Was Adam Smith an Individualist? *

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Abstract

Smith is generally regarded as an individualist without qualification. This paper argues that his predominantly individualist policy prescription is rooted in a more complex philosophy. He sees nature, including human nature, as a vast machine supervised by God and designed to maximise human happiness. Human weaknesses, as well as strengths, display the wisdom of God and play their part in this scheme. While Smith pays lip service to justice, it is really social order that pre-occupies him, and within that, the defence of property. Individuals are valued as bearers of property. As persons, individuals are deceived by nature into acting in a socially beneficial way. In different ways Smith systematically denies the autonomy of the individual with respect to the whole of which he is part. For Smith, individual liberty is, not the end, but the means, of sustaining social order and property.

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> [T]he belief, so popularly accepted in the economic world, that Smith was primarily an individualist, is the very reverse of the truth. For him as for Hume, the interests of society were the end. By all means let the individual be encouraged to chase 'trinkets', so long as this conduced to that end. Smith's 'invisible hand' had a good smack of cynicism in its composition. (Macfie[1], 1961: 23)

More than a third of a century after Macfie's remark, cited above, the standard view of Adam Smith amongst economists continues to ascribe to him a simple and straightforward individualism. A striking feature of Smith's followers in our own time[2] is the way in which they ignore the linkages between property and social order, raising a general and unspecific individual liberty to the centre of the defence

of market systems. Their attitude towards Smith, himself, is to ignore what he said and to impute their own approach to him. The consensus view of Smith today is thus an apparently mild one in which, if we allow agents to do as they please, an implicit order will arise in which, subject to some government modifications, agents in general will do better than they would in any alternative, more *dirigiste*, regime[3].

To read Adam Smith himself, however, is to realise that this view is very wide of the mark. The purpose of this paper is to present an alternative interpretation, one more attentive to what Smith actually wrote, by means of an examination of Smith's works – in particular *The Theory of Moral Sentiments* (Smith 1976a), and to a lesser extent *The History of Astronomy*[4] (Smith, 1980: 31-129), and *The Wealth of Nations* (Smith, 1976b).[5] The verdict indicated in the paper is one in which, not the individual, but property lies at the heart of Smith's system.

The paper proceeds by establishing Smith's *Weltanschauung*, and then by showing the place of the individual within it. The first section sets out Smith's Stoic view of the world as a great machine run by a utilitarian deity. In the following section we see that Smith's conception of nature extends to human nature: human weaknesses as well as strengths are god-given and for good reasons. Section 3 explores the relation between justice, social order and property in Smith, showing that a desire to defend property lies at the heart of his system. The final substantive section argues that individuals are deceived, and their weaknesses exploited, to their own sorrow, in order that the economy may thrive. I conclude, therefore, that there are very good grounds indeed for Macfie's view.

This result, however, needs to be interpreted carefully. It is well known, and abundantly clear from its detailed presentation in **WN**, that Smith's policy prescription is, overwhelmingly, an individualist one, summed up in the Physiocratic slogan of *laissez faire*. The case being made here is twofold. Firstly that the *laissez faire* policy prescription is not a cry for freedom for individual humans per se, but for individuals as the bearers of property. Secondly, the individual liberty he advocates is but a means to a more fundamental end, namely, the preservation of social order, which itself sustains property. The argument, therefore is against the common and simplistic interpretation of Smith which presents him as an icon of an unalloyed individualism.

1 Smith's *Weltanschauung*

> In the *Theory of Moral Sentiments*, Smith develops the doctrine of a beneficent order in nature, manifesting itself through the operation of the forces of external nature and the innate propensities implanted in man by nature .... [T]he essence of Smith's doctrine is that Providence has so fashioned the constitution of external nature as to make its processes favourable to man, and has implanted *ab initio* in human nature such sentiments as would bring about, through their ordinary working, the happiness and welfare of mankind. (Viner, 1958: 216-17)

Smith's *Weltanschauung* is adopted, with minor modifications, from the Stoics;[6] the points where Smith does, and does not, agree with the Stoics, are not, however, germane to the theme presented here.[7] Smith represents the universe, or Nature, as an enormous, sophisticated and subtle machine. This machine is supervised by an omnipotent, omniscient and beneficent – indeed, a utilitarian[8] – deity. The sole aim of the machine (and, probably, of the deity himself, see **TMS** VII.ii.3.18[9,10]), is the maximisation of happiness:

