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The Promise of Peace? Hume and Smith on the Effects of Commerce on War and Peace

ROBERT A. MANZER

The crisis of legitimacy that led to the precipitate fall of Communism in the Soviet Union and Eastern Europe proceeded in large part from the desires of peoples to join the West's cornucopia of consumer goods and advanced technologies. In the end, neither seventy years of official indoctrination in the evils of bourgeois society nor forced collectivization succeeded in stamping out such desires; and as the success of free markets highlighted the shortcomings of planned economies, they came to the fore. Unable to compete, the new model Soviet Man succumbed to the industrious, profit-seeking man of commerce, propelling the world toward a common way of life. In this way, the historic demise of Marxist communism appeared to confirm the much-storied power of commerce to bring peace.

Just over two centuries ago, leading political and economic thinkers began to recognize that the explosive development of internal and international commerce might lead to a profoundly new epoch in human history. Many of course bemoaned the onset of this new epoch, seeing within the expansion of commerce the potential to unsettle previously authoritative moral understandings. Others greeted it with more optimism—even glee. In the expansion of commerce, they saw the potential for promoting a greater humanity, ending violent religious sectarianism, and elevating man's material estate. Most expressive of this new optimism, however, were the hopes for world peace that seemed substantiated by the pacific "spirit of trade" and "the mechanism of man's inclinations themselves."¹ This article will examine the

thought of David Hume and Adam Smith on the meaning of the expansion of commerce for war and peace between nations.

Previous treatments of this subject have focused on the “discovery” of “interest” and commerce,² on the efforts to promote them in the service of peace and prosperity,³ and on the “inescapable ambivalence” in Hume’s and Smith’s visions of commercial modernity.⁴ While drawing on these earlier studies, I will focus more narrowly on Hume’s and Smith’s understandings of their own roles as *shapers of opinion*. The need to perform this role grows out of the fact that while they thought “the natural effect of commerce is to bring peace,”⁵ neither was confident that the spirit of commerce or the mechanism of man’s inclinations would in fact accomplish this. For them, most importantly, *prudence* was necessary to ease the tensions between the commercial world and the one that preceded it, as well as those within the commercial world itself.

In focusing on the roles of prudence and opinion in Hume’s and Smith’s thoughts on commerce and war, this article provides a helpful corrective to earlier interpretations that stress their contributions to “a deflection of political philosophy towards the economic”⁶ and a corresponding diminishment of politics and political judgment.⁷ It also provides a helpful perspective on the recent controversy over whether the contemporary expansion of democracy is a force for peace.⁸ In general, the literature on this controversy slights the importance of commerce in favor of the cooperation-inducing potential of democratic institutional constraints⁹ and democratic norms and cultures.¹⁰ In opposition, critics cite the intractability of a Hobbesian concern with security that breeds suspicion and anticipant strikes.¹¹ To be persuasive, however, such arguments must take account of the power and character of economic self-interest, which is arguably the most prevalent and influential motive in the contemporary world.

In this regard, Hume and Smith help us better understand modern self-interest by showing us how it depends on a certain intellectual basis. They show us how understandings of pride and self-interest itself must be carefully shaped to support modern self-interest. In addition, by returning us to the role of prudence in shaping this intellectual basis, Hume and Smith remind us of the *limits* to “the mechanism of man’s natural inclination” and of the need for supplementary human action to secure peace. Along these same lines, they also show us how, despite the tendencies towards peace unleashed by commerce, peace in the commercial age still depends on wise policies that aim at securing nations by building their strength.

The Problem of Pride

For commerce to bring peace and security, Hume and Smith recognized, the problem posed by pride had to be ameliorated or even eliminated

altogether. They viewed pride as the seat of much, if not all, uncivil and belligerent behavior, and held accordingly that pride had to be channeled into more pacific paths or, even better, subordinated to the calculation of interest. Merely liberating interest was not enough, for as interest could be strong and persistent, so still could pride. To accomplish their ends thus, Hume and Smith drew attention to the economic irrationality of the most unpacific forms of pride: national and aristocratic pride. To strengthen their hand, they presented these forms in other unattractive lights, singling them out as narrow and unenlarged, even childish and foolish.

