

Adam Smith and Neo-Plagiarism: A Reply

by Salim Rashid*

In describing Adam Smith's acknowledgments as "neo-plagiarism" (Rashid, 1990), was trying to characterize a situation where a scholar either borrows ideas from others but provides no acknowledgment, or had access to fruitful and important ideas yet seems to have ignored them. These can be two quite different issues, and I am indeed guilty of inadequately distinguishing between them. A scholar who commits either error is diminished in stature—but in very different ways. Failure to acknowledge diminishes the man but does not hurt the theory, while a reluctance to meet the opposition head-on suggests both a weakness of argument as well as an inability to face unpleasant truths. Adam Smith used the memorable words about self-interest: "[I]t [the desire of bettering our condition] comes with us from the womb and never leaves us till we go into the grave." If Smith is right, the irresistible long-run victory of self-interest should also show itself in his own case. Why can we not apply the ordinary standards of self-seeking behavior that economists have applied *ad nauseam* to marriage, divorce, crime, and the like, to a person's desire for fame? After all, Smith's own career shows indifference to neither wealth nor position.

James Ahiakpor's (1992) request for evidence has a tongue-in-cheek air to it, as is evident from his first paragraph where he ends his request with the qualifier "if he [Rashid] indeed has such evidence" (p. 171). Ahiakpor's comments reflect a much wider—indeed, the generally prevalent—attitude toward Adam Smith and the *Wealth of Nations*. Almost everything I thought to be of significance, he has passed over. The points he has chosen not to challenge are of far greater importance than the issues Ahiakpor raises. Let me first deal briefly with the general inadequacies of Smith scholarship,

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which are so prevalent that it would be pointless to "blame" Ahiakpor or any one individual for them. The second section deals directly with Ahiakpor. The two sections can be read independently.

I. The Literature on Adam Smith

A sound understanding of microeconomics existed in Smith's time, and he fell below the standards of his age in this important and most basic field. Reference to this existent knowledge was bypassed by Smith's admirers because Smith claimed to have provided two truths of overwhelming importance: (a) labor (not money, as in Mercantilism, or land, as in Physiocracy), is the true source of wealth; and (b) free trade between countries maximizes the wealth of nations. There are some ambiguities and defects with his espousal of free trade; but, basically, this is the *only* point where Smith not only used, but went *beyond*, his contemporaries. On *almost every* other issue, from theories of pricing, to the theory of interest and capital theory, Smith made serious errors *relative to the state of knowledge in the 1770s*, and his authority barred further progress for nearly a century. The three following questions are the most important issues for consideration.

First, the central role of free trade in the *Wealth of Nations* makes it critical to provide support for the claim that Smith had an *argument* for free trade before the Physiocrats. Why do Smith scholars not see this lacuna but instead spend their time trying to discover Smith's brand of toothpaste?¹

Second, since the espousal of international free trade is such an important part of the *Wealth of Nations*, how does Smith's *policy* differ from that of the "free-port" advocates such as Sir Matthew Decker? Does not the use of the word "natural" to describe market price already indicate support for the market? (This is the important point Pownall raised.) Was there not an eighteenth-century policy presumption *against* interference, because the experience of ages had shown the futility of controls?

Third, to substantiate his own originality and profundity, Smith claims (and insinuates) that all prior policy was based on the belief that only money was real wealth. Smith's *Lectures on Jurisprudence* show his awareness that this use of the balance of trade as the touchstone of economic policy began only after 1660. It happened to be related to Anglo-French political disputes. I do not know how closely Smith read the eighteenth-century literature, but he could have (and as a professor on such topics, he should have) seen that the English pamphleteers became more concerned with

with employment after 1720 and that the Irish School vehemently rejected the identification of gold and wealth. Furthermore, Smith did pay attention to the changes in meanings of a given word, and if he had analyzed wealth in that way he would have seen that in the 1680s “wealth” meant *both* wealth (i.e., material wealth) *and* power. Smith’s sarcasm about the Mercantilists was either ignorant or malicious—it is up to the reader to decide which.

