

Friedrich A.
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Individualism
and Economic
Order



Midway reprint

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THE UNIVERSITY OF CHICAGO PRESS

Preface

ALTHOUGH the essays collected in this volume may at first appear to be concerned with a great variety of topics, I hope that the reader will soon discover that most of them treat of closely connected problems. While they range from discussions of moral philosophy to the methods of the social sciences and from problems of economic policy to pure economic theory, these questions are treated in most of the essays as different aspects of the same central issue. This connection will be seen most readily in the first six essays, yet in some measure the three on the problem of socialist calculation which follow them may be regarded as an application of the same ideas to a particular problem, although when I wrote these I did not yet quite see it in that light. Only the last three essays deal with somewhat different points of theory or policy; but, since I believe that the problems with which they are concerned will be discussed even more in the future than they have been in the past, I have taken this opportunity to make them available in a more convenient form.

Since I published not long ago a more popular book on problems related to some of those discussed here, I should in fairness warn the reader that the present volume is not intended for popular consumption. Only a few of the essays collected here (chaps. i and vi, and possibly iv and v) may in a sense be regarded as supplementary to that advance sketch of certain practical conclusions which a sense of urgency has tempted me to publish under the title *The Road to Serfdom*. The rest are definitely addressed to fellow-students and are fairly technical in character. All are admittedly fragments, products which have emerged in the pursuit of a distant goal, which for the time being must serve in place of the finished product. I should perhaps add that from my recent publications in the field with which most of the essays in this volume deal I have not included two series of articles on "Scientism and the Study of Society" and the "Counterrevolution of

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Science" because they are intended to form part of a larger and more systematic work; in the meantime they can be found in the volumes of *Economica* for 1941-45 and 1940, respectively.

My thanks are due to the editors of the *American Economic Review*, *Economica*, the *Economic Journal*, *Ethics*, and the *New Commonwealth Quarterly* for permission to reprint articles which first appeared in these journals, and to Messrs. George Routledge & Sons, Ltd., London, for permission to reproduce the two essays originally contributed to the volume on *Collectivist Economic Planning* published by them in 1935.

F. A. HAYEK

LONDON SCHOOL OF ECONOMICS

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I. Individualism: *True and False*^{*}

Du dix-huitième siècle et de la révolution, comme d'une source commune, étaient sortis deux fleuves: le premier conduisait les hommes aux institutions libres, tandis que le second les menait au pouvoir absolu.

—ALEXIS DE TOCQUEVILLE.

1

TO ADVOCATE any clear-cut principles of social order is today an almost certain way to incur the stigma of being an impractical doctrinaire. It has come to be regarded as the sign of the judicious mind that in social matters one does not adhere to fixed principles but decides each question "on its merits"; that one is generally guided by expediency and is ready to compromise between opposed views. Principles, however, have a way of asserting themselves even if they are not explicitly recognized but are only implied in particular decisions, or if they are present only as vague ideas of what is or is not being done. Thus it has come about that under the sign of "neither individualism nor socialism" we are in fact rapidly moving from a society of free individuals toward one of a completely collectivist character.

I propose not only to undertake to defend a general principle of social organization but shall also try to show that the aversion to general principles, and the preference for proceeding from particular instance to particular instance, is the product of the movement which with the "inevitability of gradualness" leads us back from a social order resting on the general recognition of certain principles to a system in which order is created by direct commands.

After the experience of the last thirty years, there is perhaps not

^{*} The twelfth Finlay Lecture, delivered at University College, Dublin, on December 17, 1945. Published by Hodges, Figgis & Co., Ltd., Dublin, and B. H. Blackwell, Ltd., Oxford, 1946.

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much need to emphasize that without principles we drift. The pragmatic attitude which has been dominant during that period, far from increasing our command over developments, has in fact led us to a state of affairs which nobody wanted; and the only result of our disregard of principles seems to be that we are governed by a logic of events which we are vainly attempting to ignore. The question now is not whether we need principles to guide us but rather whether there still exists a body of principles capable of general application which we could follow if we wished. Where can we still find a set of precepts which will give us definite guidance in the solution of the problems of our time? Is there anywhere a consistent philosophy to be found which supplies us not merely with the moral aims but with an adequate method for their achievement?

That religion itself does not give us definite guidance in these matters is shown by the efforts of the church to elaborate a complete social philosophy and by the entirely opposite results at which many arrive who start from the same Christian foundations. Though the declining influence of religion is undoubtedly one major cause of our present lack of intellectual and moral orientation, its revival would not much lessen the need for a generally accepted principle of social order. We still should require a political philosophy which goes beyond the fundamental but general precepts which religion or morals provide.

