More Commerce, More Wars: Adam Smith and David Hume on the Effects of Economic Development on Warfare

Does economic development and increased prosperity increase or decrease warfare? We hear that countries with McDonald’s do not engage in wars (against each other). Yet, in the last decades the richest and most commercial societies in the world engaged in several international conflicts, both as defensive and offensive measures. The question of what kinds of effects economic development and prosperity have on wars is both a current and an old question which generated a great variety of answers.

The question was raised already in the 18th century, as commercial societies established themselves in Europe. Great Britain fought two major wars during its first five decades after its formation in 1707, the War of the Spanish Succession (1701-1714) and the Seven Years’ War (1754-1763). But it also had a prolonged interval of relatively peaceful time in between them, even if continually involved in all kinds of hostilities (Black 2011, 3). It also built an ever growing commercial empire. So moral philosophers and economists in the 18th century asked: Is commerce a cause of increasing conflicts or a reason for decreasing conflict? Some answered that commerce is a reason for conflict. In this reasoning, international trade is often seen as a continuation of war by other means. Others assumed that commerce and international trade are a means of peace: war and trade exclude each other, for good or bad. This second approach is often labelled as doux commerce.1

1 The term doux commerce is derived from the French word douceur, which “conveys sweetness, softness, calm, and gentleness and is the antonym of violence” (Hirschman 1997 [1977], 59).
The *doux commerce* thesis has three dimensions, two domestic and one international. First, commerce has civilising effects on the citizens of a nation, facilitating a peaceful coexistence among fellow citizens and guaranteeing the rule of law. Second, commerce and international trade are seen as a restraining force on tyrannical and arbitrary leadership. And third, that international trade leads to peace among nations. The best known representative of *doux commerce* is Montesquieu, who expounds all three dimensions in his *De L’Esprit des Lois*. As to the international dimension, he writes that “The natural effect of commerce is to lead to peace. Two nations that trade with each other become reciprocally dependent; if one has an interest in buying, the other has an interest in selling, and all unions are founded on mutual needs” (Montesquieu 1989 [1748], 338).

The two most influential scholars of the Scottish Enlightenment, David Hume and Adam Smith, also discuss the question of how commercial societies affect warfare. They both deal with the effects of economic development on civil wars and domestic clashes, as well as on international wars. Here we concentrate only on their views on international wars. Their positions are not clear cut, but neither is optimistic about the advent of a peaceful era. To the

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2 Montesquieu does not use the term “doux commerce,” but he describes that commerce leads to “gentle mores” (“mœurs douces”) and that “it polishes and softens barbarous mores” (“il polit & adoucit les mœurs barbares”) (1989 [1748], 338; 1950 [1748], 445-6).

3 “L’effet naturel du commerce est de porter à la paix. Deux nations qui négocient ensemble, se rendent réciproquement dépendantes: si l’une a intérêt d’acheter, l’autre a intérêt de vendre; & toutes les unions sont fondées sur des besoins mutuels” (Montesquieu 1950 [1748], 446).
contrary, they both seem to indicate that the increase of commerce may increase the frequency and duration of wars.

Smith is often portrayed as a figurehead of “liberal pacifism” (Doyle and Recchia 2011, 1434) or as assuming that “[g]lobalisation promotes peace” (Dunne and Coulomb 2008, 15; see also Coulomb 1998). It is argued that “Smith hoped and expected commerce to become the universal alternative to war” (Hill 2009, 72). Similar, Hume is portrayed in the tradition of thought that “free international trade promotes harmony in international relations and helps prevent wars” (Gomes 1987, 121). Their pacifism is justified among other reasons by the assumedly high opportunity costs of war (e.g., Goodwin 1991; Anderton and Carter 2009, 97) and by the presence of prudence and force (Manzer 1996).4

We agree with Van de Haar (2009)5 that Scottish thinkers are less optimistic about trade and wars than their French contemporaries. But different from Van de Haar, we show that even if they do not see international trade as an extension of war, even if they see international trade as an instrument and symptom of an advance commercial society and civilization, neither Hume nor Smith advocates doux commerce as a promoter of peace. Not only do their theories not suggest that the world will become more peaceful as a result of economic progress and commerce. Their theories do also not suggest that there will be fewer wars. Even if commerce and international trade make wars less brutal, commerce and international trade are not promoters of peace among nations. To the contrary, they are likely to lead to conflicts that, while more effective and more humane, are likely to be more frequent and last longer.

4 On the relation between trade and war see also Hont (2005).

Hume

For Hume, some of the causes of wars are inevitable parts of human nature and human conditions. Commerce therefore is not able to eliminate wars. Commerce is able to make wars more effective, even if more humane, and commercial states more powerful militarily.

