Page numbers with an "n" refer to footnotes.

“Account of the Life and Writings of Adam Smith” (Stewart), 12n24

Adam Smith (Otteson), 253–54

advancement, measures of, 34–36

Africa, 155n29, 187n17, 188

African Americans, power of language and, 259

agency problem, 188, 191, 214

agriculture

capital and, 85–87, 105, 131–32, 160–68, 220n44

colonial policy and, 86n12, 139–40

eyearly stages of, 49–50, 57–58, 91–95, 171–72

monopolies and, 115, 131, 132, 164

“neat produce,” 162–63

as source of revenue and wealth, 160–68

surpluses in, 51, 91–95, 134, 163–64

taxation and, 162, 237–38, 245

alignment of incentives, 181, 185, 192, 193, 217, 221, 230, 244, 248, 256

teachers, 193–195

ambition, 9013

American colonies, 137–56, 247–51

agriculture, investment in,

86n12, 139–40

diffusion of land in, 103n30

financing, 149–51, 214, 249–52

government of, 148, 258n4

growth of, 103n30

material conditions in, 34–35

monopolies in, 154–56, 190

motives for establishing, 137–38, 190

paper money in, 74, 248–49

prosperity in, 139–44

rights of citizenship, 151–53

taxation and, 144, 150–51, 248–52

tobacco trade, 145, 147

trade with, 87–89, 112, 145, 147, 148, 247–49

annuities, 242, 243n64

apprenticeship law, 42–45, 46

armies. See defense

Articles of Association, U.S., 148

autonomy, interdependence vs., 20–21

Ayr Bank (Scotland), 71–72

Bank of England, 70, 72

bankruptcy, 38, 190, 246

banks and banking

competition among, 74–75

corruption and fraud in, 70–72, 74–75, 85, 255–56

joint stock companies and, 191

principles of, 74–75

role of, 72–73

See also credit; interest; money

beer taxes, 234, 247

Bengal, 22–23, 34, 37n36, 55, 146

Bohemia, 227–28

borrowing. See credit, public debt

bounties, 127–36, 233
Index

Brazil, 116
Britain. See England; Scotland
Buckeuch, Duke of, 123, 125
Buchanan, James, 5, 258–59, 260
bullion
bounties and, 128–29
coinage of, 137
controlling flow of, 109–11, 129
hoarding of, 107, 108, 111
role in extended markets, 86
“treaties of commerce” and, 136–37
See also gold and silver
burghers, 95–99
Calvinism, 211–12
Campbell, R. H., 125n15
Cannan, Edwin, 262n13
capital, 64–93
agriculture and, 85–87, 105, 131–32,
160–69, 220n44
circuits of flow, 64–66, 85–90
deepening of, 36, 236
defined, 64, 65–70, 75
distortions to flow of, 109, 113–15, 126,
136–37, 145–48, 159, 235
efficiency of, 72
forms of, 65–70
four employments of, 40–41, 85–89
joint stock companies and, 187
manufacturing and, 85–89, 91–93
micro vs. macro conceptions of, 66
mobility of, 45–46, 104n32, 223–24
redirection of, 127–28
risk of loss, 87n13, 92
scarcity value of, 245, 264–65
success of, 67
taxation and, 223–28, 235
capitalism, 265
capitation taxes, 228
carrying trade, 69, 87–90, 113–14, 154
cattle, 49–50, 57–59
Child, Josiah, 187
children, 46n47, 93–94, 104,
140, 226–27
China
extent of market in, 23, 166–67
infrastructure costs, 185
interest rates in, 29–30
laws and institutions in, 34, 37–38, 55
market maturation in, 83–84, 112
market stagnation in, 146
success of trade in, 166–67
church and state, 205–212
circulating capital
defined, 65–70
mercantile system and, 113–14, 136–37
overflow of, 86–89, 236
cities and towns, rise and growth of, 91,
95–105, 115, 159, 168
citizenship
as “active duty,” 204
classical liberalism and civic
humanism, 204
effects of constructive laws on, 82
reciprocal nature of relationship with
government, 216, 240–41, 260
role of education in, 208–9, 224
class
condition of as metric, 19, 33–34, 46,
60–61, 117, 208–9, 248
taxation and, 214
Coats, A. W., 15n31
Colbert, Jean-Baptiste, 116, 124, 161–62
collusion
“conspiracy against the public”, 44
corn trade and, 131
self-interest and, 40
town vs. country, 115, 159
See also factional interests; monopolies
colonial policy, 137–56
advantages of, 144–56
agriculture and, 86n12, 139–40
establishment of, 137–38
financing, 80n8, 149–51, 214, 249–52
full citizenship, 151–53
“golden dream”, 251
mercantile distortions of, 149, 187–92
prosperity of, 139–44
taxation and, 144, 150–51, 248–52
union proposal, 248–252
collusion, 214
commerce, facilitation of. See regulation
commercial system. See mercantile system
Commodities
as component of price, 27–31
market and natural prices of, 31–32
measure of value and, 25–27
micro vs. macro perspectives, 67–68
taxation and, 228–38
Communist Manifesto, The (Marx), 265
competition
among banks, 74–75
dynamics of, 38–39, 83
educational, 193–94, 212
Index 275

