



CHARLES NISBET, 1736-1804
Painting by Horace T. Carpenter
Presented to Dickinson College by Dr. Fred B. Rogers

A CLASSICAL ECONOMIST ON THE FRONTIER

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AND

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CHARLES NISBET, the first president of Dickinson College, has been accorded scant recognition for the contribution that he made to American instruction in economics, or for his leadership in introducing the classical economics of Britain to the American scene. Probably he should be regarded as one of the three or four earliest American teachers of economics and political economy.¹ Mentioned by Joseph Dorfman in reference to his religious and political views,² his utterances on economic subjects pass without notice in this writer's history of American economic thought. More recently, the recovery of student notes on Nisbet's classroom lectures³ has made it possible to fill an important gap in

*This article by Professor Thomson of Dickinson College is based on an unpublished article of similar title by Professor Willard Bloodgood, formerly of Dickinson. The conclusions of the article are Professor Thomson's. The co-authors have never met. Yet the credit for recognizing Nisbet's importance in economic thought belongs to Professor Bloodgood.

¹The most extensive biography of Nisbet is: Samuel Miller, *Memoir of the Rev. Charles Nisbet, D.D.* (New York, 1840). More recent articles on Nisbet include chapters in James Henry Morgan, *Dickinson College* (New York, 1933); and a chapter by Boyd Lee Spahr, entitled "Charles Nisbet: Portrait in Miniature," in Dickinson College, *Bulwark of Liberty* (New York, 1950). Additional material on Nisbet in the form of original manuscripts and typed copies of letters is available in the Dickinsoniana Collection in Carlisle, Pa.

²Joseph Dorfman, *The Economic Mind in American Civilization* (New York, 1946), II, 503, 506. Nisbet is mentioned once by Dorfman in the company of Presidents Timothy Dwight of Yale and Stanhope Smith of Princeton as an ardent Federalist and supporter of the policies of Alexander Hamilton; in the other reference he appears as a staunch Calvinist, suspicious of the natural sciences, and critical of any academic discipline which might detract from the reverence due to the Great Author of Nature. No reference to Nisbet is to be found in Michael O'Connor, *Origins of Academic Economics in the United States* (New York, 1944).

³The Dickinsoniana Collection of Dickinson College contains three sets of student notes which cover all or parts of Nisbet's lectures on "æconomics." Samuel S. Mahon's notes, taken in 1787, give full coverage to the sequence of lectures, but they contain many omissions and illegible words and phrases. John Wilson's notes on Nisbet's *Questions and Answers*, taken in 1791, pro-

our knowledge of intellectual history during the years immediately after the Revolutionary War.⁴

Born in Haddington, Scotland, in 1736, and educated in arts and in divinity at Edinburgh, Charles Nisbet came to America in 1785 to assume his duties as the first president of the newly organized college at Carlisle, Pennsylvania. Here he served as college president, or "principal," with only one brief interruption, until his death in 1804. Since the Dickinson College faculty at this time included only three other professors, Nisbet's duties involved the delivery at one time or another of lectures in at least six different areas, ranging from systematic theology to belles-lettres.⁵ Practically none of Nisbet's works were published. Taking little pride in originality, he was satisfied to exercise his influence mainly through his classroom lectures, his sermons, his letters, and his personal contacts.

Among the many areas in which Nisbet delivered lectures, that which he considered peculiarly his own was moral philosophy. Somewhat comparable to the social sciences of today, this department had been developed in the Scottish universities as an approach to social relationships from an ethical, or religious, point

vide only a summary of the lectures. In this year Nisbet gave a review in catechetical form of his lectures on moral philosophy, and it is this which has been recorded by Wilson. The handwriting and the spelling of this manuscript are much clearer than those of Mahon's notes. The notes on the *Questions and Answers*, taken by Alexander H. Boyd in 1793, are almost identical with the notes taken two years earlier by Wilson. This tends to confirm the statements of some of his students that Nisbet wrote his lectures carefully, delivered them slowly, and expected his students to record them verbatim. We have designated these sources as: *Mahon's Notes*, *Wilson's Notes*, and *Boyd's Notes*.

⁴ Of the later careers of the three student note-takers, we know that Boyd and Mahon were associated with the Presbyterian Church, and that Wilson became a medical doctor. Records at the Presbyterian Historical Society in Philadelphia show that Alexander Boyd became a successful minister, holding charges at Bedford, Newtown, and Lock Haven in Pennsylvania. The records concerning Samuel Mahon show that he preached for a brief period in Pittsburgh, but that after his licensure he demitted the ministry prior to ordination. John Wilson graduated in medicine from the University of Pennsylvania in 1796, and seems to have become a practicing physician in Bucks County.

