

WE might commemorate every day of 1976 with some anniversary disclosed by the accumulating store of history, but our real concern spreads before us in the present. Nevertheless, 1776 was a very remarkable year. It was a year which marks a transition between the old order of ideas and institutions to the modern world which we inherit. Therefore the student of political economy will note in 1976 the celebration of the publication of Gibbon's *Decline and Fall of the Roman Empire*, of Adam Smith's *The Wealth of Nations*, and the Declaration of Independence by North America. But the fall of Turgot in France, which also occurred in 1776, may pass unnoticed.

If the accepted view of historians reflected the true significance of events and the quality of the persons involved, then we could draw enlightenment from their records. But the accepted views are often stale or erroneous, and invite us to be heirs to little worthy of memory. As the study of political economy is incomplete without an accurate idea of the second half of the eighteenth century, during which the study was first presented in its modern dress, a few alternative views will be offered in relation to the events mentioned above.

We are very fortunate that the first volume of *Decline and Fall* was an instant success, for it encouraged Gibbon to complete the remainder. It remains a finest example of the use of language, and an account of an historical drama which unfolds with wit, insight and unlaboured detail. A most fitting celebration in 1976 would be to read it.

The Wealth of Nations was also a success. It is a long and rather theoretical work. In so far as it broke the hold of protectionist, or mercantilist, thinking its immediate popularity was useful; but, those chapters on trade apart, the remainder of this work has given rise to great confusions and academic fiddle-faddles. It is cited as the first economic writing of the modern age. The science of economics, however, was born in Paris, not in Kirkcaldy or Glasgow. In 1766 Smith spent some months in Paris and became friendly with Dr. Quesnay and Turgot. He read Turgot's short essay entitled *Reflections on the Formation and Distribution of Wealth*. Writing in 1786 Condorcet states: "This essay may be considered as the germ of the treatise on *The Wealth of Nations* written by the celebrated Smith." Unfortunately Smith, in a state of great agitation upon his death bed, ordered twice and most emphatically that all his notes and books be burned, so it is impossible to read any notes which Smith may have made in Paris. Condorcet seems to have learnt the English habit of understatement; "Smith," he wrote, "can only be reproached, for having depended too little, in some respects, upon the irresistible force of reason and truth."

The historians of economics do not relate the early steps of the science of economics. If they refer to the

Legacy of Liberalism

MALCOLM HILL

French economists at all, they invariably group all those economists as followers of Quesnay and, therefore, as Physiocrats. The Physiocrats, notably Mirabeau, Dupont de Nemours and Mercier de la Rivière, elaborated upon the teachings of Quesnay and we discover their works amount to a body of primitive complexities. But the indisputable fact is that Turgot, Gournay and Condorcet did not join the Physiocrats; it is quite evident that the works of these groups are as different as chalk and cheese. In a paper on the freedom of trade, Turgot writes, "I am well aware that those who for some time have been speaking or writing against liberty in the commerce of cereals, pretend this opinion to belong exclusively to certain writers who assume the name of Economistes, who may have prejudiced a number of the public by a sectarian air which they have put on rather clumsily and by a tone of enthusiasm which always displeases those who do not share it." The difference between these two groups is not drawn merely to disturb or to correct the academic record; the difference concerns the very heart of the scientific study of economics.

In 1776 North America declared its independence of England. This was not a development wrought by the laws of nature; America as a colony did not drop like a ripe plum from its parent branch. The rupture was caused by an arrogant government in Westminster that imposed whatever tax it willed, that secured commercial and shipping monopolies to England and hounded the Yankee with British troops. The Declaration of Independence did not occasion a different attitude in Westminster, and yet there were many matters of prime importance to be concluded with America. By 1782 Franklin decided to side with France who might put pressure on the English government to open negotiations. Good fortune inter-



vened, and in that year Lord North's government was replaced by Lord Rockingham's which included as the Secretary of State for the Dominions Lord Shel-

24 MARCH - APRIL 1976

LAND & LIBERTY

burne. Franklin and Shelburne had long been close friends and negotiations were opened immediately in Paris. Later that year Shelburne became Prime Minister and conducted the negotiations personally. But in February, 1783 Shelburne was put down by the united malice of Burke and Fox who until that time had denounced each other in the most recalcitrant terms. Proposing the terms settled with Franklin, Shelburne introduced the commercial terms of the agreed treaty to the House of Lords in these words:

"What then is the result of this part of the treaty? Why this; you have given America, with whom every call under heaven urges you to stand on the footing of brethren, a share in a trade, the monopoly of which you sordidly reserved to yourselves . . . Monopolies, some way or other, are ever justly punished . . . All Europe appears enlightened, and eager to throw off the vile shackles of oppressive and ignorant monopoly; that unmanly and illiberal principle, which is at once ungenerous and deceitful . . . I avow that monopoly is always unwise; but if there is any nation under heaven which ought to be the first to reject monopoly, it is the English. Situated as we are between the old world and the new, and between southern and northern Europe, all we ought to covet upon earth is free trade, and fair equality . . . it ought to be our constant cry, let every market be open, let us meet our rivals fairly, and we ask no more."

In his book, entitled *The Office of Prime Minister* (1975), Lord Blake cites Shelburne as one of six men, among over seventy holders of the office, who never should have accepted the office; he was too untrustworthy. Disraeli, however, referred to Shelburne as the most enlightened man of the eighteenth century and as one of the most suppressed figures of English history. It is not only in regard to America that Lord Shelburne deserves a place in English history, for he was also the man who introduced the liberalism of France into England, who inspired Bentham and Pitt the younger and who stood at the base of that liberalism which overflowed in nineteenth century Britain.

Lastly Turgot's fall in France is a matter on which historians are often silent and unconcerned. Yet there can be few events in the history of France, and indeed of Europe, which are more significant. Tur-

got saw that the direction of events in France was leading towards revolution. With an open mind, a mastery of economics, a decisive instinct, and with the simplicity of a true scholar, he set himself to oppose the ruin of his nation. In twenty months, thirteen of which were passed in bed as a result of an hereditary illness, Turgot transformed the condition of France. These reforms, introduced in those seven active months, were enough to remove the economic



ills of France. But in 1776 the young King Louis XVI fell victim to a conspiracy between his Queen, Marie Antoinette, and his court. He dismissed Turgot. France was governed then by men who did not see the open jaws of national suicide. In 1789 the Revolution was undergone and France has never recovered the liberalism it once possessed. Turgot's biographer and friend Condorcet begins *The Life of Turgot* (1787) thus:

"Among the multitude of ministers, who, during a short period, govern the destiny of nations, there are few who merit the attention of posterity. If they merely held principles and prejudices in common with the age in which they lived, of what moment is the name of one who has done what a thousand others in his place would have done as well?"

"General history serves to record the events in which they had a share. There we find that such a minister, raised from the crowd of the ambitious, was more eager to obtain his office than to deserve it; that he was more anxious to prolong his administration than to make it useful. There we see the ill that such men do from ambition, the ill that they permit from ignorance or irresolution; sometimes the good they have attempted without success, and more rarely the good that they have been able to effect. The history of their ideas, and even of their virtues, may be read in the opinions and the prejudices of their contemporaries.

"But if there appear among these a man, who has received from nature a superior strength of reason, accompanied with peculiar virtues and principles of action, and whose genius has so far outrun the acquisitions of his age as not to be understood by it; the life of such a minister may be interesting to all ages and all nations. His authority may give to important truths that sanction which reason itself sometimes stands in need of."

In 1976 that need is great and history yields that authority.