religious, 206–7, 212
role of, 29
conjectural history, 23, 197n25
conspicuous consumption, 101, 239
consumption
characteristics of, 51, 58n62
desire for food vs. desire for “conveniencies”, 51
feudalism and, 101, 239
immediate, 65
progress and, 77
as sole purpose of production, 160
taxation and, 228–38, 247–48
as use of stock, 75, 101
wholesale trade and, 87–88
corn
bounties on, 128–30, 134
as measure of value, 26, 53–55
trade in, 130–36, 161
wheat vs., 53n58
corn laws, 130–36
 corporations, effects of structure on behavior of, 187–92
corruption and fraud
apprenticeship law and, 43
corporate, 187–92
credit and, 71–72, 110n5
individual and institutional, 14, 24, 255–57
monetary, 24, 55, 70–72, 74–75, 85, 128–30, 246, 255–56
public debt and, 246
smuggling, 232–34, 248
taxation, 237
 See also collusion; factional interests; monopolies
country/town dichotomy, 91, 99–105, 115, 159, 168
 courts:
costs of, 180–83
evolution of, 180–183
credit, 82–84
bankruptcy, 38, 190, 246
corruption and, 71–72, 110n5, 255–56
irresponsible use of, 110n5
multilateral nature of, 120
public debt, 239–52
customs duties. See duties and tariffs
dealer taxes, 225, 233
debt, public, war and growth of, 239–52
defense
colonial policy and, 144
division of labor and, 14n28, 173–74
evolution of, 171
expense of, 215, 173–74
four stages theory and, 171–72, 203
militia vs. standing army, 172
and public debt, 239–52
and taxation, 180–81, 242–44
demand
effective, 31–32
manufacturing and, 58n62, 99
productivity and, 21–23
rent and, 47–48
role of, 21–23
Denmark, 55, 140
diamond-water paradox, 24
distribution
distortions of, 33n26, 42–45
as metric of progress, 264–65
diversity, value of, 177n11
division of labor, 17–23
caveats to, 35, 46
education and, 202–3
extent of market and, 19, 21–23, 64–65, 100, 166
marketing process and, 132
military defense and, 14n28, 173–74
propensity to truck, barter, and exchange, 19
as source of productivity, 14n28, 17–19, 60–61, 64–65, 163, 165
“well-governed society” and, 18–19
drawbacks, as tool to limit imports, 126–27, 142, 233
durable goods, taxation and, 230–31
duties and tariffs, 116–17, 126, 130–56, 148n25, 231–33, 247
East India Company, 112, 123n13, 140, 155, 156, 188–92, 214
East Indies
colonial policy in, 118, 153, 155–56
demand for silver in, 55
extent of market in, 22–23
interest rates in, 37n36
laws and institutions in, 34
mercantile system and, 112
education, 192–212
competition and, 193–94, 212
necessity of, 46

© in this web service Cambridge University Press
www.cambridge.org
Index

education (cont.)
religious, 205–12
role of state in, 35, 204, 224
subsidies for, 45
effective demand, 31–32
Egypt, 22, 167
Elliot, Gilbert, 11n17
empirical analyses, 50n53, 53–55, 59, 93, 96n25, 106, 175
See also history and historians
England
banking in, 70, 72
education and religion in, 212
extent of privilege of incorporation, 42–43
long historical view of growth in, 80–82
rise of wealth and revenue in, 83–84, 104–5
Scotland and, 49–50, 48, 248
England's Treasure in Foreign Trade (Mun), 109
ethics, 12–15, 20–21, 138, 256, 260–66
See also moral philosophy
Europe
after fall of Rome, 92–99
carrying trades in, 90
early trade in, 99
feudalism in, 67, 76–77
exchange
labor as measure of value, 25–27
propensity of, 19–21
value in, 24
excise taxes, 126, 231, 233–34, 236, 246–47
exports/imports. See duties and tariffs; trade
extent of market
in China, 23, 166–67
constraints on, 14, 42
division of labor and, 19, 21–23, 64–65, 100, 166
in East Indies, 22–23
effects of fees on, 185
effects of free trade on, 111–12
effects of taxation on, 95–96, 236
four stages theory and, 22
prices and, 31
rents and, 48–49
See also trade
externalities, 255
factional interests
contested space and, 259–61
democracy and, 250–51, 263
effects on distribution, 33n26, 42–45
effects on laws and institutions, 37–38, 94, 104
free trade and, 111–12, 123
in Greece and Rome, 201
market advantage and, 39, 118–19, 134, 236
use of government, 74, 80–82, 157n30
farming taxes, 257–58
Federalist No. 10, 250n72
fees
durable commodity, 230–31
educational, 192
extent of market and, 185
fee-for-service justice, 180–85
rent as fee, 28, 29, 217
signing, 217
town, 96
feudalism, 67, 76–77, 95–105, 175–76, 210n37, 239
fixed capital, 66, 68–70
fixed taxes, 216–17
flat-rate taxes, 225
food, rising rents and, 48–52, 58n62
four stages theory
Africa and, 153n29
concept of, 10–16
defense and, 171–72, 203
extent of market as tipping point, 22
laws and institutions in, 104
material improvement through, 26–28
religion and, 138
security and, 93–99, 177–83
fraud. See human frailty
France
cost of war with, 80n8
education and religion in, 212
government in, 97n26, 185
growth in, 5, 142
mercantile system in, 123–24, 161–62
Physiocracy and, 160–68
protectionism in, 116–17
public debt and, 242, 245, 251
Smith in, 33n25, 123–24
taxation and, 225–26, 227–28, 229, 237–38, 251
trade in, 104, 116–17, 121–22, 134, 136–37, 143, 145, 155
fraud. See corruption and fraud
Index

