprudent vehemence, than to the ambition of our neighbours" (E-BP: 339). "... had it not been for those wars that debt might, and probably would by this time, have been completely paid; and had it not been for the colonies, the former of those wars might not, and the latter certainly would not have been undertaken" (WN V.iii.76).

[126] Military expenditure expanded enormously as the British army and navy trebled in size during this period and as the late wars involved operations in more than one continent. See Brewer (1989: 29-63).

[127] A vast secondary literature attempts to explain the evolution of public finance in Britain, especially after the much influential article of North and Weingast (1989) who stress the role of constitutional changes brought about by the revolution of 1688 in increasing the state's creditworthiness.

liquidity of public securities (Carruthers 1996: 80-82, Des Roches 2006, Murphy 2009: 58-61).[128]

Given the facility of borrowing, wars were essentially financed by voluntary loans which obviously required the payment of interest.[129] The expansion of borrowing was thus supported by a significant increase in tax revenue that guaranteed servicing the debt (O'Brien 1988: 1-2). The Parliament, composed of the House of Commons, the House of Lords and the Crown, would pass statutes which "funded" the debt, i.e. "earmarked a specific tax to service a particular debt" (Brewer 1989: 88).[130] It was this ability to service the debt with an efficient tax system which formed the basis for public confidence in government securities (O'Brien 1988: 2, Brewer 1989: 88). This emphasis on the role of taxation in sustaining public credit tallies well with Brewer's characterization of the eighteenth-century Britain as "a fiscal-military state, one dominated by the task of waging war" (1989: 27).[131]

2.2. Hume and Smith on "the ruinous practice of perpetual funding"

While tax revenues could meet the interest payments, they were not sufficient to meet the principal as well. It was this very inability of tax revenues to cover both

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[128] The importance of liquidity is succinctly expressed by Carruthers (1996: 82): "Ownership of Bank of England shares was indirectly a long-term loan, for the capital of the Bank had simply been passed on to the government in exchange for interest payments. However, the fact that company shares could be sold easily on the stock market meant that what was for the government a long term loan could be for the creditor as long or short term a loan as he or she wished. A creditor's capital could be recovered simply by selling shares to a third party, with no need for the government to repay the loan."

[129] During the 3 major wars of Hume and Smith's lifetime approximately 65% of the total government expenditures were allocated to military expenditures, and 25 % to interest payments; total war expenditures thus amounted roughly to 90 %. During peacetime, military expenses diminished to around 40 % whereas interest payments climbed up to about 40 %. See O'Brian (1988: 2).

[130] These specific taxes were indirect taxes in the form of excises (such as the significant rise on malt and beer excises in 1760-1) or customs and stamp duties (Brewer 1989: 119-20).

[131] Both Brewer (1989: 88) and O'Brien (1988: 4) indicate that the importance of Britain's capacity to levy taxes had been mostly neglected by the scholarly literature in the explanation of financial revolution, particularly by Dickson (1967) whose work has been very influential. Brewer (1989:64-87) also stresses the role of an efficient organization of the public administration in the emergence of the fiscal-military state.

the principal and the interest in a fixed period of time which gave rise to, in Smith's words, "the ruinous practice of perpetual funding" (WN V.iii.26, Cf. E-PC: 350). Short-term debts like the Navy Bills, which were issued by mortgaging annual tax revenues for the payment of both the principal and interest, increased rapidly during wartime. Tax revenues failing to pay for the expanding expenses, bills would be discounted and the creditors' belief in their security shaken. As a solution, these debts were transformed into long term debts whose interest was to be paid by specific taxes and whose principal was almost never paid (WN V.iii.12-26; Dickson 1967:405-406; Brewer 1989: 92, 116; Carruthers 1996:73).

Since the cost of borrowing boiled down, in general, to the payment of interest, it became cheaper than any other method of raising revenue. Furthermore, the expansion of public debt was paralleled with a decrease in the interest rates (Homer and Sylla 2005: 145-163). Britain thus borrowed more cheaply than France (Stasavage 2003: 68-98). Hume and Smith had realized the decrease in the interest rates and the liquidity of government stocks (Des Roches 2006).[132] They, perforce, acknowledged that this "ruinous practice" increased enormously the revenue of the state and concomitantly its capacity to wage war.[133]

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[132] "Of Public Credit" contained the following passage which was withdrawn by Hume in 1764: "On this head, I shall observe ... that the multiplicity of our public debts serves rather to sink the interest, and that the more the government borrows, the cheaper may they expect to borrow; contrary to first appearance, and contrary to common opinion. The profits of trade have an influence on interest" (E-PC: 354e). WN V.iii.11: "The bank of England, either by voluntarily discounting those bills at their current value, or by agreeing with government for certain considerations to circulate Exchequer bills, that is, to receive them at par, paying the interest which happens to be due upon them, keeps up their value and facilitates their circulation, and thereby frequently enables government to contract a very large debt of this kind. In France, where there is no bank, the state bills (billets d'état) have sometimes sold at sixty and seventy per cent. discount".

[133] "I do not ask how the public is to exert such a prodigious power as it has maintained during our late wars; where we have so much exceeded, not only our natural strength, but even that of the greatest empires. This extravagance is the abuse complained of, as the source of all the dangers, to which we are at present exposed" (E-PC: 358-9). "Great Britain seems to support with ease, a burden which, half a century ago, nobody believed her capable of supporting" (WN V.iii.58).

However, this power was abused in at least two ways. First, the easiness of raising revenue facilitated engaging in wars which were not necessarily vital for the promotion of public interest: "How can it be expected, that sovereigns will spare a species of property [public debt], which is pernicious to themselves and to the public, when they have so little compassion on lives and properties, that are useful to both?" (E-PC: 362)[134]

Apart from their common aversion to wars in general, there is another source of abuse which derived automatically from the nature of governments. Governments preferred the voluntary method of raising loans over the coercive method of taxation in order to maintain their popularity.[135] This was the case not only during wartime, but also during peacetime: "expedient which will bring the most money is almost always preferred to that which is likely to bring about in the speediest manner the liberation of public revenue"' (WN V.iii.33).[136] Paying of the debt was thus left to "the care of posterity" (WN V.iii.26); a posterity which

[134] Public happiness "is realizable *within* a society, and does not depend on a people's domination over others" for Hume (Venning 1976: 92, emphasis in original) and for Smith. Therefore, public good in foreign politics depends on "accidents and chances and the caprices of a few persons" (E-Co:255). In the absence of such easy war finance, Smith notes that wars wouldn't be undertaken "when there was no real or solid interest to fight for" (WN V.iii.50). Van de Haar (2008: 235) underlines that for Hume war was an "inevitable feature of human life" because of the frailty of human nature: people are mostly guided by their by violent passions. On the other hand, Hill (2009), by breaking with a widely held interpretation, argues that Smith did not consider war as an inevitable fact of life.

[135] This idea would be taken up by public choice debt analysis. (Rowley 1986: 60)

[136] Cf. Hume (E-PC: 351): "It is very tempting to a minister to employ such an expedient, as enables him to make a great figure during his administration, without overburdening the people with taxes, or exciting any immediate clamours against himself. The practice, therefore, of contracting debt will almost infallibly be abused, in every government". Here, there is a subtle difference between Hume and Smith. Hume argues that democratic governments are more prone to the practice of public borrowing than absolute governments whereas for Smith this distinction is trivial. Indeed, it is for this reason that he detected a "source of degeneracy" in free governments in his essay "Of Civil Liberty": The source of degeneracy, which may be remarked in free governments, consists in the practice of contracting debt, and mortgaging the public revenues, by which taxes may, in time, become altogether intolerable, and all the property of the state be brought into the hands of the public (E-CL: 95). From this very same reason, by contrast to a popular government, an absolute ruler could "make a bankruptcy when he pleases" (E-CL: 96, see Hont 2005 and Forbes 1975a: 173-4).

would follow the footsteps of their ancestors and mortgage further the public revenue (E-PC: 350).

Without such an abuse, in other words, under the assumption that public debt is redeemed in peacetime, it is scarcely farfetched to suppose that both Hume and Smith would condone the recourse to public borrowing to meet the expenses of a just war. Yet, the reality was different as manifested by the outcome of the Sinking Fund. The latter was created, under the guidance of Robert Walpole—an influential figure in the Parliament between 1701 and 1742—for reducing the size of the public debt. The plan was to reduce the interest rates on the old debt (Dickson 1967: 84). The way to do so was to make an offer that the creditors would not refuse in order to maintain the regular income provided by the securities: either the state would redeem the loan, or the creditor would accept a lower rate of interest. The cost of servicing of debt thus decreased whereas the yield from taxes earmarked for the debt service remained unchanged. The resulting surplus supplied the fund.[137] However, besides failing to achieve any significant reduction in public debt,[138] the fund was raided for current expenses and more paradoxically used to raise new loans (WN V.iii.27-40).[139]

The "paradox of the sinking fund" (Levy 1986: 94) stemming from the inability of the government to stick to the proper purpose of the fund explains Smith's, and more implicitly Hume's, disbelief about the role of government frugality in

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[137] The existence of the fund must in return have consolidated the public confidence and played a role in the further decrease of the interest rate.

[138] Dickson (1967: 210) calculates a net reduction of £ 6,235,820.

[139] See also (E-PC: 352) : "What then shall we say to the new paradox, that public incumbrances, are, of themselves, advantageous, independent of the necessity of contracting them; and that any state, even though it were not pressed by a foreign enemy, could not possibly have embraced a wiser expedient for promoting commerce and riches, than to create funds, and debts, and taxes, without limitation? Reasonings, such as these, might naturally have passed for trials of wit among rhetoricians, like the panegyrics on folly and a fever, on Busiris and Nero, had we not seen such absurd maxims patronized by great ministers and by a whole party among us". Hume targets Walpole in this passage, as also remarked by the editor. The withdrawn follow-up of this passage which refers directly to Walpole as "Lord Oxford" reinforces this suggestion. Hume had another essay "A character of Sir Robert Walpole", withdrawn afterwards, where he blamed Walpole for not paying more of the public debt (E-CR: 574-5 n.1].

bringing about advances in the payment of the old debts.[140] Even the manner in which the funds were created was its proof for Smith: the funds proceeded from the decrease in the interest rates rather than any surplus of public revenue over debt charges (WN V.iii.39). The accumulation of public debt during frequent wars thus outweighed its reduction in peacetime. Taxes implemented for servicing the old debts became permanent. What could be the effect of the burgeoning public debt?

