THE WORLDLY PHILOSOPHERS

The Lives, Times, and Ideas of the Great Economic Thinkers

REVISED SEVENTH EDITION

Robert L. Heilbroner

A TOUCHSTONE BOOK
PUBLISHED BY SIMON & SCHUSTER

TOUCHSTONE
Rockefeller Center
1230 Avenue of the Americas
New York, NY 10020
www.SimonandSchuster.com

Updated Seventh Edition

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Manufactured in the United States of America

19 20 18

Library of Congress Cataloging-in-Publication Data
Heilbroner, Robert L.
The worldly philosophers : the lives, times, and ideas of the
great economic thinkers / Robert L. Heilbroner.—Rev. 7th ed.
p. cm.
"A Touchstone book."
Includes bibliographical references and index.
1. Economists—Biography. 2. Economics—History.
I. Title.
HB76.H4 1999
330'.092'2—dc21

[b] *99-14050*
CIP

ISBN 0-684-86214-X
eISBN 978-1-4391-4482-4

To my teachers

Preface to the Seventh Edition

This is the seventh revision of a book I wrote some forty-six years ago, making *The Worldly Philosophers* today a good deal older than I was when I wrote it. The altogether unforeseen life span of this venture, undertaken when I was still a graduate student, serves as an excuse briefly to tell its story, before saying a word with respect to important changes that have been made in this latest, and, I expect, last edition.

While pursuing my graduate studies in the early 1950s, I earned my living as a free-lance writer, ranging very far from economics when the need or the occasion presented itself. As a consequence of one or another such piece, Joseph Barnes, a senior editor at Simon & Schuster, asked me to lunch to explore various book ideas. None of them seemed quite right, and a pall fell as the salad arrived and I realized that my first publisher's lunch was not likely to result in a book contract. Barnes, however, was not so easily discouraged. He began asking me about my graduate studies at the New School for Social Research and I found myself talking with enthusiasm about a particularly fascinating seminar on Adam Smith that I was taking under the inspired teaching of Adolph Lowe, of whom the reader will learn more later in this book. Before dessert had arrived we both knew that I had found my subject. After my next class I hastened to tell Professor Lowe of my determination to write a history of the evolution of economic thought.

The very exemplar of German scholarship at its formidable best, Lowe was aghast. "That you cannot do!" he declared with magisterial finality. But I had the strong conviction that I *could* do it—born, as I have written elsewhere, of the necessary combination of confidence and ignorance that only a graduate student could have possessed. Between free-lance assignments and further studies, I produced the first three chapters and with some trepidation showed them to Professor Lowe. It is a measure of that remarkable man (who remained, until his death at 102, my warmest and severest critic) that after he read the pages he said, "That you *must* do!" With his help, that is what I did.

The book written, it was necessary to find a title. I was aware that the word "economics" was death at the box office, and I racked my brains for a substitute. A second crucial lunch then took place with Frederick Lewis Allen, editor of *Harper's* magazine, for whom I had done a number of pieces, and who had been extraordinarily kind and helpful to me. I told him about my title difficulties, and said that I was thinking of calling the book *The Money Philosophers*, although I knew "money" wasn't quite right. "You mean 'worldly,'" he said. I said, "I'll buy lunch."

My publishers were not as pleased with the title as I was, and after the book to everyone's surprise began to sell, they suggested retitling it *The Great Economists*. Fortunately nothing came of this. Perhaps they anticipated that the public would not be able to master "worldly," which has indeed been misspelled "wordly" on a thousand students' papers, or perhaps they foresaw difficulties such as one about which I heard many years later. A student inquired at his college bookstore about a book whose author's name he could not remember, but whose queer title was, to the best of his recollection, "A World Full of Lobsters."

Over the years *The Worldly Philosophers* has sold more copies than I could have imagined possible, and has lured, I am told, tens of thousands of unsuspecting victims into a course on economics. I cannot answer for the pains that may have been experienced as a consequence, but I have had the pleasure of hearing from a number of economists that their interest was first aroused by the vision of economics conveyed by the book.

This edition differs from previous editions in two respects. The first is that, as before, a fresh look at its pages enables me to rectify the errors that inevitably creep into manuscripts or that are revealed by research after publication. It is a chance, as well, to alter emphases and interpretations that reflect my own evolving views. These changes are small, noticeable perhaps only to scholars in the field, and not of sufficient significance in themselves to warrant a new edition.

A second change is more important. For some time I had been considering whether there might not be an important thread missing from my book—a thread that would tie together its chapters more firmly than a mere chronology of remarkable men with interesting ideas. Then, a few years ago, I became convinced that precisely such a thread existed in the changing concepts—the "visions"—that lay behind all social analysis. That idea was broached in the 1950s by Josef Schumpeter, one of the most imaginative of the worldly philosophers. Insofar as Schumpeter himself did not apply his insight to the history of economic thought, I hope I may be forgiven for having missed it myself for so many years.

In this preface I do not want to discuss further this new view of the evolution of the worldly philosophy—that would be like announcing the plot of a mystery novel before the action had even begun. Hence, although the role of social vision will be mentioned many times as we go along, not until we reach our last chapter will we stop to consider its relevance for our own time.

That leads to a final remark. A reader who has already turned this page may have noted that that concluding chapter has a strange title: "The End of the Worldly Philosophy?" The question mark makes clear that this is not a pronouncement of doom, but it certainly implies a change in the character of our subject. As to what that change may be, we will have to wait until the very end of the book, not to tease the reader, but because only at the end—which is to say, today—does that change challenge the nature and significance of economic thought itself.

But all that remains to be demonstrated. Let me conclude this very personal salutation by thanking my readers, especially students and instructors, who have been thoughtful enough to send me notes of correction, disagreement, or approval, all equally welcomed, and to express my hope that *The Worldly Philosophers* will continue to open the vista of economics to readers who go on to become lobster fishermen or publishers, as well as to those braver souls who decide to become economists.

ROBERT L. HEILBRONER
New York, N.Y.
July, 1998

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Introduction

This is a book about a handful of men with a curious claim to fame. By all the rules of schoolboy history books, they were nonentities: they commanded no armies, sent no men to their deaths, ruled no empires, took little part in history-making decisions. A few of them achieved renown, but none was ever a national hero; a few were roundly abused, but none was ever quite a national villain. Yet what they did was more decisive for history than many acts of statesmen who basked in brighter glory, often more profoundly disturbing than the shuttling of armies back and forth across frontiers, more powerful for good and bad than the edicts of kings and legislatures. It was this: they shaped and swayed men's minds.