Among the “perpetual sources of war and discord” Hume lists “selfishness and ambition” (Hume *THN* 3.2.11.1), as well as human sociability since “[m]en cannot live without society, and cannot be associated without government. Government makes a distinction of property, and establishes the different ranks of men. This produces industry, traffic, manufactures, law-suits, war, leagues, alliances, voyages, travels, cities, fleets, ports, and all those other actions and objects, which cause such a diversity, and at the same time maintain such an uniformity in human life” (Hume *THN* 2.3.1.9).

For Hume, the poorer a society is, the lower are the incentives that a neighbour would attack it, and the lower the need of regular defence institutions (Hume *THN* 3.2.8.1). In societies where each member has little possessions – in societies which “are in [their] infancy” – wars are unlikely, due to the small gains that could be reaped (Hume *THN* 3.2.8.1). On the other hand, to rich societies the following applies: “There seems, indeed, in the nature of man, an invincible obstacle to that immense growth of riches. A weak state, with an enormous treasure, will soon become a prey to some of its poorer, but more powerful

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6 The abbreviations of the references to Hume’s work are as follows: A Treatise of Human Nature (*THN*), Essays Moral, Political, and Literary (*E*), An Enquiry Concerning the Principles of Morals (*EPM*), The History of England (*H*) and Letters of David Hume (*L*).
neighbours. A great state would dissipate its wealth in dangerous and ill-concerted projects” (E, p 321).

Human nature and inequality of wealth are therefore fundamental and perennial sources of war for Hume. But the nature and the devastation of wars are variable and dependent on historical circumstances: wars in antiquity, even if motivated by the same drives as in modernity, differ from modern wars in ferocity and frequency. In line with the idea of the civilizing role of commerce described by promoters of doux commerce such as Adam Ferguson (1996), Hume sees commerce bringing about more humanity, even in the battlefield, but differently from them, he sees commerce also bringing about more wars rather than less.

Economic development and commerce increase not only the wealth and its unequal distribution which motivate wars, but economic development and commerce increase also the military capability and the ability of a nation to conduct war. Hume postulates a maxim that “is true in general”: “the public becomes powerful in proportion to the opulence and extensive commerce of private men” (Hume E, p. 255). His reasoning is as following: Most people

7 On Ferguson’s philosophy of war, see Smith (2014).
8 Hume does qualify his statement, because there might be exceptional cases, at least in theory: “I cannot forbear thinking, that it may possibly admit of exceptions, and that we often establish it with too little reserve and limitation. There may be some circumstances, where the commerce and riches and luxury of individuals, instead of adding strength to the public, will serve only to thin its armies, and diminish its authority among the neighbouring nations. Man is a very variable being, and susceptible of many different opinions, principles, and rules of
have to work in order to provide their means of subsistence. When they are called to arms
they cannot work and as a result will not be able to provide for their livelihood. Thus, in cases
in which the majority of people works to maintain subsistence, there has to be a deficiency in
military skills and sophisticated weapons. Indeed: “Where manufactures and mechanic arts
are not cultivated, the bulk of the people must apply themselves to agriculture [...] A regular
attack or defence, therefore, is not to be expected from such a people, and their soldiers must
be as ignorant and unskilful as their farmers and manufacturers” (Hume E, pp. 260-261).

Economic and technological development, on the other hand, increases agriculture
productivity, which means a smaller share of people has to work to produce “all the
commodities which are necessary, or ornamental to human life” (Hume E, p. 256). Thus, less
people are needed for the production of the provision of basic supply for a nation: There are
more and more “superfluous hands [which] apply themselves to the finer arts, which are
commonly denominated the arts of luxury” (Hume E, p. 256) so that “[i]n times of peace and
tranquillity” the surplus agricultural produce “goes to the maintenance of manufacturers, and
the improvers of liberal arts” (Hume E, p. 261). 9 Whereas in times of wars, the surplus
agricultural produce is then used to support the war effort. Hume concludes that “[t]rade and
industry are really nothing but a stock of labour, which, in times of peace and tranquillity, is

9 In contrast, this opposition was not resolved accordingly in the republics in ancient Greece
and Rome. Their strengths were rather due to the “want of commerce and luxury” (Hume E,
p. 256). Such a situation was due to historical circumstances and forms an exception. A
repetition of this situation in modern times is not feasible for Hume (E, pp. 258-260).
employed for the ease and satisfaction of individuals; but in the exigencies of state, may, in part, be turned to public advantage” (Hume E, p. 262).

The difference between ancient and modern times, that is, the difference between non-commercial and commercial societies, is therefore that in non-commercial societies there is “a kind of opposition between the greatness of the state and the happiness of the subject” (Hume E, p. 257), because the more hands are employed as soldiers the fewer goods can be produced for consumption. In addition, “a nation, where there is no demand for such superfluities, men sink into indolence, lose all enjoyment of life, and are useless to the public, which cannot maintain or support its fleets and armies, from the industry of such slothful members” (Hume E, p. 272).