The title which I have chosen for this chapter shows that to me there still seems to exist such a philosophy—a set of principles which, indeed, is implicit in most of Western or Christian political tradition but which can no longer be unambiguously described by any readily understood term. It is therefore necessary to restate these principles fully before we can decide whether they can still serve us as practical guides.

The difficulty which we encounter is not merely the familiar fact that the current political terms are notoriously ambiguous or even that the same term often means nearly the opposite to different groups. There is the much more serious fact that the same word frequently appears to unite people who in fact believe in contradictory and irreconcilable ideals. Terms like "liberalism" or "democracy," "capital-

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ism" or "socialism," today no longer stand for coherent systems of ideas. They have come to describe aggregations of quite heterogeneous principles and facts which historical accident has associated with these words but which have little in common beyond having been advocated at different times by the same people or even merely under the same name.

No political term has suffered worse in this respect than "individualism." It not only has been distorted by its opponents into an unrecognizable caricature—and we should always remember that the political concepts which are today out of fashion are known to most of our contemporaries only through the picture drawn of them by their enemies—but has been used to describe several attitudes toward society which have as little in common among themselves as they have with those traditionally regarded as their opposites. Indeed, when in the preparation of this paper I examined some of the standard descriptions of "individualism," I almost began to regret that I had ever connected the ideals in which I believe with a term which has been so abused and so misunderstood. Yet, whatever else "individualism" may have come to mean in addition to these ideals, there are two good reasons for retaining the term for the view I mean to defend: this view has always been known by that term, whatever else it may also have meant at different times, and the term has the distinction that the word "socialism" was deliberately coined to express its opposition to individualism.¹ It is with the system which forms the alternative to socialism that I shall be concerned.

2

Before I explain what I mean by true individualism, it may be useful if I give some indication of the intellectual tradition to which it

1. Both the term "individualism" and the term "socialism" are originally the creation of the Saint-Simonians, the founders of modern socialism. They first coined the term "individualism" to describe the competitive society to which they were opposed and then invented the word "socialism" to describe the centrally planned society in which all activity was directed on the same principle that applied within a single factory. See on the origin of these terms the present author's article on "The Counter-Revolution of Science," *Economica*, VIII (new ser., 1941), 146.

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belongs. The true individualism which I shall try to defend began its modern development with John Locke, and particularly with Bernard Mandeville and David Hume, and achieved full stature for the first time in the work of Josiah Tucker, Adam Ferguson, and Adam Smith and in that of their great contemporary, Edmund Burke—the man whom Smith described as the only person he ever knew who thought on economic subjects exactly as he did without any previous communication having passed between them.² In the nineteenth century I find it represented most perfectly in the work of two of its greatest historians and political philosophers: Alexis de Tocqueville and Lord Acton. These two men seem to me to have more successfully developed what was best in the political philosophy of the Scottish philosophers, Burke, and the English Whigs than any other writers I know; while the classical economists of the nineteenth century, or at least the Benthamites or philosophical radicals among them, came increasingly under the influence of another kind of individualism of different origin.

This second and altogether different strand of thought, also known as individualism, is represented mainly by French and other Continental writers—a fact due, I believe, to the dominant role which Cartesian rationalism plays in its composition. The outstanding representatives of this tradition are the Encyclopedists, Rousseau, and the physiocrats; and, for reasons we shall presently consider, this rationalistic individualism always tends to develop into the opposite of individualism, namely, socialism or collectivism. It is because only the first kind of individualism is consistent that I claim for it the name of true individualism, while the second kind must probably be regarded as a source of modern socialism as important as the properly collectivist theories.³

2. R. Bisset, *Life of Edmund Burke* (2d ed., 1800), II, 429. Cf. also W. C. Dunn, "Adam Smith and Edmund Burke: Complimentary Contemporaries," *Southern Economic Journal* (University of North Carolina), Vol. VII, No. 3 (January, 1941).

