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Adam Smith: A Relationship between Metaphysics and Science

by

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A thesis submitted for the degree of Ph. D,

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Abstract

This thesis is basically in line with a common standpoint according to which Adam Smith's methodology deserves to be given the main priority in order to understand best his system of moral philosophy or 'social science' in a modern sense. In this connection Smith's 'metaphysics' is treated as an extremely important element to which our attention has to be drawn when we are concerned with his system of social science. This point of view differs primarily from an interpretative framework which seems to be still influential; a perspective from which a linkage between metaphysics and science is ignored. Instead, this work is based on the argument that metaphysics which may be defined as confirmable yet irrefutable (thus extra-scientific) doctrines is at work in the background of scientific activities in such a way that the former proposes an outline of scientific research in terms of providing a general outlook whereby a coherent type of data may be sorted out, arranged and organized. The 'predominant' aim of this work on the basis of the view just mentioned is to seek a linkage between Smith's study of natural theology, which is responsible for providing an influential metaphysical doctrine, and other disciplines such as ethics and economics in his scheme of moral philosophy.

I begin by identifying Smith's three metaphysical doctrines, the doctrine of mechanistic determinism, organismic philosophy, and the belief in a benevolent God (Chapter 2). Chapter 3 is designed to identify Smith's metatheoretical principles which, in conjunction with his metaphysics which is rooted in his theological outlook, serve to regulate or shape his 'theoretical' analysis of man and society. The three metatheoretical principles identified are the law of the heterogeneity, the belief in harmony, and the faith in progress. While Chapters 2 and 3 belong to a methodological discussion in a broad sense in the present work, they are not concerned with a methodological problem which is usually handled in relation to Smith's method of inquiry. Chapter 4 is thus addressed to the treatment of

Smith's views on the nature of scientific knowledge, on the rules of procedures related to theoretical construction, and on how scientific results thus formulated are accepted and justified. In this chapter it is observed that Smith's view of science is in line with a realist position within a broadly empiricist philosophical tradition. These three chapters can be seen as those which illuminate 'principles' that are important in understanding Smith's 'analytic' treatment of the individual and society. On the basis of this knowledge the subsequent chapters (Chapters 5 to 7) are intended to demonstrate and justify those 'principles' which are noted in the earlier part. Chapter 5 is therefore devoted to the clarification of the characteristics of Smith's ethical theory by reference to his metaphysical and metatheoretical principles. Smith's moral theory shows that it rules out the possibilities of conflict in moral discourse; he suggests the progress of moral values, just as he envisages the progress of legal codes and of wealth through time; both his theory of conscience, and his equation of a science of morals with normative ethics (and also the problem of meta-ethics) are inextricably bound up with his organismic philosophy. Chapter 6 deals with the application of the same 'principles' to parts of Smith's theoretical analysis in the *Wealth of Nations*. It is observed that Smith's view of long-term economic evolution is in line with a type of an exchange economy which shows a steady growth, which is attributed to the point that Smith is bound to the concept of progress as a metatheoretical principle. An examination of his theory of value and distribution reveals that at the analytic level he is not interested in aspects of conflict and exploitation in economic transactions; and despite a certain similarity of the observation about the negative effects of the division of labour, the difference of treatment in the formal analysis between Smith and Marx is due to the difference of the world view which is provided by their respective metaphysics. Chapter 7 is concerned with the bearing of Smith's religious conviction and its associated principles on his political attitude in economic affairs. This discussion is offered in connection with the proposition noted in the earlier part that metaphysics may have political suggestiveness (as well as methodo-logical suggestiveness).

Abbreviations and References on Works of Adam Smith

I have employed throughout this thesis the Glasgow Edition of the Works and Correspondence of Adam Smith, which was published as a series of volumes from 1976 onwards. The usages of the Glasgow Edition are used for abbreviations and references in the notes of each chapter. The abbreviations of Smith's written and reported works are listed below.

Corr.	*Correspondence of Adam Smith*
EPS	*Essays on Philosophical Subjects*, included among which are:
Ancient Logics	'The History of the Ancient Logics and Metaphysics'
Ancient Physics	'The History of the Ancient Physics'
Astronomy	'The History of Astronomy'
External Senses	'Of the External Senses'
Imitative Arts	'Of the Nature of that Imitation which take place in what are called the Imitative Arts'
Stewart	Dugald Stewart, 'Account of the Life and Writings of Adam Smith'
LJ(A)	*Lectures on Jurisprudence*, Report of 1762-3
LJ(B)	*Lectures on Jurisprudence*, Report dated 1766
LRBL	*Lectures on Rhetoric and Belles Lettres*
TMS	*The Theory of Moral Sentiments*
WN	*An Inquiry into the Nature and Causes of the Wealth of Nations*, which is referred to as *The Wealth of Nations*

In the Glasgow Edition, WN was edited by R.H. Campbell, A.S. Skinner, and W.B. Todd (1976); TMS, by D.D. Raphael and A.L. Macfie (1976); Corr., by E.C. Mossner and I.S. Ross (1977); LJ(A) and LJ(B), by R.L. Meek, D.D. Raphael, and P.G. Stein (1978); EPS, by W.P.D. Wightman (1980); and LRBL, by J.C. Bryce (1983). The Glasgow Edition was published by Clarendon Press, Oxford.

Chapter 1: Introduction

Today, Adam Smith is principally renowned for his remarkable contribution to the subject of economics. The author of the *Wealth of Nations* opened up a new epoch in the history of economic thought in an endeavour to connect together diverse economic phenomena by virtue of a few principles, and to offer a systematic economic analysis, which his predecessors failed to achieve. But Smith was more than a great economist. Smith had a wide range of interests. Before Smith became a professor at the University of Glasgow, he gave a course of lectures whose subjects were of a literary nature. At an early stage of his career Smith was also interested in natural science and mathematics, and his essays on philosophical subjects were the products of his youthful concerns. However, above all, Smith's greatest concern in his lifetime was in the subject of moral philosophy, as the publication of his major two books, the *Theory of Moral Sentiments* and the *Wealth of Nations*, suggests. It is thus not surprising that since the so-called 'Adam Smith renaissance' around the bicentennial celebration of the publication of the *Wealth of Nations*, a large number of scholars have talked about Smith's contribution to the social sciences in a modern sense.[1] The present study is likewise proposed as an attempt to understand Smith's system of social science.

To begin with, we shall need to know the subjects of Smith's moral philosophy lectures, and the content of each subject within moral philosophy. As is known from the report of John Millar, the lectures on moral philosophy were divided into four subjects embracing natural theology, ethics, jurisprudence, and economics. The outline of the contents of each subject which was described by Millar is as follows:

> His course of lectures on this subject was divided into four parts. The first contained Natural Theology; in which he considered the proofs of the being and attributes of God, and those principles of the human mind upon which religion is founded. The second comprehended Ethics, strictly so called, and consisted chiefly of the doctrines which he afterwards published in his Theory of Moral Sentiments. In the third part, he treated at more length of that branch of morality which relates to *justice*, and which, being susceptible of precise and accurate

> rules, is for that reason capable of a full and particular explanation. ... In the last part of his lectures, he examined those political regulations which are founded, not upon the principle of *justice*, but that of *expediency*, and which are calculated to increase the riches, the power, and the prosperity of a State. ... What he delivered on these subjects contained the substance of the work he afterwards published under the title of An Inquiry into the Nature and Causes of the Wealth of Nations.[2]

The first part of moral philosophy lectures was Natural Theology. But Smith's lecture notes were perhaps burnt on his demand before death, and no writing on the subject has up to now survived, although some evidence remaining in other writings provides us with an idea of his theological views. Ethics constituted the second part, and as the above report of Millar tells us, its content was comprised in the *Theory of Moral Sentiments*, where Smith's general theory of morality appears. The third part was Jurisprudence, which was thought to be 'that branch of morality which relates to justice'. Smith failed to publish a book on this subject, but it was one of the works which he projected up to his last days.[3] Two sets of students' notes survive. The final course of moral philosophy lectures was encompassed by Political Economy, whose contents later became in substance Smith's notable classic, the *Wealth of Nations*. The lectures on Political Economy, though it composed a distinct part of his moral philosophy, in Smith's plan, actually found its place in the framework of natural jurisprudence, which was considered by him as 'a theory of the general principles which ought to run through and be the foundation of the laws of nations'.[4] Looked at from this point of view we can observe that in the lectures on moral philosophy Smith started with natural theology, worked on to ethics, and then proceeded to jurisprudence and political economy.

Given this summary of the subjects of Smith's moral philosophy, a meaningful question arises as to what would be the relationships between those different subjects within moral philosophy. Obviously, a great difficulty in dealing with this problem lies in the fact that Smith did not succeed in completing his planned project, and published just the two major books in his lifetime. Nevertheless, it seems that there have been many successful studies on this matter.

INTRODUCTION

The discussions about the relation of the *Theory of Moral Sentiments* to the *Wealth of Nations* were, in the past, one of the most interesting debates among Smithian commentators. A number of nineteenth century interpreters found that there was a fundamental incompatibility between the two books; the so-called the 'Adam Smith Problem'. For example, it was claimed by H. T. Buckle that 'In the *Moral Sentiments*, he ascribes our actions to sympathy; in his *Wealth of Nations*, he ascribes them to selfishness. A short view of these two works will prove the existence of this fundamental difference'.[5] That is, such a contention implies that Smith put forward an altruistic theory in the former work, while he came to propose an egoistic theory in the latter, which was seen to arise from a later change in his concern. But this argument which suggested an inconsistency between Smith's ethical and economic works in respect of the sources of human motivation and virtue has been refuted since the late nineteenth century,[6] so that these days few are likely to believe the 'Adam Smith Problem' in the original sense to hold true. Now it is a commonplace that the former book contains Smith's complete account of moral psychology including the treatment of self-interest, whilst the latter book is built up on the assumption of a narrower human motivation of self-love, together with the basic premiss that the minimum state of justice is satisfied.

On the other hand, many recent studies, which were made possible by the discovery of the two sets of students' notes on jurisprudence, contributed to the work of establishing Smith's planned intentions. Those studies focussed attention on a project of seeking the links between Smith's main books, in terms of the recovery of his jurisprudence or politics. For example, D. Winch made an endeavour to establish Smith's politics in the context of his ethics and economics, providing a wide-ranging historical reading about several political problems of his day. More importantly, K. Haakonssen demonstrated both that Smith's moral theory provided the basis for his framework of natural jurisprudence, thus pointing out the ethical and philosophical foundations of the latter, and that his political and economic arguments were the products of the application of the theory of law and government to particular historical situations.[7] It is

noteworthy that these studies supplied the 'eventual' answer to the question which first brought about the 'Adam Smith Problem'.

It seems, accordingly, that at present we can assume a systematic unity in the light of the relations between the different studies of man in society which Smith taught in the course of moral philosophy, namely, ethics, jurisprudence or politics, and economics. But another question remains to be raised when our interest is to look at the relationship between the subjects within his moral philosophy. That is, what is the relation between natural theology, and the studies of man in society (mainly ethics and economics)? A number of authors have tried to give an answer to this question. On the basis of their answers those who have engaged in this matter may be divided into two main groups, (if we ignore slight differences of opinion even within each group). Firstly, many among the earlier commentators were inclined to hold that Smith's theological view was intimately connected with his ethical and economic doctrines, suggesting that the latter was 'logically' deduced from the former. On this type of interpretation, Smith's theoretical products in the study of society were based on a deduction from his belief in a natural order in the universe. Secondly, there is another position on this matter, which rightly criticizes the first line of interpretation on the ground that Smith's science of society is based on causal analysis only. In this view, Smith's religious conviction is in no sense essential to, and has no place in, his science of society. Whereas it is admitted that Smith's theological outlook is part of his whole system, it is denied that he relies on it for the naturalistic analysis of society.[8] Smith's principal concern is with an accurate description of social facts and a causal explanation of them, following the logic of science. There is no room for a linkage between his theological belief and science, at least in the way that the former group of commentators found. Smith's theology is, at the very most, an appendage to his study of nature and society. It is even conceded that Smith's famous term, 'the invisible hand', contains a theological meaning. Yet the 'invisible hand' is claimed to play no role at all in direct relation to his scientific inquiry. This is the conclusion which is usually common to the second line of interpreters.

The second position on the relationship between Smith's natural theology and the science of man represents recent conventional wisdom in the sense that today a number of interpreters seem to accept it. Accordingly, it may be said that the subject in which Smith's religious conviction manifested itself now remains, in a sense, perfectly isolated from his 'scientific' studies of society. In this vein it is very interesting to observe initially the remark of Jacob Viner.

> Modern professors of economics and of ethics operate in disciplines which have been secularized to the point where the religious elements and implications which once were an integral part of them have been painstakingly eliminated. It is in the nature of historians of thought, however, to manifest a propensity to find that their heroes had the same views as they themselves expound, for in the intellectual world this is the greatest honor they can confer upon their heroes. If perchance Adam Smith is a hero to them, they follow one or the other of the two available methods of dealing with the religious ingredients of Smith's thought. They either put on mental blinders which hide from their sight these aberrations of Smith's thought, or they treat them as merely traditional and in Smith's day fashionable ornaments to what is essentially naturalistic and rational analysis... For these writers the teleological aspects of Smith's thought have only nuisance value.[9]

Viner's message is clear: the practitioners have a psychological propensity to ignore, from today's convention and perspective, religious factors which were basic to certain classical writings, say, Smith's work. This may well be true, but it can be noticed that there has been the same tendency among many contemporary historians of thought, as well as among the practitioners. Hence, in my view, the tendency to isolate entirely Smith's scientific performance from the religious ingredients is not that which can be ascribed simply to a 'psychological propensity'; one similar to the inclination by which 'to see it [a classical work] as leading in a straight line to the discipline's present vantage', as Kuhn once stated in *The Structure of Scientific Revolution*. While I am ready to admit that in the case of Smith such a psychological propensity which Viner notes has actually worked, yet I think that a more fundamental source of the recent popular opinion above mentioned appears to rest partly on the view of science which one believes to be genuine.

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A popular view of science in modern times has told us the following.[10] Science starts with experience. Science as knowledge is derived in some rigorous way from observation and experiment. Inductive reasoning from the facts acquired by observation and experiment leads to the formulation of scientific theories, and the results of scientific theories are verified by appeal to observation and experimentation. At the same time it is stressed that personal value judgment or preference and speculation do, and should, find no place in science. The movement of logical positivism in this century has brought this view of science up to an extreme form of empiricism. All that cannot be derived from observation and experiment are conceived to have the status of non-science. In this view of science, metaphysical statements are seen to be neither true nor false, but meaningless. This view of science became a standard view in the past (before 1960s) and still has not a little influence today. What is of particular importance for our purpose is that metaphysics has no place in science according to this view. It is unscientific and has nothing to do with science proper.

In this connection it will be interesting to note the distinction between 'vision' and 'economic (or scientific) analysis' which was made by Joseph Schumpeter, one of the great historians of economic thought. According to him, vision is 'ideological almost by definition ... [since] it embodies the picture of things as we see them'. It is also equivalent to 'the way in which we wish to see them'. This vision, in Schumpeter's view, is related to 'a preanalytic cognitive act', and 'enters on the very ground floor'. On the other hand, economic (or scientific) analysis comes after that preanalytic cognitive act based on vision, and consists of the purely analytic effort of applying the technique of analysis to selected material, following the rules of procedure. This stage of analytic effort is said to be 'almost as much exempt from ideological influence as vision is subject to it'. It seems clear that Schumpeter follows the logic of logical positivism. Schumpeter separates 'economic (or scientific) analysis' proper from vision, by which he appears to mean the factors such as the world view, ideology, value judgments, and personal hopes and aspirations; he argues that there is no interrelationship between scientific analysis and vision. The one is rational and objective,

while the other is irrational and subjective. The logical face of science marked by the rules of procedure and the technique of analysis serves to correct errors brought about by vision, and scientific knowledge grows in this process.[11] Finally, in this way, if we consider the popular view of science in the past, and, as I believe, suppose its probable connection with many Smithian commentators of the second group before noted, it is hardly surprising that they offered a low opinion concerning the place of natural theology in Smith's scheme of moral philosophy.

However, the decline of logical positivism came as a result of a large number of criticisms against it. There is one thing of special interest in this connection: the vital role which metaphysical doctrines play in conjunction with scientific inquiry and analysis. The theme already formulated by some historians of science, has been reinstated and clarified by some Popperian philosophers of science. Metaphysical doctrines are statements about the intrinsic nature of things in the universe. And they can be considered as the world view of a theorist only in such a sense.[12] Metaphysical doctrines inform us about the hidden existence of something in the universe of which we may have only confirming evidence. They are inconclusively confirmable, yet unverifiable and unfalsifiable. Accordingly, there is no way of checking them by means of experiment and observation. This is the reason that they become meaningless statements by the standards of a logical positivist. Nonetheless, they are methodologically suggestive since they function in a way that exerts a regulative influence on the construction of scientific theories. They tell us ways of seeing and examining the world, so that they come to limit or rule out a certain range of theoretical possibilities. Finally, they have moral or political suggestiveness.[13] These days it seems commonplace among contemporary philosophers of science that metaphysics is influential in scientific activity.

Looked at in this way it will be obvious that the part that metaphysics plays in relation to scientific inquiry and analysis should not be left out of consideration, in the way that many positivist interpreters of Smith's work have done. This provides a good reason for the reconsideration of the role and place of the

'first' subject of Smith's moral philosophy, natural theology, in conjunction with his studies of man in society. The main purpose of the present work is to make more apparent an intimate linkage between Smith's natural theology and his 'theoretical' system of ethics and economics, by reference to the theme just described about the relationship between metaphysics and science. It is my belief that if we fail to draw proper attention to the relationship between Smith's religious conviction (metaphysics) and his 'analytical' studies of ethics and economics (science), we might stay content with a less correct state of exegesis with respect to his work.

In my view, there is a great misunderstanding which has occurred owing to the failure of the existing commentaries to shed light on the precise relationship between Smith's theological outlook and science of society. The point is, as a matter of fact, very important in that it has found its final end in the conclusion of the 'duality' of Smith's philosophic and historical vision. Viner's famous paper brought to the attention of commentators the broad existence of the flaws in the natural order in the *Wealth of Nations*, or a large number of cases where the 'invisible hand' does not work in the book.[14] On account of this Viner found a discrepancy between Smith's major two books: while Smith's system of ethics was developed on the basis of a harmonious order in nature, his system of economics departed partially from the presupposition. This is a divergence between the two books which is 'impossible of reconciliation even by such heroic means as one writer has adopted of appeal to the existence in Smith's thought of a Kantian dualism'.[15] In this vein Viner says: 'His philosophical speculations about a harmonious order in nature undoubtedly made it easier for him to reach a laissez faire policy, though I believe that the significance of the natural order in Smith's economic doctrines has been grossly exaggerated'.[16]

In a similar context, some reference should be made to A. Macfie's contention. Macfie initially agrees with Viner's aforementioned opinion about the *Wealth of Nations*. But Macfie, unlike Viner, correctly notes both that Smith does not deduce logically his moral theory from his theological faith, and that the *Theory of Moral Sentiments* likewise reveals the dark side of social life. The

'irreconcilable conflict' between the happy and the dark sides of human life is, Macfie claims, much sharper within the earlier book than between the two books. Macfie concludes:

> There is in fact conflict within *both* books. In the *Moral Sentiments* the optimistic theism (deduced from faith) is in conflict with the inductive sympathy-spectator argument, and with the firm grasp of the seamier side of human nature and life. In the *Wealth of Nations*, theism naturally hardly appears at the level of economic discourse. But the opposition between the ideal picture of free and equal competition backed by fair play and justice, and the harsh facts of business is just a reflection of the *Moral Sentiments* opposition. In a system-building, synthetic thinker like Smith, such oppositions are to be expected. Smith after all is stating a form of faith which was general in his school...[17]

In brief, the bright and the dark sides of human life had been present from the outset within Smith's major two books; and given that Smith recognized the dark side of life from the outset in both writings, there is no reason to think that his ethical and economic doctrines were grounded on his religious faith in a benevolent Deity. Eventually, Smith's religious view, Macfie asserts, is no more than a mere expression of a convention which was dominant in his day, and to such an extent should be seen to have no connection with his study of society.

