

# Adam Smith and the Spanish Inquisition

Scott Meikle

Spain in the Eighteenth century was in two minds about the economic thought of the Enlightenment reaching it from other parts of Europe. The first half of the century has been aptly characterised as a period of 'ideological hesitancy', but in the second half the hesitancy came to an end.<sup>1</sup> The liberal cause, and its main instruments the *Sociedades Económicas de los Amigos del País*, made great strides. Political economy, then a brand new science, was welcomed by the liberal statesmen like Jovellanos and Campomanes who flourished under Carlos III. Their primary concern was that Spain might lose heavily if she were too slow getting into the new international market economy, and they regarded works like Adam Smith's *Wealth of Nations* as important guides to the industrial and commercial policies Spain should pursue.<sup>2</sup>

Others were more cautious. Intellectuals trained in the Aristotelian tradition were often more concerned about the moral quality of the new economics, and about the moral costs of pursuing the kind of policies that flowed from it. These are concerns which today, after a further two hundred years experience of market economy, are even more alive now than they were then. It is worth reflecting on whether these critics were entirely the reactionary flat-earthers they are customarily dismissed as being. History is written by the victors, and the Enlightenment won this engagement, so it is only to be expected that in our standard accounts the Aristotelian opponents of the Enlightenment come out badly. But were they quite as bad as all that? Was their work entirely without intellectual and moral substance? It is not surprising that liberal supporters of market economy should have made that allegation repeatedly, but it would be surprising if it were true without any kind of qualification. In any case, the war between the friends and foes of market economy has not yet been decided, and it may be that some of these critics of Enlightenment economic society saw further in some ways than its proponents.

These critics are usually referred to as 'scholastics', a term which still conveys opprobrium to some ears, especially in the anglophone world, and they were mostly clergy. Not all the Catholic clergy in Spain were critical in this way. Enlightened Bishops, like the Bishop of Sigüenza, regarded the soup of the convents as an obstacle to the establishment of factories, and set up workhouses as a better way of dealing with distress than indiscriminate charity. Some, like the Benedictine Feijoo, were favourable to Enlightenment ideas. The less well-known Fr. John Geddes, rector of the Scots College at Valladolid, received a copy of the first edition of the *Wealth of Nations*, possibly from Adam Smith himself with whom he was on friendly terms, and promoted the work at Court through his acquaintance with Campomanes, a leading man of state. But the bulk of scholastic opinion was undoubtedly less welcoming.

The reception of Adam Smith in Spain was given its classic treatment in 1957 by Robert Sidney Smith. This justly celebrated article is written from an avowedly liberal point of view, and the author declares his interest at the outset: 'Eighteenth century Spain . . . was not the wholly benighted land that foreigners, and even more often Spaniards themselves, were wont to disparage'.<sup>3</sup> He goes on to expand upon the warm reception given to the new economic ideas by the open-minded *illustrados*, Jovellanos, Campomanes, Normante, Danvilla, and Foronda, and on the enlightened defences of luxury, usury, and free-trade which they dared to mount, despite the sinister attentions of the censors of the Inquisition. With this perspective, one would not expect a careful or sympathetic consideration of the arguments of the scholastic opponents of the Enlightenment, and naturally enough he does not offer one. His knowledge of them seems to be derived mainly from Menendez Pelayo's two-volume work *Historia de los Heterodoxos Españoles*, presumably on the reasonable assumption that Menendez had read them, but also on the less reasonable assumption that he had recounted everything of value in them.<sup>4</sup> This liberal perspective is common among writers on this period of Spanish history. Jean Sarrailh and Richard Herr, among the most influential, both aim to convince their readers that Spain was not altogether the legendary, priest-ridden, absolutist monarchy that their French- and English-speaking readers are all too likely to suppose. Like Robert Smith, they give short shrift to scholastic critics.<sup>5</sup>

These critics are generally portrayed as intellectually weak and morally corrupt. They are supposed to have had limited knowledge of Enlightenment thought, particularly of political economy, and to have been criticising it, without having given it a fair run for its money, in an

unduly dogmatic way only to be expected of them. So they are undistinguished intellectually, but they are doubly bad, because they are not morally elevating either. Their motivation is seen as little more than the reactionary defense of the privileges of the declining institutions of the *ancien regime*, of which they were beneficiaries. There are some obvious facts which make this a less than fully plausible portrayal.