free market system
adaptivity and, 118
in context of Smith’s lifetime, 20–21
education and, 202
effects of a bounty on, 127
joint stock companies in, 191
natural course of events in, 83
religion in, 207–8
See also invisible hand; laissez-faire

free trade
effects of rapid adjustment to, 117–18
factional interests and, 111–12, 123
interdependence and, 166–67
use of drawbacks and, 126–27, 142, 233
free will, 12–13
frugality, 77–79, 81, 131, 229, 245–46
full employment, 30
Germany, 55, 142, 175, 211
See also Hamburgh
Glasgow Edition of the Works and Correspondence of Adam Smith, 125n15
gold and silver
American colonies and, 249
degradation of, 128–29
exploitation of, 138
as measure of value, 26, 52–56, 59–60, 70
as source of wealth, 52, 54, 59–60, 78
See also bullion
government
absence of, 262
administration of, 168–69, 170, 177–83
character of, 263–64
city and town, 91, 93–106, 115, 139, 168
distrust of, 226
feudalism, 67, 76–77, 95–105, 175–76, 210n37, 259
institutional vs. personal, 15, 21, 136, 264
origins of, 179–83
Physiocracy and, 21
prodigality and, 21
role and duties of, 43, 82, 106–7, 135–36, 168–71, 177, 182–84, 224, 254–57
as tool of destructive policy, 74, 80–82
“well-governed society” and, 15–16, 18–19, 29–30
See also laws and institutions; security
government debt, 80n8, 239–52
See also fees; taxation
Great Britain. See England; Scotland;
specific colony
Great Mind Fallacy (GMF), 254, 256, 261
Greece
colonial system in, 137–38, 144
defense of, 175, 215
education and, 195–96, 200–202
rise and decline of, 92n16
slavery in, 167–68
growth
destructive policies regarding, 74, 80–82
goal of, 66
keys to, 30–31, 64, 121
productivity as engine of, 16
theory of, 58, 115, 122
Hamburgh, 163, 214, 224
Hayek, Friedrich, 259
Heuckel, Glenn, 26n17
history and historians
aim of, 100n4
conjectural, 22–23, 197n25
long view of, 80–82, 90, 93, 98, 117–18, 176
See also empirical analyses
History of Astronomy (Smith), 7, 8–9, 12, 548n9, 196
Holland
growth and prosperity in, 55, 165–66
interest rates in, 84n9
as a mercantile state, 163
taxation and, 224, 238
trade in, 30, 165–66
as a “well-governed society,” 29–30
home trade
capital flows into, 109, 113, 154
foreign trade vs., 87, 99, 109
monopoly and, 129
as subdivision of wholesale trade, 87–89
houses, taxation and, 220–22, 226–27
Hudson Bay Company, 188
human frailty
defined, 15n30
as distortion, 79, 80, 92–93, 100
necessity of government due to, 236–57
progress and, 92–93, 197n25, 264
rent-seeking behavior and, 100
“well-governed society” and, 15
humankind
  characteristics of, 7–12, 149, 156
  evolution of values, 133
  impact of religion on, 37n34
  invisible hand in evolution of, 80
  limiting case of, 12, 15, 34, 36–38, 161, 197n25
  messiness as essence of, 10–11, 12, 14, 21, 32, 74, 156, 261–62
  metrics of, 19, 33–34, 46, 60–61, 208–9, 264–65
  “natural course” of, 92–93, 98–99
  self-love and, 20–21, 77, 263n16
  sources of distinction, 178–79
  spontaneous order and, 259–61
  success of, 34–36, 67
  See also four stages theory

Hume, David, 9n10, 84, 100, 205, 261

Hungary, 167–68

imagination, importance of, 9–10, 17n1

imports/exports.
  See duties and tariffs; trade

incentives, 185, 186–92
  citizenship and, 241
  educational, 192–93, 200, 202, 204, 205
  lending and, 223n47
  natural, 261n12
  self-interest and, 256, 261n12, 263n16
  taxation and, 217–18, 219, 221, 225
  income, growing gap in, 265
  See also profit(s); revenue; wages
  independence, as a condition, 35, 82, 95–99, 103, 104, 156

India. See East India Company

Indostan, 167

inflation, 74, 128–30, 246
  infrastructure, 183–92, 219, 255
  inheritance, 93–94, 104, 140, 226–27
  institutions. See laws and institutions
  interdependence, autonomy vs., 20–21
  interest, 82–85
    as component of price, 29–30
    defined, 29, 222n46
    distinction from profit, 29
    public debt and, 245
    public revenue and, 213–15
    regulation of, 81n10