⁵ See letter to Rev. James Paton of Craig, Scotland, dated January 16, 1787, quoted in Miller, *op. cit.*, 168. "My department in this college is moral philosophy; but for the want of an adequate number of teachers, I am obliged to give a course of logic and metaphysics." Taney also mentions that "Dr. Nisbet's share of the college duties was Ethics, Logic, Metaphysics, and Criticism." See Samuel Tyler, *Memoir of Roger B. Taney, LL.D.* (Baltimore, 1876), 39.

of view. In later years economics, in an effort to attain to the objectivity of the natural sciences, attempted to divorce itself from its ethical orientation and to make itself value-free, like mathematics. Yet there are many contemporary economists who would like to see a return to the original association of economics with ethics. An outstanding spokesman for this point of view is Professor Alvin Hansen of Harvard.⁶

Nisbet divided moral philosophy into the three sections of ethics, œconomics, and politics, corresponding to books in the Aristotelian corpus, and to the divisions that were frequently adhered to in the Scottish universities.⁷ Even though the connotation which Nisbet gives to œconomics" differs both from the modern sense of this term and from Aristotle's, the use of this word at such an early date is a noteworthy matter. If Nisbet contributed nothing else to American economics, he seems to have contributed the word "economics."⁸

Nisbet's series of lectures on "œconomics" is subdivided into 1) family relationships, 2) contracts, 3) political œconomy, and 4) government, giving a suggestion of the very broad sense in which he employs this term. It is the subdivision on political œconomy which contains the material most nearly comparable to what would now constitute the subject matter of economics. The

⁶ Alvin Hansen, *The American Economy* (New York, 1957), 132. "Economics must concern itself with something more than merely maximum output and full employment. It must also concern itself with social priorities. In other words, it must, in a sense, become a branch of moral philosophy, as Adam Smith indeed had it."

⁷ Nisbet's own teacher of moral philosophy at Edinburgh was probably James Balfour. He seems to have studied also under Sir John Pringle and under John Stevenson. See James McCosh, *The Scottish Philosophy* (New York, 1883), 109. It was John Stevenson, who is mentioned by Nisbet's biographer as his teacher in logic and metaphysics, who made the most favorable impression on him in his college days. The development of moral philosophy as a major field of study in the Scottish universities was the work of Francis Hutcheson, who introduced this subject at Glasgow. When Adam Smith succeeded Hutcheson as professor of moral philosophy at Glasgow in 1761, he divided his subject matter into: 1) natural theology, 2) ethics, 3), jurisprudence, and 4) politics. See Gide & Rist, *A History of Economic Doctrines from the Time of the Physiocrats to the Present Day* (New York, 1913), 68. It seems paradoxical that Nisbet's arrangement of moral philosophy should differ from that of Adam Smith mainly in his inclusion of "œconomics" as a major division.

⁸ Francis Hutcheson was apparently the person who first introduced the term "œconomics" as the name of a branch of moral philosophy, originally signifying "laws of the family." See O'Connor, *op. cit.*, 4 n. O'Connor states that "œconomics" in its present meaning was about as commonly used before 1837 as chrematistics or cattallactics today. *Ibid.*, 3.

more minute divisions into which Nisbet divided his section on political œconomy include: 1) the principles of economics, such as resources, manufactures, and money; 2) commerce; and 3) public revenues and taxation. These continued to be the topics that were most emphasized in college lectures on political economy for several decades after Nisbet's time.

Nisbet has been especially noted for the great number of his students who later attained to positions of the highest prominence in American society. One of these students was Roger Brooke Taney, later a Chief Justice of the United States Supreme Court, and one of the leading men in the framing of the national banking policy. Telling in his memoirs about his youthful experiences as a student in Nisbet's classes, Taney writes:

In his lectures on Ethics, he [Nisbet] of course introduced the laws of nations and the moral principles upon which they should be governed. And political questions and the different forms of government existing in the different nations were therefore within the scope of his lectures. Upon these subjects he was decidedly anti-Republican. He had no faith in our institutions, and did not believe in their stability, or in their capacity to protect the rights of a person against the impulse of popular passion, which combinations of designing men might continue to excite. These opinions were monstrous heresies in our eyes. But we heard them with good humor, and without offending him by any mark of disapprobation in his presence. We supposed they were the necessary consequence of his birth and education in Scotland. Yet many, I believe a majority of the class, would not write down portions of his lectures: and if the opinions had been expressed by any other professor, the class would probably have openly rebelled.⁹

The fact that Nisbet lived and studied in Scotland during the lifetime of Adam Smith suggests that there might be some Smithian elements in his thinking. Even though Nisbet's own academic training was at Edinburgh rather than at Glasgow, he lived in Glasgow for two years immediately after his graduation from Edinburgh. It was during these years that Adam Smith was teach-

⁹ Tyler, *op. cit.*, 41.

ing at Glasgow and "in fact ran the university,"¹⁰ so that Nisbet must surely have had some personal acquaintance with Smith during the period 1760-62, at about twenty-five years of age. It would be tempting to picture Nisbet as the one who, coming to the American states immediately after the Revolutionary War, was responsible for presenting the economic doctrines of Adam Smith for the first time to an American academic audience. Yet in Nisbet's lectures on political economy we find no citations from Smith. Only in the introduction to his lectures on moral philosophy do we find this appraisal of Adam Smith:

Mr. Hutcheson's books contain many excellent things, but he appeared to incline too much to Lord Shaftesbury's doctrines. Dr. Smith, his successor, endeavored to erect a new system which he has published in his *Theory of Moral Sentiments*; but he had no followers, which led him to write on *The Causes of the Wealth of Nations*, on which he has said many excellent things; though they are spoiled in his many mixtures of contraries proceeding from his bigotry in favor of Mr. David Hume's opinions. He endeavors to found the whole of morality upon one single principle, viz., sympathy with others; but without success.¹¹

Thus, while Nisbet's acquaintance with the economic doctrines of Adam Smith is well established, we find that his extreme antipathy toward the religious views of Smith and Hume constrained him to employ their works rather sparingly.¹² The common sense school of philosophy, toward which Nisbet inclined, had developed largely in opposition to the skepticism of Hume, and Adam Smith was also held suspect of following abstract speculation too far. Nisbet seems to have depended more on Francis Hutcheson, whose views on philosophy and religion he re-

¹⁰ Alexander Gray, *Adam Smith* (London, 1948), 5.

¹¹ *Mahon's Notes*, 16.

¹² Concerning Hume, Nisbet says that "it would be almost ridiculous to mention this last author as a writer on morals, though he endeavored to pass for a moral philosopher; but . . . on the publication of his *Essays* in Holland, as the late Archbishop Herring prevented them from being published in England, an ingenious gentleman very properly observed that Mr. Hume's creed was reducible to three heads: first, that Atheism was the duty we owed to God; second, that Adultery was the duty we owed to our neighbors; and thirdly, that Suicide was the duty we owed to ourselves." *Mahon's Notes*, 15.

garded with less aversion,¹³ and on Thomas Reid. Also, one can find in Nisbet's lectures occasional affinities to the thought of Sir James Steuart and Sir William Petty, to whom he was probably more indebted than to Adam Smith. Yet so much has Adam Smith's fame advanced in later years that it now appears more significant to compare Nisbet to Smith than to a collection of other, nearly forgotten predecessors.

At some jeopardy to his Calvinist principles, Nisbet is able to join with Adam Smith in his endorsement of personal acquisitiveness as a virtue.¹⁴ Also, in their common approval of "frugality" and in their condemnation of "luxury," these two Scotchmen find themselves sincerely in accord. Yet Benjamin Franklin had also praised frugality and acquisitiveness some years before the publication of *The Wealth of Nations*. Indeed, one might well conclude that Nisbet's attitudes show as much resemblance to Franklin as to Adam Smith.¹⁵ To some extent, Nisbet and Franklin are both making a natural response to the needs of an underdeveloped, capital-poor country. Their policy recommendations are the kind which might have more relevance in the India of today than in modern United States or Great Britain.

It is in his concepts of wealth and value that Nisbet's affinity to Adam Smith is most marked. Both reject the monetary orientation of the mercantilists. Living, as Nisbet did, in a simple economy where subsistence agriculture was the usual means of livelihood and where primitive barter often made money unnecessary, he would have had even less reason than Smith to attach undue im-

¹³ Other writers of his own era to whom Nisbet refers in his *Moral Philosophy* include: Descartes, LaRocheffoucauld, LaBruyere, Boyle, Huet Bishop of Avranches, Rousseau, Leibnitz, Wolff, Bacon, Hobbes, Locke, Berkeley, Bishop Butler, Lord Clarendon, Clarke, Wollaston, Lord Shaftesbury, De-Mandeville, Lord Kaims, Reid, and Lord Monboddo. It seems to us, although we have not had access to any notes on Nisbet's *Metaphysics* to verify this, that he belonged, like Witherspoon, to the Scottish school of realism.

¹⁴ "There can be no life or fermentation in a nation without the spirit of acquisition." *Mahon's Notes*, 450. "[Commerce] cements the distant parts of human society and has contributed much to the diffusion of knowledge and of the arts of civilization, by discovering the mutual interests of men. It reconciles the selfish and social affections and engages men to do good to one another even when they seek only their own profit." *Ibid.*, 487.

¹⁵ We know of at least one occasion when Nisbet visited with Benjamin Franklin at the home of Benjamin Rush, and we wonder whether he might not have helped to confirm the opinion expressed by Franklin in his *Autobiography* (Everyman's Edition), 17, concerning contentiousness and love of dispute, that "persons of good sense . . . seldom fall into it, except lawyers, university men, and generally men of all sorts who have been bred at Edinburgh."

portance to purely monetary phenomena. Neither does he accept the Physiocratic emphasis on agriculture as the sole source of a nation's wealth. To the question: "Can agriculture alone support a nation?" Nisbet gives this answer: "Yes, in victuals and drink. If they want any thing else, other arts must be added."¹⁶ Agreeing with Smith that the resources of a nation lie mainly in the "industry"¹⁷ of its people, which can be converted at will into money or into goods, Nisbet gives this principle a more personal and moralistic emphasis.¹⁸ We find little trace in Nisbet of the mechanistic approach to economics that is so prominent in the writings of Adam Smith.