After all, we are returning to the recent popular view about the relation of Smith's natural theology to his science of society. But what here is of great significance is that as a result of these studies commentators have come to see the two Smiths, or the 'coexistence' of the two contrasting features within both books, namely, the 'beatific' and the 'seamy' aspects of Smith's argument, both of which are claimed to be independent of Smith's theological outlook. This kind of perception seems to have opened several doors for the study of Smith's work. In this connection there are two things to note. One of them is about Smith's method of inquiry. It has been claimed that Smith makes 'parallel' use of two distinctive methods, abstract and empirical, or ideal and real.[18] Another result concerns the duality of Smith's philosophic vision.[19] However, I think that if we come to understand properly the role that Smith's

theological view as metaphysics plays in his science of society, we are able to reach a different yet more coherent result.

The aim of the present study is to examine the relation between natural theology and other disciplines like ethics and economics in Smith's scheme of moral philosophy. And in the course of discussion attention will therefore be drawn to many present interpretations which are related to the argument of the 'two Smiths', or the duality of Smith's vision. I suggest that such commentaries are misleading owing to the failure to make out the exact relation between Smith's religious faith and his 'analytic' treatment of the individual and society. For this stated purpose, in Chapter 2, I shall begin with introducing the achievements in the contemporary philosophy of science, which are designed to establish that metaphysics is in fact influential in scientific inquiry in the way which is not merely methodologically, but morally or politically suggestive. I shall proceed to draw attention to Smith's three metaphysical doctrines which correspond, I think, with what we mean by metaphysics as defined above; the doctrine of mechanistic determinism, organismic philosophy, and the belief in a benevolent Deity. The account of the role of the doctrine of mechanistic determinism will be very limited, and no more discussion in particular conjunction with the doctrine will be offered in subsequent chapters, for it is a doctrine too familiar to us, and its implications are usually well-known. But we shall have some occasions to examine the methodological implications of normative organicism, since its role in Smith's work has generally been overlooked. Of course, our major attention will be given to the part which Smith's religious faith in a benevolent God plays in relation to his 'formal' or 'theoretical' analysis of morality and economics. For the sake of this we shall try to identify Smith's metatheoretical principles which are inextricably associated with his theological view concerning God's benevolence. By 'metatheoretical' principles I means those which, in conjunction with a metaphysical doctrine, 'concretely' perform an organizing or guiding role in scientific inquiry by way of proposing or ruling out a certain range of theoretical possibilities. It is also worth noting that a metatheoretical principle, as I propose it, has the similar characteristic as metaphysics. That is,such a principle has confirming evidence, yet is not subject to an empirical

test in terms of observations. Chapter 3 will be devoted to this task, and it will be seen that I identify three principles in the metatheoretical dimension, namely, the law of the heterogeneity of purposes, the belief in harmony (or the principle of ruling out conflict), and the faith in progress. In my view, the identification of these three elements in the metatheoretical dimension is of the highest importance for our purpose, because they serve as the organizing principles in theory construction, and as a result help us to confirm the linkage of Smith's metaphysics derived from his study on natural theology to scientific investigation. Meanwhile, while the discussion about Smith's metaphysical and metatheoretical principles may be considered as a broadly methodological issue in relation to the present study, it is evident that such discussion does not give us information about his views on the nature of scientific knowledge, on the rules of procedure relating to theory construction, and on how to justify formulated theories. This issue will be treated in Chapter 4, where Smith's conception of science is deemed to stand in the realist tradition of science. In the subsequent chapters (Chapters 5 to 7) we shall address ourselves to a project of demonstrating and justifying the themes which were proposed in the previous chapters. In summary, the following can be said. The present thesis falls into two parts, though I do not try to make an explicitly visible division in terms of a title. Chapters 2 to 4 which are intended as Part I will be addressed to the elucidation of what may be regarded as 'principles', and Chapters 5 to 7 which can be seen as Part II are concerned with their application to parts of Smith's analysis in his major work within the scheme of moral philosophy, the *Theory of Moral Sentiments* and the *Wealth of Nations*. However, it is important to bear in mind that whereas my treatment of 'principles' aims to be exhaustive, I do not attempt to cover the whole range of Smith's thought. Hence, I do not try to handle the aspects of Smith's thought in association with the doctrine of mechanistic determinism, and the principle of the heterogeneity of purposes. The implications and role of such ideas are ordinarily well-known, or have properly been treated by others. On the same ground I will not aim to examine Smith's historical work in detail, in conjunction with the metatheoretical principle of progress.

Finally, a few remarks need to be made with regard to the intended scope of the present study. Firstly, this study is not intended to evaluate the adequacy of Smith's arguments. This does not imply that Smith's arguments are perfectly complete and correct, looked at from today's perspective and knowledge. Instead, I believe that a sympathetic approach to his system should initially be made before any evaluation is made about it. Here I am trying to follow Bertrand Russell's advice that 'in studying a philosopher, the right attitude is neither reverence nor contempt, but first a kind of hypothetical sympathy, until it is possible to know what it feels like to believe in his theories'.[20] Seen in this connection it is likely to be important that Smith has to be understood and considered in the context of his times. It is well-known that Smith lived at a time when the terms, philosophy and science, were used synonymously.[21] This does not simply imply, as one usually thinks, that philosophy and science were considered to be the disciplines which sought the nearly same type of activity. Yet it also means that at least up to Smith's time, philosophical speculations which today we usually talk about, in scope, as such and such were 'consciously' closely linked to scientific activities.[22] Is the fact that a scientist takes seriously the importance of the idea of a benevolent God's government of the universe in scientific inquiry incompatible with the fact that at the same time he stresses the importance of scientific inquiry independent of theology and philosophy? Certainly, it is not. I think that Smith, like Newton, conceived the one to be compatible with the other without contradiction and circularity. A modern commentator made a similar point, and yet went on to point out that Smith's thinking in that way 'is, in the end, circular'.[23] A more sympathetic approach, I suppose, may help to understand Smith's original intentions without ascribing such a defect to him. In my view, Smith does not find his arguments to be circular, because he would think that his theological or philosophical speculation, as it is drawn from, and confirmed by, observation of facts, becomes a presupposition (or a metaphysical idea I shall later note) of scientific investigation which is no longer dependent on the latter. This is an approach which I am going to adopt in the present study.

Secondly, it is highly significant to keep in mind that the dominant concern of the present study lies in an account with respect to the relation of an influential metaphysical idea to 'scientific' systems of ethics and economics. In other words, my main aim is to show the intimate relationship between Smith's theological view and his 'formal' or 'theoretical' analysis of morals and an economy. It will be quite strange if we talk about the oneness or the duality of a writer's world view or vision on the basis of his description of the reality at the practical level rather than from the conclusions of his theoretical system. This implies, on the other hand, a requirement of the evident distinction between Smith's theoretical doctrines and other statements, or Smith the theorist and Smith the observer. It is well-known, for example, that the *Wealth of Nations* is not like the textbooks of the present-day positive economics. Empirical or historical statements, and policy recommendations as well as theoretical analysis all are parts of the book. I shall have, from time to time, some occasions to collect the facts which Smith honestly recognizes in conjunction with the negative aspects of social life, but it will be done just with a view to revealing that Smith is so well-balanced about the diverse spectra of reality, and not a naive, speculative thinker who is liable to overlook them. Donald Winch's *Adam Smith's Politics*, for example, offers a discussion in connection with Smith's description of the dark features of human life such as the enormous conflict arising from sectional interests and faction, and the deleterious effects of the division of labour, etc.. Yet I will not go into a detailed treatment of Smith's description concerning the negative aspects of human activities, although I do not believe it to be undeserving of attention,[24] since I am primarily interested in the elucidation of the relation between natural theology and the 'science' of man in society. In brief, in order to show the influence of Smith's study about natural theology on his system of 'social science', my focus will be on the 'theoretical' dimension to his work, whilst I do not intend to overlook both the importance of Smith's discussion on the practical dimension, and the merit of other studies which have been concerned with its aspects. This is inevitable, both for my stated narrower purpose, and because it will usually be agreed that an author's philosophic vision has to be found in his 'theoretical' work.

Finally, it is to be noted that the present study aims to give more clarification to Smith's ideas. Hence, no attempt will be made to handle the problems of how far Smith's ideas depended on his predecessors, and have had some influence on his successors. But there are places where Mandeville and Marx are treated in some detail. The places are intended to note the differences of a perception of reality which a different set of world view or vision brings.

Notes to Chapter 1

1) Cf. H.C.Recktenwald, 'An Adam Smith Renaissance *anno* 1976? The Bicentenary Output - A Reappraisal of His Scholarship', in J.C.Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol. 4, pp.249-277.
2) Stewart, I.18-20.
3) Cf. Corr., letter 248, Adam Smith to Rochefoucauld, 1 Nov. 1785; also TMS, Advertisement.
4) TMS, VII.iv.37.
5) Quoted in 'Introduction' to TMS, by Raphael and Macfie, p.21.
6) Cf. ibid., pp.20-5.
7) See D.Winch, *Adam Smith's Politics*(1978), and K.Haakonssen, *The Science of a Legislator*(1981); cf. also R.Teichgraeber,III, *'Free Trade' and Moral Philosophy*(1986), and P.A.Werhane, *Adam Smith and His Legacy for Modern Capitalism*(1991).
8) For detailed discussion see below, chapter 2.
9) J.Viner, *The Role of Providence in the Social Order*(1972), pp.81-82. Yet Viner as a 'historian of ideas' claims that Smith's system of thought is not intelligible if the role which his theological view plays in it is neglected; and this seem to be in line with his earlier position on this matter (cf. 'Adam Smith and Laissez-faire', in J.C.Wood(ed.), op.cit., Vol. 1, pp.143-67.).
10) See below, chapter 2; cf. also, e.g., A.F.Chalmers, *What is This Thing Called Science?*(1982).
11) J.Schumpeter, *History of Economic Analysis*(1954), pp.38-43.
12) Hence, metaphysical doctrines must duly be distinguished from vision in the Schumpeterian sense. They should not be seen to be similar to ideology, value judgments, and personal hopes. Joan Robinson's equation between metaphysics and ideology is misleading in this respect (cf. *Economic Philosophy*(1962), chapter 1).
13) See below, chapter 2.
14) J.Viner, op.cit.; cf. also E.Halevy, *The Growth of Philosophic Radicalism*(1901), translated by M.Morris(1928), pp.100-3, and Gide and Rist, *A History of Economic Doctrines*(1915), p.108ff.
15) J.Viner, op.cit., p.145; cf. also the same author's article, 'Adam Smith', *International Encyclopedia of the Social Sciences*(1968), Vol. 14, p.324.
16) J.Viner, 'Adam Smith and Laissez-faire', p.157.
17) A.Macfie, *The Individual in Society*(1967), pp.107-8; original italics.
18) See below, chapter 6.
19) Cf. R.Heilbroner, 'The Paradox of Progress', in A.S.Skinner and T,Wilson(eds.), *Essays on Adam Smith*(1975), pp.524-39; cf. also J.R. Lindgren, *The Social Philosophy of Adam Smith*(1973), p.134.
20) Quoted in K.R.Ranadive, 'The Wealth of Nations', in J.C.Wood(ed.), op.cit., Vol. 2, p.262.
21) Henry Laurie noted that among the Scottish philosophers in the eighteenth century there was a tendency to use both terms with no distinction (see his *The Scottish Philosophy in Its National Development*(1902), pp.6-7; cf. also H.Bittermann, 'Adam Smith's Empiricism and the Law of Nature', in J.C.Wood(ed.), op.cit., Vol 1, p.225 and T.D.Campbell, op.cit., p.25.
22) See below, chapter 2, and P.Frank, *Philosophy of Science*(1957), chapters 1 and 2.
23) See T.D.Campbell, *Adam Smith's Science of Morals*(1971), pp. 60

and 224.

24) The fact that Smith was not blind to the dark feature of human affairs reflects that Smith was so complex and rich a thinker. This is not simply that he was so well-balanced a scholar in relation to the numerous aspects of reality; but that though he did not treat that negative side as an object of theoretical analysis, he attempted, in the face of those facts, to find many, whether voluntary or non-voluntary, socialization mechanism which channels the negative respects of human activities into social benefit. We shall have an occasion to observe it later.

Chapter 2: Adam Smith's Metaphysics

2.1. Introduction

In ancient and medieval times, philosophy and science were part of a single system of thought and were not distinguished from each other. This was true at least up to Smith's day, although in the seventeenth century the chain between philosophy and science was gradually becoming broken. As is well-known, Smith made almost interchangeable use of these terms 'philosophy' and 'science'. But, since the nineteenth century philosophy and science have been completely separated from one another, and nowadays tend to be regarded as distinct types of discipline. Each has different aims and methods. Generally speaking, science is believed to be concerned with providing definite technical knowledge like descriptive laws or principles from which we can derive observational facts and which can be tested by experiment and observation. Philosophy is seen as a study which is designed to promote an understanding of the universe, like science, appealing to human reason, yet dealing with speculations on matters concerning which it is implausible to reach precise knowledge, since it can not be tested in terms of observational facts. Once the rift between philosophy and science occurred in this way, it was common that the scientists were averse to the philosophical speculations which seemed to them often to lack definite method and expression, and to treat insoluble problems, whereas the philosophers lost interest in specific sciences which narrowed more and more in scope. Moreover, it seems that the rise of logical positivism in the early decades of this century has widened the breach between philosophy and science. For logical positivism, which is an extreme form of empiricism which claims that a body of knowledge can be identified, and has a meaning as science to the extent that it can be verified by appeal to facts acquired by virtue of experiment or observation, demanded a strict distinction between them and liberation from the philosophical speculations which can not be empirically checked.

However, it is unfortunate that in modern times philosophy and science tend, among most people, to be considered as two entirely different fields of knowledge. For science and philosophy are in fact 'two ends of one chain'.[1] Science is a first-order discipline which seeks from statements about experience specific laws. Philosophy is a second-order discipline which supplies the 'intelligible principles' that help us to understand why various types of phenomena occur in a particular way. For example, suppose that we observe the motions of celestial bodies such as the motion of planets around the sun, and can show why such physical phenomena follow and that they are derived from Newtonian laws of motion. Yet, it remains obscure why these facts occur and why these laws account for them, unless there is a philosophical speculation or an intelligible principle, which is far from our immediate experience, to the effect that the universe is composed of atoms with their associated central forces. Because of this thing science and philosophy are said to constitute both ends of a single chain from observed facts to intelligible principles. The most creative scientists, as distinct from most ordinary practitioners and teachers of science, were fully aware of this link between philosophy and science. Hence, Albert Einstein, one of the most creative physicists, stated the matter in this light:

> I can say with certainty that the ablest students whom I met as a teacher were deeply interested in the theory of knowledge. I mean by "ablest students" those who excelled not only in skill but in independence of judgment. They liked to start discussions about the axioms and methods of science and proved by their obstinacy in the defense of their opinions that this issue was one important to them.[2]

Looked at in this way it is evident that an intimate link between science and philosophy, though we distinguish those two fields, is inevitable. Fortunately it seems that recently there is a growing concern in the philosophy of science among scientists, and on the other hand, philosophers have also been increasingly prepared to study science and its history.[3] The decline of logical positivism in the last three decades, I believe, is closely bound up with this kind of collaboration between scientists and philosophers, which has brought about the rapid advancement of the philosophy of science in recent decades.

Given this, there seems to be enough ground on which on the basis of the current performances of the philosophy of science we examine the present comment on Smith. Asis well-known, Smith's work has been hailed as a scientific system since his day. Governor Pownall of Massachusetts, one of Smith's contemporary critics, considered the *Wealth of Nations* as 'INSTITUTE OF THE PRINCIPIA *of those laws of motion*'.[4] Dugald Stewart, Smith's first biographer, wrote that 'it may be doubted, with respect to Mr. Smith's Inquiry. if there exists any book beyond the circle of the mathematical and physical sciences, which is at once so agreeable in its arrangement to the rules of a sound logic, and so accessible to the examination of ordinary readers'.[5] This kind of appreciations of his later book continues up to now.[6] Similarly, Smith's earlier work on ethics, the *Theory of Moral Sentiments*, has been judged as a scientific treatise as well.[7] While it should be accepted that such scientific characteristic of his work is important in its own right, yet I believe that we do not have to exclude an enterprise which connects his philosophical background with his scientific activities, on the ground above noted, i.e., that philosophy and science are both ends of the 'same' chain, direct observations and intelligible principles. It will be so more because Smith himself used interchangeably the two terms, philosophy and science, without distinction. Therefore, in the next section we shall first devote ourselves to a task of noticing recent achievements in the philosophy of science which have been made possible by the reactions of the Popperian school against logical positivism. It is claimed that metaphysical speculations are influential in scientific projects in a way that is methodologically suggestive. Metaphysics may have moral or political suggestiveness as well. In the final section we shall proceed to identify Smith's metaphysical doctrines, which I believe to have a regulative influence on his scientific researches.

2.2. Metaphysics and Science

At present it seems to be a common-place among contemporary philosophers and historians of science that metaphysical speculations

are significant in science. More concretely, it is agreed that science and its advancement are guided by metaphysical ideas which are formulated in such a way that it can not be checked by the ordinary criteria of scientific appraisal.[8] But it is important to note that this kind of recognition was scarcely popular before the 1960s when logical positivism came under increasing attack. To begin with, we briefly need to mention some features of logical positivism, for the purpose at hand and because logical positivism as a movement has been greatly influential for over half the twentieth century.

It is said that logical positivism[9] emerged in the 1920s, and that its most active part was played by the members of the Vienna Circle. Afterwards, it was developed by a number of philosophers and scientists. Even though logical positivism is a product of the early twentieth century, it has close link with positivism which has found a place in the history of philosophy. The main characteristic of logical positivism is that scientific knowledge is derived only from the facts of experience or observation. Observation and induction lead to the formulation of scientific theories. Those theories must be put in a form which is verifiable by observation and experiment, in order to gain the status of science, as distinguished from non-science. And they can be justified as scientific and meaningful only to the extent to which they are verified by appeal to empirical observation and experimentation. In this connection we can observe two central propositions of logical positivism; firstly, a scientific statement must fulfil the criterion of verifiability, and secondly, it should be tested by the process of verification. As a consequence metaphysical statements which deal with the world as a whole and its essence are thought to be neither true nor false, but a collection of meaningless statements, since they do not meet the requirement of verifiability and can not be checked by empirical method.[10] The same goes for value judgments and normative statements.[11] Because saying that something is good is almost equivalent to saying that it is *desirable*, and it is thus not translatable into any empirical statements at all, value judgments are not verifiable and do not belong to the domain of all rational enquiries. It is therefore not strange to find an anti-metaphysical attitude of logical positivism. On that ground we can understand the reason that logical positivists,

like nominalists, absolutely rejected metaphysical speculation. In fact, it is admitted that positivism, although it was wrong in presuming that it fought metaphysics as a whole, for it was metaphysics as well and actually fought bad metaphysics, has been useful in that it urged scientists to exclude irrational or pseudo-scientific practices in scientific explanations, i.e., not to seek to account for reality in terms of abstract metaphysical entities which do not allow for empirical specification. Moreover, it is important to note that logical positivism was partly proposed as a means of social reforms, of helping ordinary people to remove irrational prejudice and ideological fanaticism in public affairs by way of offering a scientific approach.[12]

At all events the main theses of logical positivism have been considerably weakened by a number of criticisms put forward by two groups of the science of philosophers; the Popperian School, and others who adopt so-called Weltanschauungen approach such as M. Polany, N. R. Hansen, T. S. Kuhn and P. K. Feyerabend. Now, among many themes arrived at by those criticisms there is one thing which is of particular importance for our purpose. That is related to the restricted language of logical positivism which renders implausible the appreciation as to the vital part that metaphysical doctrines play in conjunction with scientific investigation. As mentioned earlier, logical positivists maintain that experience or observation is the only way of acquiring knowledge about the real world. Behind this argument is one of the main assumptions of logical positivism; an assumption in which there are no such things as synthetic *a priori* propositions, namely, propositions that are valid independently of experience while at the same time telling us something about the real world. They make a strict distinction between analytic and synthetic propositions. For them 'analytic' statements mean statements which are tautological or necessarily true. Those analytic statements are therefore ones which can be validated independently of observation or experiment. They have nothing to do with the discovery of the real as distinct from the linguistic world. 'Synthetic' statements are statements which are not analytic. On this assumption metaphysical propositions, as above pointed out, remain neither true nor false, but meaningless. This conclusion is inevitable, given the

'analytic/empirical' dichotomy. Yet, there was a reaction against this assumption. Certainly, there exists a synthetic *a priori* proposition which describes the factual world despite its truth or falsity being logically independent of observation. It is claimed that 'All-some' statements, such as 'Every event has a cause', belong to it, and must be considered as true-or-false despite their unverifiability-cum-unfalsifiability. Many normal metaphysical doctrines can be typified by a special sort of 'all-some' statement. On this basis it is pointed out that metaphysical ideas are indeterminately confirmable yet irrefutable.[13]

Given the logical structure of metaphysical propositions which logical positivists failed to precisely apprehend, a related concern is to see what role metaphysics performs in connection with scientific enquiry. Metaphysical doctrines are usually regarded as doctrines which make claims about the fundamental nature of reality in the arena under investigation, and yet provide speculative world pictures that are not ordinarily as criticizable as scientific hypotheses. As pointed out before, it is noteworthy that these metaphysical doctrines are methodologically an significant source of scientific investigation. In this light Popper suggested: 'not a few doctrines which are metaphysical ... could be interpreted as typical hypostatization of methodological rules'.[14] In a place where Popper makes criticism about positivism, he points out that scientific advancement and discovery must have been impossible without recourse to metaphysical ideas:

> The fact that value judgments influence my proposals does not mean that I am making the mistake of which I have accused the positivists--that of trying to kill metaphysics by calling it names. I do not even go so far as to assert that metaphysics has no value for empirical science. For it cannot be denied that along with metaphysical ideas which have obstructed the advance of science there have been others - such as speculative atomism - which have aided it. And looking at the matter from the psychological angle, I am inclined to think that scientific discovery is impossible without faith in ideas which are of a purely speculative kind ...; a faith which is completely unwarranted from the point of view of science, and which, to that extent, is metaphysical.[15]

Hence, it is evident that Popper recognizes sufficiently a very

considerable effect of metaphysical ideas on scientific problems in the context of discovery as distinct from that of justification.