Index

  taxation and, 222–24
  usury, 37–38, 84–85
  inventory, as part of circulating capital, 66
  invisible hand
    evolution of humankind and, 80
    “flow” process and, 45–46, 113, 131, 134, 168
    Otterson on, 254
    of self-interest, 70–71, 89–90, 253–54, 256, 261n12
    self-love and interdependence, 20–21
    See also free market system; laissez-faire

Ireland, 236, 249–50

Italy, 97n26, 215, 245

joint stock companies, 186–92

justice, 73, 138, 177–83, 255, 258
  See also laws and institutions

Kammen, Michael, 124

Keynes, John Maynard, 29n23, 121n11

labor
  as component of price, 27–31
  as measure of value, 25–27
  command, 25
  embodied, 25
  mobility of, 45–46
  productive vs. unproductive, 31, 75–82, 89, 101–2, 165, 227
  scarcity of, 33–34
  surplus, 118
  See also division of labor; slavery; wages; value

laissé-faire, 253–58
  See also free market system; invisible hand

land and property
  allocation of capital, 92
  appropriation of, 27–28
  colonial policy and, 139–40
  long-term interests, 61–62
  principle of private property, 265
  security and, 93
  See also agriculture; rent

land assessments, 221–22, 223

land tax, 246–47

language, as contested space, 259–60
Law, John, 84
laws and institutions
apprenticeship law, 42–45, 46
citizenry and, 236
constructive systems of, 82, 257–67
corn laws, 130–36
cost of administering, 177–83
distorting effects of, 37–39, 59, 92–93, 94, 98, 104
effects of on resource allocation, 42–47, 59
evolution of, 93–99, 104, 133, 177–83
four stages theory and, 104
as metric of success, 34–36
poor laws, 45–46
role and evolution of, 13–16, 55, 82, 95, 135–36, 201n27
as security, 18–19, 53, 67, 84, 135–36, 254–55
usury, 84–85
"well-governed society" and, 14–16, 18–19, 29–30
Lectures on Jurisprudence (Smith)
comparisons to WN and TMS, 16, 21
evolution of laws and institutions, 14, 15–16, 82, 201n27
Greek and Roman empires, 92n16
mercantile system, 122–23
origins of government, 179n14
"well-governed society," 16
liberty. See perfect liberty
limiting case, 12, 15, 34, 36–38, 161, 197n23
loans. See credit
local knowledge, 253–55
Locke, John, 84, 107–8, 123
logic, development and teaching of, 198–99
luxuries, taxation and, 228–38
Madison, James, 230n72
manufacturing
capital and, 85–89, 91–93
demand and, 58n62, 99
factors affecting origin of, 91–92
Physiocracy and, 160–68
market maturation, 83–85, 112
markets
access to, 21–23
distorting behaviors and, 255–56
role of, 66–67
security of, 43, 67, 74, 78, 81–82, 84, 156
See also extent of market
Marx, Karl, 65n2, 265
mercantile system, 107–59
arguments against, 109–12, 119–11, 147–48
capital in, 83–84, 113–14
Colbert and, 161–62
commercial system vs., 119n10, 125
as destructive policy regime, 147–48
evolving context of Smith’s view, 122–26, 156, 185–86
goal of, 107, 159
monopolies as engine of, 154
Physiocracy’s rejection of, 165
precious metals as wealth of nation, 60, 78
price(s) in, 127–36, 149
principles of, 107–12, 119, 159
profit(s) under, 154
physic theoretic system vs., 119n10
as destructive policy regime, 147–48
evolving context of Smith’s view, 122–26, 156, 185–86
goal of, 107, 159
monopolies as engine of, 154
Physiocracy’s rejection of, 165
precious metals as wealth of nation, 60, 78
price(s) in, 127–36, 149
principles of, 107–12, 119, 159
profit(s) under, 154
Index