> all the inhabitants of the universe, the meanest as well as the greatest, are under the immediate care and protection of that great, benevolent, and all-wise being, who directs all the movements of nature; and who is determined, by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness. (**TMS** VI.ii.3.1) [T]hat divine Being['s] ... benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest possible quantity of happiness. (**TMS** VI.ii.3.5)

So the world is perfect: we truly live in a Panglossian 'best of all possible worlds'. Since the world is perfect, any appearances to the contrary are a result of our finite, partial view of the world, our failure to grasp 'all the connexions and dependencies of things'. The purpose of philosophy, therefore, is to cultivate a fine indifference to whatever occurs:

> The wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society. He is at all times willing, too, that the interest of this order or society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part. He should, therefore, be equally willing that all those inferior interests should be sacrificed to the greater interest of the universe, to the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director .... [Since the] benevolent and all-wise Being can admit into the system of his government, no partial evil which is not necessary for the universal good, he [sc the wise and virtuous man] must consider all the misfortunes which may befal himself, his friends, his society, or his country, as necessary for the prosperity of the universe, and therefore as what he ought, not only to submit to with resignation, but as what he himself, if he had known all the connexions and dependencies of things, ought sincerely and devoutly to have wished for. (**TMS** VI.ii.3.3)

Smith sustains this theme by making use of the analogy of soldiers marching to the defence of a 'forlorn station', that is, an indefensible position:

> They cheerfully sacrifice their own little systems to the prosperity of a greater system .... No conductor of an army can deserve more unlimited trust, more ardent and zealous affection, than the great Conductor of the universe. In the greatest public as well as private disasters, a wise man ought to consider that he himself, his friends and countrymen, have only been ordered upon the forlorn station of the universe; that had it not been necessary for the good of the whole, they would not have been so ordered; and that it is their duty, not only with humble resignation to submit to this allotment, but to endeavour to embrace it with alacrity and joy. (ibid VI.ii.3.4)[11]

The message is clear: what is good is good and what is bad is good as well; everything is for the best, so – whatever happens – rejoice, and accept. Only 'partial evils' necessary 'for the good of the whole' are admitted. Lest the reader should be tempted to wonder whether these passages represent a stage in Smith's thought long passed by the time he came to write **WN**, I should point out that, though similar ideas can be found in the earlier editions of **TMS,** these passages themselves are taken from Part VI, newly written by Smith, in the last year of his life, for the 1790 edition.[12]

So for Smith what appears bad is actually good, but we don't see it because we are only finite minds. However, 'good' here refers only to 'the good of the whole' and says nothing about the good of the individual. The problem with standard versions of utilitarianism is that only the quantity of happiness is considered, and not its assignment to individuals. That is the case with Smith's Deity. For the system to seem attractive, Smith must show that, not only the total quantity of happiness is maximised, but its allocation to individuals is in some sense 'fair'. So Smith is at pains to say explicitly that all our virtue and vice will be appropriately rewarded, if not here, then hereafter.

Firstly, if we look at the lives of individuals as a whole and in the long run, then we can in general expect everyone will get their just deserts.

> notwithstanding the disorder in which all things appear to be in this world, yet even here [ie, in this world rather than the next one] every virtue naturally meets with its proper reward, with the recompense which is most fit to encourage and promote it; and this too so surely, that it requires a very extraordinary concurrence of circumstances entirely to disappoint it. (**TMS** III.5.8)

Secondly, if such an 'extraordinary concurrence of circumstances' should occur, as to frustrate the 'natural' process of rewarding every virtue in this life, then we may hope for a settling of accounts in the next one:

> Our happiness in this life is ... upon many occasions, dependent on the humble hope and expectation of a life to come: a hope and expectation deeply rooted in human nature .... [T]here is a world to come, where exact justice will be done to every man ... (**TMS** III.2.33) Nature teaches us to hope, and religion, we suppose, authorises us to expect, that it [sc injustice] will be punished, even in a life to come. Our sense of its ill desert pursues it ... even beyond the grave .... The justice of God, however, we think, still requires, that he should hereafter avenge the injuries of the widow and the fatherless, who are here so often insulted with impunity. (**TMS** II.ii.3.12)[13]

This belief in an afterlife, in which all debts are to be settled and the books balanced, so to speak, is critical for Smith since it allows him to set aside the interest of the individual wherever it suits the (putative) interest of society to do so. I will return to this topic shortly.