Spain had got into commerce and empire early, earlier in fact than England, and as a result there was a developed tradition of scholastic thought about topics which today we would call 'economic'. In the sixteenth century, Spaniards were preeminent among European writers in the field. In the 1510s, John Mair, a Scottish philosopher based in Paris, wrote on ship's bottomry, and his work influenced subsequent Spanish writers.<sup>6</sup> Francisco de Vitoria, who attended Mair's lectures, wrote on the conduct of trade, colonial policy, and international law; Tomas de Mercado published a substantial two-volume work on economic matters in 1569; and the Jesuits, Luis Molina and Juan de Lugo, wrote works which earn mentions in histories of economic thought. This work, much of which still has to be fully evaluated, was produced a century or more before Petty's *Political Arithmetick* was published in 1690. Furthermore, scholastics of the period were often familiar with the work of the Italian scholastics, and with the fundamental work on commerce and money to be found in Aristotle, which is more far reaching than is commonly appreciated by anglophone scholars today.<sup>7</sup> So it is an exaggeration to suppose that Spanish scholastics of the eighteenth century were necessarily approaching economic matters as complete novices moved only by prejudice.

It is true that the traditional scholastic authors often defended 'throne and altar', and that very expression appears on the title page of a traditionalist work published in 1825, the *Apologia del altar y el trono*, by P. Velez, Archbishop of Santiago. The material interests associated with throne and altar are often quite evident in the operations of the traditionalists, and the Inquisition condemned Jovellanos's *Informe de ley agraria* of 1795 for, among other things, furthering the idea of equality in the ownership of land. There is no shortage of evidence of this kind of nest-lining, and much of it has been well rehearsed in the literature. But mixed motives are not usually found on only one side of a conflict. Those of the Enlighteners were pretty well mixed too, though this is seldom expanded upon in the standard accounts. It is a convention in such writing to operate on a suppressed premise that supporters of commerce are progressive and good, and opponents of it are reactionary and bad, even though it is asking a lot of the reader to believe that the

early modern commercial bourgeoisie took its place in history without thought of gain. The enlighteners may have wished to overcome moral and intellectual authority, but they wished even more to overcome restraints of trade and limits on luxury.

Adam Smith's *Wealth of Nations* came to the attention of the Madrid Inquisition in 1791, after a French translation had been found in a bookshop in Pamplona. (It is a matter of surprise to Spaniards today that there was a bookshop in Pamplona in 1791, but it appears to have been so.) Three *calificadores* were appointed to examine the work: Miguel de Elizalde, Jose Antonio Irigoyen, and Fray Antonio de la Santisima Trinidad. Of these, Fray Antonio is by far the most interesting.<sup>8</sup>

Fray Antonio does not limit himself, as the other *calificadores* mostly do, to obvious practical points like Smith's endorsement of usury, which was then still illegal in Spain. Fray Antonio criticises the general philosophy of materialism, which he believes informs Smith's method, and he does it in a way that connects him with an existing school of scholastic criticism of Enlightenment thought, associated particularly with Fernando de Cevallos y Mier, which is generally not mentioned in the standard accounts. Sarrailh mentions Cevallos only in passing, and Herr mentions him in the same breath as 'Spanish apologists', who are all said to agree 'that the new philosophers were dangerous to the throne and the altar'.<sup>9</sup>

As an evaluation of Cevallos this is less than adequate. Cevallos's six volume work *La falsa filosofía*, published between 1775 and 1776, is a competent work, and today rather an interesting one. It selects for criticism elements of the Enlightenment edifice which today have become familiar objects of criticism. He draws attention to the lack of a convincing metaphysics, something which is now seen by some critics as a crucial weakness of Enlightenment empiricism; to the absence of serious concern with 'the whole man' and with psychology in particular; to the exaggerated emphasis put on the notion of matter, to the exclusion of the notion of form which is needed for the adequate handling of many problems in philosophy and elsewhere; and to the presence of too great an element of chance in the accounts given of cause and effect (part II, article 2, section 4). It is a serious work, and not merely a polemic, like Francisco Alvarado's *El Filósofico Rancio* of 1812–14, which is more commonly cited in the standard histories. Alvarado is a crude polemicist who thinks it is a good joke to refer to the newspaper *El Diario* as *El Diarrea*. Liberal authors have made things easy for themselves by picking Alvarado to represent Spanish late-Scholastic reaction to Enlightenment thought; he represents one end of the reaction, and