And because he who enlists a man's mind wields a power even greater than the sword or the scepter, these men shaped and swayed the world. Few of them ever lifted a finger in action; they worked, in the main, as scholars—quietly, inconspicuously, and without much regard for what the world had to say about them. But they left in their train shattered empires and exploded continents; they buttressed and undermined political regimes; they set class against class and even nation against nation—not because they plotted mischief, but because of the extraordinary power of their ideas.

Who were these men? We know them as the Great Economists. But what is strange is how little we know about them. One would think that in a world torn by economic problems, a world that constantly worries about economic affairs and talks of economic issues, the great economists would be as familiar as the great philosophers or statesmen. Instead they are only shadowy figures of the past, and the matters they so passionately debated are regarded with a kind of distant awe. Economics, it is said, is undeniably important, but it is cold and difficult, and best left to those who are at home in abstruse realms of thought.

Nothing could be further from the truth. A man who thinks that economics is only a matter for professors forgets that this is the science that has sent men to the barricades. A man who has looked into an economics textbook and concluded that economics is boring is like a man who has read a primer on logistics and decided that the study of warfare must be dull.

No, the great economists pursued an inquiry as exciting—and as dangerous—as any the world has ever known. The ideas they dealt with, unlike the ideas of the great philosophers, did not make little difference to our daily working lives; the experiments they urged could not, like the scientists', be carried out in the isolation of a laboratory. The notions of the great economists were world-shaking, and their mistakes nothing short of calamitous.

"The ideas of economists and political philosophers," wrote Lord Keynes, himself a great economist, "both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

To be sure, not all the economists were such titans. Thousands of them wrote texts; some of them monuments of dullness, and explored minutiae with all the zeal of medieval scholars. If economics today has little glamour, if its sense of great adventure is often lacking, it has no one to blame but its own practitioners. For the great economists were no mere intellectual fusspots. They took the whole world as their subject and portrayed that world in a dozen bold attitudes—angry, desperate, hopeful. The evolution of their heretical opinions into common sense, and their exposure of common sense as superstition, constitute nothing less than the gradual construction of the intellectual architecture of much of contemporary life.

An odder group of men—one less apparently destined to remake the world—could scarcely be imagined.

There were among them a philosopher and a madman, a cleric and a stockbroker, a revolutionary and a nobleman, an aesthete, a skeptic, and a tramp. They were of every nationality, of every walk of life, of every turn of temperament. Some were brilliant, some were bores; some ingratiating, some impossible. At least three made their own fortunes, but as many could never master the elementary economics of their personal finances. Two were eminent businessmen, one was never much more than a traveling salesman, another frittered away his fortune.

Their viewpoints toward the world were as varied as their fortunes—there was never such a quarrelsome group of thinkers. One was a lifelong advocate of women's rights; another insisted that women were demonstrably inferior to men. One held that "gentlemen" were only barbarians in disguise, whereas another maintained that nongentlemen were savages. One of them—who was very rich—urged the abolition of riches; another—quite poor—disapproved of charity. Several of them claimed that with all its shortcomings, this was the best of all possible worlds; several others devoted their lives to proving that it wasn't.

All of them wrote books, but a more varied library has never been seen. One or two wrote best-sellers that reached to the mud huts of Asia; others had to pay to have their obscure works published and never touched an audience beyond the most restricted circles. A few wrote in language that stirred the pulse of millions; others—no less important to the world—wrote in a prose that fogs the brain.

Thus it was neither their personalities, their careers, their biases, nor even their ideas that bound them together. Their common denominator was something else: a common curiosity. They were all fascinated by the world about them, by its complexity and its seeming disorder, by the cruelty that it so often masked in sanctimony and the success of which it was equally often unaware. They were all of them absorbed in the behavior of their fellow man, first as he created material wealth, and then as he trod on the toes of his neighbor to gain a share of it.

Hence they can be called worldly philosophers, for they sought to embrace in a scheme of philosophy the most worldly of all of man's activities—his drive for wealth. It is not, perhaps, the most elegant kind of philosophy, but there is no more intriguing or more important one. Who would think to look for Order and Design in a pauper family and a speculator breathlessly awaiting ruin, or seek Consistent Laws and Principles in a mob marching in a street and a greengrocer smiling at his customers? Yet it was the faith of the great economists that just such seemingly unrelated threads could be woven into a single tapestry, that at a sufficient distance the milling world could be seen as an orderly progression, and the tumult resolved into a chord.

A large order of faith, indeed! And yet, astonishingly enough, it turned out to be justified. Once the economists had unfolded their patterns before the eyes of their generations, the pauper and the speculator, the greengrocer and the mob were no longer incongruous actors inexplicably thrown together on a stage; but each was understood to play a role, happy or otherwise, that was essential for the advancement of the human drama itself. When the economists were done, what had been only a humdrum or a chaotic world, became an ordered society with a meaningful life history of its own.

It is this search for the order and meaning of social history that lies at the heart of economics. Hence it is the central theme of this book. We are embarked not on a lecture tour of principles, but on a journey through history-shaping ideas. We will meet not only pedagogues on our way, but many paupers, many speculators, both ruined and triumphant, many mobs, even here and there a grocer. We shall be going back to rediscover the roots of our own society in the welter of social patterns that the great economists discerned, and in so doing we shall come to know the great economists themselves—not merely because their personalities were often colorful, but because their ideas bore the stamp of their originators.

It would be convenient if we could begin straight off with the first of the great economists—Adam Smith himself. But Adam Smith lived at the time of the American Revolution, and we must account for the perplexing fact that six thousand years of recorded history had rolled by and no *worldly* philosopher had yet come to dominate the scene. An odd fact: Man had struggled with the economic problem since long before the time of the Pharaohs, and in these centuries he had produced philosophers by the score, scientists, political thinkers, historians, artists by the gross, statesmen by the hundred dozen. Why, then, were there no economists?

It will take us a chapter to find out. Until we have probed the nature of an earlier and far longer-lasting world than our own—a world in which an economist would have been not only unnecessary, but impossible—we cannot set the stage on which the great economists may take their places. Our main concern will be with the handful of men who lived in the last three centuries. First, however, we must understand the world that preceded their entrance and we must watch that earlier world give birth to the modern age—the age of the economists—amid all the upheaval and agony of a major revolution.

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The Economic Revolution

Since he came down from the trees, man has faced the problem of survival, not as an individual but as a member of a social group. His continued existence is testimony to the fact that he has succeeded in solving the problem; but the continued existence of want and misery, even in the richest of nations, is evidence that his solution has been, at best, a partial one.

