

PREFACE

Unlike his monumental *Treatise of Human Nature* (1739–40) that failed to gain recognition during his lifetime, David Hume’s book on economics, *Political Discourses* (1752), was immensely successful. Over the next twenty-five years it underwent ten English editions and about a dozen translations, and over the next two centuries it continued to be read and valued by prominent economists. Nevertheless, there is as yet no monograph in English devoted to a comprehensive study of Hume’s economics, let alone one that connects this body of thought to his philosophical tenets. This book fills that gap. One explanation for this scholarly lacuna is that Hume was a formidable philosopher. To understand his economics demands a full comprehension of his epistemology, metaphysics, political philosophy, and ethics—in short, a labor of a lifetime. Another reason is that to make sense of Hume’s economics requires a multidisciplinary approach, one that develops a scholarly sensibility that transcends the boundaries that currently segregate economics from history or philosophy. Economics in Hume’s day was not ahistorical, aethical, or apolitical. Quite the contrary: it was a discourse that embraced each and every one of these dimensions, as this book makes clear.

The three canonical thinkers on capitalism as a system writ large—Adam Smith, Karl Marx, and John Maynard Keynes—garner the lion’s share of scholarly attention among historians of economics. Each man has had dozens of books and hundreds of articles written on his respective contributions to economics. Each one was also a philosopher, but none could compare with Hume in terms of philosophical breadth or depth. It is Hume’s philosophical richness that makes his economics distinctive, his capacity to understand human motives and actions in both ethical and economic terms, to reflect

on the human condition with an eye toward people's struggles with material scarcity, unmet desires, and a limited capacity to forge a full and meaningful life. Hume's economics adopts utilitarian goals in the sense that he saw people's efforts to produce, exchange, and consume as serving the greater end of happiness, but he also noted that few people sufficiently value the non-pecuniary goods of life, such as friendship or equanimity. Hume offered insight into the extent to which people's pursuit of wealth can at times conflict with their moral aims, while nevertheless celebrating the potential for their convergence, particularly for those among the middle class.

There is a sense in which Hume, more than Smith or Keynes, is an enthusiast for capitalism. Smith and Keynes each deprecated the human passion for money, particularly its tendency to render human beings into irrational creatures mired in petty forms of envy. Hume too recognized the core ingredient of avarice but nonetheless underscored its ennobling features, the sense in which the pursuit of profit could be channeled into prudential actions and, above all, promote the virtue of industriousness. The main obstacles to progress, for Hume, were war and the heinous practices of enslavement and colonization that accompanied national aggrandizement. In 1746, he participated, albeit as a noncombatant, in an aborted invasion of Lorient, headquarters for the French East India Company. In 1748, he was part of a diplomatic mission to Vienna to end the War of the Austrian Succession, traveling through enemy lines and the war-torn fields of Flanders. His economics was permeated by the realization that the costs of British military protection were increasing not just in nominal but also in real terms and that this expenditure would render the nation bankrupt. In that respect, his analysis of capitalism kept in the foreground the fact that peaceful relations are the exception and not the rule.

Hume was ever attentive to the political setting of economic activity, to the sense in which specific modes of government—autocratic, monarchical, or republican—could yield different economic outcomes, enhance standards of living, or induce more freedom. Hume believed that the stability, freedoms, and prosperity of Georgian Britain, particularly in comparison with the seventeenth century beset with civil war, regicide, and famine, were crowning achievements that deserved safeguarding. In that respect, he offered much policy advice, with detailed recommendations on trade as well as fiscal and monetary policy, as the instruments that might guide us to a more just and peaceful society.

Above all, Hume reflected on the essential mechanisms and defining properties of capitalism and its propensity for global expansion. He explicitly attended to the economic features of distant lands (as far away as China, Persia,

or Africa) as well as the regions with which he was more familiar (Europe and North America). His primary focus was on modern Britain, France, and the Netherlands, but he also made frequent references to the economic practices of ancient Greece and Rome and offered economic explanations for their respective decline. In fleeting moments, he also speculated about the future; his economic principles, for example, posited concrete outcomes such as the tendency of the profit rate to fall or the public debt to rise in the long term.

Our book not only offers a detailed study of Hume's economics but also goes further and argues that economics was a unifying theme that runs throughout his written work and life as a cosmopolitan man of letters. Hume believed, passionately, that his capitalist world was at the vanguard of human flourishing, that commerce and the prosperity it engendered served to promote a more polite, civil, and secular society. He also believed that international and unrestricted trade was one of the best means to reduce war and conflict. We seek to understand Hume's arguments and his mission, without succumbing to their appeal. Certainly, given the human carnage of the past couple of centuries, it would be unimaginable by any measure to endorse Hume's conviction that the spread of capitalism would foster a more peaceful world. It is of great value, however, to understand the vision that Hume bequeathed, if only to gain insights into the paths not taken.