2 Nature and human nature

For Smith the universe is a great machine erected and supervised by the Deity with the goal of maximising human happiness. The whole of nature is designed by God to fulfil his purposes. But nature includes human nature, and our psychological make up is also precisely adjusted to fulfil certain specific tasks: '[God's] wisdom ... contrived the system of human affections, as well as that of every other part of nature' (**TMS** VI.ii.2.4).

A major instance concerns the predisposition to benevolence and the very much stronger one, not just to obey, but to enforce, the 'sacred laws of justice' (**TMS** II.ii.2.3), which God has placed in our personal make-up, what Smith calls 'this constitution of Nature' (**TMS** II.ii.3 title). Man, he says, 'who can only subsist in society, was fitted by nature to that situation for which he was made' (**TMS** II.ii.3.1). While it would be nice if everyone could cooperate from sheer love of one's fellows (ibid), we can still live without society-wide benevolence; but society is impossible without justice:

> Society may subsist, among different men, as among different merchants, from a sense of its utility, without any mutual love or affection ... but the prevalence of injustice must utterly destroy it (**TMS** II.ii.3.2-3).

Nature has therefore endowed men with consciences in order that they may behave justly:

> Though Nature, therefore, exhorts mankind to acts of beneficence, by the pleasing consciousness of deserved reward, she has not thought it necessary to guard and enforce the practice of it by the terrors of merited punishment in case it should be neglected. It is the ornament which embellishes, not the foundation which supports the building, and which it was, therefore, sufficient to recommend, but by no means necessary to impose. Justice, on the contrary, is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society, that fabric which to raise and support seems in this world ... to have been the peculiar and darling care of Nature, must in a moment crumble into atoms. In order to enforce the observation of justice, therefore, Nature has implanted in the human breast that consciousness of ill-desert, those terrors of merited punishment which attend upon its violation, as the great safe-guards of the association of mankind, to protect the weak, to curb the violent, and to chastise the guilty. (**TMS** II.ii.3.4)

Smith is saying here that Nature, in order to preserve society, has placed in our personalities a desire for justice. A sense of justice is an endowment of nature, but nature seen as an active force in the world, conscious and intentional.

Our strengths are thus implanted in us by divine providence. Not only our strengths but our weaknesses, too, however, are endowed by nature. A particularly striking example concerns the tendency of a fickle public to admire people merely for being lucky:

> Fortune has ... great influence over the moral sentiments of mankind, and, according as she is either favourable or adverse, can render the same character the object, either of general love and admiration, or of universal hatred and contempt. This great disorder in our moral sentiments is by no means, however, without its utility; and we may on this as well as on many other occasions, admire the wisdom of God even in the weakness and folly of man. Our admiration of success is founded upon the same principle with our respect for wealth and greatness, and is equally necessary for establishing the distinction of ranks and the order of society. By this admiration of success we are taught to submit more easily to those superiors, whom the course of human affairs may assign to us; to regard with reverence, and sometimes even with a sort of respectful affection, that fortunate violence which we are no longer capable of resisting; not only the violence of such splendid characters as those of a Caesar or an Alexander, but often that of the most brutal and savage barbarians, of an Attila, a Gengis, or a Tamerlane. (**TMS** VI.iii.30)

This is a remarkable passage. Admiration for the merely lucky is, admittedly, a 'great disorder' in our morals. But even our folly reflects God's wisdom, and this particular folly, like everything else, has been given us by God for a reason. The good thing about this weakness is that it reconciles us with our rulers, even those who only achieved this status by means of 'fortunate violence', inspiring us even to a kind of affection for brutal tyrants such as Tamerlane (or Timur Lenk), who reputedly made mountains of his enemies' skulls.

As Smith reminds us, this view of the role of fortune in moral sentiments parallels that of public

admiration of the great in preference to the good:

> This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition ... is ... the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages. (**TMS** I.iii.3.1)

And they were wrong – in Smith's view – since, as we shall see in the next section, even injustice can be part of a higher Good. Even this 'universal cause of moral corruption', in Smith's view, is god-given and has its purpose: it is 'necessary both to establish and maintain the distinction of ranks and the order of society' (**TMS** I.iii.3.1):