Yet man is not to be too severely censured for his failure to achieve a paradise on earth. It is hard to wring a livelihood from the surface of this planet. It staggers the imagination to think of the endless efforts that must have been expended in the first domestication of animals, in the discovery of planting seed, in the first working of surface ores. It is only because man is a socially cooperative creature that he has succeeded in perpetuating himself at all.

But the very fact that he has had to depend on his fellow man has made the problem of survival extraordinarily difficult. Man is not an ant, conveniently equipped with an inborn pattern of social instincts. On the contrary, he seems to be strongly endowed with a self-centered nature. If his relatively weak physique forces him to seek cooperation, his inner drives constantly threaten to disrupt his social working partnerships.

In primitive society, the struggle between self-centeredness and cooperation is taken care of by the environment; when the specter of starvation can look a community in the face—as with the Eskimos—the pure need to secure its own existence pushes society to the cooperative completion of its daily labors. Under less stringent conditions, anthropologists tell us, men and women perform their regular tasks under the powerful guidance of universally accepted norms of kinship and reciprocity: in her marvelous book on the African Bushmen, Elizabeth Marshall Thomas describes how a gemsbok is divided among relatives and relatives' relatives, until in the end "no person eats more than any other." But in an advanced community this tangible pressure of the environment, or this web of social obligations, is lacking. When men and women no longer work shoulder to shoulder in tasks directly related to survival—indeed when two-thirds of the population never touches the earth, enters the mines, builds with its hands, or even enters a factory—or when the claims of kinship have all but disappeared, the perpetuation of the human animal becomes a remarkable social feat.

So remarkable, in fact, that society's existence hangs by a hair. A modern community is at the mercy of a thousand dangers: if its farmers should fail to plant enough crops; if its railroad men should take it into their heads to become bookkeepers or its bookkeepers should decide to become railroad men; if too few should offer their services as miners, puddlers of steel, candidates for engineering degrees—in a word, if any of a thousand intertwined tasks of society should fail to get done—industrial life would soon become hopelessly disorganized. Every day the community faces the possibility of breakdown—not from the forces of nature, but from sheer human unpredictability.

Over the centuries man has found only three ways of guarding against this calamity.

He has ensured his continuity by organizing his society around tradition, by handing down the varied and necessary tasks from generation to generation according to custom and usage: son follows father, and a pattern is preserved. In ancient Egypt, says Adam Smith, "every man was bound by a principle of religion to follow the occupation of his father, and was supposed to commit the most horrible sacrilege if he changed it for another." Similarly, in India, until recently, certain occupations were traditionally assigned by caste; in fact, in much of the unindustrialized world one is still born to one's social task.

Or society can solve the problem differently. It can use the whip of authoritarian rule to see that its tasks get done. The pyramids of ancient Egypt did not get built because some enterprising contractor took it into his head to build them, nor did the Five Year Plans of the Soviet Union get carried out because they happened to accord with hand-me-down custom or individual self-interest. Both Russia and Egypt were Command societies; politics aside, they ensured their *economic* survival by the edicts of one authority and by the penalties that supreme authority saw fit to issue.

For countless centuries man dealt with the problem of survival according to one or the other of these solutions. And as long as the problem was handled by tradition or command, it never gave rise to that special field of study called "economics." Although the societies of history have shown the most astonishing economic diversity, although they have exalted kings and commissars, used dried codfish and immovable stones for money, distributed their goods in the simplest communistic patterns or in the most highly ritualistic fashion, so long as they ran by custom or command, they needed no economists to make them comprehensible. Theologians, political theorists, statesmen, philosophers, historians, yes—but, strange as it may seem, economists, no.

For the economists waited upon the invention of a third solution to the problem of survival. They waited upon the development of an astonishing arrangement in which society assured its own continuance by allowing each individual to do exactly as he saw fit—provided he followed a central guiding rule. The arrangement was called the "market system," and the rule was deceptively simple: each should do what was to his best monetary advantage. In the market system the lure of gain, not the pull of tradition or the whip of authority, steered the great majority to his (or her) task. And yet, although each was free to go wherever his acquisitive nose directed him, the interplay of one person against another resulted in the necessary tasks of society getting done.

It was this paradoxical, subtle, and difficult solution to the problem of survival that called forth the economists. For unlike the simplicity of custom and command, it was not at all obvious that with each person out only for his own gain, society could in fact endure. It was by no means clear that all the jobs of society—the dirty ones as well as the plush ones—would be done if custom and command no longer ran the world. When society no longer obeyed a ruler's dictates, who was to say where it would end?

It was the economists who undertook to explain this puzzle. But until the idea of the market system itself had gained acceptance, there was no puzzle to explain. And until a very few centuries ago, men were not at all sure that the market system was to be viewed without suspicion, distaste, and distrust. The world had gotten along for centuries in the comfortable rut of tradition and command; to abandon this security for the dubious and perplexing workings of the market system, nothing short of a revolution was required.

It was the most important revolution, from the point of view of shaping modern society, that ever took place—fundamentally more disturbing by far than the French, the American, or even the Russian Revolution. To appreciate its magnitude, to understand the wrenching that it gave society, we must immerse ourselves in that earlier and long-forgotten world from which our own society finally sprang. Only then will it be clear why the economists had so long to wait.

First stop: France. The year, 1305.

It is a fair we visit. The traveling merchants have arrived this morning with their armed guard, have set up their gaily striped tents, and are trading among themselves and with the local population. A variety of exotic goods is for sale: silks and taffetas, spices and perfumes, hides and furs. Some have been transported from the Levant, some from Scandinavia, some from only a few hundred miles away. Along with the common people, local lords and ladies frequent the stalls, eager to relieve the tedium of their boring, drafty, manorial lives; they are eagerly acquiring, along with the strange goods from Araby, new words from that incredibly distant land: divan, syrup, tariff, artichoke, spinach, jar.

But inside the tents, we meet with a strange sight. Books of business, open on the table, are sometimes no more than notebooks of transactions; a sample extract from one merchant reads: "Owed ten gulden by a man since Whitsuntide. I forgot his name." Calculations are made largely in Roman numerals, and sums are often wrong; long division is reckoned as something of a mystery, and the use of zero is not clearly understood. And for all the gaudiness of the display and the excitement of the people, the fair is a small thing. The total amount of goods which comes into France in a year over the Saint Gothard pass (on the first suspension bridge in history) would not fill a modern freight train; the total amount of merchandise carried in the great Venetian fleet would not fill one modern steel freighter.

Next stop: Germany. The year, 1550 odd.