"Our jealousy and our hatred of FRANCE are without bounds; and the former sentiment, at least, must be acknowledged reasonable and well-grounded," Hume wrote in "Of the Balance of Trade." "But what have we gained by the bargain?"¹² In posing this and other like questions, Hume sought to bring his readers face to face with the economic costs of a belligerent and jealous national pride. Mercantilist economics had defended the barriers and obstructions on free trade "occasioned" by this pride, but a true understanding of "the nature of commerce" shows us that they are in fact a bad bargain: they raise domestic prices, curb foreign trade and reduce art and industry. Accordingly, "not only as a man, *but as a BRITISH subject*, I pray for the flourishing commerce of GERMANY, SPAIN, ITALY, and even FRANCE itself."¹³ Hume asserts that national pride should be tamed by recognizing economic dependence,¹⁴ but his reasoning also points to Smith's cosmopolitan merchant who is "not necessarily the citizen of any particular country."¹⁵

Economic rationality might also enhance peace and security at home, Hume and Smith argued. Here, the English aristocrats were the chief villains, and their fall from power the source of a valuable lesson. In the feudal period of English history, those aristocrats were the constant source of civil conflict; they ruled over independent, virtually sovereign fiefs, supported by an army of retainers armed to the teeth.¹⁶ The most important effect of commerce, Hume argued and Smith seconded, was to induce the aristocrats to sacrifice these estates and their power to their desire for the new consumer goods. Once these goods became available through the advance of commerce, the nobles sought them out at the expense of maintaining their retainers, thus ending the slave-like existence of these men and diminishing the aristocrats' power-base.¹⁷ Such a shift of power alone attests to the power of economic interest and thinking to lead to peace and security, but Smith also sees in all this an opportunity to expose the hollowness of aristocratic pride and its correspondent way of life. These nobles "sold their birth-right, not like Esau for a mess of pottage in time of hunger and necessity, but in the wantonness of plenty, for trinkets and baubles, fitter to be the play-things of children than the serious pursuits of men." Smith goes further: virtually all the behavior of the aristocracy can be traced to "the most childish vanity [which] was the sole

motive of the great proprietors."¹⁸ Even their hospitality, displayed in their brilliant feasts and elaborate courts, which Montesquieu linked to a magnanimous lack of concern for self-interest,¹⁹ was really only the product of economic necessity; they had no other objects to satisfy their vanity. When new objects of vanity appeared, they unhesitatingly exchanged the old retainers for the new trinkets and baubles. The monumental decline of the British nobility and the rise of the middle class is thus the story of childish vain aristocrats losing out to industrious merchants who were "much less ridiculous [in acting] from a view to their own interest."²⁰

The historic shift of economic and political power to "the middling rank of men" was only the first instance in which these men demonstrated the power of commerce to promote civil peace and liberty. Even in his own time, Hume remarked, this rank of men was "the best and firmest basis of public liberty" in the country that enjoyed "the most entire system of liberty that ever was known amongst mankind."²¹ While Hume referred to their role in checking absolute power and promoting the rule of law, Smith stressed their reasonable resistance to the charms of an older virtue. In *The Theory of Moral Sentiments*, the latter idealized these men as "men of prudence," most remarkable for their resistance "not only to all the vain splendor of successful ambition, but to the real and solid glory of performing the greatest and magnanimous actions." Instead of splendor, their virtues reflected civility and peacefulness: such men were sincere, capable of friendship, and exact observers of common decencies. Not drawn to the heroic, their "first and principal object" was "security."²²

Pacific Interest?

