

A partial spectator: the Portuguese translation of the *Wealth of Nations* (1811-1812)

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Preliminary and incomplete version. Please do not quote

1. First references to Smith

Smith's work was read and known in Portugal before its translation in 1811-1812. However, the first reference to Adam Smith in Portuguese economic and political literature only occurs in 1791, 15 years after the original edition.

In this first reference (Vilanova-Portugal 1791), the Portuguese author only refers to Smith in passing, to support the idea that the entail of property created difficulties for agricultural development. It should be noted that this reference to Smith is somewhat gratuitous, as there were physiocratic arguments that the author could have used to support a greater degree of freedom in the land market.

In a few texts written between 1792 and 1802 we may also find scattered references to the *WN*, nearly always concerning the division of labour and freedom in production and trade. Portuguese readers were acquainted with the French translation by Garnier in 1802 and the Spanish translation by Ortiz in 1794. The increasing audience for *laissez-faire* ideas was a strong incentive for a wider diffusion of the *WN*. Thus Smith's influence went hand in hand with other simultaneous influences demanding greater freedom of action for economic agents and criticising the obstacles to efficient resource allocation (corporation laws, import prohibitions, excessively high duties, exclusive privileges, monopolies, bad communications, high local taxes, etc.).

Another author who took from Smith more than a simple message of *laissez-faire* was D. Rodrigo de Sousa Coutinho. While responsible for the Exchequer (between 1801 and 1803), he dealt carefully with the problems arising from the circulation of paper money, which had started against his advice in 1797, after an unsuccessful attempt to create internal public debt. The sharp depreciation of paper money, and the public's rapid loss

of confidence in all financial operations of the court were justification enough to make Coutinho try to implement a coherent programme of financial restructuring. Among the main items in this programme were the establishment of a bank, the gradual withdrawal of existing paper money, the running of a carefully administered internal public loan, rigorous adherence to the rules and dates of loan repayments, reform of the tax system, reduction of superfluous public expenditure, and the rationalization of local and central financial institutions.

In his writings and official reports on some of these subjects, Coutinho shows an acquaintance with the *WN* - and he strongly advises that it should be read - especially when he discusses the advantages and disadvantages of the circulation of paper money. And on this topic he is sometimes more circumspect than Smith when he refers to precautions for controlling the amount of paper money in circulation and when he presents his recommendations for guarantees of convertibility (see Cardoso 1990).

2. An insightful debate

A new phase in the spread and acceptance of Smith's work began in 1803. From that point on, the *WN* was no longer merely mentioned or cited as an example of recommendations for financial or economic policies, but was read and studied as a body of analytical ideas. Nevertheless, Portuguese authors were not impressed by Smith's general theoretical system, being mainly interested in his theory of value and prices.

Joaquim José Rodrigues de Brito should be credited as the first author to discuss in-depth some of the more theoretical parts of the *WN* (Brito 1803-1805). After presenting his own concept of "political value" - through which he attempted to discover an objective criterion for choosing the system of legislation which should be primarily supported and performed by the sovereign - Brito discussed the problem of value in economic terms. Essentially he believed that the major sources of the value of material goods are use, labour and competition. This last source seemed to be «the ultimate and most powerful cause», because he considered that the evaluation that buyers and sellers make of the utility and need of a good is more important than the objective labour it contains or commands.

At this point Brito chose to devote a whole chapter of his book to refuting Smith, accusing him of considering labour as the only (or at least the main) source of value. In addition to the influence of the subjectivist tradition inherited from scholastic thought,

and notwithstanding the influence of Condillac, Brito finds in the French economist Nicolas-François Canard (1801) the main inspiration for his critique of Smith. Following this line of thought, Brito arrived at the conclusion that the wishes, capacities, wills and power of the various market participants determine the prices at which goods are bought and sold in the market; and these prices are conceived as the real and ultimate expressions of value.

However, when he attempted to find additional arguments for the idea that competition is the main explanatory cause of value, Brito contradicted his former explanation and came closer to the ideas of the author he was criticizing. He accepted Smith's distinction between natural and market price and, although he was unable to express it very clearly, he recognized that natural price is «the centre of repose, the central price to which the prices of all commodities are continually gravitating» (Smith 1776, I, vii, 15). Nevertheless, he differed from Smith about the idea of equilibrium. For Smith, it is the spontaneous and self-correcting market mechanism that ensures equilibrium, whereas for Brito it is the role of the «wise government» that ensures there is no lasting disequilibrium between supply and demand, i.e., the natural order requires the presence of an entity that prevents prices from being determined by «uncontrolled whims and opinions».

One year after the publication of the first two volumes of Brito's work, José da Silva Lisboa published a book, a large part of which (roughly one fourth) concerned Brito's criticism of Smith's theory of value (Lisboa 1804). In the following year Brito presented his rejoinder in the introduction to his third and last volume. The question of who was more faithful to the Smithian legacy was the main issue in this remarkable public controversy.

Besides restating the thesis that labour is the source and measure of value and that, in the long run, market and natural prices tend towards equilibrium, Lisboa attacks Brito's agrarianism and argues that economic development can only take place together with parallel development in other economic sectors. Lisboa believed that the prosperity of the realm depended on the interaction between a great number of activities, and he thus accused Brito of following the work of the physiocrats too closely, which in his opinion had been superseded by Smith's masterful work.