Andreas Ryff, a merchant, bearded and fur-coated, is coming back to his home in Baden; he writes in a letter to his wife that he has visited thirty markets and is troubled with saddle burn. He is even more troubled by the nuisances of the times; as he travels he is stopped approximately once every ten miles to pay a customs toll; between Basle and Cologne he pays thirty-one levies.

And that is not all. Each community he visits has its own money, its own rules and regulations, its own law and order. In the area around Baden alone there are 112 different measures of length, 92 different square measures, 65 different dry measures, 163 different measures for cereals and 123 for liquids, 63 special measures for liquor, and 80 different pound weights

We move on: we are in Boston in the year 1639.

A trial is in progress; one Robert Keayne, "an ancient professor of the gospel, a man of eminent parts, wealthy and having but one child, and having come over for conscience' sake and for the advancement of the gospel," is charged with a heinous crime: he has made over sixpence profit on the shilling, an outrageous gain. The court is debating whether to excommunicate him for his sin, but in view of his spotless past it finally relents and dismisses him with a fine of two hundred pounds. But poor Mr. Keayne is so upset that before the elders of the Church he does "with tears acknowledge his covetous and corrupt heart." The minister of Boston cannot resist this golden opportunity to profit from the living example of a wayward sinner, and he uses the example of Keayne's avarice to thunder forth in his Sunday sermon on some false principles of trade. Among them are these:

I. That a man might sell as dear as he can, and buy as cheap as he can.

II. If a man lose by casualty of sea, etc., in some of his commodities, he may raise the price of the rest.

III. That he may sell as he bought, though he paid too dear ...

All false, false, false, cries the minister; to seek riches for riches' sake is to fall into the sin of avarice.

We turn back to England and France.

In England a great trading organization, The Merchant Adventurers Company, has drawn up its articles of incorporation; among them are these rules for the participating merchants: no indecent language, no quarrels among the brethren, no card playing, no keeping of hunting dogs. No one is to carry unsightly bundles in the streets. This is indeed an odd business firm; it sounds more nearly like a fraternal lodge.

In France there has been entirely too much initiative displayed of late by the weaving industry, and a *règlement* has been promulgated by Colbert in 1666 to get away from this dangerous and disruptive tendency. Henceforth the fabrics of Dijon and Selangey are to contain 1,408 threads including selvages, neither more nor less. At Auxerre, Avallon, and two other manufacturing towns, the threads are to number 1,376; at Châtillon, 1,216. Any cloth found to be objectionable is to be pilloried. If it is found three times to be objectionable, the merchant is to be pilloried instead.

There is something common to all these scattered fragments of bygone worlds. It is this: first, the idea of the propriety (not to say the necessity) of a system organized on the basis *of personal gain* has not yet taken root. Second, a separate, self-contained economic world has not yet lifted itself from its social context. The world of practical affairs is inextricably mixed up with the world of political, social, and religious life. Until the two worlds separate, there will be nothing that resembles the tempo and the feeling of modern life. And for the two to separate, a long and bitter struggle must take place.

It may strike us as odd that the idea of gain is a relatively modern one; we are schooled to believe that man is essentially an acquisitive creature and that left to himself he will behave as any self-respecting businessman would. The profit motive, we are constantly being told, is as old as man himself.

But it is not. The profit motive as we know it is only as old as "modern man." Even today the notion of gain for gain's sake is foreign to a large portion of the world's population, and it has been conspicuous by its absence over most of recorded history. Sir William Petty, an astonishing seventeenth-century character (who was in his lifetime cabin boy, hawker, clothier, physician, professor of music, and founder of a school named Political Arithmetick), claimed that when wages were good, labor was "scarce to be had at all, so licentious are they who labor only to eat, or rather to drink." And Sir William was not merely venting the bourgeois prejudices of his day. He was observing a fact that can still be remarked among the unindustrialized peoples of the world: a raw working force, unused to wagework, uncomfortable in factory life, unschooled to the idea of an ever-rising standard of living, will not work harder if wages rise; it will simply take more time off. The idea of gain, the idea that each working person not only may, but should, constantly strive to better his or her material lot, is an idea that was quite foreign to the great lower and middle strata of Egyptian, Greek, Roman, and medieval cultures, only scattered throughout Renaissance and Reformation times; and largely absent in the majority of Eastern civilizations. As a ubiquitous characteristic of society, it is as modern an invention as printing.

Not only is the idea of gain by no means as universal as we sometimes suppose, but the social sanction of gain is an even more modern and restricted development. In the Middle Ages the Church taught that no Christian ought to be a merchant, and behind that teaching lay the thought that merchants were a disturbing yeast in the leaven of society. In Shakespeare's time the object of life for the ordinary citizen, for everybody, in fact, except the gentility, was not to advance his station in life, but to maintain it. Even to our Pilgrim forefathers, the idea that gain might be a tolerable—even a useful—goal in life would have appeared as nothing short of a doctrine of the devil.

Wealth, of course, there has always been, and covetousness is at least as old as the Biblical tales.

But there is a vast deal of difference between the envy inspired by the wealth of a few mighty personages and a general struggle for wealth diffused throughout society. Merchant adventurers have existed as far back as the Phoenician sailors, and can be seen all through history, in the speculators of Rome, the trading Venetians, the Hanseatic League, and the great Portuguese and Spanish voyagers who sought a route to the Indies and to their personal fortunes. But the adventures of a few are a far different thing from an entire society moved by the venture spirit.

Take, for example, the extraordinary family of the Fuggers, the great German bankers of the sixteenth century. At their height, the Fuggers owned gold and silver mines, trade concessions, and even the right to coin their own money; their credit was far greater than the wealth of the kings and emperors whose wars (and household expenses) they financed. But when old Anton Fugger died, his eldest nephew, Hans Jacob, refused to take over the banking empire on the ground that the business of the city and his own affairs gave him too much to do; Hans Jacob's brother, George, said he would rather live in peace; a third nephew, Christopher, was equally uninterested. None of the potential heirs to a kingdom of wealth apparently thought it was worth the bother.

Apart from kings (those that were solvent) and a scattering of families like the Fuggers, the early capitalists were not the pillars of society, but often its outcasts and *déracinés*. Here and there an enterprising lad like Saint Godric of Finchale would start as a beachcomber, gather enough wares from the wrecks of ships to become a merchant, and, after making his fortune, retire in sanctity as a hermit. But such men were few. As long as the paramount idea was that life on earth was only a trying preamble to Life Eternal, the business spirit neither was encouraged nor found spontaneous nourishment. Kings wanted treasure, and for that they fought wars; the nobility wanted land, and since no self-respecting nobleman would willingly sell his ancestral estates, that entailed conquest, too. But most people—serfs, village craftsmen, even the masters of the manufacturing guilds—wanted to be left alone to live as their fathers had lived and as their sons would live in turn.