3. Carl Menger, who was among the first in modern times consciously to revive the methodical individualism of Adam Smith and his school, was probably also the first to point out the connection between the design theory of social institutions and

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I can give no better illustration of the prevailing confusion about the meaning of individualism than the fact that the man who to me seems to be one of the greatest representatives of true individualism, Edmund Burke, is commonly (and rightly) represented as the main opponent of the so-called "individualism" of Rousseau, whose theories he feared would rapidly dissolve the commonwealth "into the dust and powder of individuality,"⁴ and that the term "individualism" itself was first introduced into the English language through the translation of one of the works of another of the great representatives of true individualism, De Tocqueville, who uses it in his *Democracy in America* to describe an attitude which he deplores and rejects.⁵ Yet there can no doubt that both Burke and De Tocqueville stand in all essentials close to Adam Smith, to whom nobody will deny the title of individualist, and that the "individualism" to which they are opposed is something altogether different from that of Smith.

socialism. See his *Untersuchungen über die Methode der Sozialwissenschaften* (1883), esp. Book IV, chap. 2, toward the end of which (p. 208) he speaks of "a pragmatism which, against the intention of its representatives, leads inevitably to socialism."

It is significant that the physiocrats already were led from the rationalistic individualism from which they started, not only close to socialism (fully developed in their contemporary Morelly's *Le Code de la nature* [1755]), but to advocate the worst depotism. "L'État fait des hommes tout ce qu'il veut," wrote Bodeau.

4. Edmund Burke, *Reflections on the Revolution in France* (1790), in *Works* (World's Classics ed.), IV, 105: "Thus the commonwealth itself would, in a few generations, be disconnected into the dust and powder of individuality, and at length dispersed to all winds of heaven." That Burke (as A. M. Osborn points out in her book on *Rousseau and Burke* [Oxford, 1940], p. 23), after he had first attacked Rousseau for his extreme "individualism," later attacked him for his extreme collectivism was far from inconsistent but merely the result of the fact that in the case of Rousseau, as in that of all others, the rationalistic individualism which they preached inevitably led to collectivism.

5. Alexis de Tocqueville, *Democracy in America*, trans. Henry Reeve (London, 1864), Vol. II, Book II, chap. 2, where De Tocqueville defines individualism as "a mature and calm feeling, which disposes each member of the community to sever himself from the mass of his fellows, and to draw apart with his family and friends; so that, after he has thus formed a little circle of his own, he willingly leaves society at large to itself." The translator in a note to this passage apologizes for introducing the French term "individualism" into English and explains that he knows "no English word exactly equivalent to the expression." As Albert Schatz pointed out in the book mentioned below, De Tocqueville's use of the well-established French term in this peculiar sense is entirely arbitrary and leads to serious confusion with the established meaning.

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What, then, are the essential characteristics of true individualism? The first thing that should be said is that it is primarily a *theory* of society, an attempt to understand the forces which determine the social life of man, and only in the second instance a set of political maxims derived from this view of society. This fact should by itself be sufficient to refute the silliest of the common misunderstandings: the belief that individualism postulates (or bases its arguments on the assumption of) the existence of isolated or self-contained individuals, instead of starting from men whose whole nature and character is determined by their existence in society.⁶ If that were true, it would indeed have nothing to contribute to our understanding of society. But its basic contention is quite a different one; it is that there is no other way toward an understanding of social phenomena but through our understanding of individual actions directed toward other people and guided by their expected behavior.⁷ This argument is directed primarily against the properly collectivist theories of society which pretend to be able directly to comprehend social wholes like society, etc., as entities *sui generis* which exist independently of the individuals which compose them. The next step in the individualistic analysis of society, however, is directed against the rationalistic pseudo-individualism which also leads to practical collectivism. It is the contention that, by tracing the combined effects of individual actions, we discover

6. In his excellent survey of the history of individualist theories the late Albert Schatz rightly concludes that "nous voyons tout d'abord avec évidence ce que l'individualisme n'est pas. C'est précisément ce qu'on croit communément qu'il est: un système d'isolement dans l'existence et une apologie de l'égoïsme" (*L'Individualisme économique et social* [Paris, 1907], p. 558). This book, to which I am much indebted, deserves to be much more widely known as a contribution not only to the subject indicated by its title but to the history of economic theory in general.

7. In this respect, as Karl Pribram has made clear, individualism is a necessary result of philosophical nominalism, while the collectivist theories have their roots in the "realist" or (as K. R. Popper now more appropriately calls it) "essentialist" tradition (Pribram, *Die Entstehung der individualistischen Sozialphilosophie* [Leipzig, 1912]). But this "nominalist" approach is characteristic only of true individualism, while the false individualism of Rousseau and the physiocrats, in accordance with the Cartesian origin, is strongly "realist" or "essentialist."