Cevallos represents the more serious end. Cevallos has his limitations, but they should be kept in perspective. Enlightenment works themselves were not always supremely brilliant, and some were so leaden-footed that their celebrity is due less to intellectual distinction than to the fact that they were on the winning side. Cevallos's work is at least as good as these.

Part of Fray Antonio's criticism of what he sees as Smith's materialism is the absence of metaphysics from *The Wealth of Nations*. This is a tricky issue for interpreters, but an important one. By the term 'metaphysics' Fray Antonio primarily means a science which can demonstrate the existence of things in the supernatural world. Metaphysics in this sense is precisely what Hobbes, Hume, and others, deride under the title of 'School metaphysics'. The more important sense from our point of view, and the sense most familiar in philosophy today, is the sense which refers to the traditional Aristotelian doctrine of logic and metaphysics, which distinguishes between orders of being, or categories of predicate: substance, quality, quantity, relation, and so forth. Fray Antonio does not have this sense specifically in mind when he speaks of metaphysics. Metaphysics in this sense is something he uses as a matter of course since it provides tools to be used in conducting almost any kind of intellectual operation.

The moderns from Hobbes to Hume increasingly came to reject metaphysics in this sense too, as they came to concentrate more and more on epistemology. This was especially true in the English-speaking countries where the study of Aristotle had been purged. Hume, for instance, derides the notion of substance as a ridiculous piece of ancient Greek philosophical fiction. In his *Treatise of Human Nature*, no account or any great awareness of category distinctions is to be found, and there is no treatment of logic, apart from pronouncements on what sort of knowledge it will be allowed to be according to empiricist legislation defining true knowledge. The 'elimination of metaphysics' was very thorough, and after the Second World War, when metaphysics began to find its way back into English-speaking philosophy in the work of Gilbert Ryle, category distinctions were regarded as something of a novelty. Awareness of them remained as part of the standard intellectual working equipment in countries from which the Aristotelian tradition had not been so completely and violently eradicated.

A price was paid for this 'elimination of metaphysics'. Political economists, like Adam Smith, when they tried to analyse the nature of exchange value, use value, money, and the relations between them, failed miserably just because they lacked the metaphysical equipment needed to get a grip on a problem about the nature of a property,

especially one as peculiar as exchange value. (This is important also for Fray Antonio's second criticism, though less directly.) Whether or not one agrees with Marx's solution to the problem of identifying what is at the bottom of the puzzling property of exchange value, it is clear in chapter one of *Capital* that at least he opens the problem up analytically in such a way that it becomes clearer what the problem is and how to get nearer solving it; and he is able to do this just because he has the conceptual equipment, the Aristotelian distinctions between the categories of substance, quality, quantity, and relation, that are needed to prize the problem open. Aristotelian metaphysics had not been removed from the curriculum of the German Gymnasium, and Marx had been educated in that tradition and worked within it throughout his life. In Britain, Samuel Bailey, writing in 1825, was able to confuse the categories of quality and relation by suggesting that the property of exchange value, which things come to have when they become subjects of systematic exchange in markets, is in fact a relation. Neo-classical economics has followed him in this primitive metaphysics.<sup>10</sup>

Adam Smith's *Wealth of Nations* is about 'how to get rich', says Fray Antonio, and he complains that Smith nowhere takes note of any of the moral pitfalls to be avoided in the pursuit of wealth. This in itself is a serious criticism. Everything in life must be subordinated to ethics, because ethics is about how you should live, and the commercial pursuit of wealth cannot be an exception to this. But this is not the end of Fray Antonio's second criticism. If the absence of ethics in Smith were no more than an oversight, this would be bad enough, but Antonio observes that it is 'in the nature of his system' that ethics has no place in it. This is a much more fundamental criticism. Its target is not simply Smith's way of doing things, which another author might do in another way that would admit ethics. The target of this criticism is economics itself, the kind of thing it is, and his point is that it is in the nature of economics, as the independent science it had become by the late eighteenth century, that there is in principle no place in its theoretical structure for ethics to occupy.