3. Hume on Public Debt: the end of Britain?

This section deals with Hume's considerations regarding the British public debt. The first subsection outlines the political effects which Hume fears to be brought about by the continuation of perpetual funding (3.1). The second one discusses its deleterious effects on economic growth, hence on public revenue (3.2). The third subsection emphasizes that Hume considered species as the main source of war

[140] Smith's stance on the sinking fund is more positive in the *Lectures on Jurisprudence*: "The surplus of the mortgages goes into what is called the sinking fund for paying the public debt (?which) secures the government in the present family, because if a revolution were to happen the public creditors, who are men of interest, would lose both principal and interest. Thus, the nation is quite secure in the management of the public revenue, and in this manner a rational system of liberty has been introduced into Britain" (LJ (B) 63). A similar idea can be found in (E-PC: 355): "The immense greatness, indeed, of London, under a government which admits not of discretionary power, renders the people factious, mutinous, seditious, and even perhaps rebellious. But to this evil the national debts themselves tend to provide a remedy. The first visible eruption, or even immediate danger, of public disorders must alarm all the stockholders, whose property is the most precarious of any; and will make them fly to the support of government, whether menaced by Jacobitish violence or democratical frenzy". Signorino (2016: 552) traces the evolution of Smith's thought to the fact that while, in the *Lectures*, Smith feared that the king could raid the sinking fund; in the *Wealth of Nations*, he feared that the government *and* people could raid it. On the other hand, Hume believed that an effect of the public debt was the aggrandizement of the capital at the expense of the provinces. The riches gathered in a few hands were themselves gathered in London. The interest of investing in public securities and trading in London attracted people while the high burden of land tax repelled them from the country. Indeed, after the Glorious Revolution, land tax increased enormously thereby creating discontent amongst the defenders of "landed interest" such as Henry St John, Viscount Bolingbroke (Brewer 1989:163-4). It was thought that landowners were punitively taxed in order to service the interest of public debt in contrast to financiers who benefited from public debt as creditors. This "concentration of monied interest" in London worried Hume (Winch 1998: 10, Pocock 1985, Ross 2008). Hume's essays on debt, like his most of his essays, participated in the contemporary debates about domestic politics. By contrast, "Smith did not publish anything bearing so directly on the explosive political or party-political topics of the day as Hume did in some of his *Essays* and parts of his *History*" (Forbes 1975b: 180).

finance, which is argued to be the main reason why Smith aspired to distance his analysis of public debt from Hume's (3.3). Finally, the last section overview the other methods of war finance Hume considers, though without any conclusion (3.4).

3.1 The political effects of British public debt: bankruptcy as a solution

For Hume, the worst effect of the enormous size of public debt was "on the ability of the nation to defend itself in war and negotiation" (Forbes 1975a: 174). Considering its piling up in this manner, it was conceivable that public indebtedness would arrive to a level beyond which the state would be incapable of borrowing more. It would be impossible to invent new taxes or increase any further the extant taxes which would meet the interest of a new debt:

> Suppose the public once fairly brought to that condition, to which it is hastening with such amazing rapidity; suppose the land to be taxed eighteen or nineteen shillings in the pound; for it can never bear the whole twenty; suppose all the excises and customs to be screwed up to the utmost which the nation can bear, without entirely losing its commerce and industry; and suppose that all those funds are mortgaged to perpetuity, and that the invention and wit of all our projectors can find no new imposition, which may serve as the foundation of a new loan; and let us consider the necessary consequences of this situation (E-PC: 357).

The only taxable revenue would be now left in the hands of stockholders. Since the latter are "chiefly those who have the highest offices" (E-CL: 96), it was likely that they would be unwilling to sacrifice their revenue to meet the preparatory military expenses in the case of a war threat. At any rate, "they will never be persuaded to contribute sufficiently even to the support of government" and hence "can never become the foundation of a constant national defence" (E-PC: 359-60). The nation, in addition to being tired of conflicts and being unable to adopt the proper political strategy, would be incapable of financing defence and hence may lie "at the mercy of the conqueror" (E-PC: 365).

This "*violent death* of public credit" (E-PC: 365, emphasis in original) could only be precluded by its "*natural death*" (E-PC: 363, emphasis in original): the funds earmarked for the interest payments could be seized and used to finance the war. As this repudiation of debt can never come about with the consent of the public creditors, this solution would entail the monarch to be absolute. Nevertheless, Hume preferred it to the former, and all the more so due to his belief that the trust in the nation's creditworthiness shattered by the voluntary bankruptcy could be revived easily.[141] Forbes (1963: 287) traces Hume's ability to offer absolute monarchy as a solution with "such detachment", to his idea that absolute monarchy was totally compatible with economically and socially thriving society (E-CL).

Other ways of destructing the public credit could proceed from various "visionary schemes" (E-PC:361) devised for the payment of the debt. These schemes would make public credit "*die of the doctor*" (E-PC: 361, emphasis in original). For instance, debt "doctors" could implement a tax on property. For Hume, such a remedy disregards equality: the labouring poor could not pay it, "property in money and stock in trade might easily be concealed or disguised" (E-PC: 361), all the tax burden would therefore fall upon the visible property in land and houses. They could also launch projects similar to John Law's Mississippi Scheme which could be the final straw in an already discredited economy.[142] In a succeeding but withdrawn passage, Hume envisaged two other methods, this time more effective

[141] "So great dupes are the generality of mankind, that, notwithstanding such a violent shock to public credit, as a voluntary bankruptcy in England would occasion, it would not probably be long ere credit would again revive in as flourishing a condition as before. The present king of France, during the late war, borrowed money at lower interest than ever his grandfather did; and as low as the British parliament, comparing the natural rate of interest in both kingdoms" (E-PC: 363). Desmedt (2008) and Caffentzis (2008) argue that Hume criticizes the exaggerated confidence put in the system of public borrowing. By contrasts to gold and silver whose currency is established by a convention; confidence in government securities like any other kind of paper-credit is based on the promise of the issuer. The latter is open to extremities, which can result in bubbles and disasters.

[142] Law was to manage the immense French public debt, resulting from Louis XIV's wars, by issuing Mississippi Company stocks. The plan resulted in a bubble in 1720. Around the same time South Sea Bubble burst in Britain. For a quick comparison in terms of their result, see Caffentzis (2008: 161).

in discharging the debt: the French method of debasement and the Dutch method of reducing the interest rate without the consent of the creditors. Although he seems to favour debasement elsewhere (E-Mo: 287 n.7]— a policy suggestion Caffentzis (2008: 160-3) urges to be taken seriously [143] — he is in this context quite adamant that neither of these would work without damaging the public confidence in Britain. It is also worth noticing that Hume doesn't talk about the more modern method of excessive issue of paper money even if he was aware of its use by the British colonial assemblies in North America (Hume 1932, 2:204, E-BT: 318). Hume's silence on this matter is congruent with his aversion to government issues of paper money. Although Hume's stance may have softened on privately-issued paper money as some argue (Wennerlind 2000, Dimand 2008, Ross 2008), his aversion to government issues persisted (Dimand 2008: 173, Wennerlind 2008:113).

Hume thought that it was unlikely that the above measures would be taken as long as state could continue to borrow "by the duration of our public credit so much beyond reasonable expectation" (E-PC: 364-5 n.17). The death of public credit would thus rather be "the necessary effect of wars, defeats, misfortunes, and public calamities, or even perhaps of victories and conquests" (E-PC: 361-2). Therefore, although it may be tempting to go along with Paganelli (2012) in arguing that Hume was more critical of contracting debt in peacetime, as his condemnation of the use of sinking fund suggests, the thrust of Hume's argument lies on the idea that public borrowing, as a means to finance defence, is not and cannot be sustainable. Accordingly, he urged the government to "embrace maxims, large, durable, and generous, agreeably to the supposed extent of its existence" (E-PC: 351).

[143] Hume's attitude towards debasement is evidently ambivalent. Amidst his favourable comments about Queen Elizabeth in the *History of England* (HE, 4: 370-3), Hume doesn't hesitate to call her decision to debase the currency as "impolitic" (HE,4: 374).

The calamitous effects proceeded from "the conjunction of commercial society and the international power politics" (Hont 2005: 326).[144] It is in order to render conspicuous this international aspect that Hume declared that the negative effects of public debt on domestic economy were though "not inconsiderable, … trivial, in comparison to the state considered as a body politic, which must support itself in the society of nations, and have transactions with other states in wars and negotiations" (E-PC: 355-6).[145]

Taken together with what Hume writes in his essay on "Of the Balance of Power" (1752), one can point that Hume's aversion of public debt stems from his aversion to the manner in which the present-day politics were guided. Tracing a parallel between Roman Empire and Great Britain, he expresses his apprehension about imperial expansion (Diatkine 2012: 1374). Indeed, Britain was ruled by "imprudent vehemence" which was the real cause of wars rather than "the ambition of our neighbours" (E-BP: 339). Roman empire had followed similar strategy in international politics and had fallen because of it "an ill modelled government, and the unlimited extent of conquests" (E-RA: 276).

3.2. The effects of public borrowing on economic growth

The state's inability to provide a sustainable financial source for wars stemmed from these very effects on domestic economy. Hume acknowledged that the domestic and international power of the states relied on their power to raise revenues, as the appendices of the *History of England* attest. "The power of the crown, by means of its large revenue" (E-BG: 51) was threatened by the practice of public borrowing which originated, for example in the reign of James I, "partly from necessary expenses, partly for want of a rigid economy" (HE,5: 135). This was

[144]Hont (2005) ascribes the primary origin of public debt in Hume to war rather than to the inherent tendency of commercial society to generate debt as Pocock (1985) holds.