280

monopolies, 114–19
agriculture and, 115, 131, 132, 164
American vs. British, 154–56, 190
capital and, 114
carrying trade and, 88–89
colonial policy and, 147, 187–92
as engine of mercantile system, 154
natural prices vs., 47
Montesquieu, 84, 167–68
moral philosophy, 7–17
central principles of, 9–10, 106–7, 199
defined, 8, 196–98
free will, 12–13
history and, 117–18, 136
laws and institutions as security, 53, 67, 135–36
natural selection as driving force, 14, 177
origins of, 196–204, 224, 261–62
parsimony and, 77–79, 149
Physiocracy and, 162
progress and, 136, 177
self-love and, 20–21, 77, 263, 116
Smith’s role as moral philosopher, 7–10, 96n25, 117–18, 199–204
See also four stages theory; humankind
Mun, Thomas, 109, 123
Naldi, Nerio, 27n19
natives, brutal treatment of, 153
natural philosophy, 8–9, 12, 196, 198, 262
natural prices, 31–32, 47–48
natural selection, 14, 177
“neat produce,” 162–63
necessities, taxation and, 228–38
Netherlands, 107, 112, 117, 120, 153
See also Holland
Newton, Isaac, 8–9, 12
nobility, 67, 76–77, 95–106, 175–76, 210n37, 239
observation, importance of, 9–10, 46
See also empirical analyses
ontology, 199
opulence, progress of
defined, 3n25, 65
elements contributing to, 77–82, 86–90
origins of, 91–93
See also progress
Otteson, James, 253–54, 256, 259, 261
paper money, 69–75, 86, 110, 248–49
parsimony, 77–79, 149
perfect liberty
colonial policy and, 148
concept of, 31, 36–38, 39, 254–55
limiting case of, 12, 34, 36–38, 161
movement of resources under, 45
Physiocracy and, 164–65
religious choice and, 207–8
rents and, 47
and variations in wages and
profits, 40–42
philosophy, 7–17, 196–204
See also moral philosophy; natural philosophy; Physiocracy
Physiocracy, 21, 160–68, 217
political economy, definition of, 106–7
See also mercantile system
poll-taxes, 96
poor laws, 45–46
population growth, 34
Portugal
flow of bullion in, 129
growth in, 142
naval power of, 140
taxation in, 144
trade in, 104, 135, 136–37, 149, 155
positive trade balance, 108–9
power
contested order and, 259–61
distorting aspects of, 42–45, 261, 265
public and private sources of, 39–40
See also factional interests
price(s), 25–32
component parts of, 27–31, 227
corn trade, 131–36
distortion of, 58–59, 132
inflation, 74, 128–30, 246
mercantile system and, 127–36, 149
micro vs. macro perspectives, 67–68
natural and market, 31–32
natural vs. monopoly, 47–48
production and, 128–10
in a progressing society, 60–61
See also interest; labor; profit(s); rent; value; wages
primogeniture, 93–94, 103, 104, 140
Principles of Political Economy (Mill), 16n34, 265
Principles of Political Economy and Taxation (Ricardo), 27n20
private property, principle of, 265
<table>
<thead>
<tr>
<th>Index</th>
<th>281</th>
</tr>
</thead>
<tbody>
<tr>
<td>prodigality, 77–79</td>
<td>perfection and, 164</td>
</tr>
<tr>
<td>production</td>
<td>standard for, 264–65</td>
</tr>
<tr>
<td>capital and circuits of, 36, 64–66, 85–90, 154, 240–41</td>
<td>as virtuous circle, 15n32</td>
</tr>
<tr>
<td>fixed capital and, 66, 68–70</td>
<td>See also four stages theory</td>
</tr>
<tr>
<td>inflation and, 128–30</td>
<td>progressive taxes, 220</td>
</tr>
<tr>
<td>as key to progress and wealth, 16, 30–31, 64, 65, 73–77, 89</td>
<td>property. See land and property</td>
</tr>
<tr>
<td>Physiocracy and, 165</td>
<td>protectionism, 116–17, 157–60</td>
</tr>
<tr>
<td>role of independence and security in, 103–4</td>
<td>public debt, 239–32</td>
</tr>
<tr>
<td>surpluses in, 91–93, 239</td>
<td>public goods, 173, 183, 204</td>
</tr>
<tr>
<td>”productive expenses,” 162–63</td>
<td>See also fees; taxation</td>
</tr>
<tr>
<td>productivity</td>
<td>public works, 183–92, 219, 255</td>
</tr>
<tr>
<td>in agriculture, 51, 162</td>
<td>Pulteney, William, 124</td>
</tr>
<tr>
<td>conditions ensuring, 156</td>
<td>Quesnay, François, 164–65</td>
</tr>
<tr>
<td>division of labor and, 14n28, 17–19, 60–61, 64–65, 163, 165</td>
<td>See also Physiocracy</td>
</tr>
<tr>
<td>effects of colonial policy on, 147</td>
<td>Reformation, 211</td>
</tr>
<tr>
<td>as engine of growth, 16</td>
<td>regressive taxes, 222</td>
</tr>
<tr>
<td>moral and legal conditions necessary for, 14</td>
<td>regulation</td>
</tr>
<tr>
<td>role of demand and access to markets, 21–23</td>
<td>of commerce, 183–92</td>
</tr>
<tr>
<td>profit(s), 36–47</td>
<td>competition and, 206–7</td>
</tr>
<tr>
<td>as component of price, 28–31</td>
<td>corporate structure and, 187–92</td>
</tr>
<tr>
<td>defined, 29</td>
<td>interest rates, 83n10</td>
</tr>
<tr>
<td>mercantile system and, 108–9, 145–47, 149, 214</td>
<td>religion</td>
</tr>
<tr>
<td>natural causes of variations in, 40–42</td>
<td>education and, 195–99, 205–12</td>
</tr>
<tr>
<td>progress and the fall of, 36–38</td>
<td>four stages theory and, 138</td>
</tr>
<tr>
<td>taxation and, 222–26</td>
<td>impact of, 37n34</td>
</tr>
<tr>
<td>See also interest; rent; wages</td>
<td>taxation and, 219</td>
</tr>
<tr>
<td>progress, 12–15, 32–38, 91–105</td>
<td>rent, 47–62</td>
</tr>
<tr>
<td>agriculture as origin of, 91–93</td>
<td>agricultural, 162</td>
</tr>
<tr>
<td>defined, 12, 33n25, 65</td>
<td>as component of price, 28–29</td>
</tr>
<tr>
<td>effects of on expenses, 212–13</td>
<td>conditions determining, 48–50</td>
</tr>
<tr>
<td>geography of, 91–93, 95–105, 168</td>
<td>of cultivated land for food, 48–52</td>
</tr>
<tr>
<td>of governance, 217</td>
<td>defined, 28, 68</td>
</tr>
<tr>
<td>human frailty and, 92–93, 197n25, 264</td>
<td>as measure of ”neat produce,” 162</td>
</tr>
<tr>
<td>keys to, 32–36, 46, 55, 64, 77–80, 121, 264–65</td>
<td>mercantile system and, 62, 149</td>
</tr>
<tr>
<td>limiting case of, 12, 15, 34, 36–38, 161, 197n25</td>
<td>mined materials and, 51–56</td>
</tr>
<tr>
<td>material vs. human, 60</td>
<td>resentment, 178n13</td>
</tr>
<tr>
<td>”natural course” of, 12n21, 12n24, 91–95, 98–99, 100, 104</td>
<td>resource allocation, 38–47</td>
</tr>
<tr>
<td>of opulence, 33n25, 65, 77–82, 86–90, 91–93</td>
<td>effects of laws and institutions on, 42–47</td>
</tr>
<tr>
<td>revenue</td>
<td>natural, 40–42</td>
</tr>
<tr>
<td>components of, 68–69, 215–16, 222n46</td>
<td>mercantile system and, 115</td>
</tr>
</tbody>
</table>
Index