This sort of criticism is now a traditional Catholic view, though it has not been explicitly defined with any very high level of authority. Menendez Palayo, a fair example of a traditional Catholic, writes that Adam Smith's 'so-called science of wealth . . . came forth contaminated with a utilitarian and basely practical spirit, as though it aspired to be an independent science and not a branch and end of morality'.<sup>11</sup> We have the advantage of hindsight in being able to see economics as a science in its own right, and one which now explicitly claims to be logically independent of ethics, every bit as much as physics. Lionel Robbins

wrote, in his famous work *The Nature and Significance of Economic Science*, that 'between the generalizations of positive and normative studies, there is a logical gulf fixed which no ingenuity can disguise and no juxtaposition in space or time bridge over,' and he concluded that, regarding economics and ethics, 'it does not seem logically possible to associate the two studies in any form but mere juxtaposition . . . the two fields of inquiry are not on the same plane of discourse'.<sup>12</sup> Few economists were prepared to accept such an uncompromising repudiation of a relation between ethics and economics when Robbins wrote in 1932, but today most economists in the anglophone world regard it as a truism. A few economists are still reluctant to recognize the split for what it is. Amartya Sen finds 'something quite extraordinary in the fact that economics has in fact evolved in this way', a way which he describes as 'the self-consciously "non-ethical" character of modern economics'.<sup>13</sup> From the point of view of Aristotelian philosophy, however, it was inevitable rather than extraordinary.

It is easy for us today to see the amoral nature of economics, which in any case it now claims for itself, and to recognise the threat this poses and the degree to which the threat has already been carried through. But it was not easy in the same way in Fray Antonio's day. Smith's *Wealth of Nations* was the first full and systematic statement of economics as an independent science. Explicit claims of independence came later, and claims to be independent of ethics came only in this century. Fray Antonio got the point right at the start, while the economists and other inheritors of the Enlightenment continued to fudge it for another century and a half. Claims of compatibility with ethics continued to be pursued, and utilitarianism was developed by Bentham precisely to provide a system of ethics, or something that looked like ethics, which could be fully integrated into economics; it fitted neatly because it was designed for this supporting and subordinate role in the first place. This move was desirable in order to circumvent the conflicts that economics was constantly having with real ethics, as it moved in to occupy large parts of the territory ethics had previously held.

Why is economics amoral in this way? Why does it not connect helpfully with our conceptions of how we should live? After all, wealth is 'a collection of things that are useful' for people and their communities, as Aristotle put it (*Politics*, I, 1256b30f). But this is not how 'wealth' is defined in economics. Economics no longer draws the distinction that Adam Smith, Ricardo, and Marx drew between useful things or use values, and the value they have in exchange. That distinction was first muddled by Bailey and Mill, and then obliterated by

Jevons and Marshall.<sup>14</sup> The upshot is that neo-classical or marginalist economics defines wealth as exchange value. And this is a fair definition, if we are speaking of a market economy, as Keynes recognized

The distinction between a cooperative economy and an entrepreneur economy bears some relation to a pregnant observation made by Karl Marx, — though the subsequent use to which he put this observation was highly illogical. He pointed out that the nature of production in the actual world is not, as economists seem to suppose, a case of C-M-C', i.e. of exchanging commodity (or effort) for money in order to obtain another commodity (or effort). That may be the standpoint of the private consumer. But it is not the attitude of business, which is a case of M-C-M', i.e. of parting with money for commodity (or effort) in order to obtain more money.<sup>15</sup>

Economics is the science of behaviour in a society whose productive activity aims systematically at the quantitative growth of exchange value, to which use value is only a means. Exchange value is a distinct nature, and it behaves in lawlike ways which we have to discover, and to which we must accommodate our wills. Economics is the science of its movements, the determinants of its magnitudes, its interaction with use value, and the behaviour of people operating within a society based on its laws, and this is why economics is amoral.