While individuals driven by considerations of rational economic self-interest are unlikely to be moved by pride to disturb the peace, they may be so moved by interest. The solution lies of course in prompting them to weigh the costs and benefits of a bellicose course against those of a pacific one. Accurate calculation favors the latter. But men in general and commercial men in particular do not always calculate accurately, and when they do not, they can try to satisfy their interests through short-sighted unpacific acts. Hume and Smith thus underscore the importance of channeling interest towards a pacific path by pointing to the many instances where interest leads to conflict and war.²³

In the pre-civil natural condition, Hume writes, "avidity" for property is the greatest obstacle to establishing civil society among men. "Avidity alone of acquiring goods and possessions for ourselves and our nearest friends, is insatiable, perpetual, universal and directly destructive of society." When left to its first and most natural movements, "there is no one, who has not reason to fear" avidity for property; indeed the difficulties encountered in

establishing civil society are exactly proportionate to “those we encounter in restraining this passion.” No other passion comes close to this affection’s destructive power; vanity—a social passion and “bond among men”—is not even a distant rival. Luckily, people can be shown that peace and civil society satisfy this passion better than war and the pre-civil condition.²⁴

A similar calculation must be propagated to preserve civil liberty in more advanced societies, Hume indicates. The fate of civil liberty, as we know, rests on the fate of “the middling rank of men.” Because they possess property, they will not submit to slavery as their peasant ancestors did, and as their property is moderate, they lack the means to tyrannize others. They thus “covet equal laws, which may secure their property, and preserve them from monarchical, as well as aristocratical tyranny.” Yet the economic arrangement that supports this sociopolitical result is exceedingly fragile. Brought into being by a shift in expenditures—the nobility’s shift from slave-like retainers to new consumer goods—the middling class of men could fall victim to another shift. Indeed the rich, acting short-sightedly on their interest, would prefer to tax the middle class into poverty than to raise taxes on themselves. They must be taught that English liberty rests on its middle class and that a relative equality of wealth is “the great advantage of England above any nation at present in the world.”²⁵

As the interests of men in both the natural pre-civil condition and in civil society may lead to conflict, so may those conflicting interests even lead their nations to war. Contrary to Hume, who sees the struggles of modern nations as wars of “jealous emulation,” Smith locates their source in the economic. Modern wars are about colonies, he argues, and indeed “the late war was altogether a colony quarrel.”²⁶ To be sure, England’s attachment to its colonies has some basis in national pride, but its willingness to bear enormous costs in money and men to defend them can be traced only to the economic self-interest of monopolists. For these avaricious few, only a stranglehold on the trade of the colonies, preserved by force, can assure the exorbitant profit they seek.²⁷ Englishmen must be shown the costs of this policy and the benefits of opening up the colonies to domestic and foreign competition.²⁸

Peace through Strength

While recognizing how the promotion of a properly directed interest might have a pacifying effect, Hume and Smith thought the most immediate and visible effects of commerce were on the way nations fought wars. The time of hand-to-hand combat, where martial valor and courage were the principal ingredients of military success, was fast approaching its end, a victim of advances made in armaments and technology. These advances followed closely upon ones in commerce and manufactures, while attendant advances in financing and bureaucratic organization had a like impact.²⁹ Observing this

scene of events, Hume and Smith tried to fathom its importance. Both discerned that commerce would make modern nations stronger than all that had preceded them, and both sought to weaken prejudices that might impede the development of this new military might. Yet Hume and Smith also hinted that the massive strength of commercial nations would itself be a probable force for peace.³⁰

"Men of republican principles have been jealous of a standing army as dangerous to liberty," Smith wrote, but such men neglect the fundamental changes brought to warfare by commerce and the division of labor. In pre-commercial societies—hunter-gatherer, agricultural—"every man is a warrior or easily becomes such." Soldiering is here an art suited to nearly all men because they sustain themselves through physically demanding forms of labor.³¹ Equally important, these men may easily depart their civilian work for military service. The work they leave behind can be done by old men, women and children, and they are not unwilling "to serve without pay during a short campaign." By contrast, in a commercial society "the natural habits of the people render them incapable of defending themselves," and the division of labor makes it impossible for commercial men to leave their trades for even a short period without substantial loss. Additionally, with the advance of commerce, the art of war becomes exceedingly intricate and specialized. There is thus only one sensible course to pursue: "render the soldier a particular trade, separate and distinct from all others."³²