In contrast, in commercial societies, “a greater stock of labour is [...] stored up against any public exigency; that is, a greater number of laborious men are maintained, who may be diverted to the public service, without robbing any one of the necessaries, or even the chief conveniencies of life” (Hume E, p. 263) because manufacturing and commerce create “a kind of storehouse of labour” which “in the exigencies of state, may be turned to the public service” (Hume E, p. 272). So “we find, that this is the case in all civilized governments,” the conversion of “manufacturers into soldiers, and [the] maint[enance of] them by that superfluity, which arises from the labour of the farmers” is “easy for the public” (Hume E, p. 261). Thus, commerce and military strength are two sides of the same coin in Hume’s thinking. Different from pre-commercial societies, commercial societies generate enough wealth to support strong armies and long wars.

The supporting evidence Hume offers is a comparison of European nations then and a few centuries earlier: France in Hume’s time was able to keep “in pay above 400,000 men”
during war, while a couple of centuries before it could barely afford to support an army of 20,000 men without “exhaust[ing] the nation” (Hume E, p. 273). The situation in ancient England was similar. The fact that the English “people possessed little riches and the public no credit, made it impossible for sovereigns to bear the expence of a steady or durable war, even on their frontiers” (Hume H, Vol. I, p. 380). And indeed 14th and 15th century wars in Europe were characterised by “continual interruption in their hostilities” due to “[t]he poverty of all the European princes, and the small resources of their kingdoms” (Hume H, Vol. II, p. 367). So, an economically developed nation, a nation whose economy is based on commerce, is much stronger now due to “the encrease of art and industry” (Hume E, p 273) and can maintain much more “fleets and armies” (Hume E, p. 289) than a less developed nation.

Commerce, therefore, increases the number and the duration of wars rather than decreasing it. Commerce and the economic development that goes with it make more expensive wars possible, not because wars are an extension of foreign trade, but because of the increased ability of the sovereign to collect taxes to pay for it and to recruit soldiers.

The move that Hume makes here is striking: commerce does not make a society doux, but it does make it stronger and happier. Hume tells us that “[i]ndustry, knowledge, and humanity, are not advantageous in private life alone: They diffuse their beneficial influence on the public, and render the government as great and flourishing as they make individuals happy and prosperous” (Hume E, p. 272). One of the marvels of commercial societies is that the sovereign will normally not need to use force “to convert what share of it he finds necessary to the service of the public” (Hume E, p. 263). He just needs to use a war tax (Hume E, pp. 261-262). Thus, commerce, military capabilities, as well as happiness, are destined to increase together: “according to the most natural course of things, industry and arts and trade encrease the power of the sovereign as well as the happiness of the subjects”
In this way, “the greatness of the sovereign and the happiness of the state are, in a great measure, united with regard to trade and manufactures” (Hume E, p. 262). Thus, and let Hume repeat this again, foreign trade, which characterized commercial societies, enhances a nation’s military capabilities as well as its happiness: “In short, a kingdom, that has a large import and export, must abound more with industry, and that employed upon delicacies and luxuries, than a kingdom which rests contented with its native commodities. It is, therefore, more powerful, as well as richer and happier” (Hume E, p. 263).

The happiness that commerce brings about is not necessarily a softening one though. A common and powerful criticism of doux commerce is that doux means softening of the martial spirit, a criticism to which even Adam Smith subscribes. Commerce not only makes soldiers more feminine – a positive characteristic associated with civility and sociability— but more effeminate – a negative characteristic associated with weakness (Montes 2004; Sebastiani 2013). Hume defends the civilizing effects of commerce and at the same time reverses the doux commerce criticism of effeminacy: commerce makes you, yes, more humane, but also a more effective soldier, not a weaker one.10

In commercial societies, there is an increase in military discipline which is partially a result of economic and technological development and which renders a nation’s soldiers more reliable and an army stronger. Hume tells us indeed that discipline “can never be carried to any degree of perfection, before human reason has refined itself by exercise, and by an application to the more vulgar arts, at least, of commerce and manufacture” (Hume E, p. 273). Barbarous societies lack “discipline and martial skill” (Hume E, p. 274) and wars in ancient time “were more bloody and destructive” (Hume, E, p. 421) than modern wars.