[145] Forbes (1975a: 174) criticizes therefore the commentators who put more emphasis its effects on domestic politics. As Hirschman (1997: 79) reminds us, this preoccupation with international relations was a commonplace concern for eighteenth century writers given the permanence of wars.

a practice, "the more likely to become pernicious, the more a nation advances in opulence and credit" (HE,2: 454). For that reason, in emphasizing the "prodigious increase" of military power of Britain which was "more perhaps than any other European state, since the beginning of the last century", Hume had to abstract "from the national debt" (HE,4: 378).

The growth of revenues which determined the power of the state went hand in hand with the growth of commerce. Foreign trade by introducing luxury products to home market created an incentive for farmers and landlords to produce more in order to exchange their surpluses for these new products. When agricultural produce increased, the nation could bear the subsistence not only of those who were employed in the agriculture but also of a greater number of people who were not employed in agriculture. The number of people working in manufactures and trade thus increased (E-Co). The greatest public advantage resulting from the development of manufactures and trade was that these sectors constituted a "stock of labour" (E-Co: 262) or a "*storehouse* of labour" (E-RA: 272, emphasis in original) which could be converted to soldiers and used to support fleets and armies in the case of an emergency. "The more labour, therefore, is employed beyond mere necessaries, the more powerful is any state" (E-Co: 262). In the case of a war, the sovereign would also impose a tax which "obliges all the people to retrench what is least necessary to their subsistence" (E-Co: 261). If the wealth is distributed somewhat equally amongst the people, the burden of the tax "feels light on every shoulder, and the taxes make not a very sensible difference on any one's way of living". "It also augments the *power of the state*, and makes any extraordinary taxes or impositions be paid with more cheerfulness" (E-Co: 265, emphasis in original). In such an industrious and commercial nation, where "manners and customs of the people" (E-Mo: 290) are refined, in other words, where people have a taste for luxury and new products, money abounds. Money flows naturally to places where there are men, industry and commodities (E-In: 315). Thus, money is "a representation of labour and commodities and serves only as a method of rating and estimating" (E-Mo: 285) the real wealth, which consists

in people and commodities (E-Mo: 293). In such a monetized economy, public revenues are easily raised by taxation (E-Mo: 294).

However, the effects of public debt on the economy were deleterious. It encouraged a "useless and unactive life" by increasing the number of stockholders who were mostly "idle people" living "on their revenue" (E-PC: 355). Sloth and idleness would weaken the power of the state insofar as it diminishes the stock of labour which can be put into motion in the case of a war (E-In: 280).[146]

Since many public securities were in the hands of foreigners, specie would flow out of the country by means of interest payments. Its highly probable consequence, same as the consequence of maintaining expensive armies (E-BT: 325), is "the transport of our people and our industry" (E-PC: 355), which is tantamount to impoverishment for Hume.[147]

Another result was the high burden of taxes which were implemented for the interest payments. These taxes, consisting mainly of taxes on commodities consumed by the labouring poor, would either increase the wages and thus fall upon the employers or fall upon directly on the labourers and impoverish them (E-PC: 355). The second result is more likely to take place to the extent that "where the riches are in few hands", just as in the case with public securities, these people "will readily conspire to lay the whole burden on the poor, and oppress them still farther, to the discouragement of all industry" (E-Co: 265). Indeed, a tax which doesn't oppress the poor and which may stimulate them to work harder "without demanding more for their labour", must be, for Hume,

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[146] "When sloth reigns, a mean uncultivated way of life prevails amongst individuals, without society, without enjoyment. And if the sovereign, in such a situation, demands the service of his subjects, the labour of the state suffices only to furnish the necessaries of life to the labourers, and can afford nothing to those who are employed in the public service."

[147] "Where the seat of government is transferred, where expensive armies are maintained at a distance, where great funds are possessed by foreigners; there naturally follows from these causes a diminution of the specie. But these, we may observe, are violent and forcible methods of carrying away money, and are in time commonly attended with the transport of people and industry." (E-BT: 325).

moderate, gradual and not levied on consumption goods (E-T: 343). All the other taxes, therefore, dampen their incentive to work and damage the economy.

3.3. Specie as the primary source of war finance

The public debt was thus susceptible of depriving the nation of its stock of labour ready for use in the case of an emergency, and it also decreased the future public revenues by harming economic development. However, even more importantly, the ruinous practice of public borrowing deprived the nation of the precious metals as well (E-PC: 355). Yet, waging a war required men and money. Rich commercial nations "employed mercenary troops, which they hired from their poorer neighbours" (E-Mo: 282), since the price of labour was cheaper there. Nevertheless, for any international transaction, such as foreign trade or the payment of mercenaries, the universal currency used was specie (E-Mo: 284).In the *Treatise*, Hume relates how every society comes to establish the use of gold and silver by convention (T 3.2.2.10, Cf. Diatkine 1993, Caffentzis 2001, 2008, Wennerlind 2001, Desmedt 2008, Finlay 2013).

On numerous occasions, Hume stressed that the *only* advantage of a greater quantity of species was the power it conveyed to the state "in wars and negotiations with foreign states" (E-Mo: 282; Cf. E-Mo: 284, E-BT: 316). Indeed, "the want of money [species] can never injure any state within itself: for men and commodities are the real strength of any community" (E-Mo: 293).[148] A greater quantity of species had indeed no effect, good or bad, in a country taken by itself other than raising the prices, "any more than it would make an alteration on a merchant's books" (E-Mo: 285). In order to prove this point, Hume had to prove that nations wouldn't lose their gold and silver as long as they maintained their industry and people (Hont 1983: 281). Price-specie-flow mechanism was thus a

[148]Hume also stated that the states and armies were weak not because of want of money, but because of their manners and customs were rude; the taste for luxury was not improved (E-Mo: 289). This, however, does not contradict the importance Hume gives to gold and silver for war finance, to the extent that in that context he wants to prove that money follows real wealth, without taking into account the practice of public borrowing for war finance.

specifically constructed device to demonstrate that the mercantile recipe for acquiring a trade surplus with the implementation of restrictive trade policies was redundant: the rise in prices of commodities caused by the inflow of species (trade surplus) would diminish their competitiveness in the international market; their demand would fall which would erase the trade surplus and produce an outflow of species which bring prices to their initial level.

This "general theory" (E-BT: 316) was in the form of a thought experiment and was not represented by an actual example (Schabas 2008b). On the contrary, in a nation where the ruinous practice of public borrowing was prominent the price rise could be permanent which had real effects in the international arena. Treating public debt as a "kind of paper-credit" (E-PC: 355), Hume thought that public securities circulating in the economy in the form of "Bank-stock, or India-bonds" for example, increased the quantity of money in circulation (E-PC: 353). Since the real wealth in a country was what really determined the quantity of money in the nation sufficient to circulate the commodities between the people,[149] artificially increasing the quantity of money beyond this natural level resulted in an increase in prices.[150] Increase in the price of commodities triggered the rise of wages, thereby heightening the cost of merchants and manufacturers. The overall wage and price rise rendered the commodities less attractive in international markets; exports shrank relatively to imports, resulting in an outflow of species, the only international currency. If it did not reduce the quantity of species in the country, at least it "obstructed the entrance of precious metals" (E-BT: 317). The money left circulating in the country was thus the paper-credit, "a counterfeit money, which foreigners will not accept of in any payment, and which any great disorder in the state will reduce to nothing" (E-Mo: 284). Since the quantity of money increased constantly without a proportional match

[149] "A variety of fine manufactures, with vigilant enterprising merchants, will soon draw money to a state, if it be anywhere to be found in the world" (E-In: 303).

[150] Prices depending on the proportion between money in circulation and commodities in a country, when the quantity of money increased without an exact proportional increase in the quantity of commodities, prices rose gradually (E-Mo: 290).

in industry, price level doesn't diminish because paper credit doesn't flow out as it has no intrinsic value.[151]

This resulted in an immense disadvantage, in terms of the national power in wars and negotiations, which dwarfed, according to Hume, the following positive effects on commerce and industry: creditors, having secured their revenue in the form of interest payments, and relying on their liquidity if a need arises, were willing to undertake less profitable enterprises. The lower rate of profit cheapens the commodities, consumption increases, incentives to labour multiply and this "helps to spread arts and industry throughout the whole society" (E-PC: 353).[152] Furthermore, by providing a more costless and liquid investment than the purchase of land—the other alternative of investment for the rich—public funds would attract large stocks "and this, it must be owned, is of some advantage to commerce, by diminishing its profits, promoting circulation, and encouraging industry" (E-PC: 354).[153] However, Hume didn't attempt to reconcile these encouragements to industry with the discouragements to industry listed above (Winch 1978: 125). It can simply be supposed to that, for Hume, the overall balance by no means indicated an increase of industry which was proportional to the increase in the quantity of money.

Here it is useful to build on the distinction drawn between exogenous and endogenous money by Wennerlind (2005) and Paganelli (2006a). The harmful effects proceeded from the exogenous money that is artificially increasing

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[151]We may also remark that this increase of prices, derived from paper credit, has a more durable and more dangerous influence than when it arises from a great increase of gold and silver: where an accidental overflow of money raises the price of labour and commodities, the evil remedies itself in a little time: the money flows out into all the neighbouring nations. The prices fall to a level. And industry may be continued as before, a relief, which cannot be expected, where the circulating specie consists of paper, and had no intrinsic value (E-PC: 355g).

[152] See also (E-In: 303): "… as low profits arise from the encrease of commerce and industry, they serve in their turn to its farther encrease, by rendering the commodities cheaper, encouraging the consumption, and heightening the industry".

