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Adam Smith, Settler Colonialism, and Cosmopolitan Overstretch

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Abstract:

Adam Smith has recently been celebrated as a precocious theorist of commercial cosmopolitanism who decried the injustice of imperial conquest and extraction. This paper focuses on Smith's endorsement of settler colonialism in North America and argues that Smith's newfound cosmopolitanism is overstretched. Smith welcomed settler colonies as the embodiment of the "natural progress of opulence" and spared them from his invective against other imperial practices like chattel slavery and trade monopolies. Smith's embrace of settler colonies, however, involved him in an ideological conundrum insofar as the prosperity of overseas settlements rested on imperial expansion and seizure of land from Native Americans. I contend that Smith muffled this disturbing link through a number of rhetorical strategies, evoking a vision of colonization without imperialism. Smith's favorable treatment of settler colonialism, I conclude, belongs to a longer genealogy of representing capitalism as an essentially liberal economic system in the face of its decidedly illiberal history. Investigating this genealogy necessitates breaking with the currently dominant conventions of studying the history of political thought and placing intellectual history in conversation with social theory and political economy.

Keywords: capitalism, liberalism, cosmopolitanism, colonialism, imperialism, British Empire, Adam Smith

Introduction

Adam Smith is emblazoned in the scholarly and lay mind alike as the intellectual progenitor of economic liberalism, who upheld the sacred right of individuals to direct their property and labor, adumbrated the free market's harmonious mediation of diverse interests, and prescribed a minimal if essential role to public authority in the institution of economic life. This familiar picture of Smith's economic liberalism has recently been compounded by scholarly accounts of his cosmopolitanism. Breaking with the long-standing methodological-nationalist conventions in the study of political thought, studies in intellectual history have illuminated the global scope and imperial nature of the political and economic phenomena to which Smith addressed his reflections, criticisms, and proposals.¹ Above all, these studies

demonstrate that a frontal critique of early-modern European colonial empires – or what IPE scholars have retrospectively rechristened as “mercantilism” – was formative of Smith’s political economy. *Pace* contemporary liberals who might cite Smith’s intellectual patrimony for labor market reform or economic deregulation against broad-based Keynesian or welfare policies, Smith’s ire has been shown to be mainly aimed at colonial trade regulations that aggrandized powerful minorities, late-medieval/early-modern forms of servitude such as apprenticeship, serfdom, and chattel slavery, and monopolistic joint-stock trading companies that defrauded consumers at home and oppressed producers abroad.² Smith’s criticism also extended to the deleterious effect of European empires on non-European peoples whom he did not judge to be culturally inferior to Europeans, despite his famous four-stage theory of savagery and civilization that his successors would retool into an ideology of imperial tutelage.³ When combined with his conclusions about the universal economic and moral benefits of global commerce and his correlate advocacy of free trade as the best way to promote it, these normative commitments lend support to the laudatory portrait of Smith as a consummate modern cosmopolitan. Even if his strand of anti-imperial critique failed (as he himself predicted) to resonate with the political and economic elites of this time,⁴ the potent ideational brew of commerce, liberality, peace, and prosperity that he concocted has inspired subsequent generations of publicists, statesmen, and scholars, from Richard Cobden to Joseph Schumpeter to the contemporary adherents of commercial peace theory.⁵

It is my contention in this essay that the newfound cosmopolitanism of Smith is in a certain sense overstretched because of insufficient attention to Smith’s views on settler colonialism, especially the British North American variant. I argue that Smith spared settler colonialism from the withering aspersion he poured upon territorial conquest and colonial slavery in the West Indies and armed trading and merchant sovereignty in the East Indies. Although he expressly decried territorial expansion and the destruction of indigenous peoples

as grave injustices, he did so in a manner that dissociated them from British agrarian colonial settlements that he held in very high regard. Instead, Smith reserved the odium of colonial expropriation for the Spanish and Portuguese Empires in the West, and the Dutch and British East India Companies in the East, which epitomized the general “European” avidity behind modern colonial ventures. The discursive exoneration of settlerism from empire, I maintain, worked through a series of binary tropes that juxtaposed occupation and conquest, liberty and oppression, “thinly inhabited” and “fully inhabited” countries, and Greek and Roman colonies. Consequently, if one cannot speak of an explicit justification of land appropriation and native dispossession in Smith’s writings (*a la* John Locke or Emer de Vattel), then one can certainly discern a systematic “deflection” of attention from these elements, but only to the extent that they laid down the structural conditions of British colonial settlements.⁶

I contend that the principal reason why Smith held American settler colonies at arm’s length from the infamy of empire is the special place they occupied in his political economy. North American colonies incarnated the closest approximation to the ideal trajectory of economic progress, or in Smith’s words, the “natural progress of opulence,” in human history. The pivot of the whole matter was land and liberty. First, unlike in post-feudal Europe, land in America was plentiful, cheap, and unbound by practices of primogeniture and entail. Secondly, unlike the rapacious monopolies of the East or the despotic plantations of the West Indies, North American colonies were relatively free from the corrupting touch of mercantile policies, thanks to the attenuating impact of oceanic distances on imperial authority. The combined effect of land and liberty was to spur rapid economic and demographic growth in colonial settlements, which in turn expanded the market for European industry, increased the scope for division of labor, and accelerated economic progress. However, whereas the relatively liberal government of the North American colonies could be explained by the British system of laws, a cheap and abundant supply of colonial land necessarily implicated issues of land

appropriation and indigenous displacement. This rerouted the argument back to the very terrain of empire which Smith was exhorting his contemporaries to leave behind. Smith responded to this conundrum by soft-pedaling the connection between imperial expansion and settler colonies through a series of rhetorical elisions that converged on what a recent commentator has labeled an “anti-imperial conception of colonies.”⁷

The lack of an explicit rationalization of colonial land appropriation in Smith’s writings is arguably the reason why, with a few recent exceptions, this issue has received little scholarly attention.⁸ It is important to address the resultant cosmopolitan overstretch, not as a matter of textual exegesis, but in order to mark the limits of eighteenth-century commercial liberalism as a standpoint of anti-imperial critique. This is because there are plausible grounds to view global commerce as the historical twin of the colonial empire rather than its antithesis, a fraught “intimacy” that becomes particularly salient when cosmopolitan commerce, or global free trade, is posited as empire’s alternative⁹ – a point I elaborate in some detail in the second part of the paper. I am thereby less interested in ascertaining the authenticity of Smith’s personal anti-imperial commitments than in excavating his writings on empire and commerce for insights about the contradictions internal to the imperial political-economic formations of the eighteenth century. The broader political and theoretical stakes of this analysis cascade all the way down to our present as they concern how global capitalism has come to be imagined as an essentially liberal economic system in spite of its illiberal historical origins in territorial conquest, resource extraction, and bonded labor. While capitalism’s illiberal origins have been no secret to historians and social scientists attuned to its intersection with colonialism, this question has witnessed a resplendent comeback with the new histories of capitalism.¹⁰ There remains much to be written, however, on how these constitutive illiberalities have been perceived, interpreted, and negotiated in political and economic theory in ways that cordon them off from a putatively liberal and pacific essence of capitalism. My analysis of Smith’s

writings on political economy, empire, and colonies presents an attempt in this direction. It is also an invitation to conversation on rematerializing the growing debate on liberalism and empire.¹¹