Meanwhile, it is also worth noting in a similar vein that in a historical perspective J. Agassi presented a close link between science and metaphysics. According to him, scientific problems which were in intimate association with metaphysical problems of a given period were frequently chosen as scientific research projects, and scientific outcomes were sought in order to implement topical metaphysical issues. Viewed historically, investigators who are conceived to be important in the history of science, Agassi claimed, have very often responded in this way, although it is also true that there are many scientific researches which are not directly tied to metaphysics.[16] As Agassi concluded:

> I do not know why the significant events in the history of science should be metaphysically significant, but I have so far found it almost always to be the case. I suggest the theory that significance with respect to (pure) science is usually significance with respect to science's metaphysical frameworks. It is understandable that if metaphysical frameworks are research projects they should be taken very seriously ... Yet those projects viewed later as significant show a capacity to throw light on current metaphysical issue. I can see no other explanation of the situation but that is essentially metaphysical interest which gives (purely scientific) significance to this part of science rather than to that; hence, most (pure) scientists are more interested in metaphysics than they seem to be.[17]

Metaphysics should therefore be given a much more significant role within scientific inquiry than is generally expected. Logical positivism has had a bad effect on this sort of perception and brought about a gap between the philosophy and the history of science.

In what follows we shall clearly need to take note of the main features of metaphysical doctrines in association with science.[18] Firstly, as noted, metaphysical doctrines are views about the intrinsic nature of things in the universe. Secondly, they are inconclusively confirmable, and yet unverifiable and unfalsifiable. Hence there exists no way of testing them empirically by virtue of experiment or observation. Thirdly, they are methodologically

suggestive. They do have a regulative influence on first-order scientific theories. As Watkins claimed: 'they do not so much convey information as outline a programme of research. They express ways of seeing the world which in turn suggest ways of exploring it. They do not compete with scientific theories but suggest the shape of scientific theories to come : they are second-order doctrines about the kinds of first-order theories which ought eventually to triumph'.[19] In other words, metaphysics underlying a programme of research will exert a regulative role in theory construction in terms both of proposing a certain range of theoretical feasibilities, and of ruling out a certain range of other theoretical feasibilities. Since in this way the specific metaphysical ideas underlying a programme of research function as methodological prescriptions, they forbid the formation of empirical hypotheses which are incompatible with them: 'Although haunted-universe doctrines [metaphysical statements] are unempirical in the sense that they are compatible with every conceivable finite set of observation statements, they are not analytic or vacuous, but synthetic or factual, because there are empirical *theories* with which they will *not* be compatible'.[20] Finally, metaphysical doctrines may have moral or political suggestiveness, although they do not entail a particular moral or political view. The moral and political attitudes of investigators may thus be affected by them. It can be concluded that in this way metaphysics plays a multilateral part in scientific inquiry by virtue of shaping and binding together into one system various types of belief.[21]

What has been so far observed in conjunction with the influential role which metaphysical ideas have played in the formation of scientific theories and the advancement of science is the claim made by philosophers and historians of science of this century who disagree with logical positivists about the place of metaphysics within science. However, it is interesting to find that a contemporary of Smith, Dugald Stewart, presented a theme which lends support to current philosophers and historians of science already named. Stewart was convinced that the metaphysical principles may be of great use in guiding scientific researches.[22] In order to elucidate his argument, Stewart took an instance with reference to

Harvey's discovery of a circulation of the blood. In Stewart's view, Harvey held a metaphysical doctrine that Nature does nothing in vain, and such a metaphysical doctrine played a decisive role in the discovery of the circulation of the blood. Stewart's quotation from Robert Boyle, a great pioneer chemist, shows this clearly:

> I remember, that when I asked our famous Harvey ... what were the things which induced him to think of a circulation of the blood ? He answered me, that when he took notice that the valves in the veins of so many parts of the body were so placed, that they gave free passage of the blood towards the heart, but opposed the passage of the venal blood the contrary way, he was invited to think, that so provident a cause as Nature had not placed so many valves without design; and no design seemed more probable than that, since the blood could not well, because of the interposing valves, be sent by the veins to the limbs, it should be sent through the arteries, and return through the veins, whose valves did not oppose its course that way.[23)]

This statement is remarkable, I suppose, in the sense that it illustrates the thesis above mentioned; the thesis that metaphysics is methodologically suggestive, and influences the choice and the results of scientific research projects. Indeed, it provides us a good case where scientific inquiries which are conventionally deemed to be significant are cognitively bound up with the metaphysical speculations of a particular time. In addition, it is of great importance to note that Stewart's discussion plainly reveals that such a view of metaphysics as a coordinating agent in scientific inquiry is not a product of this century, even though it is true that more apparent perception and more rational examinations concerning the relationship between metaphysics and science are sought now than they were.

Smith was likewise aware, I believe, that metaphysics is intimately related to the field of scientific research, though he made it less obvious. Smith's perception about it may be found in his essays on the ancient physics and metaphysics. In his essay on the ancient logics and metaphysics Smith says that metaphysics was 'apprehended to go before it [physics], in the order in which the knowledge of Nature ought to communicated'.[24)] And he later adds: 'many of the doctrines of that system [system of the ancient physics], which seem to us, who have been long accustomed to another, the most incomprehensible,

necessarily flow from this metaphysical notion'.[25] A similar statement appears in his discussion of Aristotle's view of physics in the essay on the ancient physics. Smith talks about 'the Metaphysics upon which it [Aristotle's opinion of physics] is grounded'.[26]

In the system of the ancient physics, everything in the sublunary region is comprised of the four elements, fire, air, water, and earth, whereas the heavenly bodies consisted of a fifth element. It was believed that all the qualities and laws of succession of everything surrounding the Earth could be deduced out of the four elements. By the way, it was impressed on Aristotle that from the moon upward things are never subject to generation and decay, whilst things below the moon are subject to generation, alteration, and corruption. The heavenly bodies are eternal and incorruptible, but the terrestrial things are on the contrary generated and destructible. And it was thought that the motion of the celestial spheres whose movement is circular brought about the generation of all the forms and species by virtue of the mixtures of those four elements which otherwise would have remained in the state of eternal rest, and caused their corruption and decay as well. With this in mind Smith summarizes Aristotle's view:

> he seems to express himself plainly enough: that the First Heaven, that of the Fixed Stars, from which are derived the motions of all the rest, is revolved by an eternal, immoveable, unchangeable, unextended being, whose essence consists in intelligence ... : that the inferior Planetary Spheres derived each of them its peculiar revolution from an inferior being of the same kind; eternal, immoveable, unextended, and necessarily intelligent ... ; and that therefore whatever was below the Moon was abandoned by the gods to the direction of Nature, and Chance, and Necessity. For though those celestial beings were, by the revolutions of their several Spheres, the original causes of the generation and corruption of all sublunary forms, they were causes who neither knew nor intended the effects which they produced.[27]

In Smith's estimate, this kind of account emerged from 'prejudices which ... are not very philosophical'. Nonetheless, it was 'extremely natural',[28] in the sense that Aristotle's theology closely connected with his metaphysics was thought to lead to such arguments in his system of physics. Aristotle's metaphysical doctrine[29] is that

everything in the universe is constantly developing towards something better than before, or has more form and actuality after the change than before. For him God consists of pure form and pure actuality, and exists eternally without any change. God is thus perfect and thinks only about what is perfect, for otherwise it would be derogation of His perfection. On the other hand, the world of sensible things is imperfect despite its continual evolution towards more form and actuality, because there matter, which is regarded as a potentiality of form, can not entirely removed. As a result it is supposed that God has no idea of the sublunary world. In this connection Aristotle, Smith maintains, found that 'The revolutions of the Heavens, by their grandeur and constancy, excited his admiration, and seemed ... to be effects not unworthy a Divine Intelligence. Whereas the meanness of many things, the disorder and confusion of all things below, exciting no such agreeable emotion, seemed to have no marks of being directed by that Supreme Understanding'.[30] Now it should be evident that Smith takes note of a relationship between metaphysics and science in terms of an instance of Aristotle's view of physics.

It is of course to be recognized that Smith seems to object to excessive concentration on metaphysics. It is seen in the *Wealth of Nations* where he talks about the content of contemporary European university education. In Smith's outlook metaphysics is the 'subject in which, after a few very simple and almost obvious truths, the most careful attention can discover nothing but obscurity and uncertainty, and can consequently produce nothing but subtleties and sophisms'.[31] In fact this statement implies that Smith was well aware that metaphysics is a discipline which is untestable and thus unempirical.[32] On the contrary, physics is a 'subject of experiment and observation'; one 'in which a careful attention is capable of making so many useful discoveries'. But, a problem is that in the university curriculum metaphysics relative to physics was 'cultivated not only as the more sublime, but, for the purposes of a particular profession, as the more useful science of the two'.[33] In this light Smith is critical of current university education. However it is important to realize that beyond his criticism of undue concentration on metaphysics Smith does not think the discipline to be an useless

subject. He believes that there are 'a few very simple and almost obvious truths' in metaphysical discussions. More interestingly, Smith's apparent statement of a requirement of metaphysical discussions appears in a letter to Thomas Cadell, a publisher, where he recommends a book of his friend, John Bruce, and very briefly comments on that book: 'It is as free of Metaphysics as is possible for any work upon that subject to be. Its fault, in my opinion, is that it is too free of them. But what is a fault to me, may very probably, be a recommendation to the Public'.[34] It can be concluded that metaphysics seems to be considered by Smith as a discipline which is acceptable and not useless if its treatment is confined to a certain degree, for the discipline does not merely help us to perceive 'a few very simple and almost obvious truths', but also has an influence on scientific activities. Looked at in this way it is unlikely that Smith lends support to the assertion that for him 'metaphysics is an unimportant pre-scientific activity of significance only to those who have an interest in theology'.[35]

Now, given our observation concerning a link between metaphysics and science, and Smith's perception about it, it seems that a matter which has to be treated before going further is to examine the present commentaries put forward in this connection. I find that there have so far been, broadly speaking, two lines of argument as to Smith's metaphysics (mainly related to his theological outlook and natural law) and its effects on his ethical and economic doctrines. In the first group of commentators are those who were primarily historians of economic thought and who largely found a 'logical' connection between Smith's metaphysics, and his scientific theories and practical thought.[36] These commentators tended to see that from *a priori* assumption concerning a harmonious and beneficial order in nature Smith deductively drew his system of ethics and economics. For example, Leslie Stephen argued for a logical connection between Smith's theology and moral theory. In Stephen's outlook, the members of Shaftesbury's school including Adam Smith maintain that 'The morality most naturally connects itself with that philosophical Deism ... These doctrines [of morality] are a logical result from their fundamental conception. God is to them the informing and sustaining Spirit, manifested through the universe and recognised by the human

soul'.[37] It is interesting to observe that a similar argument is made for Smith's economic doctrines. As J.K.Ingram put it:

> there is another vicious species of deduction ... in which the premises are not facts ascertained by observation, but the same *a priori* assumptions, half theological half metaphysical, respecting a supposed harmonious and beneficent natural order of things ... In his view, Nature has made provision for social wellbeing by the principle of the human constitution which prompts every man to better his condition; the individual aims only at his private gain, but in doing so is "led by an invisible hand" to promote the public good, which was no part of his intention ; human institutions, by interfering with the action of this principle in the name of public interest, defeat their own end; but, when all systems of preference or restraint are taken away, "the obvious and simple system of natural liberty established itself of its own accord." This theory is, of course, not explicitly presented by Smith as a foundation of his economic doctrines, but it is really the secret substratum on which they rest.[38]

This type of commentaries informs us that Smith's scientific theories and practical programme are logically entailed by his metaphysics which talks about a natural order in the universe.

On the other hand, commentators in the second group were inclined to be averse to such a linkage between Smith's metaphysics and science.[39] They, like the former group of interpreters, were ready to accept fully that Smith assumed a doctrine of a harmonious order in nature. But they rejected the view that Smith drew on his metaphysics for his study of society. It was claimed that his metaphysics was not not an essential part or a major premiss of his science. As H.J.Bittermann put it.:

> Viewed synthetically, his metaphysics and theology were part of this view. Likewise was his normative economics. Analytically, each part was built up on its own assumptions and evidence. The technique was empirical, the faith underlying it was the belief that the study of man would provide the answer to fundamental questions. ... He did not look to Providence for direct aid in the economic and moral improvement of mankind. Man had to act in his own behalf with the powers and sentiments that were part of his nature.[40]

On this sort of interpretation Smith himself proceeded to the study of society on the basis of the empirical method. Smith consistently

attempts to account for social phenomena in terms of the natural principles of human mind. Granted that Smith is an empiricist, there is no reason to believe that his scientific theories are corollaries of his metaphysics.

I suppose that there is a certain truth in the contention of the second group of scholars. Indeed Smith makes it clear that scientific explanations must be grounded on efficient causes. In the *Theory of Moral Sentiments* he stresses a distinction between the discovery of a general order which might be reached by contemplative observations of the world, and the exposition of the structure and order of the world. In Smith's day such a distinction was popular in the natural sciences. Therefore, when we try to explain, for instance, the phenomena of bodies such as the digestion of the food and the circulation of the blood, we 'distinguish the efficient from the final cause of their several motions and organizations' and 'never endeavour to account for them from those purposes as from their efficient causes, nor imagine that the blood circulates, or that the food digests of its own accord, and with a view or intention to the purposes of circulation or digestion'. In Smith's opinion this was not usually the case in the moral sciences; 'though, in accounting for the operations of bodies, we never fail to distinguish in this manner the efficient from the final cause, in accounting for those of the mind we are very apt to confound these two different things with one another'.[41] And it is now commonly agreed that in line with this methodological discussion Smith always makes the natural principles of human mind known through empirical observation the basis for the explanation of social facts. In so far as Smith is concerned with efficient causes, his method can be seen as empirical. In this way his empiricism and scientific activity can be properly isolated from any other matter like his metaphysics. It is thus unfortunate to see that Smith's metaphysics is a presupposition of his scientific analysis, and that his ethical and economic doctrines depend on the former. As I find, this appears to be the logic of the reasoning of the second type of commentators.[42]

In my view, the latter type of comment plainly enough has a merit from which we benefit. Smith's approach to scientific problems is

what can be called empirical. He does not start from metaphysics or *a priori* assumptions when he indulges himself in the explanations of social phenomena. His science is based on efficient causes or the principles of human nature. This is absolutely genuine and what we accept without question. Seen in this way the former type of comment which claims a 'logical' connection between Smith's metaphysics and science has no ground. However, I do not think that the second sort of commentary is entirely correct. Such interpretations have been made, I believe, in the main from the positivist perspective. By the critique of the view which found the logical linkage between metaphysics and science they have made us suppose that for Smith the former can be completely separated from the latter. An evident implication of such comments is that for Smith there is no way in which his metaphysics may have an influence on his scientific study. On account of this I do not wish to subscribe to the 'perspective' of such interpretations. I object to such a standpoint generally on the ground above noted, i.e., since the history of science has been inextricably bound up with metaphysics, in a way that metaphysics as 'extra-scientific' doctrines is methodologically suggestive. And I disagree with such a perspective specifically, because it provides a basis for a view in which Smith's work finds expression in a duality of his philosophical and historical vision.[43] This is a ground on which an examination of a relationship between metaphysics and science is likely to be helpful.

2.3. Metaphysical Doctrines

It is evident that Smith never talks about what are his metaphysical doctrines. But I suppose that they can be inferred from the examination of the background which coloured concepts such as 'nature' and the 'natural order of things' or 'natural law' which frequently appear in his work. Before going further it is noteworthy that for those who wished to primarily stress Smith as a 'scientist', the meaning of the term of 'nature' and its related idea of 'natural law' tended to be confined to what is observed and empirical law drawn from it. As T.D. Campbell made it clear: 'The term is certainly

grossly over-used ... and this leads to many ambiguities and obscurities, but a study of its multiple uses shows that Smith, following in the Aristotelian tradition, is able to give it an empirical cash value. What is natural, for Smith, is either what normally happens, or, more typically, that which normally take place, or would take place, in the absence of some distinctively human factor', and 'It is almost always possible to render Smith's use of 'natural' by the word 'actual' provided it is realized that he means what is normally the case'.[44] There is a good deal of truth in this remark. Indeed, it is necessary to isolate this factor from others in order to appreciate Smith as scientist. However, this is too narrow a view, which seems to reflect a modern perspective. That view prevents us, I think, from making out what Smith meant by such concepts, which is likely to be inevitable not just for precise evaluation, but also for criticism. For example, this view appears to lead to a mistaken account in explaining the reason why Smith simply equates description with prescription.

In any case, we seem to be able to identify three types of tradition in connection with the concept of 'nature' and its related idea of 'natural law' which Smith uses. In his writings the ideas based on those traditions are indeed at the outset blended, and interdependent of each other. But it does not mean that they can not be isolated for examination.

2.3.1. The Doctrine of Mechanistic Determinism

Firstly, what can be pointed out as a metaphysical proposition which lies in the background of Smith's scientific thought is his doctrine of mechanistic determinism.[45] In the natural sciences the doctrine of mechanistic determinism means that every event in the whole universe is subject to strict natural laws which would account for it on the basis of mechanical causation. Similarly, the doctrine enables Smith to believe that for every social fact there exists natural laws which would explain it in the same manner as the operations of a machine are explained. This doctrine urges investigators to discover the laws which precisely determine each of the separate events while at the same time prohibiting them from, say,

proposing a probabilistic hypothesis or making a statistical assertion.

This type of view can originally be traced back to classical Greek civilization, and played an important part in regulating the scientific projects of many prominent thinkers in Europe. As Alfred Whitehead stated it: 'there can be no living science unless there is a widespread instinctive conviction in the existence of an *Order of Things*, and, in particular, of an *Order of Nature*'.[46] There may be no doubt that Smith exactly shared Whitehead's opinion of the kind. Smith's perception as to the requirement in science of the assumption of strict necessitation finds expression in his essay on the history of ancient physics. According to him, for the ancient philosophers the natural phenomena around the Earth were too various and complicated to allow them to discover with ease natural laws which connect them together.