282

revenue (cont.)
in the political economy, 106–7
self-financing, 192
See also profit(s); public revenue; taxation
Ricardo, David, 16n34, 27n20
risk
of capital loss, 87n13, 92
risk-adjusted rate of return, 41–42, 44
transaction costs and, 45
Roman Empire, 92–101
colonial system in, 137–38, 144
defense of, 175–76
education in, 200–202
slavery in, 167–68
Royal African Company, 188
Russia, 55
Say’s Law, 77n6
scarcity
corn trade and, 131
gold and silver, 51, 59
interest and, 223, 245
of labor, 33–34
scarcity value of capital, 245, 264–65
Scotland
banking in, 70, 71–72, 74
England and, 49–50, 58, 248
religion in, 211–12
Smith in, 122–23, 124
taxation, 248–50
Scott, William Robert, 33nn25–26
security, 91–106
four stages theory and, 93–99, 177–83
laws and institutions as, 18–19, 53, 67, 84, 135–36, 254–55
of markets, 43, 67, 74, 78, 81–82, 84, 156
as source of wealth, 142
See also defense
self-governance, 20–21, 95–99, 257
self-interest
benefits of, 20–21, 253–54
collusion and, 40
incentives and, 256, 261n12, 263n16
invisible hand of, 70–71, 89–90, 253–54, 256, 261n12
social good and, 262n13
“veil of uncertainty” and, 258n5
self-knowledge, 253–54
self-love, 20–21, 77, 263n16
“butcher, the brewer, or the baker”, 20
Sen, Amartya, 260n10
silver. See bullion; gold and silver
Skinner, A. S., 125n15
slavery, 94–95, 143, 167–68, 226
Smith, Adam
on aim of historians, 10n14
as Commissioner of Customs, 125–26, 186
education of, 45n43, 45n44, 193n22
in France, 33n25, 123–24
in London, 124–26, 141
as moral philosopher, 7–10, 96n25, 117–18, 196–98, 262
on nature of children, 46n47
progressivism of, 10n15
in Scotland, 122–23, 124
Utopian vision of, 248
smuggling, 232–36, 248
social systems
morality and, 13–15
success of, 34–35, 67
South Sea Company, 188
Spain
bullion in, 129
growth in, 142
naval power of, 140
public debr and, 245, 251
taxation and, 144, 236, 237, 251
trade in, 104, 135, 149
Spengler, Joseph, 261n11
spillover effects, education and, 45
stamp duties, 148n25, 247
status quo, 258–59
Stewart, Dugald, 12n24, 23, 197n25
Stigler, George, 253
stock, 36–47
accumulation of, 27–34, 36–37, 44–45, 64–65
division of, 65–67
early stages of, 65–66
mobility of, 45–46, 223–24
reinvestment of, 64–65
taxation and, 223–24, 226–27
uses of, 75–76
See also banks and banking; capital; money; profit(s)
Strahan, William, 186
subordination, 178–79
subsidies
bounties as, 127–36, 233
drawbacks as, 126–27, 142, 233
for education and training, 45
success, metric of, 34–36, 67
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sugar trade</td>
<td>143, 234-35</td>
</tr>
<tr>
<td>supply chain</td>
<td>85, 135, 155</td>
</tr>
<tr>
<td>surpluses</td>
<td></td>
</tr>
<tr>
<td>agricultural</td>
<td>51, 91-93, 134, 163-64</td>
</tr>
<tr>
<td>emergence of</td>
<td>91-93, 239</td>
</tr>
<tr>
<td>production</td>
<td>91-93, 239</td>
</tr>
<tr>
<td>Sweden</td>
<td>55</td>
</tr>
<tr>
<td>Switzerland</td>
<td>97n26, 224</td>
</tr>
<tr>
<td>sympathy</td>
<td>17n1</td>
</tr>
<tr>
<td>taille tax</td>
<td>225-26</td>
</tr>
<tr>
<td>takeoff theory</td>
<td>57-58, 60, 87</td>
</tr>
<tr>
<td>tariffs</td>
<td></td>
</tr>
<tr>
<td>See duties and tariffs</td>
<td></td>
</tr>
<tr>
<td>tax assessments</td>
<td>221-22, 223</td>
</tr>
<tr>
<td>taxation</td>
<td>215-38</td>
</tr>
<tr>
<td>agriculture and</td>
<td>162, 237-38, 245</td>
</tr>
<tr>
<td>beer taxes</td>
<td>234, 247</td>
</tr>
<tr>
<td>bounties</td>
<td>127-36, 223</td>
</tr>
<tr>
<td>of capital</td>
<td>223-28, 235</td>
</tr>
<tr>
<td>church tithing</td>
<td>219</td>
</tr>
<tr>
<td>class and</td>
<td>234</td>
</tr>
<tr>
<td>collusion and</td>
<td>237</td>
</tr>
<tr>
<td>colonial policy and</td>
<td>144, 150-51, 248-52</td>
</tr>
<tr>
<td>on consumption</td>
<td>228-38, 247-48</td>
</tr>
<tr>
<td>dealers and</td>
<td>225, 231</td>
</tr>
<tr>
<td>for defense</td>