The absence of the idea of gain as a normal guide for daily life—in fact the positive disrepute in which the idea was held by the Church—constituted one enormous difference between the strange world of the tenth to sixteenth centuries and the world that began, a century or two before Adam Smith, to resemble our own. But there was an even more fundamental difference. The idea of "making a living" had not yet come into being. Economic life and social life were one and the same thing. Work was not yet a means to an end—the end being money and the things it buys. Work was an end in itself, encompassing, of course, money and commodities, but engaged in as a part of a tradition, as a natural way of life. In a word, the great social invention of "the market" had not yet been made.

Markets have existed as far back as history goes. The Tablets of Tell-el-Amarna tell of lively trade between the Pharaohs and the Levantine kings in 1400 B.C.: gold and war chariots were swapped for slaves and horses. But while the idea of exchange must be very nearly as old as man, as with the idea of gain, we must not make the mistake of assuming that all the world has the bargaining propensities of a modern-day American schoolboy. Purely by way of curious illustration, it is reported that among the New Zealand Maoris you cannot ask how much food a bonito hook is worth, for such a trade is never made and the question would be regarded as ridiculous. By way of turnabout, however, in some African communities it is perfectly legitimate to inquire how many oxen a woman is worth—an exchange which we look upon as the Maoris look upon swapping food and fishhooks (although where dowries still exist, they narrow the gap between ourselves and these Africans).

But markets, whether they be exchanges between primitive tribes where objects are casually dropped on the ground or the exciting traveling fairs of the Middle Ages, are not the same as the market system. For the market system is not just a means of exchanging goods; *it is a mechanism for sustaining and maintaining an entire society*.

And that mechanism was far from clear to the minds of the medieval world. The concept of widespread gain was blasphemous enough, as we have seen. The broader notion that a general struggle for gain might actually bind together a community would have been held as little short of madness.

There was a reason for this blindness. The Middle Ages, the Renaissance, the Reformation—indeed the whole world until the sixteenth or seventeenth century—could not envisage the market system for the thoroughly sound reason that Land, Labor, and Capital—the basic agents of production which the market system allocates—did not yet exist. Land, labor, and capital in the sense of soil, human beings, and tools are of course coexistent with society itself. But the idea of abstract land or abstract labor did not immediately suggest itself to the human mind any more than did the idea of abstract energy or matter. Land, labor, and capital as "agents" of production, as impersonal, dehumanized economic entities, are as much modern conceptions as the calculus. Indeed, they are not much older.

Take, for example, land. As late as the fourteenth or fifteenth century there was no such thing as land in the sense of freely salable, rent-producing property. There were lands, of course—estates, manors, and principalities—but these were emphatically not real estate to be bought and sold as the occasion warranted. Such lands formed the core of social life, provided the basis for prestige and status, and constituted the foundation for the military, judicial, and administrative organization of society. Although land was salable under certain conditions (with many strings attached), it was not generally *for sale*. A medieval nobleman in good standing would no more have thought of selling his land than the governor of Connecticut would think of selling a few counties to the governor of Rhode Island.

The same lack of salability was true for labor. When we talk of the labor market today, we mean the great network of job-seeking in which individuals sell their services to the highest bidder. There simply was no such network in the precapitalist world. There was a vast hodgepodge of serfs, apprentices, and journeymen who labored, but most of this labor never entered a market to be bought and sold. In the country, the peasant lived tied to his lord's estate; he baked at the lord's oven and ground at the lord's mill, tilled the lord's fields and served his lord in war, but he was rarely if ever paid for any of his services: these were his duties as a serf, not the "labor" of a freely contracting agent. In the towns the apprentice entered the service of a master; the length of his apprenticeship, the number of his colleagues, his rate of pay, his hours of work, the very methods he used, were all regulated by a guild. There was little or no bargaining between servant and master except for sporadic strikes when conditions became intolerable. This was no more of a labor market than is provided by interns in a hospital.

Or take capital. Certainly capital existed in the precapitalist world, in the sense of private wealth. But although the funds existed, there was no impetus to put them to new and aggressive use. Instead of risk and change, the motto was "Safety first." Not the shortest and most efficient, but the longest and most labor-consuming process was the preferred technique of production. Advertising was forbidden, and the idea that one master guildsman might produce a better product than his colleagues was regarded as treasonable. In sixteenth-century England, when mass production in the weaving trade first reared its ugly head, the guilds protested to the king. The "wonderworkshop"—reputedly containing two hundred looms and a service staff including butchers and bakers to take care of the working force—was thereupon outlawed by His Majesty: such efficiency and concentration of wealth would set a bad precedent.

Hence the fact that the medieval world could not conceive the market system rested on the good and sufficient reason that it had not yet conceived the abstract elements of production itself. Lacking land, labor, and capital, the Middle Ages lacked the market; and lacking the market (despite its colorful local marts and traveling fairs), society ran by local command and tradition. The lords gave orders, and production waxed and waned accordingly. Where no orders were given, life went on in its established groove. Had Adam Smith lived in the years before 1400 he would have felt no need to construct a theory of political economy. There was no mystery to penetrate in understanding what made the Middle Ages hang together and no veil to pierce to discover both order and design. Ethics and politics, yes; there was much to be explained and rationalized in the relations of lower lords to higher lords and higher lords to kings, and a great deal to be puzzled over in the conflict between the teachings of the Church and the incorrigible tendencies of the merchant class. But economics, no. Who would look for abstract laws of supply and demand, or cost, or value, when the explanation of the world lay like an open book in the laws of the manor and the Church and the city, along with the customs of a lifetime? Adam Smith might have been a great moral philosopher in that earlier age, but he could never have been a great economist; there would have been nothing for him to do.

There would be nothing for any economist to do for several centuries—until this great self-reproducing, self-sufficient world erupted into the bustling, scurrying, free-for-all of the eighteenth century. "Erupted" is perhaps too dramatic a word, for the change would take place over centuries rather than in a single violent spasm. But the change, long drawn out though it was, was not a peaceful evolution; it was an agonized convulsion of society, a revolution.

Just to commercialize the land—to convert the hierarchy of social relationships into so many vacant lots and advantageous sites—required nothing less than the uprooting of an entrenched feudal way of life. To make "workers" out of the sheltered serfs and apprentices—no matter how exploitative the cloak of paternalism might have been—required the creation of a frightened disoriented class called the proletariat. To make capitalists out of guild masters meant that the laws of the jungle had to be taught to the timid denizens of the barnyard.