[153] "[W]hen commerce has become extensive, and employs large stocks, there must arise rivalships among the merchants, which diminish the profits of trade, at the same time that they encrease the trade itself" (E-In: 302).

quantity of money by government policies: by public borrowing or by issuing paper money (or by mercantilist trade policies). Increases in endogenous money, i.e. increases in the quantity of money originating from development of industry, resulting in an expansion in domestic production, and thus a natural trade surplus was not necessarily harmful. The increase in money could be matched by the proportional increase in the quantity of commodities, without resulting in inflation.[154]

A further distinction may be drawn between public borrowing and mercantilist trade policies, when what is at stake is national defence. From this strict perspective, accumulation of gold and silver was preferable over paper-credit which chased species out of the country. In contrast to the expansion of paper credit, if the increase proceeded from a trade surplus, at least the disadvantage of price rise was compensated "by the advantages, which we reap from the possession of these precious metals, and the weight, which they give the nation in all foreign wars and negotiations" (E-Mo: 284). Hence, his praise for France:

> It is not to be doubted, but the great plenty of bullion in France is, in a great measure, owing to the want of paper-credit. The French have no banks: Merchants bills do not there circulate as with us: Usury or lending on interest is not directly permitted; so that many have large sums in their coffers: Great quantities of plate are used in private houses; and all the churches are full of it. By this means, provisions and labour still remain cheaper among them, than in nations that are not half so rich in gold and silver. The advantages of this situation, in point of trade as well as in great public emergencies, are too evident to be disputed (E-PC: 317).

Hume, therefore, seems to appear as a "practical metallist" (Caffentzis 2001). Indeed, when considered from a strictly international perspective, paper credit

[154] Hume also says that the price rises, unavoidably, in all the commercial states as "the effect of that public wealth and prosperity which are the end of all our wishes" (E-Mo: 284). Rotwein (1955: lix) gives right to Josiah Tucker who criticizes Hume for having overlooked that increase in money would result from an increase of commodities, thereby not affecting the price level. On the other hand, Hont (1983) argues that Josiah Tucker, along with Hume's other opponents in the rich-poor country debate, had not understood that specie-flow mechanism was just an abstract argument propounded to emphasize the unimportance of the amount of money within the country.

did not make any practical sense (Finlay 2013: 61).[155] It is true that the importance Hume gives to gold and silver as an emergence reserve for war finance, and consequently, to a favourable balance trade as the only way to acquire gold and silver for a country with no mines like England (E-In: 306), seems to have mercantile origins (see for example Henderson 2010:160-1). Viner (1955: 84 n.30) and the editors of the *Lectures on Jurisprudence* (Smith 1978: 507 n.28) argue that Smith presumably criticized Hume for "having gone a little into the notion that public opulence consists in money" (LJ (B) 253) by referring to these passages.[156] Apparently, Smith couldn't desist from targeting explicitly Hume on this matter—something quite unusual— despite the fact that he was at the same lecture praising Hume for his price-specie-flow mechanism.

3.4. Other methods of war finance

Arguably, Hume, as an indefatigable moderate in almost every subject (see for example Forbes 1975a), was just trying to find a middle ground between "the jealous fear with regard to money" (E-BT: 309) and the fear "of being overburdened with the precious metals" (E-BT: 317) fed by the overuse of new credit instruments, government securities included. Public borrowing which had

[155]Finlay rightly argues that the great ambivalence in Hume's writings towards paper credit springs mostly from the distinction between domestic and international perspective (Finlay 2013:61). The ambivalence in Hume's monetary theory is not only circumscribed to the status of paper money. The wider debate, which is related to the latter, contains issues about whether Hume is a quantity theorist, inflationist, deflationist, metallist, and monetarist or not. For different attempts to render Hume's seemingly contradictory analysis consistent, see Dimand (2013) for an emphasis on short-term, long-term distinction. See Wennerlind (2005) for a distinction between endogenous and exogenous money. See Paganelli (2006a) for an attempt to clear the anachronisms made by many commentators. See Schabas (2008a) on the active and passive role of money in Hume's theory, with a critique of the anachronism of the modern distinction between "short term" and "long term". See Desmedt (2008), Caffentzis (2001,2008), Finlay (2013), Wennerlind (2001) for the attempts to tackle Hume's ambivalence with the help of his political philosophy in the *Treatise*.

[156]The idea that Smith opposes corresponds to Hume's: "The only objection against paper money is that it drains the country of gold and silver, that bank notes will not circulate in a forreignmercat, and that forreign commodities must be paid in specie. This is no doubt the case. But if we consider attentively, we will find that this is no real hurt to a country. The opulence of a nation does not consist in the quantity of coin but in the abundance of the commodities which are necessary for life, and whatever tends to encrease these tends so far to encrease the riches of a country" (LJ (B) 247).

provided so far, the revenue for the maintenance of past and present wars, endangered the finance of futures war, by impoverishing the nation and by depriving it of gold and silver. It was thus not just a transfer "from the right hand to the left" (E-PC: 356) as Melon argued.[157] Taxation, too, wouldn't work, because in order to finance such expensive wars, it had to be oppressive or arbitrary: "and any great blow given to trade, whether by injudicious taxes or by other accidents throws the whole system of government into confusion" (E-PC: 358). Various methods of paying off the debt were not also feasible in his eyes. The only method of war finance he praised was the "ancients' method" (E-PC: 349-50) of hoarding war treasures in advance, by savings resulting from surpluses above expenses. However, rather than an actual policy advice, the appeal to the ancient method seems to be a rhetorical device by virtue of which Hume emphasized the lack of prudence of modern governments.[158] Hume knew quite well that this was an ancient practice. Nevertheless, it could also be taken seriously to the extent that he suggests elsewhere the creation of a public bank "which locked up all the money it received" (E-Mo: 284), without artificially increasing the quantity of money. This reserve bank may hoard species which can be availed in wartime (Paganelli 2014). Indeed, species could be hoarded by the state without affecting the prices because prices depended on the proportion between commodities and money in circulation. However, again, Hume seems to reject it: "we should all exclaim against as destructive, namely, the gathering of large sums into a public treasure, locking them up, and absolutely preventing their circulation" (E-BT:

[157]Melon held that "the debts of the state are debts from the right hand to the left, by which the body will be in no way weakened if it has the nourishment and knows how to distribute it" (Melon [1734]1966: 802, my translation).

[158] Hume's sense of a frugal government may be drawn from his views on Queen Elizabeth's finances: "But what chiefly tended to gain Elizabeth the hearts of her subjects, was, her frugality, which, though carried sometimes to an extreme, led her not to amass treasures, but only to prevent impositions upon her people, who were at that time very little accustomed to bear the burthens of government. By means of her rigid economy, she paid all the debts which she found on the crown, with their full interest; though some of these debts had been contracted even during the reign of her father. Some loans, which she had exacted at the commencement or her reign, were repaid by her; a practice in that age somewhat unusual: And she established her credit on such a footing, that no sovereign in Europe could more readily command any sum, which the public exigencies might at any time require" (HE, 4: 178).

320). And this, because of the same reason by which he denounced public borrowing: "A great state would dissipate its wealth in dangerous and ill-concerted projects; and probably destroy, with it, what is much more valuable, the industry, morals, and numbers of its people" (E-BT: 321). He was apprehensive of the absence of limits to both, if there were limits, he would have embraced both.[159]

Hume would be wholeheartedly against any way of raising revenue which prompted the belligerent passions of kings and queens. As a result, he rebutted the common way of raising money by public borrowing which drained all the revenues in the nation. His main concern can be summed up by the following question: "But since we must still suppose great commerce and opulence to remain, even after every fund is mortgaged; these riches must be defended by proportional power; and whence is the public to derive the revenue which supports it?" (E-PC: 359) Since he was unable to find the answer which could allow supporting it sustainably, his solution of voluntary bankruptcy doesn't seem to be surprising. In the final analysis, the mixed constitution of Great Britain could not be reconciled with public debt (Dome 2004: 5).

4. Smith on Public Debt: the end of British Empire?

This section discusses Smith's considerations about the British national debt. First, it is stressed that Smith does not consider bankruptcy as a way of cancelling the public debt, but that he has other projects about its reimbursement (4.1). The second subsection examines the harmful effects of public borrowing on the economic growth (4.2). The third subsection deals with the question of the method of war finance (4.3). The last subsection explains why public borrowing was not so harmful so as to threat Britain's national integrity in Smith's eyes (4.4).

[159] "Nor does there seem to be any necessary bounds set, by the nature of things, to this practice of hoarding. A small city, like Geneva, continuing this policy for ages, might engross nine-tenths of the money of Europe" (E-BT: 320-1).

4.1. How to reimburse the public debt?

When the accumulation of public debt reached to a certain level, "there is scarce … a single instance of their having been fairly and completely paid" as the history accounts for: many countries had thus recourse to an "avowed bankruptcy" or more frequently to a "pretended payment" (WN V.iii.59). For Smith, the latter which consisted in "raising the denomination of coin" was more pernicious than an open bankruptcy to the extent that it favoured the prodigal debtors at the expense of frugal creditors by "transporting a great part of the national capital from the hands which were likely to increase and improve it to those which are likely to dissipate and destroy it" (WN V.iii.60). This "jiggling trick" would undermine the public credit more than an avowed bankruptcy (WN V.iii.60).[160]

The open bankruptcy seemingly corresponds to Hume's natural death scenario, whereas the other matches a scheme that could be launched by Hume's debt doctors (Dome 2004:57). However, as already remarked by Nicholson (1920:11) and Dome (2004:58), Smith did not defend voluntary bankruptcy or the repudiation of the debt, at least not for the British debt. He had other plans for paying it off. But, since it was "chimerical … to expect that the public debt should ever be completely discharged by any savings which are likely to be made from that *ordinary* revenue as it stands at present" (WN V.iii.47, my emphasis), some extraordinary ways were requisite for its discharge: either by a radical increase in public revenue or by a radical decrease in public expenditure (WN V.iii.66).

A radical increase could proceed from an extension of the British system of taxation to all the provinces of empire.[161] The land-tax, stamp tax, customs and excise duties could be levied in Ireland, North America and the West Indies. An

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[160] See also WN I. iv.10: "Such operations, therefore, have always proved favourable to the debtor, and ruinous to the creditor, and have sometimes produced a greater and more universal revolution in the fortunes of private persons, than could have been occasioned by a very great public calamity".