In what follows, I begin with a brief survey of Smith's criticism of the economic follies and the moral enormities of overseas empires, followed by his reflections on the benign yet unintended consequences of European colonial expansion – above all the emergence of worldwide commercial networks and the formation of agrarian settlements in the Americas. The second section localizes the tension between dreadful imperial methods and their laudable commercial outcomes around the issue of settler colonialism, which posed for Smith an ideological problem of reconciling the rapid natural progress of opulence in British North American colonies with the territorial invasion and land seizure on which they necessarily depended. After examining the rhetorical strategies that Smith employed for navigating this problem, I conclude with the more general implications of this analysis for thinking about the historical and structural connections between empire and commerce, and between capitalism and cosmopolitanism.

I. Of Adam Smith and Empire

Critique of the Old Colonial System

Smith was perhaps the brightest of the mid-eighteenth century luminaries of the Enlightenment who regarded the existing European overseas empires as “rapacious machines designed for extracting wealth and with little regard for the welfare or the public good of either the colonies or, where it still existed, indigenous populations.”¹² Even a cursory reading of Smith's observations on European maritime expansion reveals almost a visceral animosity towards what Donald Winch has called the “old colonial system,” comprised of imperial trade preferences, monopolies, tariffs and bounties, as well as chartered companies, slave-owning

plantocracies, and proconsular imperial governments.¹³ The moral and the economic systemically overlapped in Smith's indictment of these institutional arrangements as at once imprudent, wasteful, and inefficient as well as violent, oppressive, and unjust. "The whole mercantile system, with its colonies and empires," as Amartya Sen and Emma Rothschild put it summarily, was "a monument to unreason, the outcome of avidity, folly, and injustice."¹⁴

Smith furnished a comprehensive inventory of the economic and moral aberrations of empire in Chapter VII of Book IV of the *Wealth of Nations*, though his conclusions closely followed from the principles of political economy outlined in Books I-III.¹⁵ Smith began his discussion in this chapter with the principal motivation behind European colonial expansion. Unlike ancient Greek and Roman colonies which had been founded to relieve urgent demographic or political pressures, Smith concluded, "European colonies in America and the West Indies arose from no necessity" (*WN* II, 18). Instead, the origins of modern colonies were accidental and animated by the absurd secular superstitions about commerce and statecraft regnant in Smith's time. The first colonial expeditions were fueled by the "sacred thirst of gold" (*WN* II, 21) rooted in the profoundly misconceived mercantile notion of wealth as consisting in precious metals (which Smith devoted the entire Book IV of the *Wealth of Nations* to debunk). Established by adventurers chasing "golden dreams," overseas colonies were then perpetuated by the equally delusional mercantile principle of the balance of trade. Both of these premises reflected the rivalry between the territorial fiscal-military states of Europe, which had discovered in long-distance trade an answer to their obsession with revenue. Adopting foreign trade as a supreme matter of the statecraft had given birth to the post-Machiavellian "commercial reason of state." This phenomenon was already diagnosed by David Hume who coined the term "jealousy of trade" to express the infection of commerce by political rivalry and exposed the erroneous equation of wealth with specie in his germinal quantity theory of money.¹⁶

Smith expanded these insights into a catholic denunciation of the old colonial system as a whole. The pivot of the mercantile system for Smith was the “spirit of monopoly” that instantiated in the economic policies of a government captured by merchant interests or “shopkeepers”. Colonial trade monopolies on enumerated goods, import tariffs and prohibitions, export bounties and drawbacks, and statutes on what could and could not be produced in the colonies were all intended to subordinate the colonies to the economic interests of the metropole – in Smith’s sardonic words, “to found a great empire for the sole purpose of raising up a people of customers” (*WN II*, 58). In moral terms, mercantile regulations were odious as “impertinent badges of slavery,” a “manifest violation of the most sacred right mankind” in “employing their stock and industry in the way that they judge most advantageous to themselves” (*WN II*, 35). Their economic effects were even more pernicious. By artificially inflating the profit rate on colonial trades, they induced capital to migrate from domestic agriculture and manufactures to transoceanic commerce and carrying trade. This was not only a splendid misallocation of economic resources and thereby reducing the employment of productive labor at home, but it was also the surest way of retarding the rate of return to capital (and thereby hampering accumulation and economic growth) by luring it into investments with slower turnover cycles (*WNI*, 383-4; *WN II*, 49-52).

The mercantile system, just like the feudal system that preceded it, represented a perversion of the “natural progress of opulence,” which was supposed to follow the sequence of agriculture, manufacture, foreign consumption trade, and only then, carrying trade (*WNI* 301, 305, 311).¹⁷ Each step of the natural progress followed the increase in the number and overall volume of capitals and a progressive drop in profit rates, which induced capitalists to direct their savings to the next field of investment. Low profits across the board yet rapid capital accumulation, and high profits in certain sectors yet suboptimal economic growth, were entirely plausible scenarios for Smith (*WNI*, 125). The mercantile system, with its persistently

high profits in colonial trades, produced the second scenario. Unlike “profits of improvement” that issued from the increased productivity of labor and inspired healthy emulation in competitors,¹⁸ such “mercantile profits” followed from barriers to entry that curbed competition and hovered well above the “natural” level (*WN II*, 56). Mercantile regulations rendered foreign trade a zero-sum game by empowering merchants to buy below and sell above market prices and thereby beggar both the producers and the consumers. Smith’s contemporaries then mistook the effect of colonial system as the nature of foreign trade itself when they lamented their neighbors’ gain as their own loss. Last but not least, the colonies contributed next to nothing to the expenses of imperial defense and administration, laying the bill for the largest item of “unproductive consumption” at the doorstep of the metropolitan government. Heavier taxes and the ballooning public debt were the tribute paid to the chimera of possessing an empire (*WNI*, 277; *WN II*, 29).