Nisbet and Smith agree in adopting a qualified "labor theory of value." That is, they agree that the exchange value of a commodity is determined in the long run by the number of labor hours required for its production.¹⁹ Nevertheless, Nisbet differs sharply from both Adam Smith and the Physiocrats in regard to their distinction between "productive" and "unproductive" labor. Nisbet could have no sympathy with Smith's designation of "churchmen, lawyers, physicians, men of letters of all kinds; players, buffoons, musicians, opera-singers, opera dancers, etc." as "unproductive laborers."²⁰ Rather, it seemed to him that the efforts of some of these groups were at least as important and productive as the work of farmers. On this subject, Nisbet's insight as a clergyman seems to have forewarned him against the trap which ensnared both Adam Smith and Physiocrats, and which oriented them in a direction which led to the extreme materialism of Karl Marx.

Where Smith tests "productivity" by the standard of "whether

¹⁶ *Wilson's Notes*, 272.

¹⁷ Adam Smith usually employs the word "industry" in an impersonal sense, meaning "manufacturing and commerce"; Nisbet uses it in the personal sense, meaning "industriousness."

¹⁸ Nisbet speaks of frugality, sobriety, and chastity as "considerable natural resources." See *Mahon's Notes*, 438.

¹⁹ "Commodities that are the effect of labor time cannot continue to be sold for less than will maintain the workman." *Mahon's Notes*, 457. "The ancient Greeks, from an enthusiastic love of fame, would often spend whole years in the making of a single statue, and their painters were also noted for the slowness of their progress in their work. But this circumstance, as well as the correct taste and amazing success of these artists, stamped a great value on their productions. . . . The price must be such as will indemnify the artist for the loss of so much time and enable and encourage him to employ himself further in works of a like nature." *Ibid.*, 457-458.

²⁰ Adam Smith, *The Wealth of Nations* (Edited by Edwin Cannan, New York, 1937), 315.

the labor . . . fixes or realizes itself in any permanent subject or vendible commodity, which endures after that labour is past, and for which an equal quantity of labor could afterwards be procured";²¹ Nisbet is more concerned with whether the product of the labor is "necessary," or "merely ornamental." Conceiving of productivity more in terms of contribution to human happiness than of commodities produced, he asserts that "the state of a nation's wealth is not measured from the state of its coffers, granaries, or warehouses at any particular time, but from the fertility of its lands and from the number, frugality, industry and skill of its inhabitants."²² In a more paradoxical vein, he suggests in the introduction to the *Moral Philosophy* that men are most happy "where the means of enjoyment are so far out of their reach as not to occasion despair, nor so near as to be composed by indolence."²³

Yet Nisbet's outlook differs from that of Adam Smith in ways more fundamental than these formal disagreements. Even while sharing Smith's emphasis on frugality, his ideal for society is that it should generate a larger surplus of revenue, which might be applied to the support of a leisure class of merchants and landed proprietors, who would have the time and the inclination for study and for literary pursuits. Having been intimately acquainted in Scotland with such cultured noblemen as the Earls of Buchan and Leven and with the Countess of Huntingdon, who were generous in their support of the church and of literature, Nisbet entertained high hopes that a similar aristocratic class might become the patrons of an American renaissance of learning and piety. In placing such confidence in a high-minded aristocracy, Nisbet was more of a kindred spirit to Thomas Malthus than to Adam Smith. Indeed, in their social attitudes, Nisbet and Malthus display a similar spirit of contempt and despair toward any full expression of popular sovereignty.²⁴

²¹ *Ibid.*

²² *Wilson's Notes*, 282-283.

²³ *Ibid.*, 8.

²⁴ "Society could not have existed on the supposition of a perfect equality, as every society implies subordination. No society could be formed of men with equal degrees of ambition. They would all crowd into the higher departments and the lower orders would be totally deserted." *Wilson's Notes*, 202. "Riches are a mere comparative advantage and can be possessed only by a small number in every society, because they suppose a poverty which is comparative in like manner." *Mahon's Notes*, 450.

To some extent, Nisbet redeems himself from the charge of being a reactionary by means of his outspoken and bitter attacks on slavery at a time when slaveholding was common in the region of Carlisle.²⁵ It is even possible that Nisbet alienated more people by his opposition to slavery than by his distaste for democracy.²⁶ It is also apparent that the ideal of providing more material goods for the lower classes was one which had little appeal either to Malthus or to Nisbet as a *summum bonum* of society. Both these clergymen preferred a society that would maintain a sound balance between agriculture and manufacturing,²⁷ and where classical learning, sound religion, and a righteous and sober culture might be bountifully nourished by the revenue drawn from the generous surplus yielded by agriculture and industry.

Nisbet's aristocratic ideal helps to explain his views on a number of the political issues of his day. The continuing migration of the population to the unsettled regions of the west seemed to him dangerously wasteful.²⁸ In his opinion, this sparse settlement of ever increasing areas of land would only serve to perpetuate subsistence agriculture, rather than foster the type of intensive cultivation of the soil which could yield substantial rents to the owners of large landed estates. The continued preference of the inhabitants for farming rather than for crafts and trades meant that the country must continue to import its manufactured goods from Europe

²⁵ "The inconveniences of slavery . . . are innumerable; the chief among them are the injustice of the practice, the corruption of the character of the master and the slave that rises from it, its hurtfulness to population, agriculture, and manners, its disgracing the order of servants, continuing the state of war, and exposing families to continual dangers and tragical accidents." *Wilson's Notes*, 204. This passage is suggestive of Hume's research on slavery.