Hardly a peaceful prospect, any of this. Nobody *wanted* this commercialization of life. How bitterly it was resisted can be appreciated only if we take one last journey back to watch the economic revolution taking place.

We are back in France; the year, 1666.

The capitalists of the day face a disturbing challenge that the widening market mechanism has inevitably brought in its wake: change.

The question has come up whether a guild master of the weaving industry should be allowed to try an innovation in his product. The verdict: "If a cloth weaver intends to process a piece according to his own invention, he must not set it on the loom, but should obtain permission from the judges of the town to employ the number and length of threads that he desires, after the question has been considered by four of the oldest merchants and four of the oldest weavers of the guild." One can imagine how many suggestions for change were proposed.

Shortly after the matter of cloth weaving has been disposed of, the button makers guild raises a cry of outrage; the tailors are beginning to make buttons out of cloth, an unheard-of thing. The government, indignant that an innovation should threaten a settled industry, imposes a fine on the cloth-button makers. But the wardens of the button guild are not yet satisfied. They demand the right to search people's homes and wardrobes and fine and even arrest them on the streets if they are seen wearing these subversive goods.

And this dread of change and innovation is not just the comic resistance of a few frightened merchants. Capital is fighting in earnest against change, and no holds are barred. In England some years earlier, a revolutionary patent for a stocking frame not only was denied, but the Privy Council ordered the dangerous contraption abolished. In France the importation of printed calicoes now threatens to undermine the clothing industry. It is met with measures that cost the lives of 16,000 people! In Valence alone on one occasion 77 persons are sentenced to be hanged, 58 broken on the wheel, 631 sent to the galleys, and one lone and lucky individual is set free, for the crime of dealing in forbidden calico wares.

But capital is not the only agent of production that is frantically seeking to avoid the dangers of the market way of life. What is happening to labor is still more desperate.

Let us turn back to England.

It is the end of the sixteenth century, the great era of English expansion and adventure. Queen Elizabeth has made a triumphal tour of her kingdom. But she returns with a strange plaint. "Paupers are everywhere!" she cries. This is a strange observation, for only a hundred years before, the English countryside consisted in large part of peasant proprietors tilling their own lands, the yeomen, the pride of England, the largest body of independent, free, and prosperous citizens in the world. Now, "Paupers are everywhere!" What has happened in the interim?

What has happened has been an enormous movement of expropriation—or, rather, the beginning of such a movement, for it was then only in its inception. Wool has become a new, profitable commodity, and wool demands grazing pastures for the wool producer. The pastures are made by enclosing the common land; the patchwork crazy quilt of small scattered holdings (unfenced and recognizable only by a tree here and a rock there, dividing one man's land from another) and the common lands on which all might graze their cattle or gather peat are suddenly declared to be all the property of the lord of the manor and no longer available to the whole parish. Where before was a kind of communality of ownership, now there is private property. Where there were yeomen, now there are sheep. One John Hales wrote in 1549: "... where XL persons had their lyvings, now one man and his shepherd hath all.... Yes, those shepe is the cause of all theise meschieves, for they have driven husbandrie out of the countries, by the which was encreased before all kynde of victuall, and now altogether shepe, shepe."

It is almost impossible to imagine the scope and impact of the process of enclosure. As early as the middle of the sixteenth century, riots had broken out against it; in one such uprising, 3,500 people were killed. In the mid-eighteenth century, the process was still in full swing; not until the mid-nineteenth would it have run its terrible historic course. Thus, in 1820, nearly fifty years after the American Revolution, the Duchess of Sutherland dispossessed 15,000 tenants from 794,000 acres of land, replaced them with 131,000 sheep, and by way of compensation rented her evicted families an average of two acres of submarginal land each.

But it was not merely the wholesale land-grabbing that warrants attention. The tragedy is what happened to the peasant. Deprived of the right to use the common land, he could no longer maintain himself as a "farmer." Since no factories were available, he could not—even if he had wanted to—metamorphose into a factory worker. Instead, he became that most miserable of all social classes, an agricultural proletarian, and where agricultural work was lacking, a beggar, sometimes a robber, usually a pauper. Terrified at the alarming increase in pauperism throughout the country, the English

Parliament tried to deal with the problem by localizing it. It tied paupers to their parishes for a pittance of relief and dealt with wanderers by whipping, branding, and mutilation. A clergyman at the time of Adam Smith seriously described the parochial workhouses in which the poor were kept as "Houses of Terror." But what was worst of all was that the very measures that the country took to protect itself from the pauper—tying him to his local parish where he could be kept alive on poor relief—prevented the only possible solution to the problem. It was not that the English ruling classes were utterly heartless and cruel. Rather, they failed to understand the concept of a fluid, mobile labor force that would seek work wherever work was to be found according to the dictates of the market. At every step, the commercialization of labor, like the commercialization of capital, was misconceived, feared, and fought.

The market system with its essential components of land, labor, and capital was thus born in agony—an agony that began in the thirteenth century and had not run its course until well into the nineteenth. Never was a revolution less well understood, less welcomed, less planned. But the great market-making forces would not be denied. Insidiously they ripped apart the mold of custom; insolently they tore away the usages of tradition. For all the clamor of the button makers, cloth buttons won the day. For all the action of the Privy Council, the stocking frame became so valuable that in another seventy years the same Privy Council would forbid its exportation. For all the breakings on the wheel, the trade in calicoes increased apace. Over last-ditch opposition from the Old Guard, economic land was created out of ancestral estates, and over the wails of protest from employees and masters alike, economic labor was ground out of unemployed apprentices and dispossessed farm laborers.

The great chariot of society, which for so long had run down the gentle slope of tradition, now found itself powered by an internal combustion machine. Transactions, transactions, transactions and gain, gain, gain provided a new and startlingly powerful motive force.

What forces could have been sufficiently powerful to smash a comfortable and established world and institute in its place this new unwanted society?

There was no single massive cause. The new way of life grew inside the old, like a butterfly inside a chrysalis, and when the stir of life was strong enough it burst the old structure asunder. It was not great events, single adventures, individual laws, or powerful personalities that brought about the economic revolution. It was a process of spontaneous, many-sided change.

First, there was the gradual emergence of national political units in Europe. Under the blows of peasant wars and kingly conquest, the isolated existence of early feudalism gave way to centralized monarchies. And with monarchies came the growth of the national spirit; in turn this meant royal patronage for favored industries, such as the great French tapestry works, and the development of armadas and armies with all their necessary satellite industries. The infinity of rules and regulations which plagued Andreas Ryff and his fellow sixteenth-century traveling merchants gave way to national laws, common measurements, and more or less standardized currencies.