Exclusive trading companies were the incarnation of the monopoly spirit and their shareholders and advocates the most “clamorous” of the factious interests in Britain (*WN II*, 243-4). Smith observed that the economic and demographic progress in the New World colonies was directly proportionate to the waning activity and power of these companies in the Atlantic basin, though national trade monopolies (like British Navigation Laws) remained in force (*WN II*, 25-30). The record of exclusive companies in the East Indies trade, however, had quickly reached calamitous proportions. The Dutch East India Company had set the precedent by burning spice trees and depopulating entire islands in Indonesia to suppress competition and maintain monopoly profits (*WN II*, 73). The British East India Company had a shorter career in the region but its deeds promised to surpass those of the Dutch. After it secured the right to collect revenue (*diwan*) in Bengal, the Company had morphed into a perverse amalgamation of mercantile and sovereign principles, an amalgamation that could not but end in the systematic plundering of its new dominions. As the sovereign, the natural course for the

Company would be to maximize revenue through policies that promoted economic growth. Instead, its “mercantile habits” led the Company council and shareholders, as well as their political allies in Britain, to see Bengal as a windfall to be carried away. In addition to the general strategy of investing tax revenue in the commodity trade, Company agents abused monopoly privileges by engaging in private trade, both overseas and inland, in order to maximize their personal wealth before returning to Britain. “It is a very singular government,” Smith wrote, “in which every member of the administration wishes to get out of the country, and consequently to have done with the government, as soon as he can, and to whose interest, the day after he has left it and carried his whole fortune with him, it is perfectly indifferent” (*WN II*, 75). The brief rule of the Company had rendered a most fertile and prosperous province vulnerable to famine (the Bengal famine of 1769-1770), thus failing miserably at the ultimate test of sound economic policy (*WN I*, 404). While the EIC had defrauded the British people by charging monopoly prices on its imports and receiving bailout funds from the British government, the true cost of mercantile rapacity was borne by the natives of the East Indies.

The West Indies presented a similar picture wherein non-Europeans fell prey to the “folly and injustice” that “directed the first project of establishing these colonies.” The first victims were the indigenous inhabitants of America. These “harmless natives, far from having ever injured the people of Europe, had received the first adventurers with every mark of kindness and hospitality” (*WN*, II 40). After the “plundering” and “cruel destruction of the natives which followed the conquest” (a clear reference to Spanish *conquista*) (*WN II*, 26), came the enslavement of Africans. While white colonists wore slavery’s metaphorical badges, Africans who survived the middle passage bore the literal chains of “the unfortunate law of slavery” (*WN II*, 38). Smith judged slavery to be both morally reprehensible and economically inefficient. In his most provocative statement on the subject, he condemned the subjection of Africans, “those nations of heroes to the refuse of the jails of Europe, to wretches who possess

the virtues neither of the countries which they come from, nor of those which they go to, and whose levity, brutality, and baseness, so justly expose them to the contempt of the vanquished” (*TMS*, 221). Neither was slavery defensible on economic grounds. “It appears, accordingly, from the experience of all ages and nations, I believe, that the work done by freemen comes cheaper in the end than that performed by slaves” (*WN I*, 117). The roots of the institution therefore lay in political, not economic, soil: the “love of domination and tyrannizing” and “the pleasure men take in having everything done by their express orders, rather than to condescend to bargain and treat with those whom they look upon as their inferiors” (*LJ*, 179).

Yet, in a post-feudal commercial age when profit and not status governed the decision to maintain laborers, the expense and low productivity of slave labor made it affordable only to a select stratum of capitalists, who invested in large specialized holdings producing colonial cash crops.¹⁹ Once again, the high profits enabled by colonial monopolies emerge as the culprit:

The profits of a sugar-plantation in any of our West Indian colonies are generally much greater than those of any other cultivation that is known either in Europe or America: And the profits of a tobacco plantation, though inferior to those of sugar, are superior to those of corn, as has already been observed. Both can afford the expence of slave-cultivation (*WN I*, 315).²⁰

By contrast, Continental North American colonies boasted a more “demotic” agricultural structure with smaller landholdings mostly devoted to the cultivation of grain for the regional markets, where, Smith remarked, the “most perfect freedom of trade is permitted” (*WN II*, 34).²¹ Accordingly, agricultural profits in the North American colonies were much lower, and with it, the number of slaves. What is more, slaves received much more humane treatment from North American masters, almost on par with hired servants (*LJ*, 178). In the extreme cases, as amongst Pennsylvania Quakers, slaves could even be unilaterally set free (*WN I*, 315).

Theodicy of Global Commerce

As implied by the North American colonial experience, on which I dwell in detail below, the record of European colonial expansion was not entirely in the red, despite the blood

of the Native Americans and Africans. Modern colonies might not have arisen out of necessity, but the “utility which has resulted from them has been very great,” even though (or precisely because) such utility was not foreseen, let alone anticipated, by colonial adventurers and empire builders (*WN II*, 18). The heart of the matter was the connection between the division of labor and the extent of the market, the key theoretical premise with which Smith opened the *Wealth of Nations*. The unintended benefit of colonial expansion was to create for the first time a world market and a truly global commerce, which tremendously expanded the scope of the division of labor in Europe. In a world-historical observation, Smith wrote,

By opening a new and inexhaustible market to all the commodities of Europe, it gave occasion to new divisions of labour and improvements of art, which, in the narrow circle of the antient commerce, could never have taken place for want of a market to take off the greater part of their produce. The productive powers of labour were improved, and its produce increased in all the different countries of Europe, and together with it the real revenue and wealth of the inhabitants” (*WN I*, 350).

Critically, just as opulence in a commercial society suffused all ranks of the social order and rendered a frugal English peasant better off than an African king (*WN I*, 69), the benefits of global commerce cascaded beyond the immediate circle of maritime powers. Even landlocked countries like “Hungary and Poland, which may never, perhaps, have sent a single commodity of their own produce to America” had received encouragement to their industry from the introduction of colonial commodities, the need to produce a commodified surplus to pay for them, and the extended markets in which their surplus could fetch a higher price than in home markets (*WN II*, 42).²²

The systematic unintended consequences of European colonialism were part and parcel of Smith’s larger theodicean narrative of economic progress elaborated in Book III of the *Wealth of Nations*. There, Smith laid out the “natural course” of economic development from agriculture to foreign commerce, only to note that “though this natural order of things must have taken place in some degree in every such society, it has, in all the modern states of Europe, been, in many respects, entirely inverted” (*WN I*, 311). The “unnatural retrograde” European

trajectory had followed from the “original engrossing of uncultivated lands” after the fall of the Roman Empire, creating an artificial scarcity of land through laws of primogeniture and entail. The result was a sordid pattern of high rents, lack of agricultural improvement, unproductive expenditure of revenue on retainers, and constant feudal warfare. The agricultural impasse was broken when Europe’s late-medieval burgher towns stimulated the commercialization of agriculture by furnishing luxury goods on which great landlords squandered away their wealth and thereby their political influence (*WNI*, 331). While no one in this story intended to save agrarian Europe from its misery, their actions unwittingly paved the way to political order in the countryside, longer terms of lease in land, agricultural improvement, and productive employment of disbanded retainers. Commercial and manufacturing towns, instead of arising from agricultural surpluses, had pulled European countryside out of its feudal morass (*WNI*, 333) – hence the “retrograde” progress of opulence.