<td>180-81, 242-44</td>
</tr>
<tr>
<td>distorting aspects of</td>
<td>219, 227-28, 235-36</td>
</tr>
<tr>
<td>duties and tariffs</td>
<td>116-17, 126, 130-36, 148n25, 231-33, 247</td>
</tr>
<tr>
<td>excise taxes</td>
<td>126, 231, 233-34, 236, 246-47</td>
</tr>
<tr>
<td>farming</td>
<td>237-38</td>
</tr>
<tr>
<td>fixed</td>
<td>216-17</td>
</tr>
<tr>
<td>flat-rate</td>
<td>225</td>
</tr>
<tr>
<td>incentives and</td>
<td>217-18, 219, 221, 225</td>
</tr>
<tr>
<td>incidence</td>
<td>226</td>
</tr>
<tr>
<td>inheritance</td>
<td>226-27</td>
</tr>
<tr>
<td>interest and</td>
<td>222-24</td>
</tr>
<tr>
<td>maxims guiding</td>
<td>216, 235-36</td>
</tr>
<tr>
<td>mercantile system and</td>
<td>214-15, 231-32</td>
</tr>
<tr>
<td>moral philosophy and</td>
<td>224</td>
</tr>
<tr>
<td>non-distorting taxes</td>
<td>223-24</td>
</tr>
<tr>
<td>Physiocracy and</td>
<td>217</td>
</tr>
<tr>
<td>poll-taxes</td>
<td>96</td>
</tr>
<tr>
<td>production</td>
<td>162, 243-44</td>
</tr>
<tr>
<td>profit(s) and</td>
<td>222-26</td>
</tr>
<tr>
<td>progressive</td>
<td>220</td>
</tr>
<tr>
<td>public works</td>
<td>183-92, 219, 235</td>
</tr>
<tr>
<td>regressive</td>
<td>222</td>
</tr>
<tr>
<td>rents and</td>
<td>214-15, 216-22, 223, 226-27</td>
</tr>
<tr>
<td>of slavery</td>
<td>226</td>
</tr>
<tr>
<td>sugar trade</td>
<td>234-35</td>
</tr>
<tr>
<td>taille</td>
<td>225-26</td>
</tr>
<tr>
<td>variable</td>
<td>218-19</td>
</tr>
<tr>
<td>wages and</td>
<td>227-28</td>
</tr>
<tr>
<td>window taxes</td>
<td>222</td>
</tr>
<tr>
<td>technology, defense and</td>
<td>174-75</td>
</tr>
<tr>
<td>Theory of Moral Sentiments, The</td>
<td></td>
</tr>
<tr>
<td>(Smith), 10-16</td>
<td></td>
</tr>
<tr>
<td>“arrogance” of man</td>
<td>236-57</td>
</tr>
<tr>
<td>characteristics of humankind</td>
<td>10-12, 21, 149, 156</td>
</tr>
<tr>
<td>comparisons to TMS and WN</td>
<td>16, 21</td>
</tr>
<tr>
<td>frugality</td>
<td>77-79</td>
</tr>
<tr>
<td>nature citizenship</td>
<td>82</td>
</tr>
<tr>
<td>“natural,” 12</td>
<td></td>
</tr>
<tr>
<td>nature of children</td>
<td>46ln47</td>
</tr>
<tr>
<td>“progress,” 12-15</td>
<td></td>
</tr>
<tr>
<td>revisions of, 256</td>
<td></td>
</tr>
<tr>
<td>virtue vs. vice, 262n14</td>
<td></td>
</tr>
<tr>
<td>tithing</td>
<td>219</td>
</tr>
<tr>
<td>tobacco trade</td>
<td>145, 147</td>
</tr>
<tr>
<td>Todd, W. B., 125n15</td>
<td></td>
</tr>
<tr>
<td>towns and cities, rise of</td>
<td>91, 95-105, 115, 159, 168</td>
</tr>
<tr>
<td>Townshend, Charles, 33n25, 123</td>
<td></td>
</tr>
<tr>
<td>trade, 87-93, 108-59</td>
<td></td>
</tr>
<tr>
<td>access to markets and</td>
<td>23</td>
</tr>
<tr>
<td>balance of</td>
<td>108-9, 120, 122</td>
</tr>
<tr>
<td>capital and</td>
<td>91-93, 154</td>
</tr>
<tr>
<td>carrying, 69, 87-90, 113-14, 154</td>
<td></td>
</tr>
<tr>
<td>corn, 127-16, 161</td>
<td></td>
</tr>
<tr>
<td>distortions in, 113-14, 123, 127-37,</td>
<td>149, 153, 168-69</td>
</tr>
<tr>
<td>emergence of</td>
<td>92, 99</td>
</tr>
<tr>
<td>as foundation of wealth, 104-5</td>
<td></td>
</tr>
<tr>
<td>home trade, 87-89, 99, 109, 113, 154</td>
<td></td>
</tr>
<tr>
<td>mercantile system and</td>
<td>111-22, 130-36, 157-60, 161, 186-92</td>
</tr>
<tr>
<td>money and the expansion of, 64, 249</td>
<td></td>
</tr>
<tr>
<td>origins of money and</td>
<td>23-25</td>
</tr>
<tr>
<td>positive trade balance, 108-9</td>
<td></td>
</tr>
<tr>
<td>regulation and facilitation of, 126-27</td>
<td></td>
</tr>
<tr>
<td>130-16, 157-60, 166-67, 185-92</td>
<td></td>
</tr>
<tr>
<td>sequential widening of, 64</td>
<td></td>
</tr>
<tr>
<td>smuggling, 232-36, 248</td>
<td></td>
</tr>
<tr>
<td>as subdivision of wholesale trade, 87-89</td>
<td></td>
</tr>
<tr>
<td>sugar, 143, 234</td>
<td></td>
</tr>
<tr>
<td>taxation on, 116-17, 126, 130-36,</td>
<td>148n25, 231-33, 247</td>
</tr>
</tbody>
</table>