Cool-headed analysis also reveals "the irresistible superiority which a well-regulated standing army has over a militia." Indeed the main truth borne out by the modern military is that "regularity, order and prompt obedience" are more important to determining the fate of battles than either "strength and agility of body" or "the dexterity and skill of the soldiers in the use of arms." The physical strength and skill of the front-line fighters give way in importance to the strategist, drill sergeant, provisions expert and financier. The proper response to these changes is not sadness or nostalgia for the past, however, but hopeful expectation. Above all, these developments mean that the barbarians who have always been waiting at the gate of civilized nations can now be locked out for good. Out-gunned and out-organized by modern standing armies, "the poor and barbarous find it difficult to defend themselves against the opulent and civilized"—a development that "is certainly favourable to the permanency and the extension of civilization."³³

As men need to be disabused of their attachment to the militia and shown the benefits of a standing army, so, Hume argues, sovereigns need to be disabused of their reverence for classical civic virtue and shown the benefits of commerce. Concerned with the "greatness" of their state, sovereigns are drawn quite naturally to the great classical republics, whose success was founded on the total subordination of self-interested passions to a "passion for public good." Yet sovereigns need to look more closely at what sustained these

regimes before they take a stand against commerce, Hume argues. Most importantly, they should see how an "extraordinary concurrence of circumstances" sustained them by sustaining a passion for public good.³⁴ Sovereigns are thus led to recognize the inherent instability and limitation of the passion for public good and to conclude that this passion is "too disinterested and too difficult to support" to be the basis of a secure state.³⁵

Instead of restraining commerce to foster an inherently weak passion for public good, the sovereign should promote commerce and put the "power of the state" on the bedrock of interest. "It is his best policy to comply with the common bent of mankind, and give it all the improvements of which it is susceptible." Most importantly, by promoting commerce and interest, the sovereign can utilize a "principle" that is easy to "raise" and "cultivate." Because it is easy to raise, interest diminishes the importance of supportive circumstances and thereby insulates the state against vicissitudes of fortune.³⁶ Because it is easy to cultivate, interest affords the sovereign the possibility of increasing national strength beyond the static limits of nations past.³⁷

Like Smith's, however, Hume's analysis seems to point ultimately to a more peaceful commercial world. Most importantly, Hume's commercial state does not rely on war-inducing conditions to support its central principle or its strength. Unlike the classical republic's passion for public good, interest thrives without belligerent circumstances. Moreover, as the superior strength of the commercial state derives from its superior material resources and technology, it is not likely to be a martial state, and the world it dominates is not likely to be a martial world. By becoming the strongest state ever, the commercial state promises the possibility of an unprecedented and stable peace.³⁸

Martial Spirit and the Man of Commerce

Despite their high regard for the utility of commerce, both thinkers held that the security of the new commercial nation still depended ultimately on the capacity of its people to summon a martial spirit when necessary. Their recognition of the need for martial spirit softened their campaign against pride and led Smith to despair for the fate of commercial society—Hume considerably less so. Their fears grew partly from the practical concern of national defense but were heightened by their view that a martial spirit was among "the nobler parts of the human character."³⁹

"That in the progress of improvement the practice of military exercises...goes gradually to decay, and, together with it, the martial spirit of the great body of the people," Smith argues, "the example of modern Europe sufficiently demonstrates." Sovereigns cannot afford to treat this decay lightly, for "the security of every society must always depend, more or less, upon the martial spirit of the great body of the people." Yet even if this were not so, and

even if a nation's defense could be founded solely on its material resources and technical ingenuity (as seems more likely in our times than Smith's), this decline would remain of concern. Combating the spread of cowardice alone would justify the expense of encouraging a martial spirit, for "a coward...wants one of the most essential parts of the character of a man"; such a man "is as much mutilated and deformed in his mind, as another is in his body, who is...deprived of some of its most essential members." Indeed "so great a publick evil" is the spread of cowardice that it ranks among the most serious threats to the public health, rivaling "leprosy or any other loathsome and offensive disease." Sadly though, commercial society abets this disease while lacking the resources to combat it. At fault is the division of labor: the uniformity and specialization of most tasks corrupts courage and saps the body of its vitality. Regular military exercises on the model of Greece and Rome might be employed to control the destructive tendencies of the division of labor, but the largeness of modern states makes them impractical—a fact confirmed by the experience of modern militias. Commercial society appears thus to be without any recourse against an "almost entire corruption and degeneracy of the great body of the people."⁴⁰