The colonial system *prima facie* cut against the grain of natural progress by overemphasizing commerce over agriculture. However, since Europe’s progress in agriculture had already been hitched to the motive power of commerce, mercantile policies ultimately lent further strength to this trend. Smith wrote, “[s]ince the discovery of America, the greater part of Europe has been much improved. England, Holland, France and Germany; even Sweden, Denmark, and Russia, have all advanced considerably both in agriculture and manufactures” (*WN I*, 200). As Margaret Schabas, Fredrik Albritton Jonsson, and others have argued, the underlying grammatical structure of Smith’s political economy rested on the assumption of an orderly and ultimately benign natural world.²³ At work was a relatively simple, stable, and uniform ecological substratum that not only made the principles of political economy universally applicable across Virginia, Scotland, India, and China (*WN I*, 111-2, 126),²⁴ but also guaranteed the progress of opulence under the distortion of contingent human institutions, albeit more slowly and in more indirect and unforeseen ways. The steady if mundane

operations of the natural propensity to exchange and the desire to better one's condition, combined with the application of properly divided human labor to nature and the saving of its fruits, managed to bore through the folly of grand human pretensions that animated the profligacy of individuals and states, or the unreason of empires and their wars. As the editors of the *Wealth of Nations* note in their introduction, the "belief in natural progress of opulence, almost in its inevitability, is so strong throughout the *Wealth of Nations* that, when dealing with a contemporary problem, Smith's main objective is to isolate those barriers that lay in the path of natural progress as he saw it, and to advocate their speedy removal."²⁵

Global commerce functioned as an unadulterated force of progress in this narrative arc insofar as it connected peoples in bonds of mutual dependence and expanded the channels of material and cultural intercourse. It was the key mechanism in Smith's theory of sociability that followed the thread of "unsocial sociability" spun by the seventeenth-century natural jurist Samuel Pufendorf who had predicated human sociability on the inescapability of social cooperation in the material production of human wants, in other words, on the collective conditions of realizing the individual right to self-preservation.²⁶ The extent of the division of labor was therefore a function of the intensity of human sociability, which in turn depended on regularized communication with others. In an Enlightenment reevaluation of oceanic connections, Smith deemed access to communication by water as the necessary (and to some extent sufficient) condition of commerce and civilization.²⁷ Ancient Egypt, India, and China had been "civilized" early thanks to navigable rivers that made intensive exchange and travel possible, while inland Africa and Tartary had remained "in the same barbarous and uncivilized state" since the dawn of history (*WNI*, 75). This was because "closed societies had a tendency to stagnate linguistically, socially, and economically. A general instinct for improvement would be awakened when such a society was exposed to outside pressure."²⁸

The extent to which legal institutions allowed the natural dynamic between commerce and opulence to operate without inhibition explained for Smith the variation in economic progress across different nations in his time. China, for instance, approximated to a stationary state because, although it had followed the natural path from agriculture to manufacture, its laws prohibited foreign trade and forced upon the country an unnatural involution (*WNI*, 126). Europeans had found Indostan in a comparable condition before they forced it into a regressive state by plundering its stock and wage fund (*WN I*, 111-2). “The civilizations of Asia were supposed to possess an internal but not an external commerce,” comments J. G. A. Pocock.²⁹ “Their ships did not sail to Europe in search of trade, and they had not remodelled their societies around its pursuit. This had not kept them from opulence, but it had kept them from progress.”³⁰ As a result, Asian civilizations remained, broadly speaking, in the agricultural stage of Smith’s four-stage theory.

Before I move on to Smith’s celebration of North American colonies as the empirical incarnation of the natural progress of opulence, an objection to the interpretation advanced here ought to be considered, as this objection directly impinges on my analysis of Smith’s rhetorical deflections on settler colonialism. The portrait of Smith as an enthusiastic champion of “enlightened” commerce has been challenged by Sankar Muthu, who highlights “the gross imbalances of power, destructive economic inefficiencies, and horrific cruelties that, Smith believed, went hand in hand with the increasingly integrated world of his day.”³¹ This leads him to diagnose in Smith’s writings a “far deeper ambivalence about commercial life.”³² In a critical passage enlisted to this conclusion, Smith catholically declared,

To the natives, however, both of the East and West Indies, all the commercial benefits which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned. These misfortunes, however, seem to have arisen rather from accident than from any thing in the nature of those events themselves. At the particular time when these discoveries were made, the superiority of force happened to be so great on the side of the Europeans, that they were enabled to commit with impunity every sort of injustice in those remote countries” (*WN II*, 65).

It is possible to interpret this passage in two distinct, though not mutually exclusive, ways. The first of these, forwarded by Muthu and reiterated by Thomas Hopkins, emphasizes Europeans' "accidental military preponderance" at the time of the initial colonial encounters, which Smith hoped would be overturned at a future time so as to give rise to a balance of power between Europeans and non-Europeans.³³ At stake here is the question of whether existing power relations are understood to express deeper and essential hierarchies between different cultures. In this reading, *pace* contemporary and subsequent imperial ideologues, European domination was neither inevitable nor followed from any inherent superiority of the colonizers.

The second interpretation, which I propose here, has as its stakes the very conceptual parameters of commerce in its relationship to empire. I hold that in parsing out what is "accidental" and what is "in the nature" of global commerce, Smith attempted to isolate commerce as a natural and thereby essentially peaceful and beneficial principle, while relegating the violence operative in globalizing commerce to an incidental and contingent status. Expressed in terms of the modes of historiography available to Smith, commerce properly belonged to the "natural history" of humanity, growing out of the natural propensity to truck, barter, and exchange, following the "changing modes of subsistence in mankind's progress from a savage state to civilization."³⁴ By contrast, colonial empires, notwithstanding their world-historical role in rendering commerce global, belonged to the "civil history" of Europe that encompassed those events that were "aberrant, deviant, and even inexplicable by the operations of nature."³⁵ Smith's original assumption that modern colonies "arose from no necessity" was critical to according them an accidental role in the history of global commerce. In the same theoretical move, then, Smith admitted the violence and injustice of colonial expansion, yet categorically denied that it had anything to do with the pacific and progressive essence of commerce. To the contrary, he never tired of repeating in the section "Of Colonies" that whatever economic progress was to be observed in in the colonies occurred *in spite* of

colonial regulations and thanks to the silent and natural workings of commerce (*WN* II, 40-1). In short, the effects of commerce unfolded most splendidly when the disturbances of contingent human institutions, especially the institutions of the colonial system, were at their lightest. In this reading, there is nothing “ambivalent” about commerce *per se*, only about the “history” of global commerce.

Yet, there was one special case wherein the categorical distinction between commerce and empire, between natural progress of opulence and the violent processes of colonial expansion, proved particularly difficult to sustain. It is to this case, to the settler colonies in North America, we now turn.