[161] The revenue which would arise from the tax reform which Smith proposes to implement in Great Britain wouldn't be sufficient to pay off the debt. (WN V.iii.67)

immense revenue — which Smith calculates by cross multiplying the estimated population of the whole British empire with England's recorded public revenue — could be collected, the largest part coming from the American colonies. Supposed that ten percent of this annual revenue was spared in peacetime, a great sinking fund thus constructed would "be sufficient in a few years to discharge the whole debt" (WN V.iii.76). Considering the obvious implication of this scheme to be the avoidance of an upcoming war with American colonies, which Smith suspects to be more expensive than the former ones (WN V.iii.46), his calculation doesn't seem to be "chimerical". He thought indeed that the colonies had to contribute to the payment of the debt, because debt was contracted for their defence, in particular for the defence of America. (WN V.iii.88). These colonies had "never yet furnished any military force for the defence of the mother country" (WN IV.vii.c.12), therefore they had "been a source of expense and not of revenue" (WN IV.vii.c.13). Lurking in the background is Smith's contention that "Great Britain derives nothing but loss from the dominion which she assumes over her colonies" (WN IV.vii. c.65). Military and peacetime expenses were only done in order to support the monopoly of the colony trade (WN IV.vii.c.64) which had rendered Britain's whole system of commerce and industry "less secure" and her political status "less healthful, than otherwise would have been" (WN IV.vii.c.43). Smith's solution of a taxation reform within the empire, on the other hand, implied a free trade zone (WN.V.iii.72) where the different provinces would have access to "a fair and equal representation" in the British Parliament or in the "states-general of the British Empire" in proportion to what they contribute in taxes to the new empire (WN IV.iii.76).

If Britain "cannot raise its revenue in proportion to its expense, it ought, at least, to accommodate its expense to its revenue" (WN V.iii.92) by voluntarily separating from its colonies. The elimination of the peacetime cost of maintaining the colonies together with the avoidance of the war expenditure would create surplus public revenue sufficient to clear the debt. Smith knew

evidently that "no nation ever voluntarily gave up the dominion of any province, how troublesome soever it might be to govern it, and how small soever the revenue which it afforded might be in proportion to the expense which it occasioned" (WN IV.vii.c.66). But in showing that this was at least conceivable, he aimed to disperse the groundless mercantile fear according to which any disruption of the monopoly trade would ruin the whole commerce and manufactures of Britain (WN IV.vii.c.43).[162]

Smith, therefore, contemplated about solutions for discharging the debt, rather than repudiating it. Whether these solutions are impractical or not does not matter for the sake of Hume's or Smith's economic argument, as Smith seems to imply (WN V.iii.68). Smith, for instance, knew that both these solutions were unlikely to be considered in the contemporary state of affairs; still, he wanted to "mark out the economic boundaries for an acceptable solution" and show how the empire could "be made tolerable" (Winch 1978: 154).[163] The reason why Smith could envisage these scenarios instead of bankruptcy is to be sought, again, amongst the effects of public debt on the economy.

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[162] "The expectation of a rupture with the colonies, accordingly, has struck the people of Great Britain with more terror than they ever felt for a Spanish armada, or a French invasion. It was this terror, whether well or ill grounded, which rendered the repeal of the stamp act, among the merchants at least, a popular measure. In the total exclusion from the colony market, was it to last only for a few years, the greater part of our merchants used to fancy that they foresaw an entire stop to their trade; the greater part of our master manufacturers, the entire ruin of their business; and the greater part of our workmen, an end of their employment. A rupture with any of our neighbours upon the continent, though likely, too, to occasion some stop or interruption in the employments of some of all these different orders of people, is foreseen, however, without any such general emotion. The blood, of which the circulation is stopped in some of the smaller vessels, easily disgorges itself into the greater without occasioning any dangerous disorder; but, when it is stopped in any of the greater vessels, convulsions, apoplexy, or death, are the immediate and unavoidable consequences. If but one of those overgrown manufactures, which, by means either of bounties or of the monopoly of the home and colony markets, have been artificially raised up to an unnatural height, finds some small stop or interruption in its employment, it frequently occasions a mutiny and disorder alarming to government, and embarrassing even to the deliberations of the legislature. How great, therefore, would be the disorder and confusion, it was thought, which must necessarily be occasioned by a sudden and entire stop in the employment of so great a proportion of our principal manufacturers?"

[163] Stevens (1975: 214) notes that, by the time *Wealth of Nations* was published, colonists were far beyond any economic solution or plan of imperial union.

4.2. The effects of public borrowing on economic growth

Smith noted that "the enormous debt which at present oppress … will in the long-run probably ruin, all the great nations of Europe" (WN V.iii.10). Although this prediction may be interpreted as a remark made in passing, "an introductory *obiter dictum*" (Nicholson 1920:3), following which Smith gave an historical account of the progress of public debt,[164] Smith's belief that public debt was ruinous is patent. Public borrowing, by reducing investments, resulted in a lesser national income than otherwise would have been. For Smith, money lent to government "must have been employed, as all capitals are, in maintaining productive labour" but instead it was employed "to maintain unproductive ones" (WN V.iii.47).[165] Therefore, "a certain portion of the annual produce [was] turned away from serving in the function of a capital, to serve in that of a revenue; and … spent and wasted, generally in the course of the year, without even the hope of any future reproduction" (WN V.iii.47). In this respect, virtually all government expenditure was wasted by employing unproductive labour:

> Such are the people who compose a numerous and splendid court, a great ecclesiastical establishment, great fleets and armies, who in time of peace produce nothing, and in time of war acquire nothing which can compensate the expense of maintaining them, even while the war lasts. Such people, as they themselves produce nothing, are all maintained by the produce of other men's labour (WN III.iii.30).

It was not that unproductive labour had no value; Smith's insistence on their "producing nothing" came from his "plea for accumulation" (Bladen 1960: 629). While productive labour generated capital accumulation, unproductive labour resulted in the immediate consumption of the revenue (WN II.iii). As a result, "the protection, security, and defence of the commonwealth, the effect of their labour this year, will not purchase its protection, security, and defence, for the year to come" (WN II.iii.2). The unproductive labour didn't "produce or make

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[164] The whole sentence reads: "The progress of the enormous debts which at present oppress, and will in the long-run probably ruin, all the great nations of Europe has been pretty uniform".
[165] "Money, no doubt, makes always a part of the national capital" (WN IV.i.17).

available goods *that can be used as capital*" (Eltis 2000: 78) whereas productive labour did. However, capital accumulation was essential for economic growth to the extent that any advance in division of labour required increasing accumulation.[166] Moreover, only capital could put into motion further productive labour, and promote economic growth:

> The annual produce of the land and labour of any nation can be increased in its value by no other means, but by increasing either the number of its productive labourers, or the productive powers of those labourers who had before been employed. The number of its productive labourers, it is evident, can never be much increased, but in consequence of an increase of capital, or of the funds destined for maintaining them. The productive powers of the same number of labourers cannot be increased, but in consequence either of some addition and improvement to those machines and instruments which facilitate and abridge labour; or of a more proper division and distribution of employment. In either ease an additional capital is almost always required (WN II.iii.32).

Since Smith supposes that the whole capital stock in the country will be fully utilized,[167] whether the capital stock increases or decreases and concomitantly whether the annual nation income grows or shrinks will depend on the labour productivity and the proportion of the capital employed in productive labour (Eltis 2000: 75-6).[168] The rate of growth would be less than otherwise would have

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[166] "...labour can be more and more subdivided in proportion only as stock is previously more and more accumulated" (WN II.3).

[167]"In all countries where there is tolerable security, every man of common understanding will endeavour to employ whatever stock he can command in procuring either present enjoyment or future profit. If it is employed in procuring present enjoyment, it is a stock reserved for immediate consumption. If it is employed in procuring future profit, it must procure this profit either by staying with him, or by going from him. In the one case it is a fixed, in the other it is a circulating capital. A man must be perfectly crazy who, where there is tolerable security, does not employ all the stock which he commands, whether it be his own or borrowed of other people, in some one or other of those three ways (WN II.i.30).

[168] "Whatever be the actual state of the skill, dexterity, and judgment with which labour is applied in any nation, the abundance or scantiness of its annual supply must depend, during the continuance of that state, upon the proportion between the number of those who are annually employed in useful labour, and that of those who are not so employed. The number of useful and productive labourers, it will hereafter appear, is everywhere in proportion to the quantity of capital stock which is employed in setting them to work, and to the particular way in which it is so employed" (WN Intro.6). Smith underlines that labour productivity is more important in

been if unproductive labour is employed. Indeed, unless the French wars and the resulting enormous debts had occurred, "[t]he value of the annual produce of the land and labour of the country, would have been considerably increased by it every year, and every year's increase would have augmented still more that of the following year" (WN II.iii.35).[169]

Therefore, public debts were not "the accumulation of a great capital superadded to the other capital of the country, by means of which its trade is extended, its manufactures multiplied, and its lands cultivated and improved much beyond what they could have been by means of that other capital only" (WN V.iii.47) but were a deduction from the national capital. Because, even supposing that the creditor — who can either acquire more capital by selling the stock to other people or borrow more capital by using the stock as a collateral — invested in productive labour; the capital borrowed by the government was to be destroyed and ultimately, there would be only one capital in the country instead of two. The argument that Smith objects to is usually attributed to Melon (Smith 1976: 924 n. 50, Rashid 1998: 109), but as Winch (1998: 14 n.31) and Cardoso and Nogueira (2005: 283) imply and as Popkin (1970: 428 n.47) asserts certainly, Smith should be referring to de Pinto whose sanguine views on public debt had been influential in 1760s.[170] In opposition to Hume, de Pinto argued that the public debt fostered all the branches of commerce and industry (1771: 21) and that the good resulting from paper credit, i.e. the increase of the wealth of the nation was much more

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determining the rate of growth (WN 4). Bowley (1975), on the other hand, argues that capital, rather than division of labour is the major influence on growth.