Book I, then, contains no worthwhile microeconomic theory; Book II contains erroneous capital theory. Book IV has the justly famous chapters on international trade, followed by an analysis of colonies based on a false (Mercantilist?) theory of capital allocation; Book V (in its economic analysis) is a humdrum review of existent principles of taxation. Oh yes! But we are not to consider Smith only as an economist. He was a moral philosopher. His knowledge encompassed literature, science, sociology, and much more. Look at the marvelous treatment of the economic development of Europe in Book III. This is history—perhaps not quite as it happened, but rather as it could have happened, which is why it is called “conjectural history.” Those who want us to admire Book III should also tell us if we have moved one step beyond Aristotle’s definition of poetry?

It is also apparent from what has been mentioned that the function of the poet is not to speak of incidents which have come to be, but rather of incidents which might come to be, i.e. what are possible by virtue of either the likely or the necessary. For the historian and the poet do not differ in speaking in meters or without meters. . . . Rather they differ in this, that while the former speaks of incidents that have to be, the latter speaks of incidents that might come to be. On this account [the process of] making is both more philosophic and more worthy than history, for making [i.e., poetry] speaks more of universals while history speaks more of particulars. (*Poetics*, ed. K. Telford, 17)

II. Ahiakpor and the Issue of Plagiarism

Ahiakpor uses the word “evidence” rather loosely. In some cases, he does conform to the usual meaning of providing a corroborative fact or source, as in the accusation of plagiarism by Steuart’s obituarist. A good many of Ahiakpor’s points are actually indications that he is neither familiar with the current state of Adam Smith literature, nor is willing to read the other articles I have written. As a result, I am faced with items as disparate as defining what constitutes “borrowing” to providing the “demonstrated logic” of societal institutions which support a market economy.

Ahiakpor correctly notes that several authors have already argued that some ideas advanced in the *Wealth of Nations* (WN) did not originate with Smith. Indeed, I would be very happy with the charge that I had nothing new to offer, but was only gathering and systematizing what already existed in the literature. Since Ahiakpor does not go on to complain about the earlier critics, I must assume that I have done something wrong that they managed to avoid. I am charged as follows:

What we do not have is proof of "copying" from a particular source. For that we need juxtaposition of texts to illustrate similarity, but Rashid does not provide this. Instead he *insinuates*, and leaves the reader to *imagine* that the copying occurred. (Ahiakpor, 1992, p. 171; emphasis added)

Insinuating my case is the first charge and failing to adduce corroborative passages in the second. Now, Adam Smith was a masterful insinuator, and I may be an unwilling pupil. I wish to continue being a wayward pupil and provide the following quotes from my paper (Rashid, 1990) as evidence for what I meant.

I shall consider just how far the *Wealth of Nations* would have been modified if Smith had followed a more liberal practice with respect to his acknowledgements. (p. 1)

To accuse an academic of unscholarly standards is always a serious matter. (p. 2)

Not only does Smith copy the reasons given for the benefits of state-regulated coin, he even goes on to copy out the concluding sentiments regarding the sealing of cloth. (p. 7)

There may well be several other remarks to this effect, so I will only quote the first sentence of the concluding section.

Adam Smith's peculiar habit of acknowledging predecessors as little as possible where issues of substantive theory were involved is all the more extraordinary in view of Smith's jealousy about his own priorities. (p. 20)

If it is still true that I have insinuated what I should have said, I apologize most sincerely; while there is no harm in using irony and sarcasm, carrying out an argument solely through innuendo is detestable. Second, I *did* quote

directly from the *Discourse* and the *Reflections* as well as providing quotes from the *Wealth of Nations*. Perhaps Ahiakpor does not find the passages to be sufficiently similar, but this is a different issue. Apparently, the texts are not similar because the *Discourse* refers to the increase in sales and prosperity of towns; these points, Ahiakpor claims, are not mentioned in the *Wealth of Nations*. However, in the middle of the quote I provided, Smith speaks of public stamps as needed in order “to facilitate exchanges and thereby to encourage all sorts of industry and commerce.” Is this not the same point as the *Discourse*? To say that “there was no theory advanced in the *Discourse*” is a rather ahistorical statement. By the standards of modern general equilibrium theory, does the *Wealth of Nations* contain any correct propositions? If we follow Ahiakpor’s methods, in the limit, only items explicitly marked “theorem—proof” would be accepted.