II. Of Adam Smith and Colonies

Settler Colonies and Natural Progress of Opulence

Smith reserved his most exuberant accolades for the development of British settler colonies in mainland North America, which are in stark contrast to his assessment of the eastern imperial dominions (*WN* I, 111-2). The *Wealth of Nations* is replete with fascination at the colonies’ “thriving” economic and demographic growth. Unlike the “slow and gradual” improvement of Europe, the “stationary” condition of China, and the “decaying” state of India, American colonies were “rapidly progressing,” as attested by the doubling of the population in the British colonies every twenty-five years (as opposed to every five hundred years in Europe) (*WN* I, 110, 116). As Nicholas Phillipson astutely observes, Smith presented the “experience of colonial America the classic, and indeed the only possible example of a society whose progress had been rapid and natural by comparison with that of Europe.”³⁶ “In a newly occupied land, such as America,” Hont similarly writes, “the succession of stages suggested by the four-stages theory was indeed natural, and thus the best sequence to follow.”³⁷ The beauty of the American case, at least as rendered by Smith, was the simplicity of the causes of

opulence: “plenty of good land, and liberty to manage their own affairs their own way, seem to be the two greatest causes of the prosperity of all new colonies” (*WN II*, 28).

First, liberty. The concrete example of settler colonies was critical for defending Smith’s “natural system of perfect liberty” from charges of mere speculation and for demonstrating that liberty actually delivered prosperity. Although all European colonies were originally conceived as imperial provinces dependent on the mother country, “the great distance from Europe has in all of them alleviated more or less the effects of this dependency” (*WN II*, 25). The operations of commercial intercourse and division of labor in America were thus greatly relieved from the institutional deadweight of feudal sediments overlain with mercantile regulations in Europe. Consequently, the employment of land, labor, and capital, and the distribution of profits and wages followed a course radically different than that of the Old World. Disburdened of hereditary nobilities, primogeniture, and entail, land ownership in America tended to be dominated by small proprietors who were much more likely than great landlords to attend to its cultivation with assiduity and frugality. Farmers paid no rent and low taxes, which incentivized them to maximize output. The abundance and fertility of land pushed up agricultural profits, notwithstanding high interest rates and high wages due to low capital-land and capital-labor ratios (*WN I*, 124-5; *WN II*, 23-4). Farmers ploughed their profits back into cultivation while laborers saved to become landowners themselves. Capital naturally flowed into agriculture where it employed the highest number of productive hands, and that without any active government encouragement, as had been proposed by the “agricultural system” of the Physiocrats. On this basis, British legislation devised to curb manufacturing in the colonies and force them to specialize in agriculture was economically redundant and morally offensive (*WN II*, 35).

These salutary effects of liberty were particularly prominent in the “English colonies of North America” whose progress had been more rapid than that of their Spanish, Portuguese,

and French counterparts. While the English colonies sat on arguably less fertile land, “the political institutions of the English colonies have been more favourable to the improvement and cultivation of this land, than those of any of the other three nations” (*WN* II, 28). The Spanish and the French had replicated in their colonies some version of the feudal engrossing of uncultivated land and thereby retarded agricultural improvement and economic progress (*WN*, II 29). On the other hand, “the genius of the British constitution which protects and governs North America” had shown what human labor could unleash when it was applied to nature with proper specialization of skill and freedom from artificial institutions (*WN* I, 112).³⁸ Smith’s comparison was not fortuitous. In the eighteenth-century enlightened imaginary, Spain and France stood for absolutist monarchies with territorial empires of conquest akin to Sparta or Rome, against which the British maritime empire shone as a commercial empire of liberty similar to Athens or Carthage. “For some of the French and Spanish critics of empire, the British, for all their obvious failings had come the closest to creating what the physiocrat Francois Quesnay in 1766 ... called a ‘Carthaginian constitution.’”³⁹ As I discuss shortly, this association between ancient Greek colonization, empire of liberty, and the natural progress of opulence formed a powerful sematic constellation central to Smith’s position on empire and colonies.

Secondly, land. As mentioned earlier, Smith admitted that the opulence of the colonies had increased in spite of mercantile regulations that still exerted considerable sway. “The policy of Europe” had “very little to boast ... in the prosperity of the colonies of America” (*WN* II, 40). Even the government of the British colonies were only “somewhat less illiberal and oppressive,” as impressive as the results of this relative liberality had been (*WN* II, 37, 40). The underlying cause of prosperity, arguably deeper than that of liberty, was the “abundance and cheapness of land, a circumstance common to all new colonies,” which presented “so great an advantage as to compensate many defects in civil government” (*WN* I, 201). In the section

“Causes of the Prosperity of New Colonies,” there are more than a dozen (in my counting, fourteen) invocations of “waste land,” “plenty of good land,” “great extent of land,” “cheapness of good land,” and cognate expressions in a mere few pages (*WN* II, 23-29).⁴⁰ A particularly forceful passage reads, “[t]he plenty and cheapness of good land are such powerful causes of prosperity that the very worst government is scarce capable of checking altogether the efficacy of their operation” (*WN* II, 27). Here was a most lucid encapsulation of the conflict between commerce and empire, between the natural course of opulence and the interference of human institutions, and between the uncoerced flow of capital to the most productive employments and the mercantile restrictions of the colonial system. American land constituted the stage for “the principal drama in Smith’s account of the progress of opulence,”⁴¹ a drama that reached its climax in 1776 with what Smith saw as the “revolt of commerce and its attendant social structures against obsolete structures of empire.”⁴² Insofar as it promised unhindered markets in land, the emancipation of labor from corporations, and the sacred right of free enterprise, this revolt bore a world-historical significance that transcended the immediate political question of Smith’s sympathy for the American cause or his anti-imperialism versus his imperial federationism.⁴³

If the source of liberty could be traced to the relatively liberality of the British constitution and the factor of oceanic distance, the source of colonial land posed a more difficult problem. Smith and his contemporaries well knew that Europeans had made contact with an inhabited continent and that their presence in the New World had been flourishing at the expense of the indigenous peoples. The attendant debate over rightful territorial claims in America, including the question of the rights of the original inhabitants, was by the 1760s more than two centuries old. Leaving aside the doctrine of discovery to which few contemporaries lent credence, the controversy over colonial expansion in America revolved around the ideas of conquest and occupation. As is well known to the scholars in the field, the doctrine of

occupation, most famously propounded by John Locke and Emer de Vattel, had taken over conquest as the doctrine of choice for justifying land appropriations in the Americas by representing the continent as devoid of *dominium* and *imperium*.⁴⁴ As Hopkins notes, Smith's remarks on this matter left little doubt that he "had little time for such apologetics; he was quite clear that the European conquest of America represented a grave injustice to the indigenous inhabitants."⁴⁵ Writing of the contact with the Americas, he lamented that the "savage injustice of the Europeans rendered an event, which ought to have been beneficial to all, ruinous and destructive to several of those unfortunate countries" (*WN* I, 350). In contrast to their popular depiction at the time as ferocious warriors unbound by civilized rules of engagement, Native Americans figured in Smith's account as "naked and miserable savages," "defenceless natives," "harmless natives," and "miserable and helpless Americans" (*WN* II, 19, 21-2, 40, 72). As "savage" nations of hunters and gatherers "incapable of defending themselves," they were driven off the land by the invaders.⁴⁶ "In Africa and the East Indies," by contrast, Europeans faced "barbarous" and populous nations of shepherds, which made it "more difficult to displace the natives, and to extend the European plantations over the greater part of the lands of the original inhabitants" (*WN* II, 72). Here was an unequivocal admission of the connection between the forcible displacement of the natives and the establishment of settler colonies. The question is: to what extent did Smith see the North American colonies protected by the genius of the British constitution to be implicated in this original sin of military incursion and native displacement?