> the variety of meteors in the air, of clouds, rainbows, thunder, lightning, winds, rain, hail, snow, is vastly greater; and the order of their succession seems to be still more irregular and unconstant. The species of fossils, minerals, plants, animals, which are found in the Waters, and near the surface of the Earth, are still more intricately diversified; and if we regard the different manners of their production, their mutual influence in altering, destroying, supporting one another, the orders of their succession seem to admit of an almost infinite variety. If the imagination, therefore, when it considered the appearances in the Heavens, was often perplexed, and driven out of its natural career, it would be much more exposed to the same embarrassment, when it directed its attention to the objects which the Earth presented to it, and when it endeavoured to trace their progress and successive revolutions.[47]

Hence, what was most required under these circumstances is to assume that there exist strict laws of causality in which a few causes explain those diversified natural phenomena. And this is what the ancient philosophers did actually do before they constructed a system of their physics. As Smith put it:

> To introduce order and coherence into the mind's conception of this seeming chaos of dissimilar and disjointed appearances, it was necessary to deduce all their qualities, operations, and laws of succession, from those of some particular things ... But ... it was impossible to deduce the qualities and laws of succession, observed in the more uncommon appearances of Nature, from those

> of such as were more familiar, if those customary objects were not supposed, however disguised in their appearance, to enter into the composition of those rarer and more singular phaenomena. To render, therefore, this lower part of the great theatre of nature a coherent spectacle to the imagination, it became necessary to suppose, first, That all the strange objects of which it consisted were made up out of a few ...: and secondly, That all their qualities, operations, and rules of succession, were no more than different diversifications of those to which it had long been accustomed, in these primary and elementary objects.[48]

This statement clearly shows that Smith was well aware that scientific researches were impossible without at least such a presupposition as strict natural laws. This type of belief was given a new prominence in the seventeenth century. As is well-known, Isaac Newton played an enormous role in legitimatizing the search for natural laws and in confirming that doctrine in the mind of later generations. Newton's view about the business of natural sciences is as follows: 'Natural philosophy consists in discovering the frame and operation of nature, and reducing them, as far as may be, to general rules or laws -- establishing these rules by observations and experiments, and thence deducing the causes and effects of things'.[49] It is important to note that in the same vein[50] Newton declared the so-called principle of parsimony, i.e., that because Nature is marked by simplicity, or works by means of a few causes, scientific explanations in terms of a small number of principles have a supremacy over the contrary cases. The classic argument emerges in Newton's statement with regard to the 'first rule of reasoning in philosophy'.

> *We are to admit no more causes of natural things than such as are both true and sufficient to explain their appearances.* To this purpose the philosophers say that Nature does nothing in vain, and more is in vain when less will serve; for Nature is pleased with simplicity, and affects not the pomp of superfluous causes.[51]

And this assumption was combined with machanistic cosmology; the idea in which the universe consists of particles permanently moving and impinging on each other through empty space, and which consequently expresses that every physical change arises from the motions of invisible particles. Accordingly, the universe was deemed, by

analogy, to be almost a machine, and natural laws were considered as laws with regard to the motions of matter.

It is evident that Smith holds this proposition of mechanistic determinism as a premiss of his scientific analysis. Firstly, it can be noticed that where he discusses the sense of touching, Smith speaks approvingly of it:

> This doctrine, which is as old as Leucippus, Democritus, and Epicurus, was in the last century revived by Gassendi, and since been adopted by Newton and the far greater part of his followers. It may at present be considered as the established system, or as the system that is most in fashion, and most approved of by the greater part of the philosophers in Europe. Though it has been opposed by several puzzling arguments, drawn from that species of metaphysics which confounds every thing and explain nothing, it seems upon the whole to be the most simple, the most distinct, and the most comprehensible account that has yet been given of the phaenomena which are meant to be explained by it.[52]

Secondly, he plainly declares in the *Theory of Moral Sentiments* that there is 'the necessary connection which Nature has established between causes and their effects'.[53] By this argument he assumes that for every social phenomenon there exists natural laws which would explain it.[54] Thirdly, like many ancient and modern scientists, he claims that a few general principles reign throughout the various and diversified phenomena and lead to a large number of effects. As Smith put it: 'Nature ... acts, *as in all other cases*, with the strictest oeconomy, and produces a multitude of effects from one and the same cause'.[55] In a similar context Smith envisages society, by analogy, as a great machine: 'Human society, when we contemplate it in a certain abstract and philosophical light, appears like a great, an immense machine, whose regular and harmonious movements produce a thousand agreeable effects'.[56] Put in this way there can be no doubt that Smith accepted the doctrine of mechanistic determinism which had been diffused since the early seventeenth century by Newton and his followers. In this regard it is natural that many commentators have found the link between Smith's scientific researches and Newtonian philosophy,[57] although it seems certain to me that they have failed to appreciate the doctrine of mechanistic determinism as a metaphysical proposition and its influence on his science.

Now we shall briefly go on to observe the influences on Smith's scientific activities of his presupposition of the doctrine of mechanistic determinism. To start with, it needs to be made clear that the doctrine of mechanistic determinism, which informs investigators that everything happens in accordance with natural laws which would explain it in terms of a few principles, does not tell them 'how' to find out those natural laws. The problem of the discovery of natural laws may be said to depend on the methodology of the investigators concerned. Smith's methodology in this sense will be treated in the Chapter 4. At all events there are three things which deserve notice in association with such doctrine's regulative effects on Smith's science.

Firstly, it urged Smith to see that natural feelings of the human mind have a necessity. Therefore, given a certain sort of environment, those natural feelings are felt by all men. In this connection Smith asserts: 'The causes which naturally excite our desires and aversions, our hopes and fears, our joys and sorrows, would no doubt ... produce upon each individual, according to the degree of his actual sensibility, their proper and necessary effects'.[58] Similarly, he claims that a correspondence between a sympathetic feeling and an original feeling brings about a 'necessary' approval of those who are judged of, for 'it is impossible that we should be displeased with the tendency of a sentiment, which, when we bring the case home to ourselves, we feel that we cannot avoid adopting'.[59] As Smith states:

> When the original passions of the person principally concerned are in perfect concord with the sympathetic emotions of the spectator, they *necessarily* appear to this last just and proper, and suitable to their objects; and, on the contrary, when, upon bringing the case home to himself, he finds that they do not coincide with what he feels, they *necessarily* appear to him unjust and improper, and unsuitable to the causes which excite them. To approve of the passions of another, therefore, as suitable to their objects, is the same thing as to observe that we entirely sympathize with them.[60]

In this way the metaphysical doctrine of determinism is responsible for the kind of psychological necessity that Smith thinks of.

Secondly, it had an important influence on Smith's view that a system of scientific theories which connects together a great variety of phenomena should be built up on a few principles. He thus says that 'the system of human nature seems to be more simple and agreeable when all its different operations are in this manner deduced from a single principle',[61] and is led to look for it. According to him, sympathy is such a single principle from which moral judgments in everyday life can be explained: 'sympathy, a power which has always been taken notice of, and with which the mind is manifestly endowed, is ... sufficient to account for all the effects'.[62]

Finally, it played a constructive role in forming Smith's opinion as to a mode of explanation. Just as, if it is assumed that the universe is made up of atoms which are continuously moving and impelling each other to move, it is absurd to account for physical changes in terms of other factors except the motions and arrangements of those particles, so it is senseless, if it is assumed that certain natural principles of the human mind are the sources of all human moral actions, to draw on teleological explanation instead of mechanistic explanation in order to account for the process of moral judgment. This is an error which confounds the efficient with the final causes in taking account of the operations of the mind. It is well-known that Smith is critical of Hume's view of justice on the ground that the latter found the feelings of indignation of the spectator which approves of the punishment of injustice in a perception of social utility and in the view of the general happiness which consequently ensues.[63] In Smith's view, such an account of the approval of the punishment of injustice does not *explain* the operations of moral life. It does not tell us its causal necessity, given that human social life is subject to natural laws which would take account of it on the basis of mechanical causation. In contrast to Hume's outlook that the emotions in question arise out of the consideration of utility or social benefit, Smith claims that the principle of sympathy (and the approval and disapproval based on it) is the basis for the sense of justice:

> Though man ... be naturally endowed with a desire for the welfare and preservation of society, yet the Author of nature has not entrusted to his reason to find out that a certain application of

> punishments is the proper means of attaining this end; but has endowed him with an immediate and instinctive approbation of that very application which is most proper to it.[64]

In this way a scientific explanation must be offered in terms of efficient causes. Now it will be obvious that Smith's support for the mode of explanation by way of efficient causes insofar as scientific activity is concerned is inextricably bound up with his proposition of mechanistic determinism.

2.3.2. Organismic Philosophy

The next thing to be noted in connection with Smith's metaphysical doctrines is another meaning of the term 'nature' and the related concept of natural laws, which he had in mind. As above noted, when the doctrine of mechanistic determinism is presupposed, Smith believes that nature works of necessity, and seeks to explain the social world in terms of efficient causes alone without introducing the notion of final causes. But it is important as well to note that for Smith the concept of nature has a teleological implication. For example, Smith states: 'Nature, indeed, seems to have so happily adjusted our sentiments of approbation and disapprobation, to the conveniency both of the individual and of the society, that after the strictest examination it will be found, I believe, that this is universally the case'.[65] In other words, he supposes that nature works towards final causes or purposes. And what is important to notice at this point is that in this concept of nature the nature of a thing implies what it is when fully developed, or the realization or actualization of the possibilities inherent in it. In this sense nature emerges as an ideal to be brought into existence. For instance, it is the nature of the baby to grow into the mature man with a fully unfolded personality in the course of time. Here we can observe that in this view of nature the notion of 'potentiality' is of critical importance, and is used as a fundamental idea.

This kind of the point of view goes back to classical times, and was primarily derived from Aristotle. The concept of nature was suggested on the basis of the biological analogy of nature. In Aristotle's view, the basic pattern of explanation in the study of

nature should be grounded on teleology. Every phenomenon ought to be explained in terms of final causes. Therefore, the explanation of a thing becomes intelligible only when it is approached in the light of a purpose, for all movement of things is directed, in fixed ways in accordance with an internal principle of motion, towards some end.[66] It means that the discovery of end or the highest possibilities inherent in things is significant in a scientific investigation. After all, it seems inevitable that if the scientific inquiry is concerned with the discovery of what is natural, and the nature of things is in their potentialities or the highest possibilities to be realized in terms of an internal principle inherent in them, then the concept of natural law comes to imply at once factual generalizations and obligations. This mode of thought is what may be called the normative form of organicism.[67] The basic design of things is seen to proceed along organic lines towards perfection. Obviously, it is recognized that the factual and actual features of things are not necessarily in the ideal form. But since everything proceeds by its internal principle towards its end and acquires its own nature when completion is reached by virtue of its fulfilment of the highest possibility, the ideal state constitutes the explanation of every phenomenon. As a result, an Is tends to be identified with an Ought.

In any case, this doctrine of normative organicism was considerably influential not simply in the arena of natural philosophy, but also in the realm of social and political philosophy, at least until the end of the eighteenth century. That doctrine had in particular a profound effect on ethical and juristic philosophy. It can be said, at the outset, that organismic philosophy of this kind was common to the natural law tradition, even though it is true that there were varieties of natural law doctrine.[68] It is therefore noted that for the Stoics, ' "following Nature" means realising, so far as possible, the ideal of human nature'.[69] The same idea was adopted by the Roman jurists and medieval natural law theorists. It was thought by them that natural law as a set of rules of morality in general and of justice in particular , which might be perceived by human cognitive powers, was not only a source of, but superior to, positive law. For natural law was believed to articulate ideal moral order 'natural' to or inherently possible for mankind.[70] The same spirit of this

tradition was inherited to the natural law philosophers in the seventeenth and eighteenth centuries. It seems evident that Smith was accustomed to such a way of thinking as a result of the teaching of Gershom Carmichael and Francis Hutcheson.[71] And in this regard, it is observed that Smith's moral philosophy was, in part, a product of the natural law approach to individual and society.[72]

It is likely that modern readers, who predominantly get used to the way of causal thinking, find an approach which regards the course of nature as regulated by purpose strange. In fact, it has been recognized that Aristotle's metaphysics had acted as a great obstacle to the progress of natural science. And it is well known that modern positivism, which was given an impetus by Francis Bacon, was intended to fight Aristotelian metaphysics. It is thus not surprising that many commentators appear to evaluate Smith's approaches in a similar vein. Some writers are inclined to depict Smith just as a mechanical materialist, while pointing out that he was unsympathetic to a teleological interpretation of nature.[73] For example, Vernard Foley argued, examining Smith's position mainly from his philosophical essays, that indeed he owed his 'hidden' cosmology to the ancient Greek philosophers such as Empedocles, Leucippus, and Democritus. On account of his reception of materialistic and atomistic monism Smith considered, Foley claimed, not only the process of human psychological and cultural development as directed by a mechanistic principle, but teleological thinking as obscure and unintelligible.[74] This is, I think, an extreme view concerning Smith's position. As we noted before, Smith held the doctrine of mechanistic determinism as a presupposition of scientific researches. On this ground he reminded readers that scientific explanation must be based not so much on final, but on efficient causes. But it is significant to be aware that such a contention does not mean that for him teleological thinking is an unimportant activity. On the contrary, it can be noticed that Smith often addressed himself to speculations about final causes.[75] Furthermore, it should be remembered that whereas by the early seventeenth century the mechanistic world view was about to replace the organismic one, the latter standpoint did not entirely lose its place among natural and social philosophers during the subsequent two centuries. It is remarked that even Newton who played

the most important part in defeating the Aristotelian *Weltanschauung* was not, in fact, free from the way of organismic thinking. It was not till the beginning of the nineteenth century that the thoroughgoing fading away of the organismic outlook was accomplished even from within the sphere of natural science.[76] Looked at in this way it is no wonder that Smith maintained both the mechanistic and the organismic outlooks.

On the other hand, others who do not share this extreme view tend to acknowledge that for Smith teleology is part of his system. But it is stressed that he demanded a strict distinction between causality and teleology, and claimed that only explanatory approaches by virtue of efficient causes were justifiable for scientific purposes. In this view, whilst for Smith teleological interpretation of events is unnecessary for the sake of scientific activities, it is an appendage to his mechanistic explanation and thus logically sequential on the latter.[77] As T.D.Campbell stated:

> The theological explanation is offered, not as a substitute for causal explanation, but as supplementary to it. Once the causal pattern of events has been exhibited, the end result or state towards which the pattern tends is alleged to have some benefit which was not foreseen by any human agent and on account of which it is intelligible and explanatory to say that the whole process exhibits a plan and therefore implies a planner. ... This is not to introduce the operation of the divine will into the causal process; rather it adds to the causal explanation of events a different type of explanation, a teleological one. The last part of Smith's explanatory scheme is not, therefore, independent or self-sufficient but is supervenient upon his prior causal analysis.[78]

And it is added that Smith's teleological explanations are similar to a sort of functionalism fundamental to modern sociology whose explanatory scheme depends on various feed-back mechanisms designed to achieve homeostatic ends. Hence, an implication which ensues is that Smith's teleological explanation becomes, in the end, one which 'can be incorporated into a causal theory of human behaviour of the mechanistic type'.[79]

I believe that there is a certain truth in the view just described. Nevertheless, if looking at problems in that way we are led to find

that Smith's organismic outlook can be integrated into his mechanistic outlook, we are apt, I think, to miss two important methodological points which are suggested by his metaphysical doctrine of normative organicism. As already pointed out in passing, the doctrine of normative organicism enables the investigators to simply 'equate' an 'Is' with an 'Ought', more precisely, scientific explanation or description with normative prescription without giving any reason.[80] This stems from the mode of thinking in which the nature of a thing is regarded as the highest possibility reached in terms of an internal principle inherent in it, provided that scientific inquiry deals with the determination of what is natural. Therefore, on the presupposition of the organismic philosophy, scientific descriptions become equivalent to obligations. This point is likely to be of much significance, for, as we are well aware, it is logically impossible to pass directly from descriptive statements to normative judgments, on the ground that Is and Ought respectively express different relation.[81] As a result, it is an error to derive a value from a fact; 'the naturalistic fallacy', as G.E. More named it, which arises out of the argument to the effect that something ought to be the case because it is the case.[82] However, it is not the case within the tradition of organismic philosophy. Here, normative prescriptions are not derived from, but just 'identified' with scientific explanations. We shall later see this implication in connection with Smith's normative ethics and meta-ethics.

Next, there is a second methodological point which, if the doctrine of normative organicism is presupposed, deserves serious attention. Those who note Smith's empiricism, while at the same time admitting Smith's teleological interpretation of nature and the ethico-legal framework of natural law point out that the purpose of nature, or knowledge of moral and legal imperatives is not independent of the analysis of phenomena which happen in the real world, and can be inferred only from factual data. In short, *'the normative natural law presupposes an explanatory natural law.* The former is nothing but a particular kind of value judgment passed upon the facts and the relations between facts unearthed by the latter',[83] But this type of contention is in some respect mistaken, since it obviously ignores the point that metaphysics is influential in science. And to such an

extent that assertion serves to keep us from making out more precisely what Smith's method was. The fact is that the doctrine of normative organicism has a regulative influence on the selection and interpretation of factual data. Given that science aims at the discovery of the law of nature, the step which ensues is to find out what is natural. Suppose, at this stage, that an investigator believes that the nature of a thing lies in the realization of the possibilities inherent in it. In this case it is apparent that the investigator would not be prepared to envisage as the nature of the thing all which is observed about it. Rather, he would attempt to find that which is the most perfect among the observed facts as regards it, and consider that as its nature. For example, let us suppose again that he observes as a matter of fact that some of men act on the basis of perfect personality, though all men do not behave in such a way. He would be led, on account of his presupposition, to think that the nature of a man is in the perfectly unfolded personality. Here we find plainly that organismic philosophy is methodologically suggestive in that it affects interpretation of observed facts. It can thus be concluded that whereas, as many writers argued, explanatory natural law is derived from factual data and has to such a degree empirical content, its empirical content is suggested, via the choice and interpretation of observed facts, by the teleological outlook of nature. In this connection it can be noticed that the concept of the impartial spectator which is a key factor in Smith's moral theory is a typical case which reveals the suggestiveness of the doctrine of normative organicism. But we do not here go into details, as it will be treated in the fifth chapter.

Finally, we shall proceed to observe that organismic philosophy plays a part in supplying an explanatory frame for Smith's study of man and society. This feature appears most remarkably in Smith's historical treatment.[84] To start with, we are reminded that Smith's historical investigation was of a scientific character, and not the narrative type.[85] If those who argue that Smith's empiricism and teleological outlook are entirely separable and that the latter is logically sequential on the former are right, we face a great difficulty in the face of his statement that there is a natural course of progress, which was actually overturned in modern European history.

According to Smith's 'factual observations', in the modern European nations, the 'foreign commerce of their cities has introduced all their finer manufactures, or such as were fit for distant sale; and manufactures and foreign commerce together, have given birth to the principal improvements of agriculture'.[86] In his view, this was in the main the actual course of economic development in modern Europe. However, in diametrical opposition to this sort of observed facts, the natural course of progress for him is that 'the greater part of the capital of every growing society is, first, directed to agriculture, afterwards to manufactures, and last of all to foreign commerce'.[87] There may be no doubt that it is quite difficult to apprehend this sort of statement if we confine the concepts of science and natural law which it aims to establish to the sense which the modern mind uses. It is of critical importance to perceive a presupposition behind these statements in order to understand fully what Smith means by them; a teleological interpretation of nature which postulates that there is a certain perfect or ideal state and course which a thing should naturally point to and follow. Of course, such a mode of thought concedes that the organic design may not actually be fulfilled. For what happens by accident or by chance may hinder it from doing so. In this regard Dugald Stewart's remark is helpful as a correct description with respect to Smith's reasoning of that kind. It appears where Stewart talks about 'theoretical or conjectural history'. According to Stewart, 'the theoretical delineation he [Smith] has given of the natural progress of opulence in a country; and his investigation of the causes which have inverted this order in the different countries of modern Europe'[88] in the *Wealth of Nations* is an example of theoretical history in which Smith had much interest, whose type of study 'may be traced in all his different works, whether moral, political, or literary'.[89] More interestingly, this type of study proceeds on the assumption that:

> In most cases, it is of more importance to ascertain the progress that is most simple, than the progress that is most agreeable to fact; for, paradoxical as the proposition may appear, it is certainly true, that the real progress is not always the most natural. It may have been determined by particular accidents, which are not likely again to occur, and which cannot be considered as forming any part of that general provision which nature has made for the improvement of the race.[90]

It is of much significance to observe from this passage that the ideal order which nature makes for the realization of certain purposes is distinguished from what is accidental. Obviously, this is a part of Aristotelian metaphysics. It is presupposed that there is 'that general provision which nature has made for the improvement of the race, and it is recognized that accidents or chances may disturb its course. Finally, it is worth noting that a similar spirit finds expression in Smith's distinction between 'natural jurisprudence' and positive law, and his remark that natural law is the ideal foundation for positive law: 'Every system of positive law may be regarded as a more or less imperfect attempt towards a system of natural jurisprudence, or towards an enumeration of the particular rules of justice'. For, although positive law is 'the records of the sentiments of mankind in different ages and nations', the sense of natural justice of human beings may be warped by chances such as the interest of government and particular classes, and the historical circumstances in a given period.[91] In fact, this provides the basis for Smith's criticism of legal positivism.[92]

2.3.3. Natural Theology

Smith's metaphysical doctrine which we are finally able to notice in relation to the concept of nature and its associated idea of natural law comes from his study of natural theology. The metaphysical doctrine informs us that nature and the laws of nature were laid down by the wise and benevolent Deity, so that everything is directed to fulfil its wisely planned purposes and is designed to maintain a harmonious order in the universe. As this statement indicates, it is apparent that this metaphysical proposition is inextricably connected with two metaphysical ideas which we already described earlier. In other words, that metaphysical proposition is not merely blended with an idea supposed by natural science that everything is subject to strict natural laws which are explainable in terms of mechanistic principles, for it suggests that God ordained those natural laws. The metaphysical doctrine is also intimately linked with the teleological interpretation of nature, in the sense that it claims that God intended everything to perform benevolent

purposes. This may clearly be seen in Smith's statements such as 'that divine Being, whose 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'[93] and 'Universe was regarded as a complete machine, as a coherent system, governed by general laws, and directed to general ends, viz, its own preservation and prosperity, and that of all the species that are in it'.[94]

This might be odd to the modern mind who finds only the doctrine of determinism in the concept of natural laws. Nonetheless, it is true that this combination of ideas was popular in the seventeenth and eighteenth centuries. As a result, the universe, which is pictured as a great machine, was believed to operate in accordance with the principles of mechanical causation while at the same time being designed to reveal an ideal function to realize the benevolently planned purposes. It is well-known that Newton played a large part in supporting and spreading this type of thinking. As C. M. A. Clark stated it:

> Newton emphasizes both the importance of the supreme being in the workings of the universe and the independence of scientific discoveries from theology and metaphysics. For Newton, and for the believers in Natural Theology, faith in God was as much a conclusion of his research as a starting point. Newton's theories dealt only with efficient causes and Newton himself claimed that the only possible final cause is supreme being. Yet it is clear that a starting point for Newton ... is the belief in a divine order the creation of a benevolent God.[95]

It is evident that for this reason Newton's discoveries had great theological implications and acted as an encouragement to the study on natural theology. It is therefore no wonder that so many men of letters in the eighteenth century devoted a good deal of interest to natural theology.[96] And it is noteworthy that what is characteristic of those learned men is that they attempted to give natural theology a distinct place from revealed theology by virtue of dealing with the universal aspects of religion apart from the doctrines of a particular religion. It was a deviation from the manner of the theologicians since the Middle Ages, in which natural theology tended to be used as a foundation of revealed theology, so long as the

doctrines of the former is consistent with the tenets of the latter.[97]

This is a background against which Smith's interest in natural theology can find its place. According to John Millar's memory, Smith's lectures on moral philosophy at the University of Glasgow were composed of four parts, and natural theology made the first part of his course: 'His course of lectures on this subject was divided into four parts. The first contained Natural Theology; in which he considered the proofs of the being and attributes of God, and those principles of the human mind upon which religion is founded'.[98] Unfortunately, we do not have Smith's writing or lecture notes on theology. Nevertheless, it is not completely impossible to observe what was the method and contents of natural theology, especially in connection with its first part, i.e., 'the proofs of the being and attributes of God'.