> The distinction of ranks, the peace and order of society, are, in a great measure, founded upon the respect which we naturally conceive for [the greatly fortunate ... the rich and powerful] .... The peace and order of society is of more importance than even the relief of the miserable .... Moralists ... warn us against the fascination of greatness. This fascination, indeed, is so powerful, that the rich and the great are too often preferred to the wise and the virtuous. Nature has wisely judged that the distinction of ranks, the peace and order of society would rest more securely upon the plain and palpable difference of birth and fortune, than upon the invisible and often uncertain difference of wisdom and virtue. The undistinguishing eyes of the great mob of mankind can well enough perceive the former: it is with difficulty that the nice discernment of the wise and the virtuous can sometimes distinguish the latter. In the order of all those recommendations, the benevolent wisdom of nature is equally evident. (**TMS** VI.ii.1.20)

So even this particular weakness, which Smith has earlier damned in the most severe terms, is evidence of the 'benevolent wisdom of nature', and it is so because there has to be a ruling stratum, and Nature has wisely judged it best to have an obvious one to which the masses can easily be led to give their loyalty.

3 Justice, order and property

The passages just cited show that despite Smith's claim that justice is fundamental for society, *order* is in reality of more basic importance to him. Speaking, for example, of the tendency for members of the different 'orders and societies' in the state to resist any diminution in their 'powers, privileges and immunities', he argues that

> This partiality, though it may sometimes be unjust, may not, upon that account be useless. It checks the spirit of innovation. It tends to preserve whatever is the established balance among the different orders and societies into which the state is divided; and while it sometimes appears to obstruct some alterations in government which may be fashionable and popular at the time, it contributes in reality to the stability and permanency of the whole system. (**TMS** VI.ii.2.10)

The assumption is that what is, is likely to be best, and should in general be preserved, even at the expense of justice. As we have seen, the achievement of justice in any specific situation is of little importance since, in most cases, each individual will automatically get what they deserve in this life, and, if not, then in the next. It is this concept of heaven as a mechanism for balancing the books that allows Smith to defend principles, such as the partiality of the orders of society in defence of their own interests, and the contempt 'unjustly' bestowed upon poverty and weakness instead of on vice and folly (**TMS** II.ii.3.4), when they conflict with the claims of justice.

When Smith speaks of justice he is thinking of order; when he speaks of order, however, he is thinking of property:

> The poor man must neither defraud nor steal from the rich, though the acquisition might be much more beneficial to the one than the loss could be hurtful to the other .... by [doing so] he renders himself the proper object of the contempt and indignation of mankind; as well as of the punishment which that contempt and indignation must naturally dispose them to inflict, for having thus violated one of those sacred rules, upon the tolerable observation of which depend the whole security and peace of human society. There is no commonly honest man who does not more dread the inward disgrace of such an action, the indelible stain which it would for ever stamp upon his own mind, than the greatest external calamity which, without any fault of his own, could possibly befal him; and who does not inwardly feel [that such an action] is more

> contrary to nature, than death, than poverty, than pain, than all the misfortunes which can affect him (**TMS** III.3.6).

Thus theft by the poor from the rich – even when it would augment social welfare[14] – calls down more Smithian abuse upon their heads than any other crime. In one passage a murderer or parricide, by contrast, is dismissed as merely 'ungrateful' (**TMS** II.ii.3.11), while in another, murder, though stigmatised as 'this most dreadful of all crimes' (**TMS** II.i.2.5), is dealt with matter-of-factly without any of the hyperbole shown in his discussion of theft from the rich.

Again, it is well known that Smith regarded the state as an institution guarding the rich from the poor:

> Till there be property there can be no government, the very end of which is to secure wealth, and to defend the rich from the poor. (Smith *Lectures on Jurisprudence*, cited in **WN**[15] V.i.b.12 n21)
> Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all. (**WN** V.i.b.12)

This fact, however, has been subjected to the comical misinterpretation that somehow this represented a *complaint*, or some sort of plea on behalf of the underdog. Viner (1958: 233), for example, cites these passages as evidence for Smith's desire to limit government activity, and Raphael (1985: 8) says that the **WN** passage strikes a 'radical note'. Nothing could be further from the truth. The context of these passages shows unambiguously that Smith gave his full approval to the arrangements he was describing:

> The affluence of the rich [man] excites the indignation of the poor, who are ... prompted by envy to invade his possessions ... which [are] acquired by the labour of many years, or perhaps of many successive generations …. [The owner of valuable property] is at all times surrounded by unknown enemies, whom, though he never provoked, he can never appease, and from whose injustice he can be protected only by the powerful arm of the civil magistrate continually held up to chastise it [the injustice of those enemies]. The acquisition of valuable and extensive property, therefore, necessarily requires the establishment of civil government. (**WN** V.i.b.2)