Colonialism Without Imperialism

My answer is, even if Smith saw (to borrow a metaphor from Marx) the congenital blood of colonial conquest on the cheek of British settler colonies, he chose to direct his readers' attention away. A number of rhetorical elisions cut across Smith's remarks on the

colonies that pass the odium of imperialism onto the “Spaniards” or some unspecified “Europeans” as reincarnations of the Roman empire of conquest, while muffling the implication of the British in the same process. For instance, we find “Columbus” and the “council of Castile” as responsible for “tak[ing] possession of countries of which the inhabitants were plainly incapable of defending themselves” and “plundering of the defenceless natives” (*WN* II, 21). “A project of conquest,” we are told, “gave occasion to all the establishments of the Spaniards in those newly discovered countries” (*WN* II, 22). Not only the Spanish crown but also the Spanish settlers are credited with conquest, this time of Mexico and Peru, followed by the “cruel destruction of the natives” (*WN* II, 26, 40). Elsewhere, when Smith spoke of “coveting the possession of a country” inhabited by natives, the “savage injustice” done to them, or the “disorder and injustice [that] peopled and cultivated America,” he referred to “the Europeans,” “the people of Europe,” or “the European governments” as the subject of these acts.

What is strikingly absent in these passages are parallel indictments of the British government and settlers for partaking in territorial expansion in America. This is in stark contrast to the molten ire that dripped from Smith’s pen, as we saw earlier, when he declaimed expressly against the British East India Company or British slavers. Instead, when he did speak of the origins of British settlements, Smith followed a circuitous path and treaded carefully around conquest and displacement. His account of the prosperity of the colonies opened with the following paragraph: “The colony of a civilized nation which take possession of a *waste country*, or of one so *thinly inhabited*, that the *natives easily give place to the new settlers*, advances more rapidly to wealth and greatness than any other human society” (*WN* II, 23, emphases added). Smith then substantiated the semantic equivalence of natural progress, rapid growth, and the settler colony through a political economic analysis of land-labor ratio and the movement of rents, profits, and wages. To illustrate this point, he adduced “the progress of

many of the antient Greek colonies towards wealth and greatness,” which was explained by “plenty of good land” and the “liberty to manage their own affairs in the way they judged most suitable to their own interest” (*WN* II, 24). Crucially, it was implied that Greek colonies were not colonies of conquest, as they had been established “in countries inhabited by savage and barbarous nations, who *easily gave place to the new settlers*” (*WN* II, 24, emphasis added). To clinch this point with a contrast, Smith invoked “the history of the Roman colonies” and found their progress to be “by no means so brilliant.” This was because Roman colonies “were all established in *conquered provinces* which in most cases had been *fully inhabited* before. The quantity of land assigned to each colonist was seldom very considerable, and as the colony was not independent, they were not always at liberty to manage their own affairs” (*WN* II, 24, emphases added).

Once the binaries of settlement/conquest, vacant/inhabited, free/dependent, Greek/Roman were in place, Smith turned to the modern European experience and observed, In the plenty of good land, the European colonies established in America and the West Indies resemble, and even greatly surpass, those of antient Greece. In their dependency upon the mother state, they resemble those of ancient Rome; but their great distance from Europe has in all of them alleviated more or less the effect of this dependency. ... The progress of all the European colonies in wealth, population, and improvement, has accordingly been very great (*WN* II, 25).

In these and earlier passages, we can discern a continuum of colonial government and social progress, bookended by the Roman and Greek models, and keyed to the variables political liberty and unhindered appropriation of land. On this continuum, one could distinguish between the conquered dependencies of Asia and the settler colonies of America, and within settler colonies, between the proconsular viceroalties of Spain and the quasi-republican settlements of Britain. The resemblance with the “Greek ideal of colonization,” as Jonsson notes, was at its strongest in the British colonies, which were akin to “embryonic metropolises. Given sufficient autonomy of development, they would eventually follow the “natural progress of opulence” to reach the liberty and prosperity of the mother country.”⁴⁷ To keep with the Greeks,

perhaps a more suggestive metaphor than embryo would be *homunculus*, a tiny yet fully formed body, transplanted into a virgin and fertile womb where it grew rapidly. This finds support in Smith's observations that "colonists carry out with them a knowledge of agriculture and of other useful arts" as well as "the habit of subordination, some notion of the regular government which takes place in their own country, of the system of laws which support it, and of a regular administration of justice" (*WN II*, 23). Such wholesale transplantation of organization, technology, and institutions accelerated the natural progress of opulence by abridging the "many centuries" that would have to elapse for the "natural progress of law and government" to "grow up on its own accord ... among savage and barbarous nations" (*WN II*, 23).

To conclude, as one moved from the Roman-Spanish to the Greek-British end of the spectrum, coercion and conquest faded away, and the explanation of cheap and abundant land shifted from Europeans "destroying" the natives to the natives "giving place" to the settlers. Disavowing the connection between settler colonies and imperial expansion made it possible to simultaneously espouse the first as the historical incarnation of natural progress and global commerce, while denouncing the second as a violent aberration from the natural order and commercial ideal. Smith could square the circle of being an uncompromising critic of Britain's old colonial system and championing its overseas settlements only by directing attention away from their intimate intersection in colonial land appropriation and indigenous displacement. When myths of waste lands and spontaneous settlements did not suffice to screen from view the liaisons of empire and colonies, the Spanish or the Europeans were summoned to bear the onus of violence and injustice.