An aspect of the political change that was revolutionizing Europe was the encouragement of foreign adventure and exploration. In the thirteenth century, the brothers Polo went as unprotected merchants on their daring journey into the land of the great Khan; in the fifteenth century Columbus sailed for what he hoped would be the same destination under the royal auspices of Isabella. The change from private to national exploration was part and parcel of the change from private to national life. And in turn the great national adventures of the English and Spanish and Portuguese sailor-capitalists brought a flood of treasure and treasure-consciousness back to Europe. "He who has gold," Christopher Columbus said, "makes and accomplishes whatever he wishes in the world and finally uses it to send souls into paradise." The sentiments of Christopher Columbus were the sentiments of an age, and hastened the advent of a society oriented toward gain and chance and activated by the chase after money. Be it noted, in passing, that the treasures of the East were truly fabulous. With the share received as a stockholder in Sir Francis Drake's voyage of the *Golden Hynd*, Queen Elizabeth paid off all England's foreign debts, balanced its budget, and invested abroad a sum large enough, at compound interest, to account for Britain's entire overseas wealth in 1930!

A second great current of change was to be found in the slow decay of the religious spirit under the impact of the skeptical, inquiring, humanist views of the Italian Renaissance. The world of Today elbowed aside the world of Tomorrow, and as life on earth became more important, so did the notion of material standards and ordinary comforts. Behind the change in religious tolerance was the rise of Protestantism, which hastened a new attitude toward work and wealth. The Church of Rome had always regarded the merchant with a dubious eye and had not hesitated to call usury a sin. But now that this merchant was every day climbing in society, now that he was no longer a mere useful appendage but an integral part of a new kind of world, some reevaluation of his function became necessary. The Protestant leaders paved the way for an amalgamation of spiritual and temporal life. Far from eulogizing the life of poverty and spiritual contemplation, as separate from worldly life, they preached that it was pious to make the most of one's God-given talents in daily business. Acquisitiveness became a recognized virtue—not immediately for one's private enjoyment, but for the greater glory of God. From here it was only a step to the identification of riches with spiritual excellence, and of rich men with saintly ones.

A local folk tale from the twelfth century tells of a usurer who was crushed by a falling statue as he was entering a church to be married. On examination, the statue was found to be that of another usurer, thus revealing God's displeasure with dealers in money. Even in the mid-1600s, as we may remember, poor Robert Keayne collided head on with the Puritan religious authorities because of his business practices. In such an atmosphere of hostility, it was not easy for the market system to expand. Hence the gradual acceptance by the spiritual leaders of the innocuousness, indeed the benefits, of the market way was essential for the full growth of the system.

Still another deep current lies in the material changes that eventually made the market system possible. We are accustomed to thinking of the Middle Ages as a time of stagnation and lack of progress. Yet in five hundred years, the feudal age fathered one thousand towns (an immense achievement), connected them with rudimentary but usable roads, and maintained their populations with food brought from the countryside. All this developed the familiarity with money and markets and the buying and selling way of life. In the course of this change, power naturally began to gravitate into the hands of those who understood money matters—the merchants—and away from the disdainful nobility, who did not.

Progress was not only a matter of this slow monetization. There was technical progress too, of a vastly important sort. The commercial revolution could not begin until some form of rational money accounting had developed: although the Venetians of the twelfth century were already using sophisticated accounting devices, the merchants in Europe were little better than schoolboys in their accounting ignorance. It took time for a recognition of the need for bookkeeping to spread; not until the seventeenth century was double entry a standard practice. And not until money was rationally accounted for could large-scale business operations run successfully.

Perhaps the most important change of all in the pervasiveness of its effect was a rise in scientific curiosity. Although the world would wait until after the age of Adam Smith for its pyrotechnic burst of technology, the Industrial Revolution could not have taken place had not the ground been prepared by a succession of basic subindustrial discoveries. The precapitalist era saw the birth of the printing press, the paper mill, the windmill, the mechanical clock, the map, and a host of other inventions. The idea of invention itself took hold; experimentation and innovation were looked on for the first time with a friendly eye.

No single one of these currents, acting by itself, could have turned society upside down. Indeed, many of them might have been as much the effects as the causes of a great convulsion in human organization. History takes no sharp corners, and the whole vast upheaval sprawled out over time. Evidences of the market way of life sprang up side by side with older traditional ways, and remnants of the former day persisted long after the market had for all practical purposes taken over as the guiding principle of economic organization. Thus, guilds and feudal privileges were not finally abolished in France until 1790, and the Statute of Artificers which regulated guild practices in England was not repealed until 1813.

But by the year 1700, twenty-three years before Adam Smith was born, the world that had tried Robert Keayne, prohibited merchants from carrying unsightly bundles, worried over "just" prices, and fought for the privilege of carrying on in its fathers' footsteps was on the wane. In its place society has begun to heed a new set of "self-evident" dicta. Some of them are:

"Every man is naturally covetous of lucre."

"No laws are prevalent against gaine."

"Gaine is the Centre of the Circle of Commerce."

A new idea had come into being: "economic man"—a pale wraith of a creature who followed his adding-machine brain wherever it led him. The textbooks would soon come to talk of Robinson Crusoes on desert isles who organized their affairs as if they were so many penny-pinching accountants.

In the world of affairs a new fever of wealth and speculation had gripped Europe. In France in 1718 a Scottish adventurer named John Law organized a wild blue-sky venture known as the Mississippi Company, selling shares in an enterprise that would mine the mountains of gold in America. Men and women fought in the streets for the privilege of winning shares, murders were committed, fortunes made overnight. One hotel waiter netted thirty million *livres*. When the company was about to topple with frightful losses for all investors, the government sought to stave off disaster by rounding up a thousand beggars, arming them with picks and shovels, and marching them through the streets of Paris as a band of miners off for the Land of Eldorado. Of course, the structure collapsed. But what a change from the timid capitalists of a hundred years before to the get-rich-quick mobs jostling in the Rue de Quincampoix; what a money-hungry public this must have been to swallow such a barefaced fraud!

No mistake about it, the travail was over and the market system had been born. The problem of survival was henceforth to be solved neither by custom nor by command, but by the free action of profit-seeking men bound together only by the market itself. The system was to be called capitalism, although the word would not be widely used until the late nineteenth century! And the idea of gain which underlay it was to become so firmly rooted that men would soon vigorously affirm that it was an eternal and omnipresent part of human nature.

The idea needed a philosophy.