[169]The succeeding sentence is also striking: "More houses would have been built, more lands would have been improved, and those which had been improved before would have been better cultivated, more manufactures would have been established, and those which had been established before would have been more extended; and to what height the real wealth and revenue of the country might, by this time, have been raised, it is not perhaps very easy even to imagine" (WN II.iii.35).

[170] De Pinto himself had claimed that "he had convinced many people that England was not on the verge of bankruptcy" (Popkin 1970: 420) and that he tried to change Hume's ideas on public debt. Ross (2008) argues indeed that Hume's stance on circulation had changed after his acquaintance with de Pinto.

than the harm that may proceed from the rise of price of labour (1771: 23). He asserted that public debt was useful to a certain extent and that taxes coming out of the pockets returned to where they came out (1771: 43). He explained how the debt enriched the nation in the following way: by earmarking a tax for the interest payments on every new loan, the English government created a new artificial capital, which did not exist before and which became permanent and solid. This new capital circulated for public advantage just as if England had obtained a new real treasure (1771: 44). Smith's objection therefore seems to be slippery insofar as they seem to be talking past each other: Smith's analysis of public debt was based on his theory of economic growth accompanied by his strict definition of capital which was totally different from de Pinto's.

In a similar vein, Smith attacked the idea that interest payments were just a transfer from the taxpayers to the creditors, calling it "a sophistry of the mercantile system" (WN V.iii.52). Taxes levied for the interest had deleterious effects on investment. Even if the debt was entirely internal — and it was not — it "would occasion both the neglect of land, and the waste or removal of capital stock (WN V.iii.56). For Smith, the burden of almost all taxes would finally rest on land (WN V.ii.a.13). Landowner whose revenue falls by burdensome taxes would stop investing (WN V.iii.54), whereas the capital imposed would flee to a country where its owner "could either carry on his business or enjoy his fortune more at his ease" (WN V.ii.f.6).

The practice of perpetual funding had multiplied taxes to such a degree as to impede the ability to accumulate capital even in peacetime (WN V.iii.51). Revenue raised by taxation during peace indeed outweighed the revenue raised during wartime. During wartime, governments preferred funding in exchange for a slight increase in taxation "for fear of offending the people who, by so great and so sudden an increase of taxes, would soon be disgusted with the war" (WN

V.iii.37). For that reason, people could carry on, to some extent, their savings. However, this advantage was confined to the duration of the war.

4.3. How to finance wars?

For all these reasons, Smith supported raising revenue for war expenses through taxation. In this manner, "a certain portion of the revenue of private people is only turned away from maintaining one species of unproductive labour, towards maintaining another" (WN V.iii.48). Since most taxes fall upon the landlords who devote most of their revenue to immediate consumption, when their revenue decreases, they could employ, for instance, less "menial servants" (WN II.ii.1), in other words, less unproductive labour. Private revenues formerly devoted to immediate consumption would thus be transformed into another immediate consumption of revenue in the form of fleets and armies. Heavy taxes during the war would hinder capital accumulation, but at least this check on growth would persist only during the war. Furthermore, wars could last shorter because people would suffer from all the burden of war costs (WN V.iii.50).

As good as it sounds, Smith was aware that in the case of an emergency "government can have no other resource but borrowing" because an immediate great expense "will not wait for the gradual and the slow returns of the new taxes" (V.iii.4). Not to mention the output effects of the overburden of taxes which would defray all the annual war expenses. Therefore, rather than the commonly expressed view according to which Smith's solution to war finance was taxation (for example Sowell 1974:25), Smith did not actually have a well-framed solution (Levy 1986: 96). Like Hume, he did not find a sustainable financial means to wage war. Yet, unlike Hume who didn't see a way to finance war even he supposed that "great commerce and opulence to remain" in the absence of specie, Smith simply thought that if a nation was rich, it could finance war. Hence, his lack of fear about an inability to support national defence.

Similar to Hume, Smith acknowledged that gold and silver, and not paper, was the international payment instrument (WN II.ii.30, WN V.iii.80). The bullion considered as the "money of the great mercantile republic" circulated among different countries (WN IV.i.28). But, Smith favoured the use of paper money, especially in the form of bank notes, in the domestic economy on the condition that paper was not over issued (WN II.ii.26).[171] Gold and silver would in this way be spared from the common circulation and be used to purchase capital from abroad, thereby increasing the stock of national capital (WN II.ii.36). Gold and silver were also essential in "an unsuccessful war": in a country where paper money was widely used, enemy's seizure of the bank reserves would render the money valueless and "the state of the country would be much more irretrievable than if the greater part of its circulation had consisted in gold and silver" (WN II.ii.87). Although this corresponds to "the classical war-chest argument for a hard currency", Smith's intention in this context is to underline that the use of paper money should be limited to wholesale trade (Rockoff 2013: 313).

However, in the context of his critique of the mercantile system, Smith insisted that war expenses were not actually paid by gold and silver (neither by a war chest nor by melting down the plate of private people or churches). Indeed, in the Seven Years' War, "[t]he kings of England had no accumulated treasure. We never heard of any extraordinary quantity of plate being melted down. The circulating gold and silver of the country had not been supposed to exceed eighteen million", which was dwarfed by the cost of war amounting to ninety million (WN IV.i.26). He summarized the view he attacked, presumably Hume's — though Smith doesn't mention his name — in the following way:

[171]Rockoff (2011) underlines that Smith's views on paper money had changed between the *Lectures on Jurisprudence* and the *Wealth of Nations* due to the crisis of 1772 and the small notes mania in Scotland. Paganelli (2006b) argues, on the other hand, that Smith never approved of using money as a policy instrument so as to promote economic development, unlike many of his contemporaries, because of his understanding of commercial society which he considered to be governed by vanity.

> Others admit that if a nation could be separated from all the world, it would be of no consequence how much, or how little money circulated in it. The consumable goods which were circulated by means of this money would only be exchanged for a greater or a smaller number of pieces; but the real wealth or poverty of the country, they allow, would depend altogether upon the abundance or scarcity of those consumable goods. But it is otherwise, they think, with countries which have connections with sovereign nations, and which are obliged to carry on foreign wars, and to maintain fleets and armies in distant countries. This, they say, cannot be done, but by sending abroad money to pay them with; and a nation cannot send much money abroad, unless it has a good deal at home. Every such nation, therefore, must endeavour in time of peace to accumulate gold and silver, that, when occasion requires, it may have wherewithal to carry on foreign wars (WN IV.i.4).

Smith acknowledged that "a part of this gold and silver may have been, and probably was, employed in carrying on the late war", but this gold and silver was themselves purchased by "with either with British commodities, or with something else that had been purchased with them" (WN IV.i.28). The gold and silver thus acquired was employed in purchasing, at the seat of the war, the pay and provisions of the army. But, most of the pay and provisions of the army was purchased directly by "commodities transported to distant countries", especially "the finer and more improved manufactures; such as contain a great value in a small bulk, and can, therefore, be exported to a great distance at little expense" (WN IV.i.29). It was indeed in the merchants' interest — who contracted with the government — to pay "his foreign correspondent" by sending commodities than gold and silver: "When those metals are sent abroad in order to purchase foreign commodities, the merchant's profit arises, not from the purchase, but from the sale of the returns. But when they are sent abroad merely to pay a debt, he gets no returns, and consequently no profit" (WN IV.i.27).

Therefore, fleets and armies were not maintained with gold and silver, but with consumable goods (WN IV.i.20). Commodities, and thus "the annual produce of the land and labour of the country" were "the ultimate resources" to wage war (WN IV.i.28). A country, like Britain, "whose industry produces a great annual surplus of such manufactures [capital-intensive goods], which are usually

exported to foreign countries, may carry on for many years a very expensive foreign war, without either exporting any considerable quantity of gold and silver, or even having any such quantity to export" (WN IV.i.29).

4.4. The role of capital in Smith's opinion about the effects of public debt

The fact that Britain hadn't yet been enfeebled by enormous debts, like the United Province, the Italian Republics or Spain (WN V.iii.57) owed to the growth of national income which *thus far* had not been harmed by oppressive taxes. The growth of "the annual produce of land and labour" signifies that the capital stock had increased "and that more must have been added to it by the good conduct of some, than had been taken from it … by the public extravagance of government" (WN II.ii.32). Thus, even though, the growth had been less than otherwise would have been, it wasn't harmed in the sense that the public extravagance was compensated by private prodigality:

> To the honour of our present system of taxation, indeed, it has hitherto given so little embarrassment to industry, that, during the course even of the most expensive wars, the frugality and good conduct of individuals seem to have been able, by saving and accumulation, to repair all the breaches which the waste and extravagance of government had made in the general capital of the society. At the conclusion of the late war [Seven Years' War], the most expensive that Great Britain ever waged, her agriculture was as flourishing, her manufacturers as numerous and as fully employed, and her commerce as extensive, as they had ever been before. The capital, therefore, which supported all those different branches of industry, must have been equal to what it had ever been before. Since the peace, agriculture has been still further improved, the rents of houses have risen in every town and village of the country, a proof of the increasing wealth and revenue of the people; and the annual amount of the greater part of the old taxes, of the principal branches of the excise and customs in particular, has been continually increasing, an equally clear proof of an increasing consumption, and consequently of an increasing produce, which could alone support that consumption (WN V.iii.58).

Individuals' desire to better their condition (WN II.iii.31) triggered their parsimony (WN II.iii.31) which was the original source of accumulation.[172] As savings were virtually always invested, increased stock of capital automatically resulted in increased output, thereby raising the capacity of private consumption and hence the tax revenues.