²⁶ See letter by Rev. Samuel Martin, 1805, quoted in Samuel Miller, *op. cit.*, 329, "Nisbet held revolutionary, especially Gallican, principles, in utter detestation." Nisbet's preference was for a "mixed" government, of which he considered Sparta and Great Britain as the best examples.

²⁷ Nisbet and Malthus, while they postulated the same principle of a balanced economy, applied it in differing ways to the divergent conditions in America and in England. Nisbet favored industrial growth in America to balance an exaggerated expansion of agriculture; while Malthus advocated the support of agriculture in England in order to redress an excessive industrialization.

²⁸ See letter from Nisbet to Rev. James Paton of Craig, 1787, quoted in Miller, *op. cit.*, 172. "If this country were cultivated by English or Scotch farmers, its product and riches would be very great, and it might maintain a large and opulent landed interest. But no body will be a tenant in a country where he can so soon become a proprietor; so that our landed interest consists of a yeomanry who labor their own farms, and who are, of course, not very enlightened. . . . A tradesman, though he might make more money, is little thought of in comparison with a farmer."

at high prices, thus draining the American states of what little surplus revenue they might otherwise be able to generate. Nisbet did not share with Adam Smith or with Ricardo the view that specialization in one product might, through trade with other countries, be a desirable means of maximizing a country's standard of living.

In his theory of money, Nisbet is nearly as innocent as Adam Smith of any taint of mercantilism. With his constant awareness of real values he is never tempted to let the symbol of money stand in the place of its authentic counterpart.²⁹ Nevertheless, anti-mercantilist arguments are far less prominent in Nisbet's lectures than in the works of Smith. Holding the precious metals in too great esteem does not seem to Nisbet to be as immediate a problem as the fallacious American habit of printing legal-tender paper money in quantities too great for it to retain its value. Nisbet assumes that in the long run the precious metals will continue to provide the basis for the currency, and he holds to a quantity theory of money.³⁰ He likewise shares Adam Smith's abhorrence of governmental debts.³¹ Most of all, he is concerned that the Commonwealth of Pennsylvania should maintain the internal and external purchasing power of its currency, so that money can continue to perform its proper role as a stable standard of value. "All commercial nations have adopted the use of gold and silver as a sign of value or a common standard to which the price of different commodities might be reduced, and which might fill the place of such as were not wanted. Hence, money is considered as the equivalent of all commodities and the constituent of wealth; but on the other hand, commodities are no less the equivalents of money."³² He likewise felt that "money is only the sign of wealth and has a necessary relation to and dependence on the products of Industry. Where these do not exist, money cannot

²⁹ *Mahon's Notes*, 455. "Industry is the common parent of both money and all other commodities, and wherever it prevails will purchase either or both. For this reason there is much more money as well as more goods in Holland than in any country in Europe of twice its size."

³⁰ *Ibid.*, 456. "The price of commodities fluctuates and keeps pace with the quantity of money in circulation, with the scarcity of the commodity, with the demand and with the riches of those that consume the articles."

³¹ *Ibid.*, 500. "To be out of debt is the foundation of all public and private property, and to talk of wealth before that is talking only of what belongs to others."

³² *Ibid.*, 455.

remain, but must make its way to those nations where they are to be found.”³³

It seems rather striking that the word “capital,” which appears so prominently in *The Wealth of Nations*, should be completely absent from Nisbet’s lectures on political economy. Neither is there any treatment of the three factors of production: land, labor, and capital, whose analysis is so central to Smith’s thought. On one occasion Nisbet uses the word “advances,”³⁴ a word used by the Physiocrats as an equivalent to the Smithian word “capital.” Such omissions in the vocabulary and the method of abstraction which Nisbet uses remind us that he did not spend much of his life in an industrial city like Glasgow, and also that he could not have made a careful study of Smith’s *The Wealth of Nations*. Implicit in Nisbet’s thought, however, are some of the theoretical conclusions of Smith and the later classical theorists—that the scarcity of labor results in high wages, and that the relative abundance of land is responsible for low rent. Both of these conditions, which were characteristic of the Pennsylvania frontier, and which might have been applauded by Smith, were decried by Nisbet.

In Nisbet’s economics we find no theory of international prices, such as we find in the writings of Hume, Smith, and Ricardo. Living under conditions where legal-tender paper money was in wide circulation, the normal price effect of a deficit in a country’s foreign trade could not be observed as occurring in the theoretical manner. Only under a metallic standard could a fall in prices be expected to accompany the export of bullion. Yet Nisbet seems to be fearful of two results of international money-flows which were not emphasized by Smith or Ricardo. One of these is that a continued “unfavorable” balance of trade might stimulate borrowing from abroad, instead of encouraging the export of currency, and that the country with the “unfavorable” balance might thus become so heavily in debt to the lending nation that it would lose possession of its own lands and buildings. At the same time, the export of precious metals from Pennsylvania seemed to be leading more to business stagnation and to the issuance of paper cur-

³³ *Wilson’s Notes*, 275.

