

Man for Our Time: Adam Smith

The Return of Adam Smith. By George S. Montgomery, Jr. Caldwell, Idaho: The Caxton Printers, Ltd., 1949, 147 pp., \$2.50.

The principal works of two great philosophers of political and economic freedom appeared in the same year, 1776. These were: "An Inquiry into the Nature and Causes of the Wealth of Nations," by Adam Smith, and the Declaration of Independence, by Thomas Jefferson. Historians say each has exerted a powerful influence on legislation throughout the western world.

"The Wealth of Nations" is the strongest brief ever drawn for unimpeded trade, neither hampered nor coddled by governments, according to Allyn Abbott Young (*Encyclopedia Britannica*, 1946), but its chief value is to be found in the picture it gives of the economic life of a nation.

Economists have been wrangling over this picture ever since. Mr. Montgomery, a New York lawyer, says Smith was the father of political economy, and he is supported in this view by others. This can be disputed. At any rate Smith was the first to make sense out of the seeming chaos that constitutes the free, competitive market and this reviewer believes events have shown some of his work has the force of natural law.

Jefferson's Declaration asserted that men, in the pursuit of life, liberty and happiness, had the right to be governed by institutions that derived their powers from the consent of the governed. Elsewhere Jefferson wrote: "That government is best which governs least." He read "The Wealth of Nations" and pronounced it "the best book extant" in political economy.

The principles of Adam Smith and Thomas Jefferson have been falling into disrepute for decades and today are openly sneered at over much of

the world, even by young people in America. It was Mr. Montgomery's discovery of the latter fact that inspired his book.

He plumbs the current controversy between the individualists and the collectivists and concludes the outcome of it "will determine the future of the world's peoples for centuries to come." Among the issues he appears to regard as leading mankind back along the road to slavery are taxation for improperly expanded government, and price regulation.

The issues related to political freedom cannot be discussed adequately here, but we can return to Adam Smith for a few lines on one of them, price regulation:

When the government, in order to remedy the inconveniences of dearth, orders all the dealers to sell their corn at what it supposes a reasonable price, it either hinders them from bringing it to market, which may sometimes produce a famine even in the beginning of a season; or if they bring it thither, it enables the people, and thereby encourages them to consume it so fast, as must necessarily produce a famine before the end of the season.

Thus in 1776 Smith explained the principal cause of the world famine of 1946, which could have been greatly ameliorated if not avoided entirely if certain governments, notably that situated in Washington, had learned what Smith taught so long ago. By placing ceilings on wheat that proved too low in relation to meat prices, the United States caused 1,500,000,000 bushels of wheat (a grain that normally is too dear for animals) to be fed to livestock during World War II, at a loss of six-sevenths of its energy. Smith saw that sort of thing, which was old in his time, but he never saw it on such a scale as in the nineteen forties.

"The Wealth of Nations," consisting of five books, was originally published in two volumes. A Modern Library edition, in one volume of 976 pages, has a curious introduction by Max Lerner. Professor Lerner, after damning Smith with quotations from Harold Laski's "Rise of Liberalism," says: "Smith was, to be sure, an unconscious mercenary in the service of a rising capitalist class in Europe. It is true that he gave a new dignity to greed and a new sanctification to the predatory impulses." What is true is that he gave dignity to men engaged in creating the wealth of nations. But to collectivists such men, to have dignity, must be the servants, not the masters of their governments.

Mr. Montgomery has struck another blow for freedom's cause and so has his publisher, the Caxton Printers, which not so long ago reprinted Herbert Spencer's "The Man Versus the State," first issued in 1884. There is no better case against statism than this. The first sentence of this

book is as fresh as if it were written yesterday: "Most of those who now pass as Liberals are Tories of a new type." He was referring to the Liberals who believed in coercion. There is need for a return not only to Smith but to Spencer and Jefferson as well.

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