Hume appears less pessimistic than Smith about the possibility of sustaining a martial spirit in modern men of commerce. For him, the greatest threat to a martial spirit is commercial society's advancing humanity, but he concludes that we need not "fear, that men, by losing their ferocity, will lose their martial spirit, or become less undaunted and vigorous in defense of their country and liberty." In commercial society a "sense of honor" can replace "anger" as the spring of martial spirit, and this affection is "more constant and more governable" than anger.⁴¹ At other times, however, Hume hints at a less sanguine view. In the *Enquiry concerning the Principles of Morals*, he writes of modern men whose "narrow" souls are incapable even of appreciating, much less emulating, ancient "grandeur and force of sentiment."⁴² Even here though, he suggests that education and social conventions could correct such "meanness" of spirit; the ancients furnish us with instructive examples of "dignity of spirit" and "greatness of mind," and "good manners and politeness" make it possible to reconcile humanity with a "noble pride and spirit." By employing such means, Hume offers, a commercial society might avoid the gloomy fate that Smith projected for it.⁴³

Conclusion

For David Hume and Adam Smith, the triumph of the commercial way of life meant fundamental change at the level of international relations, domestic society and individual psychology. In general, they viewed such change optimistically, eyeing greater wealth, political security and peace as the primary results. They were optimistic because they believed, as Hirschman

writes, that commerce would “activate some benign human proclivities at the expense of some malignant ones—[and] in this way...repress and atrophy the more destructive and disastrous components of human nature.” Commerce could support a moderate middle class against an overbearing aristocracy, create economic links between prideful rival nations, and spawn an international brotherhood of demanders and suppliers whose members saw each other as like-minded economic calculators.⁴⁴

While recognizing the potential beneficence of commerce, however, Hume and Smith saw its limits. Even in a world dominated by commerce they foresaw no perpetual peace. The limits they saw, like commerce’s beneficence itself, were rooted in human nature. Commerce promotes benign human proclivities, but it falls short of transforming human nature: destructive and disastrous components may reassert themselves in old and new forms (see modern nationalism and so-called “ancient” hatreds) and apparently benign ones may turn out not to be so benign. Ever wary, Hume and Smith teach that to realize commerce’s promise of peace and security, we must not underestimate the sources of human insecurity and conflict. They suggest that even in our time—a time characterized by the ever-expanding embrace of commerce and commercial norms—reaching the goal of stable peace still depends on wise policies, and most probably, force.

NOTES

1 Immanuel Kant, “To Perpetual Peace: A Philosophical Sketch,” *Perpetual Peace and Other Essays*, trans. Ted Humphrey (Indianapolis: Hackett, 1973), 125.

2 Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton: Princeton University Press, 1977).

3 John Danford, *David Hume and the Problem of Reason: Recovering the Human Sciences* (New Haven: Yale University Press, 1990), 109–135; Franklin A. Kalinowski, “David Hume on the Philosophic Underpinnings of Interest Group Politics,” *Polity* 25 (1993): 355–374; Paschal Larkin, *Property in the Eighteenth Century* (Port Washington: Kennikat, 1969), 83–100; Ralph Lerner, “Commerce and Character,” in *The Thinking Revolutionary* (Ithaca: Cornell University Press, 1987), 195–221; James Moore, “Hume’s Political Science and the Classical Republican Tradition,” *Canadian Journal of Political Science* 10 (1977): 809–839; Thomas Pangle, *The Spirit of Modern Republicanism* (Chicago: University of Chicago Press, 1988), 68–72; Donald T. Siebert, *The Moral Animus of David Hume* (Newark: University of Delaware Press, 1990), 136–154.

