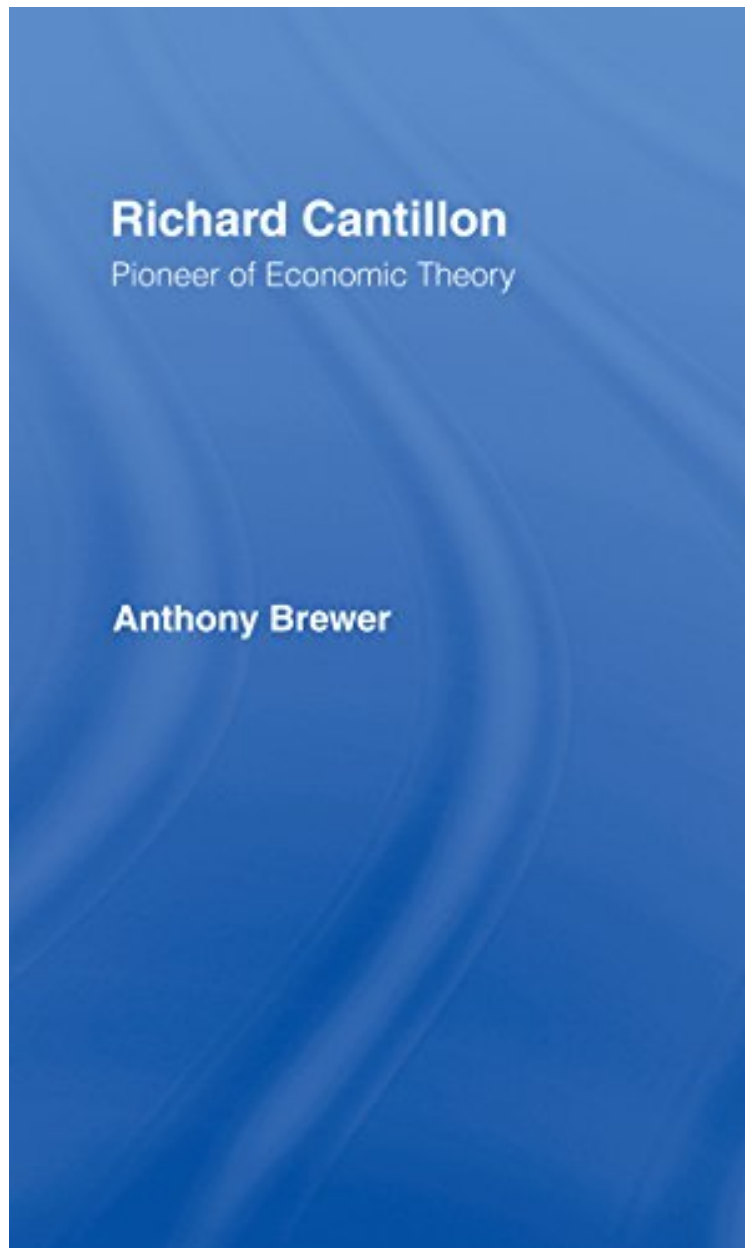


(Ebook free) Richard Cantillon: Pioneer of Economic Theory

## Richard Cantillon: Pioneer of Economic Theory

*Tony Brewer*

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**Tony Brewer : Richard Cantillon: Pioneer of Economic Theory** before purchasing it in order to gage whether or not it would be worth my time, and all praised Richard Cantillon: Pioneer of Economic Theory:

0 of 0 people found the following review helpful. Cantillon was not in Adam Smith's class as an economic theoristBy Michael Emmett Brady Brewer's book is worth 3 and 1/2 stars.Cantillon can be regarded as a pioneering theorist with

respect to Bentham and his students-James Mill, J B Say, David Ricardo, the young John Stuart Mill, Nassau Senior, Sedgwick, Edgeworth, and Walras. However, Cantillon is simply not in Smith's class as an economic theorist. Smith was at least 150 years ahead of his time. Brewer has overlooked, like all other economists, the seminal, technical, theoretical innovations made by Smith regarding the risk versus uncertainty divide, probability and decision theory in the *Wealth of Nations* (WN). Cantillon works only with a concept of mathematical risk. This risk is then integrated by all decision makers, whether they be lawyers or robbers, into the market price in the same way that a champagne bottle maker integrates the risk of breakage into his market price. One need only compare Cantillon's discussion of risk (he used the word uncertainty in the same manner as Bentham did to denote risks that can be calculated) with Smith's vastly superior discussions. One need only compare Smith's path breaking applications involving uncertainty with the complete lack of any such discussion by Cantillon. One need only compare Adam Smith's detailed and precise analysis of uncertainty in his *Lawyer versus the shoemaker problem* on pp.106-113 of the WN, Modern Library edition with the foreword by Cannon, with Cantillon's analysis of occupational choice risks on pp.47-55 of Cantillon's *Essays* (1755). Smith's microeconomics will need to be completely reinvestigated. Note also that Smith's definition of risk directly conflicts with Cantillon's. Brewer never discusses the role of uncertainty in Cantillon's work because there is no role for uncertainty in Cantillon's *Essays*. Only risk appears in Brewer's assessment of Cantillon as a theorist. There simply is nothing in Cantillon's *Essays* that Smith would find as worth building on. Cantillon was basically an earlier version of Michael Milken-a stock market manipulator, speculator, and peddler whose ethical system can be regarded as a forerunner of Bentham's uncertainty in his *Lawyer versus the shoemaker problem* on pp.106-113 of the WN, Modern Library edition, with Cantillon's analysis of occupational risks on pp.47-55 of Cantillon's *Essays* (1755). Smith's microeconomics will need to be completely reinvestigated. Brewer never discusses the role of uncertainty in Cantillon's work because there is no role for uncertainty in Cantillon's *Essays*. Only risk appears in Brewer's assessment of Cantillon as a theorist. There simply is nothing in Cantillon's *Essays* that Smith would find as worth building on. Cantillon was basically an earlier version of Michael Milken-a stock market manipulator, speculator, and peddler whose ethical system can be regarded as a forerunner of Bentham's

Richard Cantillon, writing fifty years before Adam Smith, was the first to see the economy as an interrelated whole, and the first to give a coherent account of how it works. This is the first comprehensive study of his economic theory and of his place in the history of the subject.

'The comprehensiveness of Brewer's coverage of Cantillon's *Essai*, and his very clear and illuminating discussion of Cantillon's relationships to his predecessors and his successors, will ensure that this book becomes, alongside Murphy's biography, one of the standard works on someone who must rank as one of the greatest economic theorists of all time.' - Roger E. Backhouse, THES, Jan '93  
About the Author Anthony Brewer is Reader in Economics at the University of Bristol.