The human animal, it is repeatedly said, is distinguished above all by his self-consciousness. This seems to mean that, having set up his society, he is not content to let things be; he must tell himself that the particular society in which he lives is the best of all possible societies, and that the arrangements within it mirror in their own small way the arrangements that providence has made outside. Hence every age breeds its philosophers, apologists, critics, and reformers.

But the questions with which the earliest social philosophers concerned themselves were focused on the political rather than the economic side of life. As long as custom and command ruled the world, the problem of riches and poverty hardly struck the earlier philosophers at all, other than to be accepted with a sigh or railed at as another sign of man's inner worthlessness. As long as men, like bees, were born to be drones, no one much worried over the rationale of the laboring poor—the vagaries of queens were infinitely more elevating and exciting.

"From the hour of their birth," wrote Aristotle, "some are marked out for subjection, others for rule," and in that comment was summed up not so much the contempt as the indifference with which the early philosophers looked at the workaday world. The existence of a vast laboring substratum was simply taken for granted, and money and market matters were not only too sweaty but too vulgar to engage the consideration of a gentleman and a scholar. It was the rights of kings, divine and otherwise, and the great questions of power temporal and power spiritual which provided the arena for the contest of ideas—not the pretensions of pushy merchants. Although personal riches had their role to play in making the world go round, until the struggle for riches became general, ubiquitous, and patently vital to society, there was no need for a general philosophy of riches.

But one might ignore the nasty struggling aspect of the marketplace world for just so long; then one might fulminate against it. Finally when it penetrated to the very sanctums of the philosophers themselves, it was better to ask whether even here the evidences of some master pattern might not yet be seen. To this end, for two hundred years before Adam Smith, the philosophers spun their theories of daily life.

But into what a strange succession of molds they cast the world as they sought to reveal its underlying purposes!

At first the wretched struggle for existence found its be-all and end-all in the accumulation of gold. Christopher Columbus, Cortes, and Francis Drake were not only state adventurers; they were thought to be the agents of *economic progress* as well. To the Mercantilists (as we call the group of pamphleteers and essayists who wrote on trade), it was evident that national power was the natural object of economic endeavor, and that the most important ingredient in national power was gold. Theirs was thus a philosophy of great armadas and adventures, kingly wealth and national stinginess, and an overriding belief that if all went well in the search for treasure, a nation could scarcely fail to prosper.

Was there a unifying concept behind these ideas? Here we confront for the first time the notion mentioned at the end of our preface—the idea that "visions" underlie and precede practice. There is, in fact, a realization of such a vision in the frontispiece to *Leviathan*, the influential tract published in 1651 by the English philosopher and political theorist Thomas Hobbes. The etching shows an immense figure towering over and protecting a placid countryside below. It is a king—sword in one hand, royal sceptre in the other—whose suit of armor, on close inspection, reveals that each of its platelets depicts the head of a human being.

Note that this is a political, not an economic vision. The central argument of *Leviathan* is that an all-powerful state is necessary to prevent human beings from falling into a condition described by Hobbes as "solitary, poore, nasty, brutish, and short." Although mercantile activities played an important role, they threatened to disturb, as well as to support the all-important State. Thus, for all their interest in accumulating bullion, a common concern of all royal houses was that merchant ships would bring gold to foreign countries where it would be spent for silks and other luxuries, to the loss of the royal treasury.

Yet, even here, the vision serves as the basis for the first efforts to formulate what we would call economic analysis. Even before *Leviathan* appeared, spokesmen for the world of commerce were publishing pamphlets whose purpose was to show that the merchant ships sailing down the Thames were an asset, not a threat, to the sovereign. True, some of the gold they carried abroad might be spent for foreign goods, but the British goods they also carried would be sold for even more gold. Indeed, as Thomas Mun, director of the East India company, explained in *England's Treasure by Forraign Trade*, the "ordinary means" by which a nation increased its wealth and treasure was by trade, "wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in Value."

By the eighteenth century the initial emphasis on gold was beginning to look a trifle naïve. New schools of thought were growing up which more and more emphasized *commerce* as the great source of national vitality. Hence the philosophical question to which they addressed themselves was not how to corner the gold market but how to create ever more and more wealth by assisting the rising merchant class in the furtherance of its tasks.

The new philosophy brought with it a new social problem: how to keep the poor poor. It was generally admitted that unless the poor were poor, they could not be counted upon to do an honest day's toil without asking for exorbitant wages. "To make the Society Happy... , it is requisite that great numbers should be Ignorant as well as Poor," wrote Bernard Mandeville, the shrewdest and wickedest social commentator of the early eighteenth century. So the Mercantilist writers looked on the cheap agricultural and industrial labor of England and gravely nodded approval.

Gold and commerce were by no means the only ideas that superimposed some kind of order over the chaos of daily life. There were countless pamphleteers, parsons, cranks, and bigots who sought justification—or damnation—for society in a dozen different explanations. But the trouble was, all the models were so unsatisfactory. One man said a nation obviously must not buy more than it sells, while another as stoutly maintained that a nation was quite obviously better off if it took in more than it gave in exchange. Some insisted it was trade that made a nation rich, and exalted the trader; others argued that trade was only a parasitical growth on the strong body of the farmer. Some said the poor were meant by God to be poor and even if they weren't, their poverty was essential to the wealth of the nation; others saw in pauperism a social evil and could not see how poverty could create wealth.

Out of the *melee* of contradictory rationalizations one thing alone stood clear: man insisted on some sort of intellectual ordering to help him understand the world in which he lived. The harsh and disconcerting economic world loomed ever more important. No wonder Dr. Samuel Johnson himself said, "There is nothing which requires more to be illustrated by philosophy than trade does." In a word, the time for the economists had arrived.

Out of the *melee* came also a philosopher of astonishing scope. Adam Smith published his *Inquiry into the Nature and Causes of the Wealth of Nations* in 1776, thereby adding a second revolutionary event to that fateful year. A political democracy was born on one side of the ocean; an economic blueprint was unfolded on the other. But while not all Europe followed America's political lead, after Smith had displayed the first true tableau of modern society, all the Western world became the world of Adam Smith: his vision became the prescription for the spectacles of generations. Adam Smith would never have thought of himself as a revolutionist; he was only explaining what to him was very clear, sensible, and conservative. But he gave the world the image of itself for which it had been searching. After *The Wealth of Nations*, men began to see the world about themselves with new eyes;

they saw how the tasks they did fitted into the whole of society, and they saw that society as a whole was proceeding at a majestic pace toward a distant but clearly visible goal. In a word, a new vision had come into being.