4 J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton: Princeton University Press, 1975), chaps. 13–14; Pocock, “Hume and the American Revolution,” in *Virtue, Commerce and History: Essays on Political Thought and History, Chiefly in the Eighteenth Century* (Cambridge: Cambridge University Press, 1985), 125–141; Istvan Hont, “The Rhapsody of Public Debt: David Hume and Voluntary State

Bankruptcy," in *Political Discourse in Early Modern Britain*, eds. Nicholas Phillipson and Quentin Skinner (Cambridge: Cambridge University Press, 1993), 321–348. See also the attention paid to *Das Adam Smith Problem*, that is, the problem of reconciling the central themes of Smith's two books: self-interest in *The Wealth of Nations* and "sympathy" in *The Theory of Moral Sentiments*. For a recent discussion of this problem, see Peter Minowitz, *Profits, Priests, and Princes: Adam Smith's Emancipation of Economics from Politics and Religion* (Stanford: Stanford University Press, 1993).

5 Montesquieu, *De L'Esprit des Lois*, 2 volumes (Paris: Garnier Freres, 1973), vol. 2, 3.

6 Joseph Cropsey, *Political Philosophy and the Issues of Politics* (Chicago: University of Chicago, 1977), 53–54.

7 Of the vast literature on Hume's moral and political thought, only John B. Stewart's highly insightful book focuses explicitly on Hume's concern with shaping opinion; see Stewart, *Opinion and Reform in Hume's Political Philosophy* (Princeton: Princeton University Press, 1992). Istvan Hont ("Commercial Society and Political Theory in the Eighteenth Century: The Problem of Authority in David Hume and Adam Smith," in *Main Trends in Cultural History*, eds. Willem Melching and Wyger Velema [Amsterdam: Rodopi, 1994], 54–94) and J.A.W. Gunn (*Beyond Liberty and Property: the Process of Self-Recognition in Eighteenth-Century Political Thought* [Montreal: McGill's Queen's University Press, 1983], 264) locate Hume's concern with popular opinion within a long tradition of apprehension of democracy. On Smith, see Winch's summary of the strand of Smith interpretation that stresses the unimportance of politics and political judgment for Smith in Peter Winch, *Adam Smith's Politics: An Essay in Historiographic Revision* (Cambridge: Cambridge University Press, 1978), chap. 1. As Winch shows, this interpretation generally argues that Smith "constructed an intellectual system in which politics is epiphenomenal to the more profound economic forces at work in modern commercial society," p. 27.

8 For a good overview of this controversy, see Christopher Layne, "Kant or Cant: The Myth of the Democratic Peace," *International Security* 19.2 (Fall 1994): 5–10.

9 Bruce Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World* (Princeton: Princeton University Press, 1993), 38–40; Michael W. Doyle, "Kant, Liberal Legacies and Foreign Affairs, Part I," *Philosophy and Public Affairs* 12 (Summer 1983): 205–235; Doyle, "Liberalism and World Politics," *American Political Science Review* 80 (December 1986): 1151–1169; T. Clifton Morgan and Sally H. Campbell, "Domestic Structure, Decisional Constraints and War: So Why Kant Democracies Fight?" *Journal of Conflict Resolution* 35 (June 1991): 187–211.

10 Russett, 31; Doyle, "Kant, Liberal Legacies, and Foreign Affairs," 230; Harvey Starr, "Democracy and War: Choice, Learning and Security Communities," *Journal of Peace Research* 29.2 (1992): 207–213; Richard Rosencrance, *The Rise of the Trading State* (New York: Basic Books, 1986).

11 Layne, 10–12; John Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security* 15 (Summer 1990): 5–56;

Kenneth Waltz, "America as Model for the World? A Foreign Policy Perspective," *PS* (December 1991): 667–670.

12 David Hume, "Of the Balance of Trade," in *Essays: Moral, Political and Literary*, edited by Eugene Miller (Indianapolis: Liberty Fund, 1987), 315. All other references to Hume's essays are to this volume.

13 "Of the Jealousy of Trade," 331, my emphasis.

14 In this vein, also see Pocock's account of Hume's opposition to empire and his calculation of its costs (e.g., the public debt), "Hume and the American Revolution," 138–141; cf. Hont, "The Rhapsody of Public Debt," 321–348; and John Robertson on Hume's fears of universal monarchy in "Universal Monarchy and the Liberties of Europe: David Hume's Critique of an English Whig Doctrine," in *Political Discourse in Early Modern Britain*, eds. Phillipson and Skinner, 349–373.