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10 Cf. Adam Ferguson; see Robertson (1985) and Sher (1989).
The difference in the bloodiness of ancient and modern wars is in part due to changes in technology: a change in the weapons used (Hume *E*, p. 405). In pre-commercial societies, soldiers fought in close distance against each other which lead to “great slaughter [...] on both sides” (Hume *E*, p. 405). So while “[i]n ancient times, bodily strength and dexterity [were] of greater use and importance in war” (Hume *EPM*, VI.26), firearms have made those characteristics less important. In contrast, modern wars are fought at greater distances thanks to the introduction of firearms and gunpowder, which “changed the whole art of war” (Hume *H*, Vol. III, p. 81). This invention made wars less brutal: “The long thin lines, required by firearms, and the quick decision of the fray, render our modern engagements but partial reencounters, and enable the general, who is foiled in the beginning of the day, to draw off the greater part of his army, sound and entire” (Hume *E*, p. 405). Therefore, modern soldiers can be from “a low set of people”: “The very wretchedness and meanness of those, who fill the modern armies, render them less destructive to the countries which they invade” (Hume *E*, p. 404-405). Plunder by soldiers is now less common (Hume *E*, p. 404) and civil societies experience greater stability (Hume *H*, Vol. II, p. 230), because of the smaller destruction a war entails.11

So Hume offers his paradoxical conclusion: with commerce the military is not weaker but more effective even if its civility increases and its ferocity decreases (Hume *E*, p. 273). The result is that “foreign wars abate of their cruelty; and after the field of battle, where

11 Hume concludes that the inventions of firearms means that “[s]uccess in war has been reduced nearly to be a matter of calculation: And any nation, overmatched by its enemies, either yields to their demands, or secures itself by alliances against their violence and invasion” (Hume *H*, Vol. II, p. 230).
honour and interest steel men against compassion as well as fear, the combatants divest themselves of the brute, and resume the man” (Hume E, p. 274). Martial spirit therefore increases with the economic development of a nation. Men will not “become less undaunted and vigorous in defence of their country or their liberty” (Hume E, p. 274). Rather, the opposite is true. The reason is that industry “adds new force” to “the mind or body”: “a sense of honour […] acquires fresh vigour by that elevation of genius which arises from knowledge and a good education” (Hume E, p. 274). This “sense of honour and virtue […] will naturally abound most in ages of knowledge and refinement” (Hume E, p. 276). So for example, Hume attributes Great Britain’s success in recent wars against France to both her riches and her “national spirit” and “vigour” (Hume E, p. 338).

This development of humanity in wars, despite their increased frequency, is supported also by what Hume refers to as the “Laws of Nations.” For Hume, the establishment of civil governments and their mutual exchange leads to “a new set of duties among the neighbouring states, suitable to the nature of that commerce, which they carry on with each other” (Hume THN 3.2.11.1). The laws of nations entail “the sacredness of the person of ambassadors, abstaining from poisoned arms, quarter in war, with others of that kind, which are plainly calculated for the advantage of states and kingdoms in their intercourse with each other” (Hume EPM, IV.2; see also THN 3.2.11.1). In a letter to the Comtesse des Boufflers, he stresses that the numerous French prisoners of war were treaded “very commendable” by Great Britain in a “piece of humanity,” even by the British public. Despite “the national foolish prejudices against the French, a remarkable zeal every where appeared for this

12 This effect is counteracted by the decrease of anger, “the whetstone of courage”, but the sense of honour is a “stronger, more constant, and more governable principle” (Hume E, p. 274).
charity” (Hume L, No. 200). Such “instances of humanity” were not to be found among ancient Greeks or Romans.

Commerce therefore increases humanity in peace and in wars, but it increases also the discipline of soldiers and it promotes technological advances which facilitate martial activities. Hume does not approve of wars – they are often absurd and interrupt societal life – but they are “an incurable Evil” (Hume L, No. 417). There is little reason to assume that the number of wars should decrease with societal progress. To the contrary, there are indications to believe that the more commercial a society becomes, the lower are the costs of war, and therefore the greater the ability and willingness of such a society to conduct wars.

Smith

Adam Smith, like David Hume, has ambiguous positions regarding the effects of commerce on war. Like Hume, he indicates that commerce and more humane ways to conduct wars are observable at the same time. But he adds that this simultaneous presence is not necessarily the consequence of commerce increasing humanity. Like Hume, he also indicates that commerce, may not bring about peace, but rather increase the number and the duration of wars. In commercial societies, which are more conducive of a system of natural liberty, one would expect an increase in peace, but what we observe is the opposite: “nations have been taught that their interest consisted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades,”

13 The abbreviations of the references to Smith’s work are as follows: The Theory of Moral Sentiments (TMS), Lectures on Jurisprudence (LJ) and An Inquiry into the Nature and Causes of the Wealth of Nations (WN).
and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity” (WN IV.iii.c.9). We can read *Wealth of Nations*, in part, as a possible explanation as for why that is the case.