Liberal writers on the Spanish Enlightenment have been overconfident in believing that there was nothing of any worth in scholastic criticism of the new economic science. Fray Antonio's criticism makes an absolutely fundamental point. His report was not a flash in the pan, because there was a developed context for such criticism, and his near contemporary Calatayud, a writer and preacher against usury, distinguished twenty-four distinct forms of contract that were illicit because they involved usury. (The business men of Bilbao successfully lobbied the Bishop to have him banned from preaching within forty miles of the city).

The point Antonio got was explicitly present in the Catholic tradition in any case. Aristotle himself had pointed out that the pursuit of exchange value or money aims at an end entirely distinct from use value, or 'natural wealth' as he called it. But making money is not a distinct activity (except in the literal sense of coining or printing legal tender), and it works by latching onto natural activities, as when the medical art is pursued for the sake of money, and in this way it compromises their ends by insinuating its own. Aristotle thinks this is a danger which threatens the whole of ethical and political life, because



almost all the activities which make up that life are susceptible to being used in this ambiguous way (Politics, I, 1256b271258b8), including philosophy itself, because in the hands of the Sophists it becomes 'a kind of money making' rather than a kind of philosophy (S. El., 165a23, 171b28). Since economics is the theory of the operations of market economy, and since market economy is the systematic pursuit of exchange value (or money), in which use value is merely a means, it cannot in principle have any connection with ethics. Ethics has to do with humans, and humans are use values and therefore means to the end of exchange value; in the current economic argot they are 'human resources'. Aquinas too, in his commentary on book one of Aristotle's *Politics*, explains Aristotle's distinction between the good and bad arts of exchange or *chrêmatistikê* as one of ends: the first 'art of possessing . . . is the art of acquiring food and other things necessary for life', and it aims, as we would put it, at use value; the second is 'the art of money (*pecuniativa*), because it has to do with the acquisition of money', and its aim is exchange value (Lectio 7, 111). The principles of Antonio's reaction to the arrival of economics were already present in the tradition.

If neo-classical economics today fuses use value and exchange value together in such a way that the pursuit of one cannot be conceptually distinguished from the pursuit of the other, this must be regarded as a confusion not as a discovery, and one which shows the greater strength of the Aristotelian tradition within which Fray Antonio was working, compared with the Humean tradition which economics draws on. Hume drew together the most workable and the most radical of the Whig doctrines developed by the 'British Moralists' and gave them a sophisticated expression: the fact-value gap, the elimination of metaphysics, the dissolution of substance and natures, and the separation of ethics from reason and its attachment exclusively to sentiment. These doctrines laid foundations for the thought appropriate to an epoch of society based on exchange value. They have since become standard philosophical grounding for economics and the economic view of the world, and it was Hume's genius to have provided it far in advance of his time.

Fray Antonio's criticism cannot be understood as a thought that occurred fortuitously to an individual. It flows from the Catholic tradition of thought and sensibility about ethics and politics — or perhaps *ethikê* and *politikê* would be more suitable, since the tradition is Aristotelian in inspiration. In modern society based on market economy, swathes of the most important kind of public decisions affecting the wellbeing of people have been removed from ethics altogether and transferred to the independent province of economics. In pre-capitalist

societies, in Greek and Roman antiquity and in Medieval society, the only source of reasons for public decision making was ethics (in the inclusive sense which includes *politiiké*), and it is anything but clear that the Church can in the end accept a position according to which such decisions cease to be subject to ethics in anything more serious than the manner in which they are executed, or that they should fall primarily under a supposedly universal science of human productive behaviour in general, or that there can really be a science answering to that description. There is a science of exchange value but that is another thing.