The issue of the defence of property can be linked directly with the question of whether Smith was an individualist by reference to a famous passage in **WN** in which 'every individual' is 'led by an invisible hand' to promote the interest of society:

> As every individual, therefore, endeavours as much as he can both to employ his capital in the support of domestick industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. (**WN** IV.ii.9)[16]

It is clear that when he speaks of 'every individual' Smith can only mean each individual who is actually in a position 'to employ his capital', that is, each owner of capital, each capitalist. Smith's individualism extends so far as the individual is a representative of property, and no further. This is the meaning of the 'simple system of natural liberty' (**WN** IV.ix.5, **WN** IV.v.b.16, **WN** I.x.c.59, for example) lying at the heart of his *laissez-faire* policy prescription.

4 The deception of nature

As we saw earlier, for Smith, deceptive appearances can still be desirable, and the admiration of wealth illustrates this view. Admiration of wealthy people was good for social order. It has another aspect, however. In this case, individuals are misled by the gaudy appearances of wealth itself. They strive to achieve it, and although they do not achieve any greater happiness for themselves, they benefit society by so doing. Wealth does not bring the individual happiness, but the struggle for it benefits society: individuals are deceived by nature into acting in the social interest.

For Smith, the outward appearance of great disparity in wealth between the rich and the poor conceals a very large measure of real equality in welfare:

> The rich ... are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants .... When

> providence divided the earth among a few lordly masters, it neither forgot nor abandoned those who seemed to have been left out in the partition. These last too enjoy their share of all that it produces. In what constitutes the real happiness of human life, they are in no respect inferior to those who would seem so much above them. In ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possesses that security which kings are fighting for. (**TMS** IV.1.10)

So the sources of real happiness were divided by divine providence – or by the rich who are, in turn, led by divine providence – so that we all get an equal share. This theme is repeated throughout Smith's works, often combined with the notion that great happiness and grief are occasioned not by a state or condition but by a change in condition.

> The never-failing certainty with which all men, sooner or later, accommodate themselves to whatever becomes their permanent situation, may, perhaps, induce us to think that the Stoics were, at least, thus far very nearly in the right; that, between one permanent situation and another, there was, with regard to real happiness, no essential difference .... Happiness consists in tranquillity and enjoyment. Without tranquillity there can be no enjoyment; and where there is perfect tranquillity there is scarce any thing which is not capable of amusing. But in every permanent situation, where there is no expectation of change, the mind of every man, in a longer or shorter time, returns to its natural and usual state of tranquillity. (**TMS** III.3.30)

The view that all permanent conditions are alike, and that it is only changes which matter, is very clearly reflected in his argument that the poor are, at best, ignored, while the impoverished rich are pitied:

> The mere want of fortune, mere poverty, excites little compassion. Its complaints are too apt to be the objects rather of contempt than of fellow-feeling. We despise a beggar; and ... he is scarce ever the object of any serious commiseration. The fall from riches to poverty, as it commonly occasions the most real distress to the sufferer, so it seldom fails to excite the most sincere commiseration in the spectator. (**TMS** III.3.18)

Smith draws the conclusion that much of the evil in life can be attributed to failure to understand this point:

> The great source of both the misery and disorders of human life, seems to arise from over-rating the difference between one permanent situation and another. Avarice over-rates the difference between poverty and riches .... The person under the influence of those extravagant passions [sc avarice], is not only miserable in his actual situation, but is often disposed to disturb the peace of society, in order to arrive at that which he so foolishly admires ... [although] in all the ordinary situations of human life, a well-disposed mind may be equally ... contented .... In all the most glittering and exalted situation that our idle fancy can hold out to us, the pleasures from which we derive our happiness, are almost the same with those which, in our actual, though humble station, we have at all times at hand, and in our power. (**TMS** III.3.31)

But in even *this* cloud there is a silver lining. In general it is in the extremity, or extravagance, of an emotion that the problem lies: merely to be deceived by appearances, on the contrary, is often desirable:

> The poor man's son, whom heaven in its anger has visited with ambition ... admires the condition of the rich .... He is enchanted with the distant idea of this felicity .... and, in order to arrive at it, he devotes himself for ever to the pursuit of wealth and greatness .... Through the whole of his life he pursues the idea of a certain artificial and elegant repose which he may never arrive at, for which he sacrifices a real tranquillity, that is at all times in his power, and which, if in the extremity of old age he should at last attain to it, he will find to be in no respect preferable to that humble security and contentment which he had abandoned for it. It is then ... that he begins at last to find that wealth and greatness are mere trinkets of frivolous utility .... And it is well that nature imposes upon us in this manner. It is this deception which rouses and keeps in motion the industry of mankind. (**TMS** IV.1.8-10)

This 'deception by nature' (Raphael and Macfie, 1976: 8), which leads people to fulfil what they think are their own purposes, only to find they were fulfilling the purposes of a superior force or interest, is the counterpart in Smith of the 'cunning of reason' in Hegel,[17] and the 'divine tactic' of history in Burke (Sabine, 1951: 519), both whom are known to have read and admired Smith.[18]

The deception of nature is not something ancillary to Smith's principal doctrine but is fundamental to the whole system. This becomes clear in the first few pages of **TMS** (I.i.1.1-13), where we find that, according to Smith, the whole structure of moral sentiments is built on illusion. The basis for morality is *sympathy*, that is, our ability to a limited extent to enter into the emotions of other people. But this

participation in the pains and pleasures of others is achieved solely by an act of the imagination, divorced from the material causes of those pains and pleasures in the person we sympathise with. This sympathy even extends to fictional and historical characters, and the dead – people, that is, who are incapable of feeling pain and pleasure in the first place, as well as to the insane, who are incapable of comprehending the degradation their illness has brought them to, and persons experiencing what we can never experience, such, if we are male, as a woman in labour. This shows sympathy to be a 'very illusion of the imagination' (**TMS** I.i.1.13), the imagination of 'what perhaps is impossible' (**TMS** I.i.1.11). We place ourselves, in the imagination, in the position of the other person, without in fact being in that position, and often without it being possible that we ever could be in such a position. We cannot help it: it is a god-given compulsion from which even the most hardened criminal is not completely immune (**TMS** I.i.1.1).

5 Conclusion

We have seen that Smith's God treats individual humans in an extremely cavalier manner, subjecting them to all sorts of illusions and deceptions, and other weaknesses and indignities, often with quite deleterious consequences to the individual in question, supposedly in the interest of maximising human welfare. My conclusion, therefore is that in large measure Macfie is right: it is the totality which is always primary for Smith, and individuals are assigned very subordinate roles. Deprived of any real freedom or autonomy, they are inveigled, deceived and intimidated into doing God's will, that is, supposedly, maximising human welfare. To balance the books, as it were, we are assured that justice will be done to individuals either later in this life or, if not, then in the next.

A classic case of this subordination of the individual to the supposed needs of society occurs at the end of the first chapter of **TMS**, where he applauds even the fear of death as bad at the individual but good at the social level:

> one of the most important principles in human nature [is] the dread of death, the great poison to the happiness, but the great restraint upon the injustice of mankind, which, while it afflicts and mortifies the individual, guards and protects the society. (**TMS** I.i.1.13)

In connection with this we should recall the value which Smith explicitly placed on the individual in the context of the overall system of which he is part. Before his God, says Smith, man appears as a 'vile … insect' (**TMS** II.ii.3.12[19]). Again, in *The History of the Ancient Physics*, criticising the 'pusillanimous superstition' of primitive societies, he sets out his own vision 'of an universal mind, of a God of all … who governs the whole by general laws, directed to the conservation and prosperity of the whole, without regard to that [sc the conservation and prosperity] of any private individual' (**Astronomy** Physics 9).

So Smith's system teaches us that it is permissible for a 'great Conductor' to 'poison the happiness' of individuals, to 'afflict and mortify the individual', to disregard 'the conservation and prosperity … of any private individual', to inspire in us a 'respectful affection' for brutal tyrants and esteem for the noble military exploits of even 'very worthless characters', and to 'sacrifice [individuals'] little systems to the prosperity of a greater system' – all in the putative interest of society, of 'the whole'. And if we are to consider the individual a 'vile insect' relative to the totality of which he is part, we will certainly be unrestrained by respect for individual lives and individual suffering in the execution of Smith's programme and the pursuit of what we take to be the interest of that totality.