There were two types of reasoning which were employed in order to prove the existence and nature of the Deity in Smith's day. They are what may be called the method a priori and a posteriori, and each of those two methods followed a different procedure respectively. As Dugald Stewart tells us: 'the former founded on certain metaphysical propositions which are assumed as axioms, the latter appealing to that systematic order, and those combinations of means to ends which are everywhere conspicuous in nature'.[99] Hence we can suppose that the proofs of the being and character of God in terms of a priori method were strictly demonstrative like those of theorems under given axioms in mathematics, whereas a posteriori method led to reach by empirical means the conclusion that God exists and He has such-and-such characters. The former is the basis for the ontological argument; the argument which endeavours to prove the propositions of natural theology by deducing them from the premises that we must accept. The latter is the basis for the teleological argument or the argument from design; the argument which attempts to prove the existence and attributes of God by way of examining the world and showing many evidences of order and design.

CHAPTER 2

There is no doubt that Smith made use of the mode of reasoning a posteriori for his purposes. Firstly, it is certain from a remark of a contemporary of Smith, John Ramsay of Ochtertyre, concerning his opening prayers and his lecture on natural theology:

> that his opening prayers were always thought to "savour strongly of natural religion" ; that his lectures on natural theology were too flattering to human pride, and induced "presumptuous striplings to draw an unwarranted conclusion, viz. that the great truths of theology, together with the duties which man owes to God and his neighbours, may be discovered by the light of nature without any special revelation".[100]

Secondly, it is actually discernible from an examination of Smith's writings in that he frequently devoted himself to speculation concerning the final causes, and ascribed its consequences to the wisdom and benevolence of the Deity.[101]

Given that Smith adopts the a posteriori reasoning in the discourse of natural theology, it is apparent that the next step to be taken in order to prove the being and nature of God is to look at and explore the universe, and collect and reveal as many evidences of order and design as possible. In this regard it is not unreasonable to suppose that the evidences which Smith might show for the proofs of the propositions of natural theology could coincide, to a great extent, with those of his contemporaries such as Hutcheson, Kames, Ferguson, Reid, and Stewart.[102] For they likewise attempted to prove the existence and nature of God in terms of the argument from the final causes, i.e., from the confirmation of design and order found out in the masterly adjustments of means to ends. The following statements are the evidences which Smith's contemporaries made common use of. The structure of the different parts of the universe which fall under our notice has the mutual connections and dependences which cannot be produced by any art of men or other visible agents except the wisdom and intelligence of God; the bodies and instincts of animals are so well adapted to the circumstances such as particular climates and regions of the earth for their preservation and propagation of their species; the relations in which different species of animals stand to each other show a systematic order generally suitable for the nourishment or other conveniences of higher ranks of beings; and the

affections and passions, which are identical and uniform among human beings, are useful for individuals and society.[103]

Similarly, we can observe, in the *Theory of Moral Sentiments*, some evidences which presumably Smith would use in the context of natural theology. For instance, instincts of human beings are very well adjusted to the ends like the survival of individuals and society.

> Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them.[104]

Likewise, the feeling of resentment, which is usually regarded as an unpleasant passion, is the foundation of the sense of justice which is necessary to society.[105] Sympathy, which brings about the correspondence of opinions, and the mutual pleasure among individuals, is conductive to the harmony of society.[106] Even the irregularity of sentiments by which to judge men's behaviour not by their intentions, but by their consequences is useful to society.[107] Therefore it can be said that 'Nature ... seems, as upon all other occasions, to have intended the happiness and perfection of the species'.[108] A similar observation can be made with reference to the physical structure of animals. For example, 'The digestion of the food, the circulation of the blood, and the secretion of the several juices which are drawn from it, are operations all of them necessary for the great purposes of animal life'.[109] On this ground it was possible to conclude that 'In every part of the universe we observe means adjusted with the nicest artifice to the ends which they are intended to produce; and in the mechanism of a plant, or animal body, admire how every thing is contrived for advancing the two great purposes of nature, the support of the individual, and the propagation of the species'.[110]

Looked at in this way it seems clear that there are order and design in the universe. As a consequence, it is difficult to avoid the conclusion that God exists. For just as where there is a purpose, there must be a purposer, so there must be a designer where there is

design. This is, I suppose, Smith's proofs of the being of God in the discourse of natural theology, granted that he employed the a posteriori mode of reasoning, and some evidences collected in the *Theory of Moral Sentiments* are correct. And it is certain that Smith infers the nature of the Deity on the basis of the same evidences. Firstly, Smith claims that wisdom and benevolence[111] are the character of God:

> The happiness of mankind, as well as all other rational creatures, seems to have been the original purpose intended by the Author of nature, when he brought them into existence. No other end seems worthy of that supreme wisdom and divine benignity which we necessarily ascribe to him ; and this opinion ... is still more confirmed by the examination of the works of nature.[112]

In other words, in view of the way that the universe is arranged, or the purpose to which its structure is directed, it is possible to infer that God is wise and benevolent. For the features of the universe show that it was designed to advance the preservation of the individual and the propagation of the species. Accordingly, Smith declares: 'every part of nature, when attentively surveyed, equally demonstrates the providential care of its Author, and we may admire the wisdom and goodness of God even in the weakness and folly of man'.[113]

Secondly, there is another divine attribute which can be inferred from the investigation of nature. In Smith's view, justice, i.e., reward of virtue or punishment of vice is another aspect of God's purpose.[114] This argument is also drawn from the examination of the operations of nature. This is most obvious where Smith talks about the trend of the distribution of human happiness and misfortune in this life. As Smith points out:

> If we consider the general rules by which external prosperity and adversity are commonly distributed in this life, we shall find, that notwithstanding the disorder in which all things appear to be in this world, yet even here every virtue naturally meets with its proper reward, with the recompense which is most fit to encourage and promote it.[115]

A good man may be subject, in an unfortunate situation, to blame and

punishment, owing to a event which he did not intend. But it does not happen that he should be so as regards the general manner of his conduct. A wicked man may avoid condemnation for a peculiar corruption. But it is not the case with the general manner of his action. It is the general rules in accordance with experiences that wealth and external honours are accorded as the proper reward which industry, prudence, and circumspection bring about, whereas the confidence, the reverence, and love of our fellows are accompanied by the practice of truth, justice, and humanity. This is the common course of human affairs. Therefore, it is possible to say that nature 'bestows upon every virtue, and upon every vice, that precise reward or punishment which is best fitted to encourage the one, or to restrain the other. She is directed by this sole consideration'.[116] If it is given that God who directed all the movements of nature exists, and it is observed that the natural course of things controls the precise reward and punishment proper for every action, it is not difficult to arrive at the proposition that the Deity has the character of justice.

So far we have outlined the method and contents of Smith's Natural Theology on the basis of the available evidences,[117] while we do not have any writing on the subject, and consequently do not know its details. This was a necessary task, since Smith's metaphysical idea identified in this part is grounded on the study of natural theology, and natural theology plays a role which links together his mechanistic determinism and teleology in the concept of nature and its associated idea of natural law.

As noted, what is characteristic of his natural theology is that his belief in God and His nature is not independent of his study of nature. Since Smith draws on the argument from design in order to prove the propositions of natural theology, it is absolutely plain that the argument for God's existence is based upon knowledge about the world. In this context T.D.Campbell claimed that Smith's theological beliefs were a conclusion of scientific study.

> while we may admit that Smith's theology led him to expect nature to exhibit the signs of a creator, we should regard his faith as a consequence, and not a cause, of his study of nature. This is not

> an assertion about the sources of his religious belief but about the arguments he uses to support it and, more importantly, the place it holds in his system of thought: he does not deduce facts from his theology but makes theological statements on the basis of facts independently ascertained.[118]

In fact, Smith points out, in his essay on the history of ancient physics, that natural theology in origin was a result of scientific investigations of nature: 'as ignorance begot superstition, science gave birth to the first theism that arose among those nations'.[119] However, a problem rests on the fact that theological conclusions deduced from the assessment of empirical data turn into a presupposition in Smith' system of thought. Campbell seemed to agree on this matter: 'His [Smith's] belief in an all-wise Author of nature is certainly an important presupposition of his thought; it encourages him to look for systematic aspects in society and lead him to adopt ... a method of explanation similar to modern functionalist theory. But he does not draw on this belief for information about the world'.[120] In brief, Campbell's contention can be summed up as follows: Smith's theological belief as a presupposition helps him to find out beneficial consequences exhibited by the nice adjustments of means to ends in the universe, yet it should not be conceived as a presupposition of scientific study since the former obviously is just a consequence, and not a cause, of the latter. Put in this way there seems to be no room in respect of which Smith's theological beliefs can influence his scientific activities.

But this is not so. It is of the highest importance to notice that although his belief in God's existence is primarily based on his empirical study of nature, that belief is quite different in status and nature from his scientific investigation. For whereas the latter is subject to empirical test, the former is irrefutable. This means that in the discourse of natural theology Smith, like others who were concerned with natural theology, accepted the being and character of God, not only on the basis of many empirical evidences which show order and design, but also irrespective of other facts which deny the patterns of order and design. A typical case of the latter is the problem of evil, which has been one of major issues of debate among the theologicians. It is apparent that the problem of evil will

constitute the principal objection to the argument from design and to the theological propositions of those who draw upon the a posteriori reasoning mentioned earlier. I suppose that presumably Smith attempted to ascribe the existence of moral evil to man's freedom to do evil deviating from the natural principles of the human mind, in order to escape from such a difficulty.[21] In short, Smith seemed to explain the problem of evil away. Seen in this way Smith's theological faith becomes irrefutable in the face of any counterexample, while at the same time being confirmable. With this characteristic, Smith's theological view acts as a presupposition in scientific inquiry which has a status independent of the consequences of empirical study. This is the reason why it must be treated as a metaphysical doctrine, and becomes a crucial premiss which can have a regulative effect on Smith's scientific study. In this connection we can not help pointing out the mistaken view of Lindgren, for he claimed, against a widely agreed outlook among Smithian commentators, that Smith's theological view should not be considered to be optimistic, on the ground that Smith obviously admitted the broad presence of evils:

> The popular contention today is that while he may have accepted no orthodox creed, he did subscribe to that Stoical optimistic deism, or natural religion which was popular among the intellectuals of his age .... Although accompanied by a number of citations allegedly confirming the validity of the Stoic optimistic deism thesis, these accounts remain unconvincing. The root difficulty with them is that they flatly contradict other features of Smith's position for which independent confirmation is readily available. It is not the case that Smith was particularly optimistic. Of the two evils which most concerned him - the a-moral exercise of institutional power and the unjust distribution of wealth - he was ... largely pessimistic.[22]

In concluding it should be remembered once again that this metaphysical doctrine is not a premise from which Smith tried to 'logically' deduce knowledge about the world. It supplies the vision from which the world can be examined. Therefore, it does not determine so much the manner of how we can obtain the materials from the world and by what method or rule of procedure they can be organized, but the way in which the collected data have to be selected, arranged, and organized. In this way it determines the

shape of scientific theories to come. This is the ground that metaphysics is methodologically suggestive.

Notes to Chapter 2

1) See Philipp Frank, *Philosophy of Science*(1975), pp. 1-47.
2) Quoted in P. Frank. op. cit., p. xi.
3) For discussions on the relationship, say, between philosophy and economics see, e.g., T. Hutchison, *The Significance and Basic Postulates of Economic Theory*(1938); idem, *On Revolutions and Progress in Economic Knowledge*(1978); M. Blaug, *Economic Theory in Retrospect* (1978); idem, *The Methodology of Economics*(1980); M. Hollis and E. Nell, *Rational Economic Man*(1975): M. Katozian, *Ideology and Method in Economics*(1980); P. Mini, *Philosophy and Economics*(1974); D. A. Redman, *Economics and the Philosophy of Science*(1991); D. Hausman(ed.), *The Philosophy of Economics*(1984); S. J. Latsis(ed.), *Method and Appraisal in Economics*(1976); J. C. Glass and W. Johnson, *Economics: Progression, Stagnation or Degeneration?* (1989).
4) Corr., letter 174 (p. 354), Pownall to Adam Smith, 25 Sept. 1776; original italics.
5) Stewart, IV. 22.
6) See, e.g. J. Viner, 'Adam Smith and Laissez-faire', in J. C. Wood(ed), *Adam Smith: Critical Assessments*(1984), Vol. 1, p. 143; W. Letwin, *The Origin of Scientific Economics*(1963), p. 226; A. Lowe, 'Adam Smith's System of Equilibrium Growth', in A. S. Skinner and T. Wilson(eds.), *Essays on Adam Smith*(1975), pp. 415-425; A. S. Skinner, *A System of Social Science*(1979), chapter 7.
7) See, e.g., T. H. Huxley, *Evolution and Ethics*(1894), pp. 26-33; E. Westermarck, *Ethical Relativity*(1932), p. 71; H. J. Bittermann, 'Adam Smith's Empiricism and the Law of Nature', in J. C. Wood(ed.), op. cit., Vol. 1, pp. 190-235; T. D. Campbell, *Adam Smith's Science of Morals*(1971).
8) Cf. P. Frank, *Modern Science and Its Philosophy*(1941), pp. 286-303; J. W. N. Watkins, 'Metaphysics and the Advancement of Science', *The British Journal for the Philosophy of Science*, Vol. 26(1975), pp. 91-121; N. Koertge, 'The Problem of Appraising Scientific Theories', in Asquith and Kyburg(eds.), *Current Research in Philosophy of Science* (1979), pp. 240-41. And for the findings of the historian of science which connect metaphysical speculations with the advance of natural science see, e.g., E. A. Burtt, *The Metaphysical Foundations of Modern Physical Science*(1924).
9) 'Logical positivism' is the name of a philosophical and cultural movement growing out of Vienna and Berlin in the early decades of this century. 'Logical empiricism' is used as the more moderate and more sophiscated form of 'logical positivism' of the 1950s which has still an influence today (cf. D. A. Redman, op. cit., pp. 7 and 9). But, here I shall use 'logical positivism' without distinction.
10) Cf. A. F. Chalmers, *What Is This Thing Called Science?* (1982), chapters 1 and 2, and B. J. Caldwell, *Beyond Positivism: Economic Methodology in the Twentieth Century*(1982), part 1.
11) For discussion see M. Katozian, op. cit., pp. 47-53 and chapter 6. And on the debate concerning 'value-neutrality thesis' in science see, e.g., M. Weber, ' 'Objectivity' in Social Science and Social Policy', in *The Methodology of Social Science*, translated and edited by A. Shilz and H. A. Finch(1949); J. Schumpeter, 'Science and Ideology', in D. Hausman, op. cit., pp. 260-275; R. Rudner, 'The Scientist qua Scientist Makes Value Judgment', *Philosophy of Science*, Vol, 20(1953), pp. 1-6; G. Myrdal, *The Political Element in the Development of Economic Thought*(1954), chapter 1; R. L. Meek, 'Value-judgments in Economics',

British Journal for the Philosophy of Science, Vol. 15(1964), pp. 89-96; K. Klappholz, 'Value-judgments and Economics', *British Journal for the Philosophy of Science*, Vol. 15(1964), pp. 97-114; J. Leach, 'Explanation and Value Neutrality', *British Journal for the Philosophy of Science*, Vol. 19(1968), pp. 93-108; L. Dwyer, 'The Alleged Value Neutrality of Economics: An Alternative View', *Journal of Economic Issues*, Vol. 16(1982), pp. 75-106; R. Heilbroner, *Behind the Veil of Economics*(1988).

12) Cf. L. Kolakowski, *Positivist Philosophy*(1968), chapter 8.

13) See J. W. N. Watkins, 'Between Analytic and Empirical', *Philosophy*, Vol. 32(1957), pp. 112-131; idem, 'Confirmable and Influential Metaphysics', *Mind, N. S.*, Vol. 67(1958), pp. 345-48.

14) K. Popper, *The Logic of Scientific Discovery*(1980), p. 55.

15) Ibid., p. 38; cf. also pp. 131, 206(n. 2), 277-78 and 314.

16) J. Agassi, 'The Nature of Scientific Problems and Their Roots in Metaphysics', in M. Bunge(ed.), *The Critical Approach to Science and Philosophy*(1964), pp. 189-211.

17) Ibid., p. 210.

18) For this I totally depend on J. W. N. Watkins's paper, 'Confirmable and Influential Metaphysics', *Mind, N. S.*, Vol. 67(1958), pp. 344-365.

19) Ibid., p. 356.

20) Ibid., p. 345; original italics. In a similar vein we can observe the statement of Lakatos: methodological rules in a scientific research programme 'may be formulated ... as metaphysical principles' (I. Lakatos, 'Falsification and Methodology of Scientific Research Programmes', in I. Lakatos and A. Musgrave(eds.), *Criticism and the Growth of Knowledge*(1970), p. 132). Cf. also J. O. Wisdom, *Philosophy of the Social Sciences*, (1989), Vol. 2, p. 123.

21) For cases where this thesis is applied see J. W. N. Watkins, 'Philosophy and Politics in Hobbes', *The Philosophical Quarterly*, 1955, pp. 125-146; J. C. Glass and W. Johnson, 'Metaphysics, MSRP and Economics', *British Journal for the Philosophy of Science*, Vol. 39(1988), pp. 313-29; idem, *Economics: Progression, Stagnation or Degeneration?*(1989)

22) See D. Stewart, *The Collected Works of Dugald Stewart*, edited by Sir William Hamilton(1858), Vol. 3, pp. 335-349.

23) Ibid., p. 341.

24) Ancient Logics, 1.

25) Ibid., 10.

26) Ancient Physics, 10.

27) Ibid.,

28) Ibid.,

29) See B. Russell, *A History of Western Philosophy* (1946), pp. 167-69; cf. also Ancient Logics, 7.

30) Ancient Physics, 10.

31) WN, V. i. f. 28.

32) Cf. also External Senses, 18, where Smith speaks of 'that species of metaphysics which confounds every thing and explains nothing'.