- 1 I. L. McClelland, *Ideological Hesitancy in Spain 1700–1750* (Liverpool, 1991). I should like to thank Ivy McClelland, Nicholas Round, Fede Basañez, and Christopher Martin for much helpful discussion, and to acknowledge the assistance of the Anglo-Spanish *Acciones Integradas* scheme in supporting the research.
- 2 Jovellanos typically wrote in an *Informe* of 1785: ‘The greatness of nations will no longer rest, as in other times, on the splendor of its triumphs, in the martial spirit of its sons . . . Commerce, industry, and the wealth which springs from both, are, and probably will be for a long time to come, the only foundations of the preponderance of a nation; and it is necessary to make these the objects of our attentions or condemn ourselves to an eternal and shameful dependency, while our neighbours speed their prosperity upon our neglect’, cited by Robert Sidney Smith, ‘The *Wealth of Nations* in Spain and Hispanic America, 1780–1830’, *The Journal of Political Economy* 65 (1957), p. 107.
- 3 Robert Sidney Smith, *op. cit.*, pp. 104–25.
- 4 Marcelino Menendez Pelayo, *Historia de los Heterodoxos Españoles* (Madrid, 1956).
- 5 Jean Sarrailh, *l’Espagne éclairée de la seconde moitié XVIIIe siècle* (Paris, 1954). Richard Herr, *The Eighteenth Century Revolution in Spain* (Princeton, 1958).
- 6 See James F. Keenan, S.J., ‘The Casuistry of John Major, Nominalist Professor of Paris (1506–1531)’, *The Annual of the Society for Christian Ethics* (1993), pp. 206–221.
- 7 See my ‘Aristotle on Money’, *Phronesis*, 39/1 (1994), and ‘Aristotle on Business’, *Classical Quarterly*, forthcoming (1995). The issues are examined in greater detail in my *Aristotle’s Economic Thought* forthcoming with Oxford University Press in 1995.
- 8 All three reports are given in full by J. Lasarte, ‘Adam Smith ante le Inquisicion y la Academia de la Historia’, *Hacienda Publica Española*, vol. 33–4 (1975), pp. 201–242.
- 9 Herr, *op. cit.*, p.218.
- 10 The problem of value in economics is to explain how some amount of one article can stand in a relation of equality with some amount of some other, e.g. how it is possible that ‘5 yards of linen = 1 cwt. of coal’. Aristotle realizes that only things that are already commensurable (*summetra*) can stand in such a relation, and this implies a property which both articles share (*NE.*, V, 5). ‘Exchange value’ is the name given to this property, whatever it is. Samuel Bailey, however, considers that ‘Value denotes nothing positive or intrinsic, but merely a relation in which two objects stand to each other as exchangeable commodities’, as if a property can be a relation; *A Critical Dissertation on the Nature. Measures. and Causes of Value* (London, 1825), pp. 4–5. Modern authors often follow Bailey in this, as Joseph Schumpeter does, see *Capitalism, Socialism and Democracy* (London, 1952), p. 23 n. 2.
- 11 Menendez Palayo, *Heterodoxas*, vol. II, p. 381.

- 12 Lionel Robbins, *The Nature and Significance of Economic Science* (London 1932), p. 132.
- 13 A. Sen, *On Ethics and Economics*, (Blackwell, Oxford, 1987), pp. 1–2.
- 14 J. S. Mill confuses the two by defining wealth as ‘all useful and agreeable things, which possess exchangeable value’, *Principles of Political Economy* (New York, 1969), p. 9. W. S. Jevons wanted, confusedly, to turn usefulness from a qualitative concept into a quantitative one like exchange value, and he thought he found a way; *The Theory of Political Economy* (London, 1879), pp. vii–viii. Marshall simply says use value is of no importance and dismisses it out of hand; *Principles of Economics*<sup>4</sup> (London, 1898), p. 8.
- 15 *The Collected Writings of J. M. Keynes* (London, 1973), vol. 29, p. 81.

## Styles of Scientific Thinking

Peter Hodgson

Science as we know it today has a long history stretching back to the Greeks and the Babylonians. It is essentially the results of our continuing attempts to understand the natural world, and as such it is conditioned by our culture, by our beliefs concerning what is important and what is not about the nature and purpose of knowledge, and about the structure of argument and the criteria of proof. These factors vary from one culture to another, and together they determine the style of scientific thinking.

It was very difficult to get started, and fatally easy to become trapped in a blind alley. Early civilisations amassed much natural lore, and extensive astronomical observations were made, notably by the Babylonians. But the chief credit for initiating the scientific enterprise belongs to the ancient Greeks.

The whole scientific enterprise, as Alistair Crombie points out in his magisterial treatise\*, depends first of all on the underlying vision of

---

\* *Styles of Scientific Thinking in the European Tradition: The history of argument and explanation especially in the mathematical and biomedical sciences and arts*. By Alistair Crombie, Duckworth, 1994. Pp. 2544. £180.