Smith explains the increase in humanity in wars, typical of commercial societies, in his *Lectures*. Brutality and bloodiness characterized wars in ancient societies (*LJB* 345-6). In contrast, “modern manners have come to a greater degree of refinement, both with respect to persons and effects” (*LJB* 346). Like Hume, Smith uses changes in treatment of prisoners of war to exemplify this point (*LJB* 346). Yet, Smith adds, this “superiour degree of humanity” (*LJB* 347) is less a result of the development of commercial societies, it is less a result of the laws of nations, which “are frequently violated” (*TMS* III.3.42, see also VI.ii.2.3 and *LJB* 339), but rather it is the result of Christianity, of “motives of policey [rather] than humanity” (*LJB* 348), and of development of weapons.\(^{14}\) Christians are “obliged” to treat other Christians in a humane way, which is why humanity in wars increased “during the time of popery” (*LJB* 347).\(^{15}\) Then, an invading army may spare the population in the defeated country from destruction or barbarity, may “not […] rob the peasants” (*LJB* 348), but rather buy from them the provisions needed which cannot be carried by an army thereby guaranteeing also a stable supply: \(^{16}\) there are cases in which “war is so far from being a

\(^{14}\) Concerning this subject, see also Buchan (2006).

\(^{15}\) This only holds true for war between two Christian countries. Smith observes that the degree of humanity shown by modern European nations is much lower in wars with non-Christian nations, as for example during the Crusades (*LJB* 347-8).

\(^{16}\) This is not the case in a sea war, where “[a]n admiral seizes and plunders all the merchant ships” (*LJB* 348), because this booty can easily be carried around on one’s own ship.
dissadvantage in a well cultivated country that many get rich by it” (LJB 349), especially peasants.\footnote{17} And while direct confrontation in sword fights led to a greater “rage and fury” and thus to greater slaughter (LJB 350), firearms keep fighting armies “at a greater distance,” which are therefore “less irritated at one another” (LJB 350).

Even the decrease in martial spirit observed in commercial societies, which could in theory increase peace, rather, increases wars according to Smith. In a commercial society most people have specialised employment. Because of their occupations, there are no “military exercises […] among the great body of people” (WN V.i.a.12) as they do not have the time to do them, and “having their minds constantly employed on the arts of luxury, they grow effeminate and dastardly” (LJB 331). Commerce has the “bad effect [...] that it sinks the courage of making, and tends to extinguish martial spirit” (LJB 331). As a result “the great body of the people becomes altogether unwarlike” (WN V.i.a.15; see also LJB 37).

Hence, commercial societies that rely on traditional militia are militarily weak: “the irresistible superiority which the militia of a barbarous, has over that of a civilized nation; which the militia of a nation of shepherds, has over that of a nation of husbandmen, artificers, and manufacturers” (WN V.i.a.36), is observable in part because a militia goes against “the whole bent of the interest, genius and inclinations of the people”, who have another “trade or profession [...] to carry on” (WN V.i.a.17). Since workers in a commercial society would lose their income during their employment in war, “they will not incline to serve in war” (LJA iv.169). Commercial societies, unlike other societies, are characterised by their civil, not by their military, spirit. This means, the commercial spirit would prevail among the members of

\footnote{17} Others might lose, especially land owners: “This is indeed at the expence of the landlords and better sort of people, who are generally ruined on such occasions” (LJB 349).
such a militia, not the martial spirit, denigrating its strength (see also LJA iv.83-85) and making rich commercial societies easy prey of poor barbaric ones (see Hanley 2014).

The solution for commercial societies is therefore to develop and rely on a specialized military profession: a standing army (LJA iv.169, see also WN V.i.a.17-41). Smith describes standing armies indeed as the only protection of a civilised society against barbarous nations (WN V.i.a.39). A standing army is militarily superior to a militia because of its higher skills and discipline (see also Sher 1989).

To achieve a “degree of perfection” in the art of war, division of labour is necessary, that is, warfare must become its own branch of specialisation (WN V.i.a.14). Soldiers of a professional and specialized army acquire greater skills due to their division of labour: they practice daily since that is now their job. This allows “[t]he art of war [to] gradually grow […] up to be a very intricate and complicated science” (WN V.i.a.10). In agrarian societies, “a strong wall” was often all it needed in a city to keep the enemy at bay. But with the development of modern weaponry, such a defence is not sufficient (LJA iv.85-87, LJB 40-41). Smith even states that “it necessarily becomes one of the most complicated” arts (WN V.i.a.14) because of technological development resulting from an enhanced division of labour and professionalization. In his Lectures, Smith expounds in more detail these improvements. They consist of both tactical advances – e.g., “the ordering of zig-zag approaches” – and technological improvements – the development of “warlike engines” (LJA iv.85).