The same ahistorical approach comes out in the references to books themselves. The figures I discussed—Hutcheson, Wallace, Berkeley, Tucker, Steuart—were all men of some distinction in their own times. Even if we had no other evidence that Smith had read their books, it would still be reasonable to claim that Smith knew of the works of such figures. Ahiakpor not only ignores my qualifying phrase “I shall try to remain on the safe side” but also misses the historical context of the discussion.

The choice of the word “neo-plagiarism” was dictated by the thought that only stupidity—or excessive haste—would lead someone to copy *directly* from a source. So plagiarism in the ordinary sense of the word is not even very interesting. How, then, does a clever, ambitious person borrow? Much as a wise man will hide a leaf: in a forest. The entire object of the exercise is thus to present the borrowed idea in such a way as to awaken no suspicion of its source. Now copying directly any major point is asking for trouble—Smith did so from the *Encyclopédie* and Adam Ferguson appears to have brought the point to his attention. Therefore, we would expect all major issues to be well-disguised. If the mask slips at all, it would be on an occasion where the author is hurrying to make a different point. Detecting such instances requires a minute reading of the text; indeed, it is all too possible to read things into a text that were never there. The procedure obviously requires care.

In Adam Smith’s case, we find several instances where Smith borrows, adapts from like-minded authors, or distorts his opponents’ views. There was nothing to stop Smith from crediting his teacher Francis Hutcheson where he agreed with Hutcheson and criticizing Hutcheson where he did

not. Hutcheson's *Lectures* were posthumously published and a few footnotes would have sufficed. Why Ahiakpor chooses to caricature this situation I cannot fathom.

Also, some writers may decide to credit their most influential teachers for ideas they espouse, and some may not. But I suspect it would be a most boring person who would go around always beginning or concluding an argument or observation with "as taught me by my teacher." (Ahiakpor, 1992, p. 172)

More remarkable is the ding-dong battle over Berkeley. Edwin Cannan devoted many years of his life to studying (and admiring) Adam Smith. In Cannan's opinion the two most important points raised by the *Wealth of Nations* were (a) the nature of wealth and (b) concern for the common man. In his footnotes, Cannan shows that *both* these points could easily have been derived from Berkeley's *Querist*. Ahiakpor passes over this major issue in silence.

Was there considerable merit in Berkeley's views on money? We have a red herring to get us started. Ahiakpor writes: "The fallacy that increasing the money supply permanently promotes economic growth is now too well recognized to be debated" (p. 175). Alas, "[t]he indefinite accumulation of money" is a storm cloud that has terrified many a lover of the *Wealth of Nations*, but how Ahiakpor reads this into Berkeley is beyond me. Jacob Viner once said such things of mercantilism but later in life he doubted its correctness. Perhaps other lovers of free enterprise will see fit to read as much and as carefully as Viner.

Ahiakpor finds a lack of both due form and substance in my argument. If the form of my argument stated that Berkeley's superior monetary theory was *generally* recognized, then I certainly stated something wrong. What I wanted to say, and what I think the context bears me out as having said, is that those recent scholars who had examined Berkeley's monetary views found more to admire in him than in Smith. Ahiakpor wants details—"Rashid pleads lack of space in the otherwise lengthy piece" (p. 174). If my references support the substantive claim then this is all that could be asked of me. This is precisely what Ahiakpor denies.

What, then, constitutes the "modern scholarship" that establishes the superiority of Berkeley's monetary theory? Surely not S. G. Checkland and Douglas Vickers, mentioned by Rashid (1990, p. 2 and p. 21, note 3), since their 1975 essays do not disparage Smith's scholarship in monetary analysis, as Rashid suggests. (p. 175)

The two substantive issues here are Smith's theoretical framework of monetary analysis and his perception of the facts of Scottish banking. The only recent book-length study of the monetary economics of this period available to me was by Douglas Vickers (1975)—presumably this is why he was asked to write the bicentennial essay—and I thought it enough to use him as reference.² Here is Vickers's summary of Smith's monetary theory:

In the 100 years preceding the appearance of *Wealth of Nations* considerable development had occurred, and a high degree of analytical sophistication had been reached, in the theory of money. The status to which the theory had attained and the structure of monetary thought in the eighteenth century determine the theoretical vantage point from which our assessment of the monetary theory in Adam Smith's classic work must be considered.