Smith's consideration of the American colonies as a significant source of revenue may also be traced, in a similar manner, to his theory of growth. Smith thought that though the colonies weren't as rich as England, they had a high growth rate. Its proof was the increase in their population. The high rate of wages, stemming from the high demand for labour, fostered the increase in birth rate (WN I.viii.23). The high growth rate owed to the fact that most of their capitals were employed in agriculture (WN II.v.21). The great amount of the uncultivated land, by lowering the price of land, attracted the whole capital in the country as agriculture was "the most profitable employment" (WN III.iv.19). Therefore, these colonies were one of the rare examples where the actual and the "natural progress of opulence" (WN III.i) coincide (Skinner 1996: 216). According to Smith, "the greater part of the capital of every growing society is, first, directed to agriculture, afterwards to manufactures, and last of all to foreign commerce" (WN III.i.8). Because, agriculture must provide for the maintenance of the manufacturers and the manufacturers must produce what they could trade with other countries. This theoretical growth model, which no way suited to the European experience, must have been constructed by Smith as a tool of attacking the mercantile preference for the foreign trade as the basis for growth (Hollander 1998, Bowles 1986).

[172]"The uniform, constant, and uninterrupted effort of, every man to better his condition, the principle from which public and national, as well as private opulence is originally derived, is frequently powerful enough to maintain the natural progress of things toward improvement, in spite both of the extravagance of government, and of the greatest errors of administration" (WN II.iii.31).

Thanks to their high rate of growth, in "America and the West Indies the white people even of the lowest rank are in much better circumstances than those of the same rank in England" (WN V.iii.77). Consequently, they consumed more luxury goods on which customs and excise duties could be levied. Thus, if smuggling could be precluded, the revenue proceeding from these colonies would be the greatest compared to any other part of the British Empire (WN V.iii.77). For instance, Ireland — the first English colony — was in a very poor state: besides the lack of raw materials, it "wants order, police, and a regular administration of justice … articles more essential to the progress of Industry than" the raw materials (Corr:243). The poor situation of Ireland contrasted strikingly with the American colonies which enjoyed "liberty, security, and property" (WN V.iii.88) brought there by the English.

Abounding in agricultural products, and having no manufactures (WN II.v.21), the colonies imported British manufactured products and exported "the rude produce of land" (WN IV.vii.c.51). Smith argued that the colonies could indeed pay their taxes with these rude products, if it was consonant with the needs of their British correspondents. For example, in the commerce between Britain and the tobacco colonies of Virginia and Maryland, tobacco was indeed a more convenient payment method than gold and silver (WN V.iii.83). But when the payment had to be done in gold and silver, colonies, such as the northern ones, could find it (WN V.iii.84). Smith argued, therefore, that there was no need to fear the absence of gold and silver in America as it was a consequence of using paper currency and not of poverty (WN V.iii.78-81). Moreover, taxes did not have to be paid in gold and silver; they could be paid "in bills drawn upon and accepted by" British merchants, who could, after receiving the American rude products they bought, pay the corresponding amount directly to the British Treasury (WN V.iii.87).

Smith's account of public debt was thus embedded in his rebuttal of mercantile policies and doctrines, which were in turn, inseparable from the colony issue.

Skinner argues that his real purpose was to denounce the mercantile system "by exposing the inconsistencies of policy with regard to the American colonies" (1996:213). The colonial problem, on the other hand, was tied to the ongoing fiscal problem so that colonial solution had to be linked to the fiscal solution (Stevens 1975:208). Consequently, his attitude to public debt derived directly from his "anti-mercantilist philosophy" (Rowley 1986: 59). Considering that Smith might have delayed the publication of *Wealth of Nations* so as to adapt the relevant parts of his book to the ongoing political disturbance in the colonies of North America (Winch 1978: 146, Stevens 1975: 203, Skinner 1996: 210)[173] and bearing in mind the fact that the end of a book could be the most influential on the readers—and therefore best place to take a last swipe at the opponents— the underemphasis of public debt in the secondary literature is somewhat curious. Smith was wholeheartedly against the practice of perpetual funding which facilitated the pursuit of mercantile interests; interests which were commonly opposed to the public interest (WN I.xi.p.10). As remarked by Skinner (1996: 221), Smith's critique becomes even more interesting "because of the emphasis on real than monetary factors". Indeed, Britain's growth had happily compensated, thus far, its burden which explains why Smith did not embrace bankruptcy as a solution. It wouldn't thus be an overstatement to suggest that Smith reconciled the coexistence of public debt with the mixed constitution of Britain. What was under threat was not the nation itself, but the prosperity of its subjects.

5. Conclusion

Both Smith and Hume emphasized that real wealth consists, not in money, but in the commodities, in their words, in the "necessaries and conveniences of life" (WN 1, E-Co: 265) enjoyed by the common people "in plenty" and in "security" (E-RP:117, WN III.iii.12). By emphasizing the real wealth, they aimed to show that the

[173] These writers draw upon a passage in a letter that Hume wrote to Smith on February 8th, 1776: "By all accounts, your book, Wealth of Nations, has been printed long ago; yet it has never been so much as advertised. What is the reason? If you wait till the fate of America be decided you must wait long" (L,2: 308).

priority given to the precious metals for national well-being by some of their predecessors was pointless. Smith, by contrast to Hume, could name his enemy (Skinner 2009: 382, Diatkine 2018): he referred to the doctrine and policies advocating for a favourable balance of trade, which boiled down, for Smith, to an identification of money and wealth, as "commercial, or mercantile System" (WN IV.i). Although Smith may have exaggerated their identification of money with wealth (Viner 1995: 19, Bouillot and Diatkine 2017), "the attribution to the precious metals of functions of such supreme importance to the nation's welfare as to make it seem proper to attach them a value to the common wealth superior to that of other commodities of equal exchange value" (Viner 1955: 22) was a common feature of mercantile writers.

For Smith, Hume had fallen into this error by highlighting the indispensability of metals for war finance. Hume had indeed elaborated a theoretical mechanism to refute the importance of the amount of money in a nation. However, he also attached a superior value to the precious metals in the international arena. Acknowledging any part of Hume's monetary theory, therefore, may have undermined Smith's attack on mercantile system (Petrella 1968). Accordingly, Smith emphasized the dispensability of metals even in war finance. Not only war costs were paid in commodities, of equal exchange value to metals, but also the colonies could remit their taxes in tobacco or in bills of exchange. In this manner, Smith surpassed the ambivalence about money which is very prominent in Hume. Exchanging the commodities became, in Smith, tantamount to exchanging the price of the commodities (Diatkine 1993: 208).

Public debt as the embodiment of mercantile policies absolutely required a real analysis. Juxtaposing it with Hume's reveals indeed a striking contrast. Hume assimilated public debt to any kind "paper-credit", without really distinguishing between those of commercial banks, of Bank of England or of the ordinary government securities and considered it as a kind of paper money with regard to its effect on depriving the country of gold and silver. Therefore, Hume

concentrated mainly on the monetary effects of public debt. Smith, on the other hand, separated completely his treatment of public debt from his considerations about paper money, banking and credit instruments. While he approved of all these to some extent, he condemned the perpetual funding by building his analysis exclusively on his theory of economic growth and focusing on the real effects of public debt.

Smith's exclusive focus on real factors explains why Smith did not consider bankruptcy as a solution for Britain, whereas Hume did so. Smith's vision of growth was "quantitative" compared to Hume's mostly qualitative approach to growth (Brewer 1998: 80, Brewer 1995). Unlike Hume, Smith acknowledged that the "annual produce of the land and labour of the society" (WN 9) increased from one year to the next thanks to savings, enabling the economy to grow despite the capital wasted in the form of loans to government and increased taxation.[174] Indeed, the role given to capital by Smith in the explanation of growth was absent in Hume's account (Brewer 1995, 1997, 1998, Rostow 1990: 35, Marshall 2000: 637). Hume did pay attention to capital and profits, but only "in terms of investment in trade, not in production" (Brewer 1995: 630). Hume had a "complete, almost blind, reliance on commerce and trade" (Paganelli 2006a: 534) as the source of economic growth. The change in the customs and manners of the people brought about economic change by creating incentive to work in the people who demanded new products. Brewer (1995: 623 n.29), therefore, chooses to use the term "development" rather than growth in order to point out to this qualitative aspect which concentrates on "structural and technical change" rather than "quantitative growth in inputs and outputs".

These two different theories of economic change may explain Smith and Hume's divergent opinion on the burden of public debt. On the one hand, by focusing on the growth of national income, Smith viewed it in relative terms, namely, as a

[174]Brewer (1998: 80) notes that this quantitative conception of economic change didn't exist in Smith's *Lectures on Jurisprudence*.

share of national income. People could pay more taxes thanks to economic growth. Again, the link between growth and taxation is also salient concerning the taxation of American colonies. High rate of growth in American colonies resulted in the increasing consumption of the colonies which created a taxable resource. On the other hand, regarding from a qualitative perspective, Hume saw the burden of debt in real terms. Over taxation was even more so conceivable in the absence of a commensurable magnitude which could compensate for the burden. It is also true that Hume "must have considered frivolous the question whether Parliament had a right to tax the colonies" (Livingston 1983: 28). But this stems from his very early belief, as early as 1768, according to which the independence of America was inevitable (Livingston 1983: 16).[175]

Hume's and Smith's different attitudes concerning the effects of public debt can thus be traced to their divergent economic approach. This is not to say that the latter had been exclusively determinant, however there is good reason to think that they have been influential. Yet, what remains true is that, both by no means envisaged public debt as a constant and even less so a reliable source of public revenue. "After all, a danger may be so dreadful and certain that all one can do is to point to inevitable ruin and go on cultivating one's garden, unless one is to become a crank and a bore. This seems to have been the case with Hume and the national debt, and with Adam Smith and many others for that matter" (Forbes 1963: 282). They were debt pessimists.

[175]Robertson (1993: 370-1) emphasizes Hume's opposition to a commercial empire as it was neither necessary nor beneficent.

CONCLUSION GÉNÉRALE

The present study has investigated Hume's and Smith's considerations on progress with regard to the role they give to *analysis* and *history* in their inquiry into the subject. Accordingly, diverging from a direct examination of their views on progress, which has received due attention in numerous treatments of the subject, I have taken up an indirect line of proceeding by concentrating on the relation between *analysis* and *history* within Hume's and Smith's thought, considered separately in the first place (Part 1) and then, by assessing the relative weight they put upon *analysis* and *history* through the comparison of their opinions about British public debt (Part 2).