Even more important, professional soldiers of commercial societies are disciplined thanks to their daily obedience to their superiors. Discipline is especially important because “in modern war the habit of ready and instant obedience is of much greater consequence than a considerable superiority in the management of arms” (WN V.i.a.25). Similar to Hume,
Smith argues that the invention of firearms changed the conduct of war. Military skills of single soldiers, which was the main determinant of wars before the invention of firearms, becomes less important: “strength and agility of body, or even extraordinary dexterity and skill in the use of arms, though they are far from being of no consequence, are, however, of less consequence” (V.i.a.21). On the other hand, discipline becomes much more important “than the dexterity and skill of the soldiers in the use of their arms” (WN V.i.a.22). But discipline is also harder to maintain because of “the noise of fire-arms, the smoke, and the invisible death to which every man feels himself every moment exposed, as soon as he comes within cannon-shot, and frequently a long time before the battle can be well said to be engaged” (WN V.i.a.22). In his Lectures, Smith adds that discipline of a standing army is also important since in an advanced commercial society, unlike in societies in other stages of development, the army will be formed by “the very meanest of people” (LJA iv.169; see also LJB 334-336). Discipline “can be acquired only by troops which are exercised in great

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18 In contrast, in agricultural societies, soldiers came mainly from higher classes – “gentlemen” (LJB 40) or “men of honour who would do their duty from this principle, there was no occasion for discipline” (LJB 334-335), while “cultivation of the ground would naturally fall to the meanest rank” (LJB 334). However, in commercial societies, the former prefer to make money and thus be employed in commerce: “But when arts and manufactures increased and were thought worthy of attention, and men found that they could rise in dignity by applying to them, and it became inconvenient for the rich to go out to war, from a principle of avarice” (LJB 335). As a result, “defence of the state naturally became the province of the lower [ranks], because the rich can never be forced to do any thing but what they please” (LJB 335).
bodies” such as standing armies (WN V.i.a.22). Smith’s historical evidence (WN V.i.a.28-36) leads him to believe, therefore, that a militia “must always be much inferior to a well disciplined and well exercised standing army” (WN V.i.a.23).

There is, however, one exception to specialized military, namely sailors and also their ships. In contrast to Hume and his concept of a store-house of labour, Smith does not assume that people employed in manufacturing and trade can easily be transformed to soldiers in times of war, a reason why he is in favour of standing armies. But the defence and war-making potential of a naval power such as Great Britain depends in large part on “the number of its sailors and shipping” (WN IV.ii.24). Thus, it is in the interest to have many sailors and ships employed in foreign trade and in carrying during peace times, that could be “forced from the merchant service into that of the king” (WN I.x.b.45, see also II.v.30). In this way,

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19 Smith discusses also the complex relationship between standing armies and liberty. In some cases, a standing army can undermine liberty, in others it can be favourable to liberty (WN V.i.a.41, see also LJB 337-338). By educating “the great body of people” and thereby maintaining its martial spirit, a standing army is unlikely to undermine liberty because of the possible resistance from the people (WN V.i.f.59).

20 The debate whether a militia or a standing army would be the best defence for a commercial nation was lead in the 18th century. It seems that Hume did not take an emphatic view in this debate. However, he sees standing armies as a necessary development: “On the continent, [...] the necessity of discipline had begotten standing armies” (Hume, Vol. V, p. 18). For the Scottish debate about the “militia vs. standing army”-issue, see Robertson (1985) and Berry (2013, 167-72); for Hume’s point of view on this issue, see Stewart (1992, 288-9); for Smith’s point of view on this issue, see Montes (2004, 61-9; 2009).
commerce directly increases the military capabilities. When a war ends, soldiers will easily find employment as “the merchant service” and will not become unemployed (WN IV.ii.42).

So for Smith, the consequences of the developments in the arts of war brought about in commercial societies are not peaceful. In early societies, a war between two nations is “determined [...] by a single irregular skirmish or battle,” (WN V.i.a.10), whereby “[t]he whole people would rush out when they were attack'd, or make an incursion on their neighbours in a body” (LJA iv.13). Since these nations “are but very small [...] their wars for that reason can not be of any long duration” (LJA iv.14). In contrast, the more soldiers there are, the longer wars can last. Additionally, the developments in the art of war, both tactically and technologically, make it unlikely that wars are decided by a single battle. Rather, wars between commercial societies “generally spun out through several different campaigns, each of which lasts during the greater part of the year” (WN V.i.a.10). Wars are bound to be more frequent and to last longer.

A standing army is expensive though. Non-commercial societies are too poor to afford a standing army, and, similarly, only commercial societies have the means to pay for a standing army: public debt. Debt makes the great expense of military operations feel cheap, so wars can be longer and more frequent. Here is Smith’s reasoning.