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that many of the institutions on which human achievements rest have arisen and are functioning without a designing and directing mind; that, as Adam Ferguson expressed it, "nations stumble upon establishments, which are indeed the result of human action but not the result of human design";⁸ and that the spontaneous collaboration of free men often creates things which are greater than their individual minds can ever fully comprehend. This is the great theme of Josiah Tucker and Adam Smith, of Adam Ferguson and Edmund Burke,

8. Adam Ferguson, *An Essay on the History of Civil Society* (1st ed., 1767), p. 187. Cf. also *ibid.*: "The forms of society are derived from an obscure and distant origin; they arise, long before the date of philosophy, from the instincts, not from the speculations of man. . . . We ascribe to a previous design, what came to be known only by experience, what no human wisdom could foresee, and what, without the concurring humour and disposition of his age, no authority could enable an individual to execute" (pp. 187 and 188).

It may be of interest to compare these passages with the similar statements in which Ferguson's contemporaries expressed the same basic idea of the eighteenth-century British economists:

Josiah Tucker, *Elements of Commerce* (1756), reprinted in *Josiah Tucker: A Selection from His Economic and Political Writings*, ed. R. L. Schuyler (New York, 1931), pp. 31 and 92: "The main point is neither to extinguish nor to enfeeble self-love, but to give it such a direction that it may promote the public interest by promoting its own . . . The proper design of this chapter is to show that the universal mover in human nature, self-love, may receive such a direction in this case (as in all others) as to promote the public interest by those efforts it shall make towards pursuing its own."

Adam Smith, *Wealth of Nations* (1776), ed. Cannan, I, 421: "By directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it." Cf. also *The Theory of Moral Sentiments* (1759), Part IV (9th ed., 1801), chap. 1, p. 386.

Edmund Burke, *Thoughts and Details on Scarcity* (1795), in *Works* (World's Classics ed.), VI, 9: "The benign and wise disposer of all things, who obliges men, whether they will or not, in pursuing their own selfish interests, to connect the general good with their own individual success."

After these statements have been held up for scorn and ridicule by the majority of writers for the last hundred years (C. E. Raven not long ago called the last-quoted statement by Burke a "sinister sentence"—see his *Christian Socialism* [1920], p. 34), it is interesting now to find one of the leading theorists of modern socialism adopting Adam Smith's conclusions. According to A. P. Lerner (*The Economics of Control* [New York, 1944], p. 67), the essential social utility of the price mechanism is that "if it is appropriately used it induces each member of society, while seeking his own benefit, to do that which is in the general social interest. Fundamentally this is the great discovery of Adam Smith and the Physiocrats."

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the great discovery of classical political economy which has become the basis of our understanding not only of economic life but of most truly social phenomena.

The difference between this view, which accounts for most of the order which we find in human affairs as the unforeseen result of individual actions, and the view which traces all discoverable order to deliberate design is the first great contrast between the true individualism of the British thinkers of the eighteenth century and the so-called "individualism" of the Cartesian school.⁹ But it is merely one aspect of an even wider difference between a view which in general rates rather low the place which reason plays in human affairs, which contends that man has achieved what he has in spite of the fact that he is only partly guided by reason, and that his individual reason is very limited and imperfect, and a view which assumes that Reason, with a capital R, is always fully and equally available to all humans and that everything which man achieves is the direct result of, and therefore subject to, the control of individual reason. One might even say that the former is a product of an acute consciousness of the limitations of the individual mind which induces an attitude of humility toward the impersonal and anonymous social processes by which individuals help to create things greater than they know, while the latter is the product of an exaggerated belief in the powers of individual reason and of a consequent contempt for anything which has not been consciously designed by it or is not fully intelligible to it.

The antirationalistic approach, which regards man not as a highly rational and intelligent but as a very irrational and fallible being, whose individual errors are corrected only in the course of a social

9. Cf. Schatz, *op. cit.*, pp. 41-42, 81, 378, 568-69, esp. the passage quoted by him (p. 41, n. 1) from an article by Albert Sorel ("Comment j'ai lu la 'Réforme sociale,'" in *Réforme sociale*, November 1, 1906, p. 614): "Quel que fut mon respect, assez commandé et indirect encore pour le *Discours de la méthode*, je savais déjà que de ce fameux discours il était sorti autant de déraison sociale et d'aberrations métaphysiques, d'abstractions et d'utopies, que de données positives, que s'il menait à Comte il avait aussie mené à Rousseau." On the influence of Descartes on Rousseau see further P. Janet, *Histoire de la science politique* (3d ed., 1887), p. 423; F. Bouillier, *Histoire de la philosophie cartésienne* (3d ed., 1868), p. 643; and H. Michel, *L'Idée de l'état* (3d ed., 1898), p. 68.