As I have mentioned in the introduction, I considered *analysis* and *history* in their specific meanings: whereas the former is conceived in its strict sense, as referring to breaking down the unity to its parts or again to isolating the fundamental parts of the unity in order to explain or to reconstruct social phenomena, the latter stands for a particular conception of history formulated in the eighteenth century: conjectural history. Taking primitive society as the departure point of social evolution, this history deals with the origins of social institutions by explaining them in relation to the conditions shaping life in the societies.

In the first part, I have endeavoured to show that lurking in the background of Hume's and Smith's *analysis* are also two other conceptions of history which are different from the conjectural one. Hume's analysis of the emergence of the civil society is an history conceived as an inquiry into the facts of human nature, which, in accordance with the experimental method, derives from introspection as well as from the observation of human life. With the help of these two, Hume explains the origin of government by a principle of human nature which makes individuals to prefer present smaller interests over their larger but more remote interests. In order to account for the process by which individuals come to

establish the government, Hume departs from a state of nature which is supposed to be the original state of the society.

Smith's analysis of civil society, on the other hand, takes the shape of an analysis of the commercial society in his economic theory. Here, Smith draws a comparison between an early state of society and advanced state in order to define the characteristics of the latter. Though Smith seems to have a historical outlook at first glance, his comparison of the early and advanced states does not give rise to an explanation of the transition between the two states. In other words, rather than providing the starting point of an account of the development of the economy, the early state, i.e. the primitive society, enables him to advance the causes of the wealth of nations. In this respect, the history underlying his economic theory is shown to be *ahistorical*.

It has been shown that both Hume and Smith forge a link between *analysis* and *history* in their account of the emergence of civil society. Their conjectural *history* boils down to determining the cause of the emergence of the government: it is the rise of considerable wealth in the society which brings about the establishment of government; without such wealth the government remains unnecessary except in wartime where the rudimentary form of government first arises. With the accumulation of wealth and complexification of social relations, government consolidates its power. In Hume's case, therefore, analysis and history respond to two different questions about government: whereas the former answers the general question of why government would be necessary, the latter provides an answer for how it comes to be instituted and how it evolves in common life. In Smith's case, the emergence of the government is explained through the transition of societies from the first to the second stage of society, and as society advances through the stages the legal system becomes more extensive so does the government. The theory of four stages thus explains the institutional framework of the commercial society which would be the subject of economic analysis in the *Wealth of Nations*.

These findings are argued to be significant in order to address the question of the development of Hume's and Smith's thought. Contrary to a line of interpretation (Stewart 1963: 153-160, Forbes 1975a: 76, Waszek 1988: 99, Haakonnsen 1994: xxvii, 2009: 355), Hume did not change his theory of the origin of government, by rendering it more historical towards the end of his life. Analysis and history of the origin of government was a part of his political thought in his early thinking, and for that matter, in his "mature" thought. In difference to his intention of giving an *historical* explanation of the origin of government, his *analysis* enabled him to define the criteria by which to judge a "free" government: the best government would be the one which respects the property rights of the members of society, primarily by regulating the observance of contracts.

Again, contrary to a line of interpretation which comprehends Smith's historical outlook as uniform in all his thought (Forbes 1954: 648, Meek 1976a: 221, Skinner 1975, 1982, 1996, Stewart 1982: 295, Raphael 1985: 1-2, Stull 1986), the distinction between *analysis* and *history* is important in tracing the development of the *Wealth of Nations* itself as a work on political economy, which arises out of Smith's lectures on jurisprudence in the University of Glasgow, as evidenced by the student notes from the 1762-4 sessions and also by *Anderson Notes* (Meek 1976b) from the 1751-4 sessions. Smith's theory of four stages would thus not only be the framework for his never-to-be-written theory of jurisprudence, but it was also the framework within which his economic thinking was embedded, before which he chose to separate it from its jurisprudential and historical context.

The historical outlook of Hume and Smith was thus not only indispensable for their thinking, but it also played a role in their determination that progress was desirable. Though progress was not inevitable, nor perfect, there was a possibility to alter its effects, good or bad. In their own ways, Hume and Smith sought to promote policies which would foster the good effects of progress on society. This led both to question contemporary policies which undercut or stood against such

improvement. The contemporary debate about the burgeoning British public debt is an exemplar.

In the second part of this study, I attempted to show that Hume and Smith diverged in their attitude with regard to the problem of public debt. Though some commentators have hinted at this divergence (Winch 1978: 135, 1998, Pocock 1985: 139, Rashid 1998:109, Dome 2004), a detailed investigation which also takes into consideration Hume's economic thinking (Forbes 1975a, Pocock 1985, Winch 1998, Hont 2005) — contrary to the standard perspective of treating Hume's stance on public debt as a purely political issue — is required. According to Hume, British government could never pay the public creditors and would be obliged to infringe upon contracts undertaken with its creditors by resorting to bankruptcy. Smith, on the other hand, envisaged that Britain had the capacity to pay off her debt, if she could introduce radical political reforms concerning its colonies: either by separating from them or by founding a new British Parliament where every province would be represented according to their contribution to revenues of the empire.

The reasons for these different solutions to the debt problem have been traced to Hume's preoccupation with monetary issues by contrast to Smith whose focus is on the real economy. Hume argued that species were indispensable for waging war, however public securities, circulating in the economy as a kind of paper money, deprived Britain of species thereby creating the risk of leaving Britain defenceless in the case of a foreign invasion. Conversely, Smith did not foresee such a danger. Britain's economy had indeed deteriorated because of the practice of public borrowing, but still, it could continue growing by means of private savings. Moreover, he could envisage such theoretical schemes for payment of the public debt, precisely because of his theory of economic growth. If Britain would separate from his American colonies, the immense cost of the upcoming war as well as the peacetime cost of maintaining them would be avoided and, the healthy state of the economy would yield the surplus enough to pay off the debt

in a near future. Or again, the establishment of an imperial union could yield immense tax revenues, especially from the North American colonies who, following the natural progress of opulence, enjoyed a high rate of growth.

As explicated in the introduction, the subject of public debt also reveals the different roles Hume and Smith gave to *analysis* and *history*. While Hume's fear that Britain would not be able to finance war in the case of an upcoming threat is an economic one, his fear that there may indeed be such a war threat relies on British foreign politics. Hume thought that Britain was guided by imprudent politics reminiscent of the aggressive imperial politics of Roman Empire which had been the chief reason of the latter's downfall. Smith's political reform plans, in turn, relied on his theory of economic growth such that his economic analysis became the main tool of his intertwined critique of public debt and the mercantile system.

As a result, this study shed light on the affinity between Hume and Smith's use of history, on the one hand, and hinted at the divergent role of history in their political economy, on the other hand. The gradual disappearance of the historical perspective from economic thinking, that the comparison between Hume and Smith revealed, prefigures the evolution of purely theoretical classical economics. The comparison between these two prominent Scottish figures also shows that *Wealth of Nations* is important in the explanation of the subsequent retreat of monetary questions into the background of economic theory.

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ENTRE HISTOIRE ET ANALYSE : LE PROGRÈS SELON DAVID HUME ET ADAM SMITH

Cette thèse porte sur la relation entre *histoire* et *analyse* dans les considérations de Hume et de Smith sur le progrès. Son objectif est double. En premier lieu, elle vise à montrer que ces deux auteurs écossais articulent une approche historique, dite conjecturale, avec une autre approche historique qui relève de leur *analyse* de l'émergence de la société civile. Tandis que Hume rassemble ces deux approches historiques distinctes dans sa philosophie politique, Smith fait émerger son *analyse* économique de sa philosophie politique, qui est une *histoire* conjecturale de la société civile. Selon les deux auteurs, le gouvernement naît d'une inégalité de richesse au sein de la société et son but principal est de sécuriser la propriété privée. L'analyse économique de la *Richesse des Nations* dérive de cette théorie du gouvernement et de la justice. En second lieu, ce travail a pour but de souligner que Smith donne un moindre rôle à l'histoire dans sa théorie économique que Hume. Les attitudes divergentes de Hume et Smith vis-à-vis du problème de la dette publique britannique en témoigne. Tandis que Hume met en avant le danger provenant de la politique belliqueuse de la Grande Bretagne en traçant un parallèle avec l'Empire romain, Smith privilégie les effets économiques de la dette, qui, malgré leur nocivité, sont compensés par l'épargne privée. Une telle comparaison explique l'émergence ultérieure de l'école classique qui privilégie une analyse économique purement théorique, dépourvue de contexte historique.

Mots-clés : analyse économique, histoire conjecturale, David Hume, philosophie politique, progrès, richesse, Adam Smith.

BETWEEN HISTORY AND ANALYSIS: PROGRESS ACCORDING TO DAVID HUME AND ADAM SMITH

This dissertation examines the relationship between *history* and *analysis* in Hume's and Smith's considerations on progress. Its objectif is twofold. First, it aims to show that these two Scottish thinkers bring together an historical approach, i.e. conjectural history, with another historical approach stemming from their *analysis* of the rise of civil society. Hume conflates these two distinct historical approaches in his political philosophy, whereas Smith separates gradually his economic *analysis* of from his political philosophy — which is a conjectural history of civil society. According to both of them, the government originates from the inequality of wealth within society and its main purpose is to secure private property. The economic analysis of the *Wealth of Nations* derives from this theory of government and justice. Secondly, this study aims to emphasize that Smith's economic theory is less historical than Hume. This is illustrated by the difference between Hume's and Smith's stance on the problem of the British public debt. While Hume points out the danger proceeding from Great Britain's aggressive international politics — by drawing a parallel with the Roman Empire —, Smith brings to the fore the economic effects of public debt, which, despite their harmfulness, are offset by private savings. Such a comparison explains the subsequent emergence of the classical school which deploys a purely theoretical economic analysis that lacks historical context.

Keywords: economic analysis, conjectural history, David Hume, political philosophy, progress, wealth, Adam Smith.