One could conjecture that Smith knew that British colonial settlements were founded in conquest and the displacement of the natives as much as the Spanish and Dutch empires, but chose to equivocate.⁴⁸ Alternatively and more plausibly, one could surmise that he earnestly held that America was a waste land in which natives had no property. When contrasting the

availability of land in America and Europe, Smith wrote, “land, indeed, is in North America to be had almost for nothing, or at a price much below the value of the natural produce; a thing impossible in Europe, or, indeed, in any country where all lands have long been private property” (*WNI*, 334). “Private property” in this passage can be interpreted either as a metonym for the feudal engrossing of land or, in my view more convincingly, as the institution of private property pure and simple. The latter interpretation implies the original *absence of property* in America as the reason for the abundant supply of land to be acquired for settlement, which depressed land prices to “almost nothing” – a point that would be forcefully analyzed several decades later by E. G. Wakefield, the political economist, colonial reformer, and editor of the *Wealth of Nations*.⁴⁹ This second interpretation also finds support in Smith’s four-stage theory in *Lectures of Jurisprudence* wherein “savage” and “barbarous” people are argued to lack notions of permanent landed property. This was not because of any deficiency in rationality but because of their pre-agrarian modes of subsistence that failed to translate into the occupation of land. No sooner Smith acknowledged horticultural practices in America than he disqualified them: “Their women plant a few stalks of Indian corn at the back of their huts. But this can hardly be called agriculture.” (*LJ*, 54).⁵⁰ Likewise, the references to pre-Columbian cultivation of “Indian corn, yams, potatoes, bananes &c. plants” in the *Wealth of Nations* did not dent Smith’s persistent designation of Native Americans as “savages” throughout the text (*WN*, 20). The economy of hunting had as its jurisprudential corollary the absence of any permanent notion of property beyond what one had in one’s possession. The “greatest [step] in the progression of society,” to return to *Lectures*, was between the “state of hunters, the most rude and barbarous of any” and the “state of shepherds,” for in this step “the notion of property is extended beyond possession” (*LJ*, 119). And Smith placed “the Americans at this day” squarely in the state of hunters: “in North America, again, where the age of hunters subsists,

theft is not much regarded. As there is almost no property amongst them, the only injury that can be done is the depriving them of their game” (*LJ*, 55).⁵¹

Here, once again we see Smith running in two directions. Even if we concede that Smith did not engage in the kind of open imperial apologetics associated with Locke and Vattel, it is difficult to avoid the conclusion that the assumption of American land as *res nullius* was deeply built into his view of the European expansion. This is consistent with this theory of occupation in *Lectures* and consonant with his language in the *Wealth of Nations*. On the other hand, Smith openly voiced his outrage about the conquest and extirpation of the indigenous peoples that proceeded in lockstep with European settlements in the New World. But then, he lauded European settlements as the testimony to the natural progress of opulence under conditions of abundant land and liberty. If one could find one principle that could reconcile these divergent commitments, one that kept the beneficial effects of colonial settlement but did away with the objectionable means of its creation, that would be *occupation without conquest* (which, incidentally, shows Smith to be much closer to Locke than contemporary commentators would admit). Nonetheless, Smith gave no indication of how this occupation without conquest would actually look like in the American context. As Rothschild and Hont have variously argued, Smith’s extensive critique of existing imperial practices was not matched by positive alternatives or detailed proposals for reform.⁵²

I have argued that Smith’s navigation of these tensions turned on the analogy with the Greek model of colonization, one in which occupation was not stained by conquest, the lands occupied were either waste or very thinly inhabited, and the natives gave place to the settlers. Telescoping the ancient Greek and the modern British colonies helped evade the question of conquest and land appropriation, and where it could not be evaded, it was displaced onto the Spanish or the Europeans that incorporated the Roman model. By downplaying the imperial conditions of settler colonies, Smith opened up a space – however mythical, tenuous, and in

need of constant rhetorical policing – for imagining colonization without imperialism, and commerce without empire. Yet to the extent that Smith clung to the ideal of settler colonization, he remained tethered to empire, and to that extent his newfound cosmopolitanism remains overstretched.

Conclusion

To highlight the contradictions of Smith's intellectual commitments and his rhetorical strategies for navigating them is not to impugn the sincerity of his critique of the old colonial system. Nor it is to suggest, as David Williams has recently done, that he "[did] not seem to recognise that taking 'possession' of land in new colonies might have a significant impact on native peoples."⁵³ As shown above, Smith explicitly admitted the link between native displacement and European settlement and harped on the problematic nature of the imperial methods of expansion, even if he occasionally took refuge in the systematic unintended benefits that these acts of folly and injustice generated, such as the population and civilization of Mexico and Peru (*WN* II, 25). Williams maintains, importantly, that the stakes of the matter reside less in the consistency or the motives of Smith's position on colonialism. Rather,

the significance of this is that the ambivalences we find in Smith (and others) point in the direction of some of the more general issues involved in anti-colonial argument from within the liberal tradition. To the extent that liberal thinkers employ a universal moral framework and/or visions of progress ... it is hard to avoid engagement with the possibility that the achievement of universal moral frameworks or progress might be furthered by colonial (or colonial-type) projects.⁵⁴

The call to widen the aperture beyond Smith to capture the limits of liberal anti-imperial critique is most welcome. However, the argument itself is not entirely novel insofar as it casts liberalism's ambivalent relationship to empire as an index to the problem of accommodating colonial, or more broadly cultural, difference within a universalist framework. Although arriving at different conclusions, it follows a script that has dominated the recent scholarship on liberalism and empire since Uday Mehta's eponymous book, which set the terms of the

debate around problems of universalism and difference and incited his detractors to respond in kind.⁵⁵ A full-throated analysis of the shortcomings of this culturalist bent exceeds the scope of this essay, but it poses a useful counterpoint for an alternative reading of the tensions that cut across Smith's writings on empire, colonies, commerce, and progress.

I believe we can think of the conundrums in Smith's work as representative of the broader ideological problem of carving a liberal ideal of commerce out of the historical reality of empires that gave occasion to it. There is a long, and newly reinvigorated, lineage of studies that have examined the formative role of colonialism and imperialism in the making of global capitalism, which has cut into the mainstream image of capitalism as essentially a liberal market order, albeit one that relies on non-market economic institutions for its functioning.⁵⁶ Most recently, for instance, Sven Beckert has coined the term "war capitalism" to capture the indispensable role of state coercion and imperial force in reshaping and reorienting global relations of property, exchange, and labor to give rise to the modern capitalist world economy.⁵⁷ Against this background, the issue that clamors for the attention of the intellectual historian is how one could derive an idealized liberal ideal of global commerce from a world of territorial conquest, labor bondage, and forced exchange, and then institute this idealized image as the core feature of capitalism while relegating the constitutive violence of colonialism and imperialism to the "prehistory" of capital.⁵⁸ This would be a story about the systematic disavowals of liberalism that have made commerce and capitalism the categorical antithesis of imperialism and colonialism. Such a story, however, requires stepping outside "intellectual history" as understood by the linguistic contextualist ("Cambridge School") approach, which restricts relevant contexts to the language games available to thinkers under study,⁵⁹ and expanding the context to encompass the socioeconomic relations located in the terrain of empire.⁶⁰ At the heart of this story would be the entwined histories of not only liberalism and empire but also capitalism and colonialism. It is to this story, to the history of liberal disavowal

of colonial capitalism, that Smith's vision of colonization without imperialism, of commerce without empire, belongs.