Smith, it will be argued at some length, did not embrace the perspectives or develop further the monetary dynamics of the more prominent of his predecessors, Cantillon, Hume, and Steuart, for example, and *many of the potentially fruitful theorems which were extant before his time unfortunately languished.* (p. 418, emphasis added)

When we turn to Checkland (1975), we find Ahiakpor quoting Checkland's closing words.

Both Steuart and Smith can be accused of allowing the demands of their general systems of thought to affect their presentation of banking. Both left some important theoretical issues unbroached and both left some unresolved. But taken together they provide a most illuminating dichotomy, perhaps the best theoretical starting-point for a consideration of pre-industrial banking, and not without relevance for later times. (p. 523)

I do not quite see how this rescues Smith's fame. What Checkland tells us is that neither Smith nor Steuart was perfectly right and that when juxtaposed, they provide an illuminating dichotomy. But who is the head and who is the tail of this Steuart-Smith beast? Checkland is too polite to tell us. Let the reader remember that these are bicentennial essays, where no one wishes to call the bride ugly.

Checkland does address Smith's factual accuracy (does Ahiakpor count this as scholarship?) at several points, two of which are worth quoting. First, on Smith's view of the Scottish banking system, he notes that "[t]his view of Smith's is difficult to reconcile with the real situation in Scotland"

(p. 514). Second, on the four maxims for good banking suggested by Smith, he says: "These rules were not of course original with Smith: All but the fourth were the standard canons of Scottish banking, though not of course always or necessarily the practice" (p. 504). Could Smith have found a tiny footnote in his magisterial work to remind us of the last fact?

Now that I have set out the structure of my argument, I hope it will be clear why I gave reference only to Checkland and Vickers. Contrary to Ahiakpor, I believe their articles do disparage Smith's scholarship on monetary analysis.³ However, this does not do justice to Ahiakpor. It is true that neither Checkland nor Vickers explicitly compares Berkeley and Smith. I should have contrasted the monetary thought of the school of Law-Cantillon-Berkeley with that of Smith. If this were an article for the general economist I would feel much more guilty than I do, but I thought I was writing for scholars who read my piece with prior knowledge and with what the hermeneuticians call "pre-understanding."

Ahiakpor's reaction to the account of the division of labor in the pin factory is truly novel. Edwin Cannan, whose work I relied on, did provide the direct quote from the *Encyclopédie* in the footnote, and why Ahiakpor chooses to credit me with this is a puzzle. Ahiakpor (1992, p. 171-72) goes on to state:

He leaves out relevant pieces of evidence from the article in question, while making several references to his own writings on Adam Smith, and this may cause some readers to accept his claims as valid on the basis of his own scholarship alone. For example, by omitting Smith's statement of having "seen a small manufactory . . . where ten men only were employed, and where some of them consequently performed two or three distinct operations" which increased their productivity (WN, pp. 8-9; emphasis added), Rashid creates the impression that Smith copied the idea of increased productivity through specialization in pin making from the French *Encyclopédie*.

If Smith's having *seen* a pin factory at work is sufficient evidence for us to ascribe the benefits of the division of labor as Smith's own theoretical contribution, what would we do if Smith had prefaced his account of gravity with the claim "I have myself seen an apple fall"!

Notes

1. With apologies to that rare scholar, W. R. Scott. Incidentally, in view of F. A. Hayek's high praise for Professor J. Jastrow's article in the *Zeitschrift für Nationalökonomie* (1937), why has no one yet translated this article, or at least summarized it?

2. There are also some articles specifically on Berkeley, by T. W. Hutchinson (1953) and by Joseph Johnston (1953), which make a strong case for Berkeley.
3. It is not that Ahiakpor objects to references to the literature. He is quite content to refer us to Ahiakpor (1990) on the contested issue of whether Smith's theory of interest rate determination is correct.

References

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