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process, and which aims at making the best of a very imperfect material, is probably the most characteristic feature of English individualism. Its predominance in English thought seems to me due largely to the profound influence exercised by Bernard Mandeville, by whom the central idea was for the first time clearly formulated.¹⁰

I cannot better illustrate the contrast in which Cartesian or rationalistic "individualism" stands to this view than by quoting a famous passage from Part II of the *Discourse on Method*. Descartes argues that "there is seldom so much perfection in works composed of many separate parts, upon which different hands had been employed, as in those completed by a single master." He then goes on to suggest (after, significantly, quoting the instance of the engineer drawing up his plans) that "those nations which, starting from a semi-barbarous state and advancing to civilization by slow degrees, have had their laws successively determined, and, as it were, forced upon them simply by experience of the hurtfulness of particular crimes and disputes, would by this process come to be possessed of less perfect institutions than those which, from the commencement of their association as communities, have followed the appointment of some wise legislator." To drive this point home, Descartes adds that in his opin-

10. The decisive importance of Mandeville in the history of economics, long overlooked or appreciated only by a few authors (particularly Edwin Cannan and Albert Schatz), is now beginning to be recognized, thanks mainly to the magnificent edition of the *Fable of the Bees* which we owe to the late F. B. Kaye. Although the fundamental ideas of Mandeville's work are already implied in the original poem of 1705, the decisive elaboration and especially his full account of the origin of the division of labor, of money, and of language occur only in Part II of the *Fable* which was published in 1728 (see Bernard Mandeville, *The Fable of the Bees*, ed. F. B. Kaye [Oxford, 1924], II, 142, 287-88, 349-50). There is space here to quote only the crucial passage from his account of the development of the division of labor where he observes that "we often ascribe to the excellency of man's genius, and the depth of his penetration, what is in reality owing to the length of time, and the experience of many generations, all of them very little differing from one another in natural parts and sagacity" (*ibid.*, p. 142).

It has become usual to describe Giambattista Vico and his (usually wrongly quoted) formula, *homo non intelligendo fit omnia* (*Opere*, ed. G. Ferrari [2d ed.; Milan, 1854], V, 183), as the beginning of the antirationalistic theory of social phenomena, but it would appear that he has been both preceded and surpassed by Mandeville.

Perhaps it also deserves mention that not only Mandeville but also Adam Smith occupy honorable places in the development of the theory of language which in so many ways raises problems of a nature kindred to those of the other social sciences.

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ion "the past pre-eminence of Sparta was due not to the pre-eminence of each of its laws in particular . . . but to the circumstance that, originated by a single individual, they all tended to a single end."¹¹

It would be interesting to trace further the development of this social contract individualism or the "design" theories of social institutions, from Descartes through Rousseau and the French Revolution down to what is still the characteristic attitude of the engineers to social problems.¹² Such a sketch would show how Cartesian rationalism has persistently proved a grave obstacle to an understanding of historical phenomena and that it is largely responsible for the belief in inevitable laws of historical development and the modern fatalism derived from this belief.¹³

All we are here concerned with, however, is that this view, though also known as "individualism," stands in complete contrast to true individualism on two decisive points. While it is perfectly true of this pseudo-individualism that "belief in spontaneous social products was logically impossible to any philosophers who regarded individual man as the starting point and supposed him to form societies by the union of his particular will with another in a formal contract,"¹⁴ true individualism is the only theory which can claim to make the formation of spontaneous social products intelligible. And, while the design theories necessarily lead to the conclusion that social processes can be made to serve human ends only if they are subjected to the control of individual human reason, and thus lead directly to socialism, true

11. René Descartes, *A Discourse on Method* (Everyman's ed.), pp. 10-11.

12. On the characteristic approach of the engineer type of mind to economic phenomena compare the present author's study on "Scientism and the Study of Society," *Economica*, Vols. IX-XI (new ser., 1942-44), esp. XI, 34 ff.

13. Since this lecture was first published I have become acquainted with an instructive article by Jerome Rosenthal on "Attitudes of Some Modern Rationalists to History" (*Journal of the History of Ideas*, IV, No. 4 [October, 1943], 429-56), which shows in considerable detail the antihistorical attitude of Descartes and particularly his disciple Malebranche and gives interesting examples of the contempt expressed by Descartes in his *Recherche de la vérité par la lumière naturelle* for the study of history, languages, geography, and especially the classics.