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NOTES

¹ Pitts 2010; Sartori and Moyn 2013; Armitage 2013a; Muthu 2012a; Bell 2016.

² Muthu 2008; Sen and Rothschild 2006; Rothschild 2012.

³ Pitts 2005: 25-58; Whelan 2009; Williams 2014.

⁴ Hill 2001, 2010; Muthu 2012b. While it is not the direct concern of this paper, an important caveat should be noted. Not all scholars who admit Smith's critique of the existing European empires take it as a sign of anti-imperialism as such. An alternative argument, which fastens on Smith's proposal of uniting Britain's imperial possessions under an imperial parliament, sees Smiths as an early proponent of imperial federationism that would come to its own in the late-nineteenth and early-twentieth century ideas of "Greater Britain." See, above all, Bell 2007.

⁵ On ideational continuities of commercial liberalism between the eighteenth and twentieth centuries, see Hont 2005a, Pagden 2015. For a recent iteration of commercial liberalism, rechristened as "capitalist peace," see Gartzke 2007.

⁶ I borrow the term "deflection" as a rhetorical strategy from Morefield 2014.

⁷ Hopkins 2013: 60.

⁸ Two recent exceptions are Williams 2014 and Vimalassery 2013. Another reason is that the studies of Smith's position on the American empire is engulfed by attention to the conflict between colonists and the British state.

⁹ Lowe 2016.

¹⁰ Eley 2009; Sklansky 2012; Beckert 2014; Baptist 2014.

¹¹ Pitts 2010; Bell 2016.

¹² Pagden 2015: 226; also see Pitts 2005; Muthu 2003.

¹³ Winch 1965.

¹⁴ Sen and Rothschild 2006.

¹⁵ All in-text citations are from the Glasgow editions of Smith's works and are abbreviated in the following manner. *An Inquiry into the Nature and Causes of the Wealth of Nations*,

henceforth “*WN*” (followed by volume and page numbers); *Lectures on Jurisprudence*, henceforth “*LJ*”; *Theory of Moral Sentiments*, henceforth “*TMS*.”

¹⁶ Hume 1987; Hont 2005b; Schabas and Wennerlind 2008.

¹⁷ As has been noted by a number of commentators, Smith’s conception of “natural progress” owed a great deal to Physiocratic defense of agriculture and free grain markets against Colbertian policies of promoting commerce and manufactures. See Rothschild 2001; Roge 2013; Jonsson 2010.

¹⁸ On Smith’s discourse on competition, emulation, and economic progress, see Hont 2005a: 118-25.

¹⁹ Pack 1996; Hopkins 2013; Campbell and Skinner 1981.

²⁰ High profits of colonial plantation agriculture also diverted metropolitan capital from domestic agriculture and encouraged absentee planters who sought to establish and manage plantations in the Caribbean through colonial agents (*WNI*, 170).

²¹ On the ideas of “demotic” and “extractive” agriculture in colonial America, see Jonsson 2010.

²² Smith’s argument here followed Hume’s earlier reflections on the invigorating effect of commerce on “rude” and economically backward peoples. Its essence is not so much static gains from a more efficient allocation of resources but dynamic gains from mobilizing idle factors of production. Hume 1987: 160.

²³ Schabas 2006; Jonsson 2010.

²⁴ On the universalist claims of Smith’s political economy, see Travers 2009; Jonsson 2010.

²⁵ Campbell and Skinner 1981: 56.

²⁶ Hont 1987.

²⁷ Muthu 2012b.

²⁸ Phillipson 2000: 78-9. As has been noted by a number of commentators, Smith’s explanation of savagery and civilization is heavily circumstantial and does not credit essentialist explanations that would be advanced in the nineteenth century. See Pitts 2005; Muthu 2008, 2012b; Whelan 2009.

²⁹ Pocock 2006: 284.

³⁰ Ibid. Smith wrote, “It is remarkable that neither the antient Egyptians, nor the Indians, nor the Chinese, encouraged foreign commerce, but seem all to have derived their great opulence from this inland navigation.” (*WNI*, 75)

³¹ Muthu 2008: 188.

³² Ibid, 203.

³³ Hopkins 2013: 64.

³⁴ Hont 2005c: 364.

³⁵ Pocock 2006: 276.

³⁶ Phillipson 2010: 228. For an objection that instead emphasizes the *divergence* of the American experience from the natural course, see Hopkins 2013.

³⁷ Hont 2005c: 374.

³⁸ Also see Schabas 2009: 94

³⁹ Pagden 2015; also see Armitage 2013b.

⁴⁰ Similar references can be found in *WNI*, 124-5, 201, 310, 333-4.

⁴¹ Rothschild and Sen 2006: 335.

⁴² Pocock 2006: 285.

⁴³ Winch 1978: 147-8.

⁴⁴ We also know that the same doctrine could be employed to defend indigenous rights, as when, for instance, Francisco de Vitoria pitted it against Spanish conquests, or when Samuel Pufendorf held that America was already fully occupied at the time of European arrival. The

literature on this matter is vast. For outstanding and exemplary studies, see Pagden 1995; Fitzmaurice 2014.

⁴⁵ Hopkins 2013: 64.

⁴⁶ Smith's views on the settled civilizations of Mexico and Peru were ambiguous. At times, he seemed to acknowledge their relative progress, as when he wrote, "[t]here were but two nations in America, in any respect superior to savages, and these were destroyed almost as soon as discovered. The rest were mere savages." (*WNI*, 351). At other times, he dismissed the Spanish accounts of these civilizations as exaggerated, and argued that "in arts, agriculture, and commerce, their inhabitants were much more ignorant than the Tartars of the Ukraine (*WNI*. 200). Whelan notes Smith's conspicuous "disparagement of the level of civilization attained by the Aztec and Inca empires" and "his defense of Spanish rule and the improvements it had brought to New Spain and South America." Whelan 2009: 53.

⁴⁷ Jonsson 2010: 1355; also see Hopkins 2013: 60.

⁴⁸ Vimalassery 2013: 300.

⁴⁹ Wakefield 1968.

⁵⁰ On the significance of agriculture in Enlightenment theories of savagery and civilization, see Pocock 2005.

⁵¹ Also see Whelan 2009: 61

⁵² Rothschild 2012; Hont 2005c.

⁵³ Williams 2014: 289.

⁵⁴ *Ibid*: 297.

⁵⁵ Mehta 1999; Pitts 2005; Armitage 2013c.

⁵⁶ Ince 2014; Fraser 2014, 2016; Dawson 2016.

⁵⁷ Beckert 2014.

⁵⁸ Sartori 2006.

⁵⁹ Skinner 1969; Pocock 1990.

⁶⁰ See, for instance, Ince 2012. For recent critiques of linguistic contextualism, see Moyn 2014; Koskenniemi 2013.