³⁴ *Mahon’s Notes*, 457. Like the Physiocrats, Nisbet uses the word “advance” for “circulating capital.” He gives no recognition to the importance of “fixed capital,” i.e., investment in labor-saving machinery.

rency and the prevalence of barter than to a corrective decline in prices.³⁵ It seems to be mainly for these reasons that Nisbet does not trust to any automatic correction of an "unfavorable" trade balance, but suggests positive governmental policies designed to curtail imports and perhaps to encourage exports. "Every nation ought to export at least an equal value to what it imports; otherwise its wealth must be in a constant diminution and its debt increase proportionately."³⁶

It is hard to classify Nisbet either as a mercantilist in his theories of international trade, or as a proponent of "laissez-faire." He shows no understanding of the principle of comparative advantage.³⁷ His attitude toward trade restrictions is more suggestive of that of David Hume than of Adam Smith; that is, he gives qualified approval to trade restrictions, with the desire that imports and exports be equal. Yet Nisbet also anticipates the economic nationalism of such American thinkers as Alexander Hamilton³⁸ and Matthew Carey. Though it cannot be said that he favors "protective tariffs" in general, or that he propounds an "infant industry argument" in favor of tariffs, he does propose a type of tariff that might be called "selective." "A country like this, which possesses so few articles for exportation in comparison to its imports, cannot afford to deal in any superfluous commodities and ought not to expect that imports of this kind can be balanced by profits on exportation, because all our articles of export as yet fall far short of being able to supply us even with what may be accounted necessities."³⁹ Nisbet does not favor an America that is a provider of raw materials and agricultural products for sale to Europe in exchange for manufactured goods. "The exportation of crude or unwrought materials is bulky,

³⁵ On this subject Nisbet may be more modern than Ricardo and the economists of his school. Keynes and other modern economists have noted that the reluctance of individuals to accept price and wage reductions makes a diminution in the currency supply lead to business stagnation.

³⁶ *Mahon's Notes*, 436.

³⁷ *Mahon's Notes*, 473-474. "Nations who in hard seasons purchase grain or other articles of provision from other nations may be said to be gainers by having their wants supplied, though the balance of price may be against them; but in seasons of ordinary fertility it would be quite unprofitable and contrary to the interest of agriculture of these nations to import grain or provisions at any price, however low."

³⁸ A few years after the delivery of these lectures, Nisbet expressed himself as a fervent supporter of the policies of Alexander Hamilton.

³⁹ *Mahon's Notes*, 465.

troublesome, and of little profit, but the exportation of the fruits of manufacture and labor may be profitable in any conceivable degree."⁴⁰ Sumptuary laws might serve as a corrective, but "duties on certain prohibitions are greatly to be preferred before sumptuary laws; the imposing of duties is . . . useless when the law has no energy and the frontiers of the state cannot be defended. In this case the wisdom and virtue of individuals is the only resource—all other restraints being impracticable."⁴¹

When one considers the under-developed condition of the American states when Nisbet delivered his lectures, his position becomes as modern and as defensible for an American of that period as Adam Smith's free-trade doctrines were for a Britisher. In our day we find that Nisbet's preference for greater national self-sufficiency is frequently shared by independent, under-developed countries. What seems more remarkable is that Nisbet should have adapted his views to the needs of a new nation so soon after his arrival from Scotland. "Ever since their independency," he says, "the inhabitants of this country by their own choice pay, or rather they owe it, for it is not paid, a much greater proportion of the British taxes than Lord North would ever have demanded of them, by means of the extraordinary encouragement which they have given to the trade and manufactures of England, to their own hurt."⁴²

Yet if Nisbet was reluctant to follow Adam Smith to the logical consequences of his doctrine of "laissez-faire" in international trade, at least he shared fully Smith's abhorrence for domestic monopolies. "Monopolies within a nation are still more pernicious than monopolies of foreign commodities. The unfortunate King Charles the First was so very fond of monopolies, or at least, of the money that he got from the purchasers of them, that almost every article of life was monopolized in his time."⁴³

⁴⁰ *Ibid.*

⁴¹ Nisbet also adds: "Retrenching superfluities may be considered as a national resource; but it requires a resource of another kind; namely, a suitable stock of courage." See *Mahon's Notes*, 436. "If men had only virtue and resolution enough as many in this country once had to sign an agreement of non-importation and non-consumption with regard to all such articles as are known to be unnecessary and ruinous, they might then with some decency complain of the encouragement luxury meets with among us." See *Mahon's Notes*, 464.

⁴² *Ibid.*, 466

⁴³ *Ibid.*, 496.