14. James Bonar, *Philosophy and Political Economy* (1893), p. 85.

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individualism believes on the contrary that, if left free, men will often achieve more than individual human reason could design or foresee.

This contrast between the true, antirationalistic and the false, rationalistic individualism permeates all social thought. But because both theories have become known by the same name, and partly because the classical economists of the nineteenth century, and particularly John Stuart Mill and Herbert Spencer, were almost as much influenced by the French as by the English tradition, all sorts of conceptions and assumptions completely alien to true individualism have come to be regarded as essential parts of its doctrine.

Perhaps the best illustration of the current misconceptions of the individualism of Adam Smith and his group is the common belief that they have invented the bogey of the "economic man" and that their conclusions are vitiated by their assumption of a strictly rational behavior or generally by a false rationalistic psychology. They were, of course, very far from assuming anything of the kind. It would be nearer the truth to say that in their view man was by nature lazy and indolent, improvident and wasteful, and that it was only by the force of circumstances that he could be made to behave economically or carefully to adjust his means to his ends. But even this would be unjust to the very complex and realistic view which these men took of human nature. Since it has become fashionable to deride Smith and his contemporaries for their supposedly erroneous psychology, I may perhaps venture the opinion that for all practical purposes we can still learn more about the behavior of men from the *Wealth of Nations* than from most of the more pretentious modern treatises on "social psychology."

However that may be, the main point about which there can be little doubt is that Smith's chief concern was not so much with what man might occasionally achieve when he was at his best but that he should have as little opportunity as possible to do harm when he was at his worst. It would scarcely be too much to claim that the main merit of the individualism which he and his contemporaries advocated is that it is a system under which bad men can do least harm. It

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is a social system which does not depend for its functioning on our finding good men for running it, or on all men becoming better than they now are, but which makes use of men in all their given variety and complexity, sometimes good and sometimes bad, sometimes intelligent and more often stupid. Their aim was a system under which it should be possible to grant freedom to all, instead of restricting it, as their French contemporaries wished, to "the good and the wise."¹⁵

The chief concern of the great individualist writers was indeed to

15. A. W. Benn, in his *History of English Rationalism in the Nineteenth Century* (1906), says rightly: "With Quesnay, following nature meant ascertaining by a study of the world about us and of its laws what conduct is most conducive to health and happiness; and the natural rights meant liberty to pursue the course so ascertained. Such liberty only belongs to the wise and good, and can only be granted to those whom the tutelary authority in the state is pleased to regard as such. With Adam Smith and his disciples, on the other hand, nature means the totality of impulses and instincts by which the individual members of society are animated; and their contention is that the best arrangements result from giving free play to those forces in the confidence that partial failure will be more than compensated by successes elsewhere, and that the pursuit of his own interest by each will work out in the greatest happiness of all" (I, 289).

On this whole question see Elie Halévy, *The Growth of Philosophic Radicalism* (1928), esp. pp. 266-70.

The contrast of the Scottish philosophers of the eighteenth century with their French contemporaries is also brought out in Gladys Bryson's recent study on *Man and Society: The Scottish Enquiry of the Eighteenth Century* (Princeton, 1945), p. 145. She emphasizes that the Scottish philosophers "all wanted to break away from Cartesian rationalism, with its emphasis on abstract intellectualism and innate ideas," and repeatedly stresses the "anti-individualistic" tendencies of David Hume (pp. 106, 155)—using "individualistic" in what we call here the false, rationalistic sense. But she occasionally falls back into the common mistake of regarding them as "representative and typical of the thought of the century" (p. 176). There is still, largely as a result of an acceptance of the German conception of "the Enlightenment," too much inclination to regard the views of all the eighteenth-century philosophers as similar, whereas in many respects the differences between the English and the French philosophers of the period are much more important than the similarities. The common habit of lumping Adam Smith and Quesnay together, caused by the former belief that Smith was greatly indebted to the physiocrats, should certainly cease, now that this belief has been disproved by W. R. Scott's recent discoveries (see his *Adam Smith as Student and Professor* [Glasgow, 1937], p. 124). It is also significant that both Hume and Smith are reported to have been stimulated to their work by their opposition to Montesquieu.

Some suggestive discussion of the differences between the British and the French social philosophers of the eighteenth century, somewhat distorted, however, by the author's hostility toward the "economic liberalism" of the former, will be found in Rudolf Goldscheid, *Grundlinien zu einer Kritik der Willenskraft* (Vienna, 1905), pp. 32-37.