33) WN, V. i. f. 28.

34) Corr., letter 261, Adam Smith to Thomas Cadell, 7 May 1786.

35) T. D. Campbell, op. cit, p. 28; cf. also H. J. Bittermann, 'Adam Smith's Empiricism and the Law of Nature', in J. C. Wood(ed.), op. cit., Vol. 1, p. 220.

36) See, e. g., T. E. Cliffe Leslie, 'The Political Economy of Adam Smith', in *Essays in Political Economy*(1888), pp. 21-40; J. Bonar, *Philosophy and Political Economy*(1922), pp. 172 and 185; Sir Alexander Gray, *The Development of Economic Doctrine*(1933), pp. 124-25; J. Viner,

'Adam Smith and Laissez Faire', op.cit., pp.143-153; J.K.Ingram, *A History of Political Economy*(1915), pp.89-91 and 106; L.Stephen, *History of English Thought in the Eighteenth Century*(1876), Vol. 1, pp.70-80.
37) L.Stephen, op.cit., p.78.
38) J.K.Ingram, op.cit., pp.89-90.
39) See, e.g., Gide and Rist, *A History of Economic Doctrines*(1915), p.85ff.; H.J. Bittermann, op.cit., pp.190-235; A.L.Macfie, *The Individual in Society*(1967), pp.69 and 102; O.H.Taylor, *A History of Economic Thought*(1960), p.54; T.D. Campbell, *Adam Smith's Science of Morals*(1971), pp.53-62; K.Haakonssen, *The Science of A Legislator* (1981), p.77. In this connection it is also worth noting that mainly the economists tend to disregard the religious ingredients of Smith's thought. For instance, Smith's famous term, the 'invisible hand', is considered by them to be no more than the 'automatic equilibration' in a market economy, or a 'literary embellishment'. See W.Grampp, *Economic Liberalism*(1965), Vol. 2, p.34, and W.Letwin, *The Origin of Scientific Economics*(1963), p.225.
40) H.J. Bittermann, op.cit., p.225.
41) TMS, II.ii.3.5.
42) Cf. Bittermann and Campbell (see above, note 39).
43) See, for example, R.Heilbroner, 'The Paradox of Progress', in A.S.Skinner and T.Wilson(eds.), *Essays on Adam Smith*(1975), pp.524-39. Here I shall not now go into details, and later deal with this issue.
44) T.D. Campbell, op.cit., pp.56 and 57; cf. also H.J. Bittermann, op.cit., p.207ff.
45) Cf. O.H. Taylor, 'Economics and the Idea of Natural Laws', *Quarterly Journal of Economics*, Vol. 44(1929), pp.8-9; G.Buchdahl, *The Image of Newton and Locke in the Age of Reason*(1960), pp.25-27.
46) A.N. Whitehead, *Science and the Modern World*(1926), p.4ff.; original italics.
47) Ancient Physics, 1.
48) Ibid., 2.
49) H.S. Thayers(eds.), *Newton's Philosophy of Nature: Selections from His Writings*(1974), p.1.
50) See, e.g., S.C. Brown, 'The 'Principle' of Natural Order: Or What the Enlightened Sceptics Did Not Doubt', in S.C. Brown(ed.), *Philosophers of the Enlightenment*(1979), pp.65-71, where it is claimed that the assumption of strict natural laws has an inextricable bearing upon the principle of simplicity, and that idea is such as even enlightened sceptics did never doubt owing to their need of the latter principle.
51) I.Newton, *Mathematical Principles of Natural Philosophy*, Motte's translation revised by F.Cajori(1966), p.398; original italics.
52) External Senses, 18; cf. also TMS, VII.ii.2.14.
53) TMS, VII.ii.1.47.
54) It is interesting to observe that at the level of philosophical discussion David Hume rejects the doctrine of determinism as 'entirely arbitrary': 'In a word, then, every effect is a distinct event from its cause. It could not, therefore, be discovered in the cause, and the first invention or conception of it, *a priori*, must be entirely arbitrary' (*Enquiries Concerning Human Understanding and Concerning the Principles of Morals*, Selby-Bigge(ed.), 1975, p.30).
55) TMS, VII.iii.3.3; italics added. Cf. also TMS, II.i.5.10.
56) TMS, VII.iii.1.2; cf.also TMS, I.i.4.2; VII.ii.1.37;VII.iii.3.16; Astronomy, IV.19; Ancient Physics, 9.
57) For comment concerning the influence of Newton's concept of

nature upon Smith's thought and method see, e.g., H.J. Bittermann, op.cit., pp.195-199; O.H. Taylor, *A History of Economic Thought*(1960), p.56; J.C.Greene, *Darwin and the Modern World View*(1961), p. 88; G.Buchdahl, op.cit., pp.26-27; H.F. Thomson, 'Adam Smith's Philosophy of Science, in J.C.Wood(ed.), op.cit., Vol.1, pp.324-325 and 332-335; T.D. Campbell, op.cit., p.31ff.; A.S. Skinner, 'Adam Smith: Philosophy and Science', in J.C. Wood(ed.), op.cit., Vol.1, pp.461 and 469ff.; M. Blaug, op.cit., pp. 52-3: N.S. Hetherington, 'Isaac Newton's Influence on Adam Smith's Natural Laws in Economics', *Journal of the History of Ideas*, Vol.44(1983), pp.497-505; S. Hollander, *Classical Economics* (1987), chapter 12; C.M.A. Clark, 'Natural Law Influences on Adam Smith', in *Quaderni di Storia dell'Economia Politica*, Vol.6(1988), pp.59-65.

58) TMS, VII.ii.1.47.
59) TMS, II.i.3.3.
60) TMS, I.i.3.1; italics added.
61) TMS, II.ii.3.5.
62) TMS, VII.iii.3.3.
63) Cf. TMS, II.ii.3.6.
64) TMS, II.i.5.10.
65) TMS, IV.2.3.
66) Cf. B.Russel, op.cit., pp.167-69 and 205.
67) See W.Stark, *The Fundamental Forms of Social Thought*(1962), chapter 2.
68) For a brief history of the doctrine of natural law see J.A. Schumpeter, op.cit., pp.107-142 and Y.R. Simon, *The Tradition of Natural Law*(1967), pp.27-40.
69) Frederick Pollock, *Essays in the Law*(1922), p.37.
70) This mode of thought was common to all the varieties of the doctrine of natural law. See O.H. Taylor, 'Economics and the Idea of *Jus Naturale*', *Quarterly Journal of Economics*, Vol.44(1930), pp.209-10 and K.Haakonssen, 'Jurisprudence and Politics in Adam Smith', in K.Haakonssen(ed.), *Traditions of Liberalism*(1988), p.108.
71) It is pointed out that Gershom Carmichael, the predecessor of Hutcheson and Smith, contributed very much to establishing the natural jurisprudence tradition in the Scottish universities. Cf. J.Moore and M.Silverthorne, 'Gershom Carmichael and the Natural Jurisprudence Tradition in Eighteenth-century Scotland', in I.Hont and M.Ignatieff(eds.), *Wealth and Virtue*(1983), pp.73-87.
72) Cf. T.Veblen, *The Place of Science in Modern Civilization*(1919), pp.82-147; O.H. Taylor, op.cit., pp.205-41; J.A. Schumpeter, op.cit., pp.141-42; A.L. Macfie, *The Individual in Society*(1967), pp.24-26; I. Hont and M.Ignatieff, 'Needs and Justice in *The Wealth of Nations*', in I.Hont and M.Ignatieff(ed.), *Wealth and Virtue*(1983), pp. 1-44. And see also K.Haakonssen, *The Science of a Legislator*(1981); R.Teichgraeber, III, *'Free Trade' and Moral Philosophy*(1986), which are detailed studies in this connection.
73) See, e.g., J.Cropsey, *Polity and Economy*(1957), pp.viii; V.Foley, *The Social Physics of Adam Smith*(1976).
74) Cf. V.Foley, op.cit., pp.42-46, 48-49, 63-65, 105-, and 115-16.
75) See, for instance, TMS, II.iii.3; cf. also TMS, II.i.5.10; II.ii.3.5; III.5.7; III.5.9; VI.ii.1.19; VI.ii.2.4.
76) See P.Frank, *Philosophy of Science*(1957), pp.24 and 116-21.
77) See, e.g., H.J. Bittermann, op.cit., p.218ff; T.D. Campbell, op.cit., pp.69-79; K.Haakonssen, op.cit., pp.77-79; J.A. Schumpeter, op.cit., pp.108-13.
78) T.D. Campbell, op.cit., pp.70-71.

79) Ibid., pp. 77-78.
80) Cf. G. Myrdal, *The Political Element of the Development of Economic Thought*(1953), p. 28; W. Stark, op. cit., p. 18.
81) Cf. D. Hume, *A Treatise of Human Nature*, Selby-Bigge edition(1978), p. 469.
82) Cf. G. E. Moore, *Principia Ethica*(1903), pp. 9-21.
83) J. Schumpeter, op. cit., p. 111; original italics.
84) Cf. F. J. Taggart, *Theory of History*(1925), pp. 86-87.
85) Cf. A. S. Skinner, op. cit., chapter 4.
86) WN, III. i. 9.
87) WN, III. i. 8.
88) Stewart, II. 52.
89) Ibid., II. 44.
90) Ibid., II. 56.
91) TMS, VII. iv. 36.
92) On Smith's critical jurisprudence see K. Haakonssen, op. cit., chapter 6.
93) TMS, VI. ii. 3. 5.
94) Ancient Physics, 9.
95) C. M. A. Clark, op. cit., p. 60.
96) Cf. G. Bryson, *Man and Society*(1945), p. 218ff. where she briefly introduces the theological views of the leading members of the Scottish Enlightenment.
97) Ibid., pp. 219-21. But note that although the eighteenth century deists pretended to treat the universal elements of religion to the exclusion of a particular religion, their propositions of natural theology were closely connected with Christianity (W. Fulton, *Nature and God*(1927), p. 19).
98) Stewart, I. 18.
99) D. Stewart, op. cit., Vol. 7, p. 7.
100) John Rae, *Life of Adam Smith*(1895), p. 60.
101) Cf. TMS, II. i. 5. 10; II. ii. 3. 5; II. iii. 3; III. 5. 7; VI. ii. 1. 19; VI. ii. 2. 4; WN, IV. ii. 9.
102) We can conceive as them as standing along the same line in that they supported the fact that the investigation of the order and design evident in the world need be made in order to prove that a Deity exists. However, it ought not to be taken as implying, beyond the similarity in such a restrained sense, that they all had the agreed view concerning the problems of religion. For example, Lord Kames (Henry Home) is found to point out that the perception of the existence of the Deity is performed, not through reason, but through experience and intuition, while he recognised that in natural theology the examination of the order and design in nature is requisite for the proof of the being of God: 'the application of the argument from final causes, to prove the existence of a Deity, and the force of our conclusion, from beautiful and orderly effects to a designing cause, are not from reason, but from an internal light'. (See Lord Kames (Henry Home), *Essays on the Principles of Morality and Natural Religion*(1751), pp. 329 and 340. Cf. G. Bryson, op. cit., pp. 223-224). And he was said to give priority to revealed religion, and look upon ideally both revealed and natural religion as consistent with each other. (See William C. Lehmann, *Henry Home, Lord Kames and the Scottish Enlightenment*(1971), p. 274). Meanwhile, Reid came near to Kames in the sense that supernatural revelation, he thought, 'is of use to enlighten us with regard to the use of Natural Religion', whereas Reid like others differed from Kames in that reason, he contended, must be employed to prove the existence of God. (See

Thomas Reid, *Thomas Reid's Lectures on Natural Theology(1780)*, transcribed from student notes and edited by E.H. Duncan, pp.1-2).
103) Cf. Francis Hutcheson, *Collected Works of Francis Hutcheson,* Vol.5, pp.168-174; Lord Kames (Henry Home), op.cit., pp.325-330; Thomas Reid, op.cit., pp.13-59; Adam Ferguson, *Principles of Moral and Political Science*(1792), Vol.1, pp.164-166; Dugald Stewart, op.cit., Vol.7, pp.62-77.
104) TMS, II.i.5.10.
105) Cf. TMS, II.i.5.8; II.ii.3.10.
106) Cf. TMS, I.i.4.7.
107) Cf. TMS, II.iii.3.
108) TMS, II.iii.3.2.
109) TMS, II.ii.3.5.
110) TMS, II.ii.3.5.
111) In a number of places Smith refers to wisdom and benevolence of God. See, for example, TMS, III.5.12; VI.ii.1.20; VI.ii.3.2; VI.ii.3.5; VII.ii.3.2; VII.ii.1.39.
112) TMS, III.5.7.
113) TMS, II.iii.3.2.
114) In a number of passages Smith mentions God's justice. See TMS, III.2.12; III.2.33; III.5.3; III.5.7; VII.ii.3.20; II.ii.3.12; III.2.(p.128)
115) TMS, III.5.8.
116) TMS, III.5.9.
117) But we have not observed, among the contents of Smith's Natural Theology, only the 'principles of the human mind upon which religion is founded'. K.Haakonssen deals briefly with this (op.cit., pp.74-77).
118) T.D. Campbell, op.cit., p.60.
119) Ancient Physics, 9.
120) T.D. Campbell, op.cit., p.60; cf. also C.M.A. Clark, op.cit., pp.64-65, and 71.
121) Cf. TMS, III.5.7. And see L.Stephen, op.cit., Vol.2, p.78, where it is stated that for the members of the school of Shaftesbury including Smith 'Evil is an illusion produced by our imperfect knowledge, or a result of the perverse exercise of that free-will'.
122) R.Lindgren, *The Social Philosophy of Adam Smith*(1973), pp.133-34.

Chapter 3: Adam Smith's Metatheoretical Principles

3.1. Introduction

It was pointed out in Chapter 2 that metaphysical doctrines are methodologically suggestive. Metaphysical doctrines are influential in scientific researches, in the sense that they provide the scientist with a perspective from which the world can be viewed. This way of seeing the world in turn indicates ways of examining it and the shape of scientific theories to come. Metaphysical doctrines do not provide information about the world or how to find it out, but outline a research programme. This is the reason that they come to limit or rule out a certain range of theoretical possibilities, and as a result exert a regulative influence on the construction of scientific theories.

Given this fact, it is of great interest to see the extent to which Smith's natural theology affected his scientific study. And this enterprise is of particular importance, because many commentators of this century are inclined to think that Smith's scientific performance can be completely separated from his theological view, and that it is possible, insofar as our purpose is purely to make out the former, to leave the latter out of consideration. But before this is done, it is necessary to identify Smith's metatheoretical principles; principles which are associated with a metaphysical doctrine which is based on his theological view. Metatheoretical principles are those which, in conjunction with metaphysical doctrines, play a guiding role in scientific investigation by means of proposing or ruling out a certain range of theoretical possibilities. Against this background we shall attempt to identify Smith's metatheoretical principles which are inextricably bound up with his theological view with respect to God's benevolence.

But before that, we shall address ourselves to showing that Christian thought had many important effects on the social philosophy

of the eighteenth century. Philosophers of the Enlightenment tended to reject superstition and enthusiasm which a particular religion brought, and were frequently concerned with natural religion or natural theology in an endeavour to arrive at universal elements of religion. The same is true of Smith. In this connection we shall try to illustrate this theme by reference to a particular example, i.e., Smith's treatment of a future state which was presumably a part of his natural theology. This will be offered in order to show that for Smith, as for his contemporary deists, Christian thought was influential to the doctrines of natural theology. This is the burden of the next section. With this premise the final section is devoted to the task of observing some ideas which the conception of divine goodness in the Christian tradition accompanied, and later bequeathed to European thought in its secularized form. And in relation to this consideration we shall finally go on to establish Smith's metatheoretical principles.

3.2. Natural Theology and Christianity

It was observed earlier that the lectures on natural theology was the first part of the set which Smith delivered in his course on moral philosophy. There he considered the proofs of the being and nature of God, and dealt with some principles of the human mind on which religion is founded. And it was noted that he attempted to demonstrate theological propositions by means of the 'light of nature'. In other words, Smith, like many other contemporaries, made use of the method a posteriori, and strove to arrive at the conclusion at which he aimed, in terms of presenting empirical evidences of order and design discovered in the universe. Finally, it should be remembered that this type of approach to religion was thought by eighteenth century writers to be a philosophical or scientific approach, in the sense that that approach would render it possible to reach religious truths on the basis of the natural principles of the human mind.

Furthermore, we are reminded that the period of the Enlightenment is usually called the Age of Reason. In fact, a good number of the philosophers of the Enlightenment renounced the superstition and enthusiasm of medieval Christian thought, rejected all revealed and ecclesiastical religion, and questioned the credibility of supernatural phenomena. In a similar vein it is observed that this trend was conspicuous even in the subject of natural theology or religion. As they were interested in the discovery of natural laws in other subjects, many philosophers of the Enlightenment endeavoured to arrive at the doctrine of God and the universal elements in all religions, as distinct from the doctrines of a particular religion, by reference to empirical evidences and natural principles.[1] And it is well-known that supernatural revelation on which historical religions like Christianity depend finds no place in such a mode of thought. Given this fact, i.e., that they not only endeavoured to found the doctrine of God on the known facts about the world, but also denied a belief with regard to the frequent intervention of a supernatural agent which Christianity held as absolutely true, it seems likely that natural theology and its doctrines to which Smith and his contemporary deists addressed themselves had nothing to do with, or were scarcely affected by, Christianity which was, in his day, a predominant historical religion in Europe. But this is not so.

In his book on *The Heavenly City of the Eighteenth Century Philosophers*, Carl Becker summarised some key words which may be said to help us to understand respectively several different centuries as easily as possible.

> In the thirteenth century the key words would no doubt be God, sin, grace, salvation, heaven, and the like; in the nineteenth century, matter, fact, matter-of-fact, evolution, progress; in the twentieth century, relativity, process, adjustment, function, complex. In the eighteenth century the words without which no enlightened person could reach a restful conclusion were nature, natural law, first cause, reason, sentiment, humanity, perfectibility.[2]

One of the messages which Becker strongly wants to deliver is that whereas the aforementioned catchwords representing the period of the Enlightenment sounded as if they had been, in meaning, very far from

those of the thirteenth century, their philosophy was not entirely set free from medieval Christian thought, and the vision which the Christian thinkers had in the Middle Ages, though it was supported by earthly foundations, remained similar in substance.[3] And it is of particular interest to note that such vestiges of Christian thought are found even in the writings of enlightened sceptics like Voltaire. It can be noticed, for example, that Voltaire speaks as if he was well aware of God and His purposes on the one hand, and a regular and constant order in nature on the other[4]: 'The regular and constant order of facts by which God rules the universe; the order which his wisdom presents to the sense and reason of men, to serve them as an equal and common rule of conduct, and to guide them, without distinction of race or sect, toward perfection and happiness'.[5]

The same point can be made with regard to the subject of natural theology. Therefore, W. Fulton argued that the eighteenth-century deists' treatment of natural theology would be not possible without the soil and nourishment provided by Christianity, even though they attempted to rest their principles of natural theology on natural reason and scientific method.[6] Why did this happen? In the Middle Ages natural theology was treated as the preamble of faith as well as a subject which was able to treat knowledge of God by recourse to natural reason. In other words, natural theology was seen as a presupposition or ground which worked in support of some of the doctrines that the Christian faith professed, for although natural and revealed theology dealt respectively with distinct problems, nature was considered as a sphere where God's revelation or grace manifested itself. Of course, natural theology was not a product of the Middle Ages. It is well-known that its origin is found in ancient Greek thought. In passing we can take note that Smith was well aware of this. Smith, when writing of, and finding the foundation of theism in, Plato, in an essay on the ancient physics, states as follows:

> As soon as the Universe was regarded as a complete machine, as a coherent system, governed by general laws, and directed to general ends, viz. its own preservation and prosperity, and that of all the species that are in it; the resemblance which it evidently bore to those machines which are produced by human art, necessarily impressed those sages with a belief, that in the original formation of the world there must have been employed an

> art resembling the human art, but as much superior to it, as the world is superior to the machines which the art produces. The unity of the system, which, according to this ancient philosophy, is most perfect, suggested the idea of the unity of that principle, by whose art it was formed; and thus, as ignorance begot superstition, science gave birth to the first theism that arose among the nations, who were not enlightened by divine Revelation. [7]

In any case, Plato, Aristotle, the Stoics, and the later Platonists sought to draw the being and character of God from the order and beauty found out in the events of the universe. This philosophical theism gave natural theology its starting point and became the source of various theistic arguments in the course of time. The natural theology which Greek philosophy brought into existence was attached to the Christian system from the beginning of Christianity, and, as noted, the theological conclusions reached by natural reason were thought to be in accordance with divine revelation which revealed theology supported. [8] But in the Reformation era natural theology was about to detach itself from revealed theology. Firstly, the anti-rational tendency in the Protestant Church allowed little room for natural theology. Secondly, among those who suffered from the religious unrest and wars which were encouraged by different religious dogmas and creeds there was a tendency to separate natural theology from the Christian theological system, and to remove everything mysterious from theological discussions in terms of the exercise of reason. As Windelband pointed out:

> In connection with all these movements stands the tendency of the Enlightenment philosophy toward *establishing the universal "true" Christianity by means of philosophy.* True Christianity is in this sense identified with the *religion of reason*, or *natural religion*, and is to be dissolved out from the different forms of positive, historical Christianity. [9]

In this way intellectuals were inclined to rely on the idea of an universal religion which could be approached by natural reason common to all sensible men, and natural theology had mainly been a concern of the philosophers more and more independently of the old tradition of Christian theology. Nevertheless, as pointed out, the natural theology of the eighteenth century was not entirely independent of Christian thought, in the sense that certain basic conceptions of

the latter had been inextricably bound up in the doctrines of the former. This seems natural since a religion which coloured Western civilization for more than a thousand years had entered deeply into the thought and feeling of the European mind. In this context Dawson noted what fundamental conceptions traditional Christian thought left to the philosophers interested in a natural religion.