15 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, edited by R. H. Campbell and A. S. Skinner, 2 vols. (Indianapolis: Liberty Fund, 1982) vol. 1, 426. See also Montesquieu, vol. 1, bk. 20, chap. 23; Kant, 125; Ralph Lerner, "Commerce and Character," *The Thinking Revolutionary* (Ithaca: Cornell University Press, 1987), 203–204.

16 See David Hume, *History of England: from the Invasion of Julius Caesar to the Revolution in 1688*, 6 vols. (Indianapolis: Liberty Fund, 1983), vol. 1, 523.

17 Hume, *History*, vol. 3, 76–77; "Of Refinement in the Arts," 277–278; Smith, *Wealth of Nations*, vol. 1, 411–421. In Volume 2 of his *History*, Hume suggests somewhat differently that improvements in agriculture and the increase of money were the crucial factors leading the aristocracy to abandon their feudal tenures; see 523–524.

18 Smith, *Wealth of Nations*, vol. 1, 421.

19 Montesquieu, vol. 2, 3.

20 Smith, *Wealth of Nations*, vol. 1, 422. Also see Smith's characterization of the Spanish aristocracy of the Spanish-American colonies (*Wealth of Nations*, vol. 2, 610–613).

21 Hume, "Of Refinement in the Arts," 277; *History*, vol. 6, 317. See also Duncan Forbes, *Hume's Philosophical Politics* (Cambridge: Cambridge University Press, 1975), 96: ([Hume's] "political philosophy [is] fashioned to meet the needs of forward-looking 'moderate men' in a modern progressive society"); Stewart, 191–192. Compare David Miller's assessment that while Hume is ideologically attached to free economics, his politics are shaped by an eighteenth century ideology of "deferential politics" that preserved the privileged position of landowners (Miller, *Philosophy and Ideology in Hume's Political Thought* [Oxford: Clarendon, 1981], 193).

22 Smith, *The Theory of Moral Sentiments*, edited by D. D. Raphael and A. L. Macfie (Indianapolis: Liberty Press, 1982), 212–217.

23 Here I depart substantially from Hirschman's account of the early proponents of "interest" in *Passions and the Interests*, especially 56–66. Hume was much more suspicious of interest than his account suggests.

24 David Hume, *A Treatise of Human Nature*, edited by L.A. Selby-Bigge, 2nd ed. revised by P.H. Nidditch (Oxford: Clarendon, 1978), 491–492.

25 Hume, "Of the Refinement in the Arts," 277; "Of Commerce," 265.

26 Smith, *Wealth of Nations*, vol. 2, 615. He refers here to the Seven Years War.

27 "Whatever expense Great Britain has hitherto laid out in maintaining this dependency, has really been laid out in order to support this monopoly" (*Wealth of Nations*, vol. 2, 615).

28 For further reflections on the problematic aspects of interest in Smith's *Wealth of Nations*, see Jerry Muller, *Adam Smith in His Time and Ours* (New York: Free Press, 1992), chap. 5. On Hume's conception of Britain's ambition of acquiring a commercial monopoly over America, see Robertson, "Universal Monarchy and the Liberties of Europe," 370–373. More generally, on the war-like consequences of commercial passions, see Alexander Hamilton's famous discussion in the sixth *Federalist* (Hamilton, John Jay and James Madison, *The Federalist Papers*, edited by Clinton Rossiter [New York: Mentor, 1961], 56–59).

29 On the military applications of commercial development, see John Brewer's brilliant study, *The Sinews of Power: War, Money and the English State, 1688–1783* (New York: Knopf, 1989).

