

Part IV

Impartial Competition

Introduction

It is often fashionable to accuse Smith of taking his economics from the French economists whom he met during his tour of France with the Duke of Buccleugh. Smith did not publish *Wealth of Nations* until 1776 and he visited France in 1764–6, ergo, the French economists (the Physiocrats) must have been the source for his economics because he showed no interest in economics before he met them. But two plus two does not equal five.

Moral Philosophy courses in Scottish universities from the early 18th century included lectures on political economy. Smith, for example, took Francis Hutcheson's classes in political economy as part of Hutcheson's moral philosophy course between 1737–40. A comparison of subject headings in Hutcheson's posthumous book, published in 1755, shows many identical topic headings to those in *Wealth of Nations* (see Appendix).¹

The anonymous students who transcribed Smith's lectures between 1762 and 1764 showed that he lectured on economics over 14 years before he visited France and met the French economists. That French intellectuals like Montesquieu, Cantillon, Quesnay, Mirabeau and Turgot had influenced him is undoubtedly true (he had copies of their works in his library),² but claims for a French origin for his economics are undoubtedly exaggerated. For an authoritative summary of what Smith added to and developed independently of the theories of the Physiocrats, Professor Walter Eltis supplies guidance at the end of his study of classical growth theory.³ However, Smith was so impressed with Francois Quesnay⁴ that he intended to dedicate *Wealth of Nations* to him but, unfortunately, Quesnay died before it was published.⁵

The more serious transformation of his political economy from what he wrote originally to what he was represented to have written, which started within years of his death, persists today, namely that he was the progenitor of the economics of capitalism, especially in its laissez faire variations. This is an embarrassing error. We get closer to the authentic Smith by integrating the two pillars of his ideas – the cohesion and relative harmony of society – with the third pillar of his political economy, and find that modern derivations of his legacy are not his ideas at all.