Smith claims that “the foreign wars of the present century” are “the most expensive perhaps which history records” (WN IV.i.26). He suggests therefore that “[w]ar and the preparation for war, are the two circumstances which in modern times occasion the greater part of the necessary expence of all great states” (WN V.ii.a.14). In Book V of the Wealth of Nations, Smith explains that wars become more expensive with economic and technological development for three reasons: the expense for an army, the development of more powerful
and more expensive weapons, and the increasing duration of wars. The lack or low level of specialization in non-commercial societies implies that “every man [...] either is a warrior, or easily becomes such” (WN V.i.a.6-7, see also V.i.f.51). In contrast, in a commercial society, it is “altogether impossible that they, who take the field, should maintain themselves at their own expence” (WN V.i.a.8). If a nation has a standing army, as in commercial societies, the soldiers have to be paid by the public also in times of peace (WN V.i.a.42). The development of stronger weaponry, especially of firearms, implies that the costs of building fortifications that are effective against artillery also increase (WN V.i.a.42-43). Finally, the longer duration of wars for reasons described below also adds to the increasing costs of wars.

How those higher costs of war and defence are paid for? Smith calculates that in commercial societies, the national expenses increase three- to fourfold as a result of war, which cannot be paid from with the normal budget (WN V.iii.4). Thus there is a need for an “immediate and great expence” (WN V.iii.4). This cannot be paid by a new tax, because a government is usually “both unwilling and unable” (WN V.iii.37) to levy such a high war tax. It is unable, because taxes have “gradual and slow returns” (WN V.iii.4) and are thus of no help for an immediate threat. Additionally, government have scant knowledge of “what

21 This also limits the share of the population that can be employed as soldiers. Smith states that in “the civilized nations of modern Europe [...] not more than one hundredth part of the inhabitants of any country can be employed as soldiers” (WN V.i.a.11), while in agricultural nations a fourth or a fifth of the population can go to war (see also LJA 78-79). Since a commercial nation is much more populous than a agricultural society, this means that a commercial society could have absolutely more soldiers.

22 Smith calculates that new taxes “will not begin to come into the treasury till perhaps ten or twelve months after they are imposed” (WN V.iii.4).
taxes would be sufficient to produce the revenue wanted” (WN V.iii.37). Finally, governments are often unwilling to levy an additional tax “for fear of offending the people, who, by so great and so sudden an increase of taxes, would soon be disgusted with the war” (WN V.iii.37). Therefore, wars result only in “a very moderate increase of taxes” (WN V.iii.37). It could be possible to increase revenues during times of peace and save for future wars, but Smith observes that this does not happen (WN V.iii.3-4).

However, the development of the commercial society opens a new source of revenue for the state, namely debt: “The same commercial state of society which, by the operation of moral causes, brings government in this manner into the necessity of borrowing, produces in the subjects both an ability and an inclination to lend. If it commonly brings along with it the necessity of borrowing, it likewise brings along with it the facility of doing so” (WN V.iii.5). Wars “will not wait for the gradual and slow returns of the new taxes” and thus a government has “no other resource but in borrowing” (WN V.iii.4).

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23 Earlier in the Wealth of Nations, Smith had discussed that there are “three different ways” in which a nation can pay for a foreign war, namely “by sending abroad either, first, some part of its accumulated gold and silver; or, secondly, some part of the annual produce of its manufactures; or last of all, some part of its annual rude produce” (WN IV.i.21). The best way to pay for a war is by producing large amounts of manufactured goods according to Smith. He concludes that “[t]he enormous expence of the late war, therefore, must have been chiefly defrayed, not by the exportation of gold and silver, but by that of British commodities of some kind or other” (WN IV.i.27). Here, Smith does not mention debts and his point is to argue against the view that only gold and silver constitute national wealth. However, it is somewhat contradictory to his later remarks that modern wars have to be paid for by debts.
Here is another strong and explicit denial that commercial societies will be more peaceful: debts decrease the perceived price of wars, so there will be more and longer wars. Without debts “[w]ars would in general be more speedily concluded” (WN V.iii.50). If severely higher taxes would have to be increased for a war, people would feel “the complete burden of it” and “would soon grow weary of it” (WN V.iii.50). Wars would have been “less wantonly undertaken” (WN V.iii.50), because it would be harder for a government to raise the necessary money by taxes and the popular support for a war would be lower. In contrast to taxes, debts are no severe burden for the population, which thus does not feel any inconveniences of war, at least if they do not live in the battle zone. As a matter of facts, Smith makes the strong claim, that many are “commonly dissatisfied with the return of peace, which puts an end to their amusement” (WN V.iii.37)! Indeed, many people “enjoy, at their ease, the amusement of reading in the newspapers the exploits of their own fleets and armies” and have “a thousand visionary hopes of conquest and national glory” (WN V.iii.37). Thus, debts lead to a higher popularity of wars among the population and to longer and frequent wars.