The last section of Nisbet's lectures on political economy deals with the subject of taxation, in which he again shows at least a formal similarity to the classical economists. Like most of these writers, Nisbet produces a list of the canons of taxation, including a number which are identical with those of Adam Smith, Lord Kaims, David Ricardo, and other British writers on the subject. Yet the spirit of Nisbet's proposals reflects conditions in America rather than the theory or practice of taxation in England or Scotland. Where these British writers are mainly interested in the convenience of the taxpayer, sometimes going so far as to suggest that tax policy be directed toward a more equitable distribution of income,⁴⁴ Nisbet's first requirement is that the government be provided with revenue sufficient for its needs.⁴⁵ Beyond this, he seems mainly concerned with the preservation of property rights.⁴⁶ His definition of distributive justice is "the preservation of the rights of men to all that which they have lawfully acquired."⁴⁷ His appreciation of the incidence of taxes was in no way deficient, but he sees no compelling reason to oppose a regressive tax.⁴⁸ Only at the bottom of the income scale, where the taxpayer is unable to purchase the necessities of life, does Nisbet feel that the burden of taxation should be sparingly applied. Control over the object of expenditure, rather than a redistribution of purchasing power, is his main social goal in taxation.⁴⁹ His views on taxation

⁴⁴ It is Lord Kaims who suggests that a redistribution of income might be made through taxation. Adam Smith favors a tax that would be levied in accordance with ability to pay—a principle which might be interpreted to mean either a proportionate or a progressive tax. Nisbet's views contrast with those of both these men, because of his relative indifference to the convenience of the taxpayer. Writing in 1787 to his friend James Craig, in Scotland, he asserts: "Our ordinary taxes are a mere trifle in comparison of yours in Great Britain, and cannot occasion the smallest inconvenience." Miller, *op. cit.*, 172-173.

⁴⁵ *Wilson's Notes*, 284. "The exigencies of the state must be provided for at any hazard or expense to the subject."

⁴⁶ Nisbet's third principle of taxation is: "The security of the subject must not be impaired." See *Wilson's Notes*, 284.

⁴⁷ *Ibid.*, 219.

⁴⁸ In answer to the question: "What is Capitation?" Nisbet answers, "a tax falling equally on the poor and on the rich." And in answer to the question "Is there anything humiliating in this mode?" Nisbet answers, "No, though it has been unpopular and reckoned a badge of slavery. England submitted to it when the spirit of the nation was highest, in the reign of the last King William." See *Wilson's Notes*, 284-285.

⁴⁹ In answer to the question, "What taxes are most agreeable to humanity and justice?" Nisbet gives answer, "customs imposed in matters of ornament and costly accommodation, and consequently on the prodigal and

reflect the conditions of near anarchy which prevailed in Pennsylvania during the government under the Articles of Confederation. Taxes were difficult to collect, the currency continued to depreciate, public debts went unpaid, and Nisbet's own salary was in arrears.

To a person looking for a penetrating economic analysis comparable to that of David Hume or Adam Smith, Nisbet seems disappointing. The treatment of political economy in his lectures is brief, consisting of some ten chapters, covering about one hundred handwritten pages interjected between his lectures on jurisprudence and on politics. Moreover, Nisbet was less known by his contemporaries for the depth of his perception than for the wide range of his interests and for his memory and wit. He seems to have had little appreciation of the complexities of economics, remarking that "the principles of commerce are exceeding plain and obvious in themselves; they demand only attention and calculation and may be made evident to the very meanest capacities,"⁵⁰ and again that "men who practice frugality and uprightness in their families and private transactions do not need to be told what are the principles of national commerce, because every man of sense knows them already and daily practices them."⁵¹ Altogether, Nisbet's study of economics is practical in nature, and contains few disquisitions on the more abstract aspects of his subject.

The most characteristic doctrines, or "shibboleths," of the age in which both Adam Smith and Charles Nisbet lived were "reason," "nature," and "natural law."⁵² These basic principles were derived from Stoic originals, revived through the discoveries of Newton, and were given new form in the writings of Leibnitz, Voltaire, and the deists. It was this concept of "nature," extended to society in the form of "natural law," which provides the framework of Adam Smith's *The Wealth of Nations*, and which inspires his doctrine of an "Invisible Hand" that transforms individual selfishness into the furtherance of the common weal. Nearly every part of *The Wealth of Nations* is an elaboration of this thesis.⁵³

rich." *Wilson's Notes*, 286. To the question, "What taxes are most profitable for a new country?" he answers, "heavy impositions on foreign luxuries which may oblige them to manufacture at home or go without them." *Ibid.*, 283-284.

⁵⁰ *Mahon's Notes*, 466.

⁵¹ *Ibid.*, 467.

⁵² Basil Willey, *The Eighteenth Century Background* (London, 1940), 1-18.

⁵³ "The Naturalism and Optimism of Smith," in Gide and Rist, *op. cit.*, 68-93.

Yet it is only with reservations that Nisbet employs these postulates of "natural law" and "natural reason"; and in his use of these terms, as in his vigorous defense of the rights of private property, it is plain that he does not entirely subscribe to the principles from which he argues.⁵⁴ On certain occasions Nisbet expressly denies the autonomy of "natural reason."⁵⁵ His manner of thinking is not mechanistic or primarily concerned with inquiry into natural causation; he uses the vocabulary of his age without fully sharing its spirit. Thus, in the fundamentals Nisbet and Smith diverge from each other; many of their points of agreement seem more incidental than essential.