© in this web service Cambridge University Press  www.cambridge.org
Index

trade (cont.)
- tobacco, 145, 147
- velocity of, 87–89
- wholesale, 87–89
  as zero-sum game, 23, 111–12, 120–21
  See also duties and tariffs; free trade
- training, subsidies for, 45
- transaction costs, 22, 45, 48–49
- transportation, 22–23
- transfer taxes, 226–27
- transportation, 22, 85
- "treaties of commerce," 136–37
- Turkey, 167–68

unintended consequences, 98–99, 116, 201, 254
- United States, 148, 258n4
  See also American colonies
- university, evolution of, 195–200
- use, value in, 24
- usury, 37–38, 84–85

value
- corn as consistent measure of, 26, 53–55
- diamond/water paradox, 24
- of gold and silver, 26, 52–56, 59–60, 70
- labor embodied vs. commanded
  as, 25–27
- metaphysical perspective of, 27
- real vs. nominal, 24
- Ricardo on, 27n20
- in use vs. exchange, 24
- values (ethical), evolution of, 133
- variable taxes, 218–19
- "veil of uncertainty," 258–59, 260
- velocity of trade, 87–88

wages
- as component of price, 28–29, 32–36, 227
- effects of bounties on, 128
- mercantile system and, 149
- natural causes of variations in, 40–42
- taxation and, 227–28
- Walpole, Robert, 233–34
- wars and warfare. See defense
- wealth
- agriculture as source of, 160–68
- diffusion of, 103n30
- mercantilist view of, 107–12, 115, 137, 159–60

precious metals as source of, 52, 54, 59–60, 78
- production as key to, 16, 30–31, 64, 65, 76, 77, 89
- race for, 254–55
- security as source of, 142
- trade as foundation of, 104–5
- undermining factors of, 38

Wealth of Nations (Smith)
- additions, corrections, and revisions to, 27, 243n62
- advertisements of, 126
- Book I themes and conceptual frames, 19, 30, 31, 32, 37, 41, 47, 63
- Book II themes and conceptual frames, 32, 37, 38, 42, 47, 61, 67, 89
- Book III themes and conceptual frames, 32, 38, 47, 52, 67, 87, 90, 92–93
- Book IV themes and conceptual frames, 32, 38, 52, 63, 87–88, 89, 105, 122–26, 168–69
- Book V themes and conceptual frames, 46, 168–69, 170, 204, 248
- comparisons to LJ and TMS, 16, 21
- difficult aspects of, 27n18
- Early Draft of, 33n24–26
- editorial notes regarding, 92n16
- first edition, 185–86
- John Stuart Mill on, 16n34
- occurrences of the term
  "progress," 12n20
- organization of, 15–16, 170
- overall themes and conceptual frames, 14, 17n1, 33, 78, 84, 95, 100, 118, 135–36, 142, 168
- publishing history, 122–26, 156, 185–86, 243n63
- third edition, 185–86, 243n63
- use of commercial system vs. mercantile
  system as term, 119n10, 125

"well-governed society," 15–16, 18–19, 29–30

wholesale trade, 87–88
- window taxes, 222
- witchcraft laws, 133

women
- exploitation of, 157
- power of language and, 259
- wool manufacturing, 59, 158

working class, 19, 33–34, 46, 60–61, 117, 208–9, 248