> When the philosophers of the 18th century attempted to substitute their new rationalist doctrines for the ancient faith of Christendom, they were in reality simply abstracting from it those elements which had entered so deeply into their own thought that they had no longer recognized their origin. Eighteenth century Deism was but the ghost or shadow of Christianity, a mental abstraction from the reality of a historical religion, which possessed no independent life of its own. It retained certain fundamental Christian conceptions - the belief in a beneficent Creator, the idea of an overruling Providence which ordered all things for the best, and the chief precepts of the Christian moral law, but all these were desupernaturalized.[10]

This suggests that medieval Christian thought is, as a matter of fact, a background against which the natural theology of the eighteenth century can be understood. I believe that this is the case with Smith's theological view as well. While it goes beyond the scope of this thesis to examine, in detail, the extent to which Christian doctrines in the Middle Ages influenced the thought of the eighteenth century,[11] we shall later very briefly note, for my purpose of identifying Smith's metatheoretical principles, that some theological conceptions which medieval Christian philosophers introduced were influential to the notions which the European intellectuals during subsequent periods had been accustomed to use. However, before going further we shall finally address ourselves to Smith's treatment of a future state in connection with divine justice which seemed to be a part of his concern in the lectures on natural theology. The following discussion is thus offered with a view to elucidating such an aspect.

It was observed earlier that justice was one of divine attributes which Smith attempted to prove in the course of natural theology. We also noted his view that an understanding of God's justice can be arrived at by means of the investigation of nature. In Smith's opinion, God is just, since He gives every virtue precise reward, and

every vice precise punishment. It can be said that this conviction of God's justice is the basis for Smith's discussion of a future state.

In this world innocence and virtue may be unrecognized. An innocent man is often, under unfortunate circumstances, blamed and punished owing to an act or event which he did not commit. When the innocent man has no hope of his innocence being proved, an appeal is made to God who will, in an after-life, give exact reward and punishment in proportion to what he has done in this life. As Smith put it:

> When we thus despair of finding any force upon earth which can check the triumph of injustice, we naturally appeal to heaven, and hope, that the great Author of our nature will himself execute hereafter, what all the principles which he has given us for the direction of our conduct, prompt us to attempt even here; that he will complete the plan which himself has thus taught us to begin; and will, in a life to come, render to every one according to the works which he has performed in this world. And thus we are led to the belief of a future state, not only by the weakness, by the hopes and fears of human nature, but by the noblest and best principles which belong to it, by the love of virtue, and by the abhorrence of vice and injustice.[12]

Here it can be noticed that in such cases an appeal to God is, Smith finds, natural or common to human beings. That is, when we suffer undeserved misfortunes, our natural sentiments such as hopes and fears, and the love of virtue and the abhorrence of vice lead us to believe in other world where divine justice ensures that deeds in this world receive exact reward or retribution. Since Smith finds that human nature in those circumstances necessarily brings about religious belief in an after-life, he speaks approvingly of it: 'That there is a world to come, where exact justice will be done to every man, where every man will be ranked with those who, in the moral and intellectual qualities, are really his equals .... is a doctrine, in every respect so venerable, so comfortable to the weakness, so flattering to the grandeur of human nature, that the virtuous man who has the misfortune to doubt of it, cannot possibly avoid wishing most earnestly and anxiously to believe it'.[13] And, in Smith's opinion, this is confirmed by a natural history of religion. 'In every religion, and in every superstition that the world has ever beheld, accordingly, there has been a Tartarus as well as an Elysium; a place provided for the

punishment of the wicked, as well as one for the reward of the just'.[14]

It will be apparent, at present, that Smith advances a naturalistic theory of religious belief. A religious truth as to a future life is accounted for on the basis of human nature. The doctrine of divine reward and punishment in an after-life which is seen to be common to every religion is explained in terms of men's natural sentiment of hope, and the love of virtue and aversion of vice. In this sense it may be said that Smith's attitude, like that of many of his contemporary deists, reflects an effort to arrive at universal elements in all religions, as distinct from the doctrines of a particular historical religion. In this respect we can observe Smith's view concerning the Christian doctrine of atonement, the discussion of which was removed in the last edition of the *Theory of Moral Sentiments*. There is a difference of opinion concerning the reason for the withdrawal of the passage of atonement. Archbishop Magee, who was initially satisfied with the fact that a distinguished philosopher like Smith supported the reasonableness of the doctrine of atonement, assigned its suppression, when he became aware of it, to the unfortunate role which Hume's infidelity played in Smith's attitude towards religion.[15] In contrast, Rae, while pointing out Magee's imprudence which led him to overlook other internal evidence, like Smith's account of the belief in a future state, claimed that 'there is no reason to believe that Smith's opinion about the atonement was anywise different in 1790 from what it was in 1759'.[16] Finally, Raphael's view is different from Rae's. He found that in the last edition of his first major book Smith in fact changed his position on the doctrine of divine reward and punishment in a future life as preached by Christians. For 'it has too often been taught in a form that contradicts our moral sentiments by confining divine salvation to the religious'.[17] According to Raphael, the point manifests itself in the fact that Smith, like Hume, did not agree with the current view of Christian clergy which stressed the superiority of monkish virtues over other virtues which are supported by the natural sentiments of the human mind, as necessary for salvation.

In order to make this clear, however, we should, first of all, distinguish Smith's account of the Christian doctrine of atonement from his account of the belief in an after-life, although these two doctrines are closely related to each other in Christian thought. And we also ought to distinguish Smith's account of the belief in a future life from his criticism of an address of Massillon to the effect that one day of penance and mortification in a monk's cell have more merit in the eyes of the heaven than a whole military life spent in the hardships and hazards of war.[18] Smith believed that every religion had a vision of an after-life, and regarded it as a 'most respectable doctrine'[19], on the ground that it is not simply founded on human nature, but also stands in support of morality.[20] On the other hand, Smith's criticism of the remark of Massillon stemmed, not from the doctrine itself, but from the fact that so mistaken an application was made of the respectable doctrine in opposition to our natural sentiments. Now, let us look at the doctrine of atonement. This Christian doctrine informs us that Christ is an intercessor who came as a sacrifice in place of sinners in this world before the Last Judgment, so that if we follow the two commandments to love God and our neighbour, we can enjoy an after-life. Looking at the problem in this manner, we can give more clarification to it. In the suppressed passage, Smith's discussion about the doctrine of atonement is as follows.[21] Granted that there is a future state which is completely dominated by divine justice, and that we are all sinners, then it is inevitable that we feel 'natural fear' due to our numberless breaches of duty in the face of the judgment of God who is characterized by infinite perfection. Under these circumstances, 'Repentance, sorrow, humiliation, contrition' are not enough to appease His indignation which divine justice necessarily brings about. As a result, we imagine that some other atonement must be made for our various offences. Hence, Smith concludes that 'The doctrine of revelation coincides, in every aspect, with those original anticipations of nature'. In my view, Smith does not argue here in personal support of the Christian doctrine of atonement. Instead, Smith attempts to explain a doctrine of a particular historical religion on the basis of human nature on which religion is founded. This precisely reflects, I believe, Smith's attitude in proposing a naturalistic theory of religious belief. Seen in this way it seems

evident that the authors above mentioned all miss the point which Smith made. Unlike Magee, it can not be said that we can know, even before the final revision of the *Theory of Moral Sentiments*, Smith's own personal attitude to a particular religion, i.e., whether or not Smith personally subscribes to the Christian doctrine of atonement. And both Rae and Raphael appear not to distinguish Smith's accounts of the doctrine of atonement and of the belief in an after-life from his criticism with regard to such a strange application of the latter doctrine by current Christians. At the same time they fail to see the naturalistic character of Smith's analysis of religious belief in atonement.

Despite our observation about Smith's effort to make out universal elements in all religions, it shouldbe noted that Smith's perception of the doctrine of divine reward and punishment in a future state was a 'mental abstraction' from historical Christianity. In Christian religion divine justice was seen not so much to confer earthly prosperity on the virtuous, but to give them reward or retribution in another world.[22] That is, to the Christian, divine justice was conveyed to the kingdom of heaven where a life after death would be enjoyed. When the Last Judgment is performed by the Son of Man, there will be the reward of the righteous and the punishment of sinners. But this is not entirely true of other religious views. To begin with, it should be recognized that both visions of another world and divine justice existed in Greek thought. For example, Plato, who may be considered to be the founder of natural theology and to prefigure many discussions about natural theology in the eighteenth century, distinguished, by virtue of the separation between reality and appearance, between this world and the other world, and held that God's rule was just. However, Plato envisaged another world as the eternal world of ideas, or the real world in contrast to that of illusory appearance. He did not think that God's justice governed an other world, giving rewards and punishments which reflect deeds done in this world. Aristotle did not believe in ' personal' immortality, in the sense which Plato and Christianity use the term. Most of the Stoics turned down Plato's argument for immortality, since they supposed the soul to be material. In this connection Bertrand Russell

made plain the difference between the Greek and the Christian doctrines with reference to other-worldliness.

> Other-worldliness is a conception with Jews and Christians, in a sense, share with later Platonism, but it takes, with them, a much more concrete form than with Greek philosophers. The Greek doctrine ... was that the sensible world, in space and time, is an illusion, and that, by intellectual and moral discipline, a man can learn to live in an eternal world, which alone is real. The Jewish and Christian doctrine, on the other hand, conceived the Other World as not *metaphysically* different from this world, but as in the future, when the virtuous would enjoy everlasting bliss and the wicked would suffer everlasting torment. This belief embodied revenge psychology, and was intelligible to all and sundry, as the doctrines of Greek philosophers were not.[23]

This clearly suggests that Christian thought provided the basis for the belief in divine reward and retribution in a future state.

In a similar context, we can notice another point which demonstrates that Smith's conception of the belief in an after-life is an abstraction from Christian thought rather than from the natural history of religion. The point is related to a manner of Smith's account of religious belief; his view of religion which may be called 'moral theology'. This characteristic is best summarized by K. Haakonssen: 'Men believe in God and an after-life because they are led to it by their moral convictions. The former is a continuation and completion of the latter, and religion thus becomes a strong support of morality, 'religion enforces the natural sense of duty'. This idea of religion as primarily a function and continuation of morality is so striking in Smith, that it seems reasonable to call his view moral theology, with due respect to Kant'.[24] This kind of view concerning religious belief which is a consequence of the operation of morality is a remnant of Christianity. As Windelband informed us:

> The more the metaphysical factor in Deism retreated for these or other reasons [epistemological grounds], the more the "true Christianity," which Deism professed to be, became restricted to a *moral conviction*. ... According to this view the essence of religion consists in moral action, and the religious life has its true content, deliberation upon duty, the seriousness of a conduct of life determined by this. ... There remained an indefinite idea of an all-good God, who created man for happiness, who should be worshipped by a virtuous life, and who will exercise an equalising justice in an eternal life, so that

> such virtue will receive the reward which is lacking to it here.[25]

We can thus now conclude from what has been observed that Smith's natural theology, like that of other deists of the eighteenth century, seems to be, in many respects, affected by Christian thought, although such a feature is rendered more or less obscure by his and his contemporaries' attempts to deal with universal aspects of religion.

3.3. Metatheoretical Principles

In this section we shall concern ourselves with identifying Smith's metatheoretical principles which work in connection with the shape and construction of theories in his system of thought; principles associated with Smith's metaphysical doctrine which is based on his study of natural theology. To start with, we are reminded, as claimed in the last section, that despite their secularization Smith's theological notions should, in a large measure, be understood in relation to Christian thought. Let us proceed with this premise. Now it is of great importance to notice that the conception of God's benevolence, which Smith supposed to be a divine characteristic in the discourse on natural theology, is essential in recognizing his metatheoretical principles. For Smith's reception of the concept of divine goodness leads to his metaphysical doctrine that everything created by God is directed to accomplish wisely planned purposes, and designed to preserve a harmonious arrangement and order in the universe. This is apparent from Smith's repeated statements with respect to God's benevolence. According to him, benevolence is 'the supreme and governing attribute, to which the others were subservient, and from which the whole excellency, or the whole morality ... of the divine operations, was ultimately derived'[26] In the same context it is observed that 'The wisdom of the Deity was employed in finding out the means for bringing about those ends which goodness suggested'.[27] Again Smith maintains that God is 'that divine Being, whose 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'.[28] This clearly shows that the conception of divine goodness provides the basis for the perception of the universe which is actually the best possible; the idea that God ordered all things for the best. In this regard it seems inevitable to find Smith's assertion that 'In every part of the universe we observe means adjusted with the nicest artifice to the ends which they are intended to produce; ... how every thing is contrived for advancing the two great purposes of nature, the support of the individual, and the propagation of the species'.[29] After all, it is significant to perceive that Smith's optimism comes from a premiss, i.e., his belief in a benevolent God, who created the universe in a way that ordered the best arrangements for creatures. This belief of Smith's is, I think, the background against which his metatheoretical principles can be identified. Now, we shall first need, for our purpose, to see the influence on European thought of some Christian ideas which were produced in association with the conception of divine goodness, in order to discern more clearly Smith's metatheoretical principles.

Christian thinkers described the events of the world as following the design of Providence for the attainment of a specific purpose. It is to be observed that the Christian doctrines which are important in this context are those of original sin, grace, and salvation. In Christian religion Adam, the first man, committed original sin, because he and Eve ate the apple from the tree of the knowledge of good and evil, which God prohibited, while on the other hand allowing them free will. Corruption came to them, and was passed on to all their descendants, none of whom can free themselves, of their own power, from sin. Owing to Adam's sin, all men deserve eternal condemnation. Men are thus fundamentally depraved, and can be virtuous only through God's grace. And in a fallen world as such there is no way of salvation on the Day of the Last Judgment except to believe in Christ the Son of God. God's justice is shown by condemnation, and His mercy by salvation. Both reveal God's goodness. In order to find how far the Christian doctrines as briefly noted were influential in European social philosophy, in what follows we shall concentrate largely on the thought of Saint Augustine. This seems

useful, since the doctrine of Augustine was an authoritative source of the philosophy of the Christian Church through the Middle Ages.

One of the most important effects which Christian thought brought about was a sense of human blindness in action. Moreover human blindness was considered as fundamental, and not as coming from incidental individual failure of insight. It was unavoidable because of corrupted human nature which was brought into existence by the original sin committed by Adam. In this vein Collingwood wrote: 'This is the original sin upon which St. Augustine laid such stress, and which he connected psychologically with the force of natural desire. Human action, on this view, is not designed in view of preconceived ends by the intellect; it is actuated *a tergo* by immediate and blind desire'.[30] In this manner Saint Augustine linked the conception of original sin to a permanent and lifelong blindness inherent in human nature. And the way of thinking in which man is driven by the force of natural desire rather than intellect led to the assumption of another power that served to attain his purposes; a power which is supported by the conception of God's grace.

> From this it follows that the achievements of man are due not to his own proper forces of will and intellect, but to something other than himself, causing him to desire ends that are worth pursuing. He therefore behaves ... as if he were the wise architect of his own fortunes; but the wisdom displayed in his action is not his, it is the wisdom of God, by whose grace man's desires are directed to worthy ends. Thus the plans which are realized by human action ... come about not because men have conceived them, but because men, doing from time to time what at the moment they wanted to do, have executed the purposes of God. This conception of grace is the correlative of the conception of original sin.[31]

In a similar context we can notice another thing which the conception of grace brought into the mind of the Christian thinkers. It offered an optimistic view with respect to the plan and structure of the world. According to Saint Augustine, there is no 'essential' difference of the goodness of all things between the heavenly city and the earthly city, except one of degree. Stark says this is fundamental to Augustinian thought. As Stark stated: ' "from the things of earth to the things of heaven and from those that are visible to those that are invisible, there are degrees of goodness,"

for all that *is* is for that very reason in some sense good'.[32] At the root of this idea lies providentialism grounded in the conception of God's goodness: 'the divine hand works inside the social world and knows how to bring order out of chaos, good out of evil, sanctity out of sinning'.[33] In this respect Augustine stressed that even deviations from a truth were not entirely without use. He claimed, for instance, that the Catholic faith was strengthened even by the dissensions of heretics: 'It is true that much is done by the wicked against God's will; but such is His wisdom and such His strength that all that seems to go against His will, still tends towards those ends and issues which He Himself has foreknown to be good and right.'34) Stark duly summarized these two features of the Augustinian thought.

> His whole interpretation of history is based on the conception we are discussing, the conception which a later century was to call "the heterogony of purposes": men follow one purpose; more often than not it is private, and more often than not it is selfish and sinful; God follows another purpose, and it is always a social and moral purpose - a loving purpose. But it does not occur. For God lets men have their own head; He does not attempt to thwart their designs - and yet He knows how to combine their strivings in such a way that in the end a state of things emerges which corresponds to his holy will.[35]

As argued by Collingwood and Stark, this kind of thinking based on the Christian doctrines of original sin and grace had some effect on the way in which human affairs in the social world during subsequent ages were viewed by European intellectuals. In the first place, the introduction of those ideas led to the supposition that while due to a necessary blindness inherent in human nature men are directed only to their own private purposes, their activities as such are designed by God's purpose to carry out the benevolent consequences for the sake of society at large.[36] This is what is called the heterogeneity of purposes. In the second place, it helped to give rise to optimism or the belief that the world is actually (and must be) the best possible.[37] This belief seems inevitable, granted that God prepares even evil for good. Hence, in this view, disharmony or conflict in human affairs may come about. Yet it is declared that 'eventually' it is predestined to a good end.

Finally, it should be noted that the doctrine of progress in modern times is a modification of the Christian doctrine of salvation, and can be traced back to *The City of God* of Saint Augustine.[38] The Christian notion of a future state to be enjoyed after God's Last Judgment made European people conceive the life of the world to come as the final goal of human destiny. God's goodness did not allow mankind which inherit Adam's sin to live in a totally depraved situation. Jesus, the Son of God, was the Messiah. The death of Jesus was expiation for sinners, and belief in Him meant redemption and guaranteed eternal life in the heavenly city at the Day when the earthly city would be destroyed. In this way the Christian eschatology taught them to look forward to a Utopia where all the problems of human life in this world should have found their solution. On the basis of this idea Augustine envisaged human history as a progressive change of the generations from Adam to the end of the ages; a progression of human life which, though men were the sole agents throughout history, was made possible by the government of a benevolent God. Accordingly, it was supposed by Augustine that: 'The developments of history, then, are not fortuitous. History is made by men, by free men even, yet in a mysterious, though probable manner their independent actions conspire in the end to form a scheme, a progression, which reflects God's will rather than theirs'.[39] But when the secularization of European culture which was due to the knowledge of classical civilization, information on remote and non-Christian peoples, and more importantly a scientific movement accelerated by the Newtonian philosophy took place, the teleological conception of life inspired by the Christian eschatology were desupernaturalized into the prospect of indefinite progress in this life. As Carl Becker summed up:

> The strength of the Christian version was that, conceiving human history as a cosmic drama in which all men played their predestined part, it offered to all the hope of eternal life as a compensation for the frustrations of temporal existence: by transferring the golden age from the past to the future it substituted an optimistic for a disillusioned view of human destiny. ... It was in this time of revolt against ecclesiastical and secular authority that the Christian doctrine of salvation was gradually transformed into the modern idea of progress.[40]

In this way the Christian philosophy based on providentialism,

eschatology, and redemptionism, which replaced, in the Middle Ages, classical pessimism that viewed human history as a permanent series of successive cycles, was transferred into the prospect of progress in this world together with the secularization of European culture.