Bruto replied by saying that Smith was a «plagiarist of the physiocrats», because he had kept quiet about the contacts he had had with representatives of that school of thought in France. Brito also touched on the role of competition as a determinant of value. However, his main arguments were devoted to justifying the importance attached to

agricultural development, as he regarded the other types of economic activity as «very weak sources of wealth, uncertain and not durable» and unable, by themselves, to ensure the harmony of the global social system.

This was essentially a debate between two authors who had different outlooks on the same external source they were trying to assimilate. Brito's approach seems to assimilate foreign influences without forgetting immediate economic and social aims; and he takes into account the need to adapt these influences to the Portuguese situation at the beginning of the nineteenth century. Lisboa, by contrast, specifically declared «the passion and devotion» that he feels towards Smith's book and seems to have been motivated by the purity of a self-contained doctrinaire vision that should not be subject to any correction or adaptation. Lisboa also differed from his opponent in one important aspect that may have deeply affected his perspective: he was writing not in mainland Portugal but in its richest colony, Brazil.

3. Smith's arrival in Brazil

Lisboa's total acceptance of Smith's work was not confined to the chapter of his book in which he attacked Brito. In the remainder of the book he attempts a systematic presentation of some principles of the *WN* and a comparison with what he labels as the minor works of the physiocrats and James Steuart. The reason he gave for his “passion” for Smith was Smith's clear defence of economic freedom, and his total opposition to any type of restraint on individual action.

Praise for the *WN* also appears again and again in a group of pamphlets Lisboa published in Rio de Janeiro from 1808 to 1810, at a time when a succession of events took place that were to condition the future development of the Portuguese economy and society. During the Napoleonic wars Portugal was guided by the strong alliance with Britain. When Portugal refused to accept the implications of the Continental Blockade and was invaded by the French at the end of 1807, the Portuguese court moved to Brazil. The final expulsion of the French in 1811 was achieved only through the intervention of the British army under the command of Wellington. The long-lasting alliance had ensured the survival of one of the oldest nation-states of Europe; but there was a price to be paid.

The opening up of the ports of Brazil to the ships of “friendly nations” (which occurred in 1808), the cancellation of the prohibition against the establishment of manufacturing industries in Brazil (also in 1808), and, above all, the Anglo-Portuguese

trade treaty of 1810 completely destroyed the old-style mercantilist relations between Portugal and her most important colony. Brazil was not only the provisional location of the court, it was also the axis of a new model of economic development based on “sane and liberal principles of political economy” that opened up Portuguese economy and put an end to its exclusivity in colonial trade.

Lisboa’s pamphlets of 1808-1810 were not mere paeans of these new economic measures applied in the colony: they expressed the ideas of a Brazilian intelligentsia that was looking forward to autonomous economic development. The pamphlets never mention political independence, and Lisboa seems to have accepted the political direction of the Portuguese court as giving coherence to antagonistic economic and social interests. Nevertheless, there is absolutely no doubt that the end of the colonial pact played an important role in preparing Brazil for independence in 1822.

The motives that made Lisboa such a wholehearted follower of Smith's doctrine of free trade thus become understandable: his role as a Brazilian author impelled him to this and justified the insistence with which he used Smith to explain the advantages of making Brazil part of the international division of labour.

4. The Portuguese partial translation of the WN

Lisboa's eagerness for the dissemination of Smith's ideas even spread to his family circle. In fact, his son, Bento da Silva Lisboa, was responsible for the first Portuguese translation of the *WN* (Smith 1811-12).¹ The translator begins his preface with a general overview of the economic policy measures in Brazil that would justify the dissemination of Smith’s ideas and the importance of the translation for a better understanding of the profound changes that were taking place in that part of the Portuguese empire. The translator acknowledges the relevance of the political and economic context to explain the need for using the doctrine of *laissez faire* and economic liberalism. And it should be added that the immediate impact and circulation of this translation in mainland Portugal was practically nil.

The Portuguese-Brazilian edition is not a translation of the whole of the *WN*. It is a partial translation that entirely omits Book 5 and all the digressions on the history of

¹ Bento da Silva Lisboa (1793-1864) has served as a deputy secretary of the Portuguese Foreign Office between 1809 and 1821. After the Independence of Brazil in 1822 he served as Minister and State Secretary of Foreign Affairs between 1830 and 1846.

England on Book 4 that, according to the translator, would distract the reader from the central message of Smith's masterpiece. Books 1 to 3 are also considerably reduced, according to the basic rationale that the translator explains in the preface, informing the reader about this thoughtful though partial abbreviation:

“Abreviei-a, porque um compêndio de tais doutrinas na parte mais sólida, e aplicável a todos os Estados, contendo, por assim dizer, a pureza e energia do espírito do autor, faz mais suave a sua leitura, não sendo carregada de algumas discussões prolixas, em que Inglaterra mais especialmente interessa, ou que têm sido havidas por menos importantes, ou não bem demonstradas pela razão e experiência, que devem ser as duas guias e inseparáveis companheiras em discussões tão difíceis da organização social”

It is also worth noting that the translator is aware of the language transformation process associated to the translation. He does provide a careful explanation of the introduction of new words that were being used for the first time in Portuguese language.

“Ainda que seja recomendável a castidade do idioma pátrio em composição, ou tradução, contudo é inevitável algum uso de palavras, e frases novas, quando o assunto encerra vasta novidade, tem sido tratado por escritores nacionais, e certos termos se têm já constituído técnicos, ou facultativos, na ciência, pertencendo a cada uma, por assim dizer, sua língua, ou nomenclatura”.

/... to be concluded.../

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