This entertainment can be enjoyed, because “the people who live in the capital, and in the provinces remote from the scene of action, feel, many of them scarce any inconveniency from the war” (WN V.iii.37) as opposed to in non-commercial societies where there is no professional military and therefore a war is very disruptive for those who are employed, because they have to give up their occupation for the time of the war (WN V.i.a.9; see also LJA iv.79; and LJB 37-38). Though war might affect many people, most inhabitants are not involved in warfare directly. War affects only those serving in the standing army and those

24 On Smith and his view on Empire see Van de Haar (2013).
living near the battlefields. Again, by decreasing the perceived cost of war, wars can increase in length and frequency.

But why wars to begin with? For Smith a commercial society will find itself engaged in defensive wars as well as in offensive wars. A successful war promises booty. The winning side can get “possession of the capital” and of the treasure another country (WN II.ii.87). With increasing riches, the potential booty increases which makes war more likely: “wealth [...] provokes the invasion of all their neighbours” (WN V.i.a.15). Accordingly, Smith describes rich nations as the likeliest to be the target of attack: “An industrious, and upon that account a wealthy nation, is of all nations the most likely to be attacked” (WN V.i.a.15). Rich countries will face more defensive wars.

But rich commercial countries will also fall prey of the “mean rapacity [and] monopolizing spirit” (WN IV.iii.c.9) of big merchants and manufacturers who have such “formidable” powers to be able to “intimidate the legislature” (WN IV.ii.43) so much that “the cruellest of our revenue laws, I will venture to affirm, are mild and gentle, in comparison of some of those which the clamour of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies. Like the laws of Draco, these laws may be said to be all written in blood” (WN IV.viii.17). Big merchants and manufacturers are willing and able to bring the country into war “for the sake of that little enhancement of price which this monopoly might afford our producers” (IV.viii.53).

Big merchants and manufacturers try all they can to defend monopolies or create new ones for themselves and are wary of foreign competitors. Smith observes such private interest is often “unconquerable” (WN IV.ii.43). The competing commercial interests of big merchants and manufacturers often “serves [...] to inflame the violence of national
animosity.” Especially neighbouring countries become, in this way, “necessarily enemies” (WN IV.iii.c.13). Smith concludes that “[m]ercantile jealousy is excited, and both inflames, and is itself inflamed, by the violence of national animosity” (WN IV.iii.c.13).

Since Smith does not assume that wars will become less frequent or that the world becomes more peaceful with the increase of commerce, to the contrary, defence is of utmost importance: “the sovereign has only three duties to attend to” (WN IV.ix.51), one of them being defence. Smith argues that the sovereign has the duty “of protecting the society from the violence and invasion of other independent societies” and that this duty “can be performed only by means of military force” (WN V.i.a.1). Due to the importance of defence for a society, commercial and economic interests have to take a back seat to matters of national security. He states that “defence […] is much more importance than opulence” (WN IV.ii.30) and calls “[t]he art of war […] is certainly the noblest of all arts” (WN V.i.a.14). Consequently, he supports the restriction of international trade for defence reasons (WN IV.ii.24); in particular when trade restriction lead to the employment of more domestic sailors and ships, which, as shown above, can be important in sea wars. On this basis, Smith supports the British act of navigation (WN IV.ii.24-30), bounties on fisheries (WN IV.v.a.27) and trade restriction to protect domestic production of “particular manufacture […] necessary […] for the defence of the society” (IV.v.a.36).

There are therefore no reasons to assume that the world will become more peaceful according to Smith, but there are reasons to assume that the number and duration of wars will increase. It is true that commercial activities undermine the martial spirit of a society as well as military discipline, which is especially important since the invention of firearms. However,

25 The other two are justice and the maintenance of certain public institutions.
a standing army will counteract these developments. Soldiers in a standing army are characterised by their martial spirit and their discipline, which is also enforced by strict military laws.

Conclusion

Does commerce bring about peace? Differently from what is commonly believed, two of the most famous promoters of the civilizing role of commerce seem to answer the question with a no. Commerce and the wealth it creates not only may not decrease international conflicts. They may actually increase international conflicts.

For Smith, the international dimension of 

\textit{doux commerce} is even more problematic than for Hume. For Hume, economic development brings about military technology and discipline which increase martial spirit rather than decrease it. For Smith, martial spirit does decrease in opulent societies, but it is more than compensated for by the development of a specialized military, which makes armies more formidable. Wars are not necessarily decreasing in a commercial era. To the contrary, the decrease perceived cost of wars thanks to debt financing, the use of firearms, the specialization of the military via a standing army, the entertainment value of “dreams of empire”, and the big merchants and manufacturers’ ability to create and defend monopolies via government force, all play a role in increasing both the number and the duration of international conflicts.

Smith and Hume’s analysis offers insights for our days as well as for theirs: while there may be an appeal to the saying that two countries with McDonald’s do not go to war against each other, Smith and Hume are warning us as well not to take peace for granted.
References