The circumstances of Nisbet's migration to Pennsylvania and of his sojourn at Carlisle throw much light on his economic pronouncements.⁵⁶ At the end of the Revolutionary War Pennsylvania was in the control of the radical party,⁵⁷ which counted their greatest strength among the Scotch-Irish Presbyterians west of the Susquehanna. This party had gained a majority of the seats in the Pennsylvania Assembly, and was able to dominate the University of Pennsylvania and other organs of power and influence within the state. They also presented a threat to the security of property and to the preservation of law and order, challenged the supremacy of Philadelphia, and seriously offended such conservative leaders as Benjamin Rush, John Dickinson, James Wilson, and William Bingham.

Partly to challenge the pre-eminence of the University of Pennsylvania, and at the same time to provide responsible leadership, these conservatives undertook to establish a new college on the western frontier. For this purpose they sought a principal with

⁵⁴ Examples of his appeal to "nature": "The right of property is a natural sentiment which no levelling political institutions . . . can ever eradicate." *Mahon's Notes*, 451. "Aristocracy indeed supposes agreeably to truth and nature that some men are virtuous and others vicious; that some are wise and that the greatest number are other-wise." *Ibid.*, 412.

⁵⁵ "The most distinguishing characteristic of the age is the spirit of free inquiry, which has been so prominent, and indeed which has been carried almost to madness." Letter from Nisbet to Samuel Miller, 1800, in Miller, *op. cit.*, 268.

⁵⁶ The account of the appointment of Nisbet is contained in Dickinson College, *Bulwark of Liberty*, a collection of the Boyd Lee Spahr Lectures delivered at Dickinson, 1947-50. The chapters on Charles Nisbet and Benjamin Rush are especially pertinent.

⁵⁷ This party, which called itself the "Constitutionalists" was later to merge into the Jeffersonian (or Democratic) party. This is the same group which Taney refers to as the "Republicans."

outstanding learning, a Presbyterian, one who sympathized with the War for Independence, and was opposed to political radicalism. Since Benjamin Rush had been so eminently successful in securing such a man for the presidency of the College of New Jersey at Princeton ten years earlier, he was commissioned to find another Scotchman like Witherspoon to serve as president of Dickinson.⁵⁸

Charles Nisbet had already been approached to serve as president of Princeton at the time when Witherspoon was appointed to that office. No doubt Witherspoon's happy relationship with Princeton influenced Nisbet in accepting the call to Dickinson, as well as the Dickinson trustees in extending it to Nisbet. Witherspoon and Nisbet were both ministers in the Scotch Presbyterian Church; both were conservative and evangelical in their religious views, and were generally known as Whigs and as sympathizers with the American cause even while they were still in Scotland. In fact, Witherspoon, who came to Princeton before the Revolution, became a signer of the Declaration of Independence and outdid most native-born Americans in revolutionary ardor. Yet while Nisbet greatly excelled Witherspoon in scholarship,⁵⁹ he was temperamentally unfit to exercise the same type of leadership. Biographers have described him as "querulous," "caustic," "sarcastic," and "excessively academic." Although these qualities were offset in part by his exceptional brilliance, wit, and personal loyalty to his friends, Nisbet proved to be something of a disappointment to his supporters. America was also a disappointment to him. These factors, as well as his extreme and outspoken conservatism, prevented Nisbet from securing the expected following among his co-religionists in the western settlements.

In Nisbet's lectures we see the disorderly conditions of post-war Pennsylvania reflected more clearly than the ordered doctrines of the Scottish economists. Perhaps the recent date of his arrival

⁵⁸ Rumors have connected Nisbet with Witherspoon as his natural son, and history describes Nisbet as the one who performed Witherspoon's second wedding ceremony. In any case, Nisbet and Witherspoon were closely associated through most of their lives. See Varnum L. Collins, *President Witherspoon* (Princeton, 1925), I, 83 n.

⁵⁹ Ashbel Green, president of Princeton, speaks of Nisbet as "beyond comparison, a man of the most learning that I have personally ever known." See Miller, *op. cit.*, 308. Charles Hodge, *The Biblical Repertory and Princeton Review* (January, 1858), 82, gives an interesting comparison of Witherspoon and Nisbet, praising Nisbet's piety, wit, and abstruse book-learning, but calling him "a sarcastic and almost bitter assailant of democracy."

in Pennsylvania (1785) caused Nisbet to view the prevailing disorder without adequate perspective. Certainly his judgments on the society of his day were harsh, merciless, and lacking in appreciation.⁶⁰ Yet some of his pronouncements show discernment, and there can be no doubt that his influence over his students was vast. His reactions give us perhaps the best indication—short of having Adam Smith or David Hume emigrate to America—of what might happen when a well-trained Scottish academician was transplanted permanently to American soil.

⁶⁰ Two of Nisbet's comments about America are as follows "The territories possessed by the United States contain almost as great a variety of soil and climate as China, and with equal industry might possess almost as many conveniences. If they would give over their idleness, foolish jealousies, and political squabbles, and care for their proper interests, their numerous rivers and bays might then be of immense consequence to them." *Mahon's Notes*, 471. "The culture of the arts, a little more industry and a little more morality might serve to bring us out of our difficulties by recovering some tolerable degree of character, and America might in a short time become a rich and happy country and possess a respectable rank among the nations of the world." *Ibid.*, 463.