30 Hume and Smith were not the first to emphasize the importance of commerce to national defense. See, for example, Thomas Hobbes, *Leviathan*, edited by C.B. MacPherson (Harmondsworth: Penguin, 1986), chap. 24 and John Locke:

The chief end of trade is Riches and Power which beget each other. Riches consists in plenty of moveables, that will yield a price to foraigner, and are not like to be consumed at home, but espetially in plenty of gold and silver. Power consists in numbers of men, and ability to maintaine them. Trade conduces to both these increasing yr stock & yr people. & they each other (Bodleian Library, Ms. Locke c. 30, f. 18; as quoted in C. B. MacPherson, *The Theory of Possessive Individualism: Hobbes to Locke* [Oxford: Clarendon, 1962], 134).

31 "They who live by agriculture generally pass the whole day in the open air, exposed to all the inclemencies of the seasons. The hardiness of their ordinary life prepares them for the fatigues of war, to some of which their necessary occupations bear a great analogy. The necessary occupation of a ditcher prepares him to work in the trenches, and to fortify a camp as well as to enclose a field. The ordinary pastimes of such husbandmen are the same as those of shepherds, and are in the same manner in the images of war" (*Wealth of Nations*, vol. 2, 693).

32 Smith, *Wealth of Nations*, vol. 2, 692–698, 704–706.

33 *Ibid.*, 699–701, 708. On Smith's subordination of national "opulence" to national defense, see E. M. Earle, "Adam Smith, Alexander Hamilton, Friedrich List: The Economic Foundations of Military Power," in *Makers of Modern Strategy: From Machiavelli to the Nuclear Age*, edited by Peter Paret (Princeton:

Princeton University Press, 1986), 217–30.

34 See Hume's emphasis on the role circumstances played in sustaining the classical republic in his description of the republics ("Of Commerce," 259), and in his consideration of the possibility of founding a modern republic on the classical model:

Could we convert a city into a kind of fortified camp, and infuse into each breast so martial a genius, and such a passion for public good, as to make every one willing to undergo the greatest hardships for the sake of the public; these affections might now as in ancient times, prove alone a sufficient spur to industry, and support the community. ("Of Commerce," 262–263, my emphasis)

35 Hume, "Of Commerce," 255–259, 262–263.

36 On the reliability of interest, also see Hume's statement in "Of Civil Liberty" that "Avarice, the spur of industry, is so obstinate a passion, and works its way through so many real dangers and difficulties" (93); his statement in "Of the Rise and Progress of the Arts and Sciences" that "Avarice, or the desire of gain, is an universal passion, which operates at all times, in all places, and upon all persons" (113); and his statement in the *History* that "Nothing opens the eyes of men so readily as their interest" (vol. 2, 306).

37 Hume, "Of Commerce," 260–264.

38 Hume also argues in "Of the Refinement of the Arts" that a consequence of the refinement of the arts is the extension of humanity, such that "Even foreign wars abate of their cruelty," 273–274.

39 Smith, *Wealth of Nations*, vol. 2, 783.

40 *Ibid.*, 781–788.

41 In commercial society, the sense of honor "acquires fresh vigour by the elevation of genius which arises from knowledge and a good education" ("Of Refinement in the Arts," 274).

42 See Hont's account of how Hume thought commercialization and the rise of a financial class could undermine "all ideas of nobility, gentry, and family," ("Rhapsody of Public Debt," 340–348).

43 Hume, *Enquiry concerning the Principles of Morals*, edited by P.H. Nidditch (Oxford: Clarendon, 1988), 252–257; 265. While concerned with the effects of commercial society on martial spirit, neither Hume nor Smith would have sided with Hegel when he favored war as a means for elevating bourgeois society. Compare Georg Hegel, *Philosophy of Right*, translated by T. M. Knox. (Oxford: Clarendon, 1967), 210. For a more extensive view of Hume's complex understanding of pride, see Robert Manzer, "Hume on Pride and the Love of Fame," *Polity* 18 (Spring 1996): 333–355.

44 Both also thought commercial passions could help alleviate the problems associated with religion. See, for example, their proposals to ameliorate religious faction: Hume advocates channeling and subduing the "interested diligence" of the clergy through a state-sponsored religion (*History*, vol. 3, 135–136), while Smith, explicitly rebutting Hume, advocates free competition

among religions as the more effective policy for controlling "excessive religious zeal" (*Wealth of Nations*, vol. 2, 788–794).

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