Notes

1. Adam Smith Professor of Political Economy at Glasgow and one of the editors of the Glasgow Edition of *The Theory of Moral Sentiments* (Smith, 1976a).
2. As a referee points out.
3. References here would surely be redundant: see chapter one of almost any introductory economics text.
4. Full title: *The Principles which Lead and Direct Philosophical Enquiries; Illustrated by the History of Astronomy, the History of Ancient Physics and the History of the Ancient Logics and Metaphysics*.
5. Henceforth referred to as **TMS**, **Astronomy**, and **WN**, respectively.
6. This assertion has been questioned, but I don't really think that there can be much doubt of its validity: 'Stoic philosophy is the primary influence on Smith's ethical thought. It also fundamentally affects his economic theory .... Stoicism never lost its hold over Smith's mind.' (Raphael and Macfie, 1976: 5-6) The argument is also set out in Clarke (1996, 1998). Acceptance of this point is not a precondition for understanding or accepting the argument

presented in the remainder of this article.

7. See Macfie (1959: 225) for some of the ways Smith modifies Stoic doctrine.
8. Smith himself is certainly not a utilitarian. That would require him to hold a consequentialist view of morality rather than the deontological view he actually does hold. See Sen and Williams (1982: 3-4) for the argument that utilitarianism lies at the intersection of welfarism and consequentialism. It would also require him to believe, what he does not believe, that it is possible for human actions and institutions to increase the total quantity of happiness in the world. The deity, however, is another matter. For more on the relation between Smith and utilitarianism, see Macfie's review of Lionel Robbins's *Theory of Economic Policy* (Macfie, 1967: 152-161).
9. ie, *Theories of Moral Sentiments* (Smith, 1976: Vol I), Part VII, Section I, Chapter III, Paragraph 18.
10. Smith says there that Benevolence may, perhaps, be the sole principle of action in the Deity, and there are several, not improbable, arguments which tend to persuade us that it is so. Elsewhere, however, he asserts that God loves virtue and hates vice 'for their own sakes' rather than for the effects which they tend to produce (**TMS** II.ii.3.12). This would be a separate and additional objective, though admittedly it would not logically require that it be a 'principle of action'.
11. This passage throws an interesting light on Smith's vision, and imagery, of the good life. Smith's love of 'the ennobling hardships and hazards of war' (**TMS** III.2.35) is germane here: 'War is the great school for acquiring and exercising ... magnanimity.' It teaches a 'habitual contempt of danger and death' which 'ennobles the profession of a soldier, and bestows upon it ... a rank and dignity superior to that of any other profession' (**TMS** VI.iii.7). Indeed, a 'great warlike exploit' attracts a measure of 'esteem' just because it is military, even 'though undertaken contrary to every principle of justice' and by 'very worthless characters' (**TMS** VI.iii.8).
12. Space constraints preclude any discussion of the 'Adam Smith problem', the assertion of a disjuncture between **TMS** and **WN**, here. Suffice it to say that the best argument I have seen for it is Viner's suggestion − utterly implausible to anyone familiar with **TMS** − that we can discount the sixth edition since Smith by now was 'elderly and unwell' (Viner, 1958: 231). See Raphael and Macfie (1976: 20-25) for an emphatic and detailed refutation of any breach between **TMS** and **WN**, and the most important references to the literature.
13. See also **TMS** III.5.10 and **TMS** III.2.12.
14. This deontological standpoint must clearly present considerable difficulty for anyone wanting to label Smith a utilitarian.
15. ie, Smith (1976b) Book V, Chapter I, paragraph 12, note 12.
16. If one accepts the thesis (controversial to some) that the invisible hand is the hand of God, not only in **TMS** but also in **WN**, this passage gives a fresh dimension to the question of individualism. Smith implies, firstly, that it is desirable that human activity be coordinated by some central power so that individual self-interested behaviour conduces to the public good. Secondly, he says that this is actually the case: that that central agency is God. If one were to accept the first but not the second, the normative but not the positive statements, then little indeed might be left of free market individualism.
17. See Knox (1952: §§344, 348) for the best expression of the 'cunning of reason' in Hegel (even though the term itself is not actually employed there).
18. For Hegel, see the favourable comments on the political economy of Smith, Say and Ricardo in The Philosophy of Right (Knox, 1952: §189 and Addition); for Burke, see the long extracts from his review of TMS and letter to Smith of 1759 in Raphael and Macfie (1976: 27-28).
19. Editions 1-5 only.

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