So far we have briefly observed that Christian philosophy which connects together many different doctrines by virtue of the conception of divine goodness had some effect on European social philosophy which was secularized in modern times. I believe this is the case with Smith as well. In this light we shall proceed to take note of Smith's metatheoretical principles.

4.3.1. The Law of the Heterogeneity of Purposes

As noted earlier, the law of the heterogeneity of purposes or *das Gesetz der Heterogonie der Zwecke*[41] emerged as a result of the manner of thinking in which while man is designed to act largely for his own private purpose alone, depending on natural desires rather than on foresight by reason, God has caused such blind actions to work in a way which helps to realize His benevolent social purpose. Even when the doctrine of the heterogeneity of purposes is secularized, it tells us that even though individuals are actuated by their immediate and shortsighted desires to fulfil their personal ends, the social ends which ensue from those individual actions are greater than the means.

It is quite certain that Smith regarded the heterogeneity of purposes as a framework of exposition. Of course, unlike the Christian thinkers Smith was very far from considering God to intervene from time to time in historical events in order to carry out His benevolent intention. For Smith, God just remained the author of nature. Given these, it is likely that Smith assumes that man acts on natural desires rather than the intellect for his personal ends, and that such actions bring socially desirable effects. Indeed, this is the case that Smith makes. Smith's statement as follows clearly shows this.

> With regard to all those ends which ... may be regarded ... as the favourite ends of nature, she has constantly in this manner not only endowed mankind with an appetite for the end which she

> proposes, but likewise with an appetite for the means by which alone this end can be brought about, for their own sakes, and independent of their tendency to produce it. Thus self-preservation, and the propagation of the species, are the great ends which Nature seems to have proposed in the formation of all animals. Mankind are endowed with a desire of those ends, and an aversion to the contrary ... But though we are in this manner endowed with a very strong desire of those ends, it has not been intrusted to the slow and uncertain determinations of our reason, to find out the proper means of bringing them about. Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them.[42]

Men follow their instincts and passions without knowing what will come of their actions, while they are originally designed by God to lead to beneficent social ends. This is an apparent recognition of the principle of the heterogeneity of purposes. It is noteworthy that Smith takes it for granted. And this fact is confirmed by Smith's practice in using the principle in a number of places in his work.[43] In fact, his moral theory as a whole is an application of the law of the heterogeneity of purposes. Smith's moral theory is a theory of 'moral sentiments'. He attempts to explain all moral phenomena in terms of natural sentiments alone, while at the same time rejecting the view that human actions in moral affairs are taken in view of ends preconceived by reason. This is plain in Smith's statement: 'When by natural principles we are led to advance those ends [the well-being of society], which a refined and enlightened reason would recommend to us, we are very apt to impute to that reason, as to their efficient cause, the sentiments and actions by which we advance those ends, and to imagine that to be the wisdom of man, which in reality is the wisdom of God'.[44] This is also the ground on which Smith criticises the systems which sought the principle of approbation in reason.[45]

A similar theme is true of the economic analysis which Smith offers. The most telling instance is in the passages containing the phrase 'invisible hand' in his two major writings. The basic idea which appears in those passages is that the man who pursues what he wants in his own self-interest, contributes to social well-being

without intending it. In the *Theory of Moral Sentiments* Smith talks about the distribution of the necessaries of life which happens in such a way.

> The rich only select from the heap what is most precious and agreeable. They consume little more than the poor, and in spite of their natural selfishness and rapacity, though they mean only their own conveniency, though the sole end which they propose from the labours of all the thousands whom they employ, be the gratification of their own vain and insatiable desires, they divide with the poor the produce of all their improvements. They 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, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species. 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.[46]

Landlords, acting in their own self-interest alone, promote the interest of society at large. Nature is so arranged by God that the narrower means brings an even greater end.

Similarly, in one of the best-known passages of the *Wealth of Nations* Smith tells us that the self-seeking motivation of capitalists who are not interested in public welfare contributes to the maximization of social production.[47] More importantly, Smith's purely economic analysis as a whole which draws mainly on the assumption that man is motivated by self-interest in economic transactions is likewise another application of the principle of the heterogeneity of purposes. As A. S. Skinner duly pointed out:

> Looked at from one point of view, the analysis taken as a whole provides one of the most dramatic examples of the doctrine of 'unintended social outcomes', or the working of the 'invisible hand'. The individual undertaker (entrepreneur), seeking the most efficient allocation of resources, contributes to overall economic efficiency; the merchant's reaction to price signals helps to ensure that the allocation of resources accurately reflects the structure of consumer preferences; the drive to better our condition contributes to economic growth.[48]

What has been observed obviously reveals that Smith makes use of the principle of the heterogeneity of purposes as a frame of exposition. This illustrates the (theological) point that the conception of divine

goodness was influential in Smith's scientific study. H.W. Spiegel's remark is relevant in this aspect:

> Those who are familiar with the history of economic ideas will be aware of the fact that Smith's Invisible Hand and its related concept of the self-regulating market and nonpurposive social formations in general (which are not the result of design but of the interplay of the actions of individuals who pursue purposes of their own) are secularization of thoughts that originally and earlier appeared in theological context, in which the unintended consequence or individual actions were attributed to divine providence.[49)]

Finally, it is to be observed that this feature of Smith's thought has been called the 'doctrine of unintended consequences'. On account of this characteristic several commentators have conceived his approach of the kind to resemble a strain of modern sociological theories, i.e., functionalism.[50)] Whereas a comparison of Smith's approach with modern functionalism is not worthless as a backward-looking attitude, it should be remembered that the idea of the heterogeneity of purposes originally emerged out of Christian thought which Saint Augustine's theology systematized and lent support to.[51)]

4.3.2. The Belief in Harmony or No Conflict in Original Arrangements (at the Analytic Level)

We found earlier that the belief in divine guidance in association with the conception of divine goodness gave rise to optimism; optimism which declares that the world is the best possible. If the world is the true working-out of a divine Being whose benevolence created it, it is easy to accept the view that the world is pervaded by harmony. It seems manifest that Smith shares this type of belief. In many places in the *Theory of Moral Sentiments* we can find Smith's remark to the effect that the benevolence of an all-wise God created and governed the universe in order to maintain the greatest possible happiness of mankind.[52)] In this regard it is no wonder that Smith finds a harmonious order in the operations of society. As Smith put it:

> Human society, when we contemplate it in a certain *abstract* and *philosophical* light, appears like a great, an immense machine,

> whose regular and *harmonious* movements produce a thousand agreeable effects.[53]

This passage clearly indicates Smith's perception of social harmony. But there is a point which deserves serious attention. The point is that seen from an 'abstract and philosophical' perspective, Smith claims, society resembles a vast machine which produces 'harmonious' motions. In other words, it implies that only at an analytical or speculative level can we observe the harmony which reveals itself in the workings of society. I think that this is a very important message which Smith reminds us about. For he implicitly lays stress upon a distinction between the theoretical and the practical dimension. Therefore, we can point out, in so far as Smith is concerned, that it is one thing to say that there is no conflict on the analytical or theoretical level; it is another that social harmony reveals itself on the empirical level or in 'entire' reality. The former statement is what Smith has in mind in the quoted passage, and, as I believe, becomes a key principle in guiding his theorizing. The latter statement is not true of Smith, as we shall later see. The truth which we can now state at this stage is that Smith observed both aspects of social harmony and conflict at the practical level. In any case, because the failure to make a precise distinction between those two statements which Smith had in mind seemed to give rise to certain misinterpretations with respect to his system of thought, in what follows we shall note them in order to render our theme more apparent.

In the first place, there is a tendency to suppose that Smith found universal social harmony which permeates through the world while at the same time ignoring factual data which are found in social reality. Stephen is typical of this type of argument.[54]

> In the moralists [involving Adam Smith] whom we are about to consider there is generally a provoking tendency to an easy optimism. They inherit the pantheistic sentiment that 'whatever is, is right', though they do not adopt the pantheistic logic; and as nature is still their God, they overlook the dark side of nature.[55]

And Stephen goes on to note that Smith's work is an example of 'the desire to obtain a comfortable and symmetrical theory *at the expense*

of facts'.[56] Two points can be made against Stephen's comment. Firstly, it is not true that Smith did 'overlook the dark side of nature'. In fact, on the practical dimension Smith did recognize the dark side, as well as the the cheerful side of nature, as we shall point out in subsequent chapters. It is of great importance to be aware that if Smith put forward 'a comfortable and symmetrical theory', it did not arise so much from his neglect of facts which display the dark side of nature, but from the influence of his metaphysics and the metatheoretical principle which rules out conflicting elements despite his observation of such negative features of society. Secondly, the point just made is reinforced by the fact that Smith did not subscribe to pantheism or the view which holds that whatever is, is right. This seems obvious from Smith's disagreement with Stoic metaphysics. Smith describes the Stoic view of the world as follows.

> The ancient stoics were of opinion, that as the world was governed by the all-ruling providence of a wise, powerful, and good God, every single event ought to be regarded, as making a necessary part of the plan of the universe, and as tending to promote the general order and happiness of the whole: that the vices and follies of mankind, therefore, made as necessary a part of this plan as their wisdom or their virtue; and by that eternal art which educes good from ill, were made to tend equally to the prosperity and perfection of the great system of nature.[57]

Hence, it can be noticed that while this Stoic doctrine does not claim that everyone lives a virtuous life, it informs us that since everything in the world is part of God, good could emerge out of evil. However, it is certain that Smith objects to this contention. For Smith does not admit that even the vices which men commit are part of the intention of God, and that evil results, after all, in good. Smith believes in the natural laws which are set up by God to regulate the universe; and in the sphere of morality, universal moral laws derivable from human nature. Yet, it is noteworthy that men have, Smith recognizes, the freedom to follow or not to follow His moral laws. When we follow the moral laws, we do good, and realize the intention of God, whereas when we violate them, we do evil, and become the enemies of God. As Smith makes it clear:

> But by acting according to the dictates of our moral faculties, we necessarily pursue the most effectual means for promoting the happiness of mankind, and may therefore be said, in some sense, to cooperate with the Deity, and advance as far as in our power the plan of Providence. By acting otherways, on the contrary, we seem to obstruct, in some measure, the scheme which the Author of nature has established for the happiness and perfection of the world, and to declare ... in some measure the enemies of God.[58]

This statement apparently reveals Smith's denial of the view that good could arise from evil since everything in the world is part of the plan of the universe preordained by a benevolent God. Consequently, it should be seen that Smith does not accept pantheism, and does recognize the existence of the dark side of nature which can never be reconciled with the positive side of nature.

In the second place, there is another type of interpretation which fails to perceive that Smith supposes a harmony only at the speculative level. Jacob Viner's well-known paper has led the way to this kind of standpoint. Viner first admits that Smith finds an inherent harmony in the order of nature. But Viner claims that this harmony is imperfect and partial in the *Wealth of Nations*, while it is universal and perfect in the *Theory of Moral Sentiments*. As Viner put it:

> What is not so familiar, however, is the extent to which Smith acknowledged exceptions to the doctrine of a natural harmony in the economic order *even when left to take its natural course*. Smith, himself, never brought these together; but if this is done, they make a surprisingly comprehensive list and they demonstrate beyond dispute the existence of a wide divergence between the perfectly harmonious, completely beneficent natural order of the *Theory of Moral Sentiments* and the partial and limited harmony in the economic order of the *Wealth of Nations*.[59]

It should, first of all, be pointed out that even in the *Theory of Moral Sentiments* Smith does not find a harmonious order in nature if his discussion rests on the empirical dimension. At all events, read from the quoted passage, Viner appears to think that in the *Wealth of Nations* Smith saw disharmonies at the speculative level. For he says that Smith there found a number of sources of social disharmony 'even when left to take its natural course'. This is a mistaken view. It is not merely opposed to Smith's declaration to the effect that he

observes a harmony in nature on the theoretical dimension. But it also confounds Smith's treatment of economic problems at the analytical level with his description of many negative features of society at the practical level.

Before going further it is worthwhile to note that the argument of a basic dichotomy of the *Wealth of Nations* at the speculative level which was less explicit in Viner's writing, that is, the coexistence of the themes of social harmony and disharmony has, in a large measure, given stimulus to numerous studies with regard to the dark side of Smith's thought.[60] And it should be observed that the direction of these studies was linked to the problem of how to make out the dualism in Smith's system of thought.[61] But a comment of Robert Heilbroner's is of particular interest.[62] For Heilbroner was concerned to highlight the contrast of Smith's 'philosophic' vision, i.e., optimism and pessimism, in an extension of those studies which focused on the dark side of Smith's work. Since I think that Smith supposes a social harmony at the analytical level while I do not deny that he finds, in many aspects, the dark side of society at the practical level, it remains difficult to accept Heilbroner's view which laid stress on two opposed types of 'philosophic' vision. We shall later have an occasion to deal in detail with this sort of view.

4.3.3. The Belief in Progress

There seems to be little difficulty in identifying the concept of progress as a metatheoretical principle which Smith used in guiding theorizing. To be sure, most Smithian commentators are willing to recognize that the theme of progress permeates Smith's work, although it is not clear if they regard the concept of progress as a metatheoretical principle. As we have noted earlier, the modern concept of progress came out of the secularization of the Christian eschatology behind which the conception of divine goodness worked. In this context it seems reasonable to suppose that Smith's religious conviction about God's benevolence helped him to accept the prospect of progress in this life. In many places, Smith mentions his belief in progress. Phrases such as 'the natural progress which men make in society', 'the natural progress of things toward improvement', and

'the natural progress of a nation towards wealth and prosperity'[63] show this to be his firm conviction. Of course, it should be remembered that Smith's constant theme in the context of natural theology is that when God brought the universe into existence He designed its general laws to promote preservation and prosperity of humankind. This is clear from Smith's expression that the universe is 'a coherent system, governed by general laws, and directed to general ends, viz. its own preservation and prosperity, and that of all the species that are in it'.[64]

As is well-known, Smith applied the idea of progress to various fields. He describes the progress of scientific knowledge, of language, of law and government, and of economic well-being. In fact, much has been done in this connection.[65] Nevertheless, it is noteworthy that some writers question if the concept of progress is applied to morality, or consistently to the long-term evolution of an economy. Firstly, T. D. Campbell partially raises a doubt as to D. Forbes's argument to the effect that the idea of progress of society is the historical framework not simply of the *Wealth of Nations*, but also of the *Theory of Moral Sentiments*.[66] Campbell points out that 'this is inadequately demonstrated with respect to the *Moral Sentiments*'.[67] It seems that Campbell's critique is justifiable, for Forbes failed to provide decisive evidence for his assertion, and just said that 'there will be different degrees of self-command in different degrees of civilization'.[68] Secondly, Heilbroner's contention poses a more serious question as to whether or not the doctrine of progress is indeed a metatheoretical principle in Smith's work. Heilbroner finds that Smith considered the long-run evolution of an exchange economy to tend, in the end, towards a stationary state. In his view, Smith did not conceive of steady economic progress as the natural course of a commercial society.[69] In this regard he observes that Smith's vision in conjunction with evolution is pessimistic, and that this is one of a few things that escaped notice in the past. As he wrote: 'Two centuries of examination under a magnifying glass have left few aspects of *The Wealth of Nations* exempt from meticulous study. Yet I believe that a central issue with respect to Smith's philosophic and historic 'vision' has failed to receive the attention it merits. This is the profound pessimism

concealed within Smith's economic and social scheme of evolution'.[70] Since I consider the concept of progress to be Smith's metatheoretical principle, I shall need to take issue with the view just briefly introduced. This will be done in the later part of this work.

So far we have observed Smith's metatheoretical principles which can be identified in association with his metaphysical doctrine based on the study of natural theology. The principles include the law of the heterogeneity of purposes, the supposition of harmony or the ruling out of conflict at the speculative level, and the belief in progress. In the later chapters (Chapters 5 and 6) we shall try to show that the last two principles serve as the organizing factors in Smith's construction of his ethical and economic theories. The part which the principle of the heterogeneity of purposes played in Smith's system of thought will not be considered further, since, as we noted earlier, much has been done by others. Finally, it should be remembered that this task is performed in order to reveal that Smith's metaphysics, which is rooted in his religious conviction, was indeed influential with respect to his scientific activities.

Notes to Chapter 3

1) Cf. e.g., E.Cassirer, *The Philosophy of the Enlightenment*(1951), pp.160-77 and G.Bryson, *Man and Society*(1945), pp.218-21.
2) Carl L. Becker, *The Heavenly City of the Eighteenth Century Philosophers*(1932), p.47.
3) C.L. Becker, op.cit., pp.28-31 and 47-63.
4) For a somewhat similar argument see S.C. Brown, op.cit., pp.60-65, where it is stated that even the enlightened sceptics such as Condillac, Voltaire, d'Alembert, and Hume held the principle of natural order despite no further account being unable to be given of it, and some of them, like Condillac and Voltaire, went so far as to identify that principle or mover with a transcendent being or God.
5) Quoted in C.L. Becker, op.cit., p.45.
6) Cf. W.Fulton, *Nature and God*(1927), pp.18-20.
7) Ancient Physics, 9.
8) For a brief history of natural theology see W.Fulton, op.cit., pp.25-44.
9) W.Windelband, *A History of Philosophy*(1931), p.487; original italics.
10) C.Dawson, *Progress and Religion: An Historical Enquiry*(1929). p.190.
11) Cf. R.G. Collingwood, *The Idea of History*(1946), part 2; W.Stark, *Social Theory and Christian Thought*(1958), chapter 1; D.Spadafora, *The Idea of Progress in the Eighteenth-Century Britain*(1990).
12) TMS, III.5.10.
13) TMS, III.2.33.
14) TMS, II.ii.12.
15) See John Rae, *Life of Adam Smith*(1895), pp.428-29.
16) Ibid., p.429.
17) D.D. Raphael, 'Adam Smith and 'The Infection of David Hume's Society' ', in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol.1, pp.407-8; cf. also 'Adam Smith: Philosophy, Science, and Social Science', in S.C. Brown(ed.), *Philosophers of the Enlightenment*(1979), pp.79-80.
18) Cf. TMS, III.2.34.
19) TMS, III.2.35.
20) Cf. TMS, III.2.33; III.5.4; III.5.10; III.5.13.
21) See TMS, PP.91-92.
22) For Greek and Christian thought now briefly discussed I depend largely upon B.Russell, *A History of Western Philosophy*(1946).
23) Ibid., p.309; original italics.
24) K.Haakonssen, *The Science of A Legislator*(1981), p.75.
25) W.Windelband, op.cit., p.495; original italics.
26) TMS, VII.ii.3.2.
27) Ibid.
28) TMS, VI.ii.3.5.
29) TMS, II.ii.3.5.
30) R.G. Collingwood, op.cit., p.46.
31) Ibid., pp.46-47.
32) W.Stark, op.cit., pp.24-25.
33) Ibid., p.26.
34) Quoted in Stark, op.cit., p.27.

35) Ibid.
36) See Collingwood, op.cit., p.48; Stark, op.cit., pp.26-31.
37) See A.O. Lovejoy, *The Great Chain of Being* (1936), pp.70-78; Stark, op.cit., pp.24-25 and 28.
38) See, F.J. Teggart, *Theory of History*(1925), pp.80-82 and C.Becker, 'Progress', *Encyclopaedia of the Social Sciences*(1930-34), Vol.12; cf. also J.B. Bury, *The Idea of Progress*(1932), pp.73-74.
39) W.Stark, op.cit., p.28. Augustinian philosophy of history of this kind was revived and elaborated by J.B. Bossuet in the seventeenth century (cf. R.K. Bultmann, *History and Eschatology*(1957), p.63ff.).
40) C.Becker, op.cit., pp.496-7. And for argument of the connection between the Christian vision of history and the idea of progress see also C.Becker, *The Heavenly City of the Eighteenth Century Philosophers*(1932), pp.119-30; J.B. Bury, op.cit., pp.22-24 and 73-77; C.Dawson, op.cit., pp.190-1; J.Baillie, *The Belief in Progress*(1950), pp.94-6 and 110-16; R.K. Bultmann, op.cit., pp.70-3; D.Spadafora, op.cit., p.104ff.
41) Werner Stark suggests that this term has been introduced by Wilhelm Wundt. Cf. *Social Theory and Christian Thought*(1958), p.27, note 1. D. Forbes also employed this term in noting a characteristic of Smith's historical account in his 'Scientific' Whiggism: Adam Smith and John Millar', *Cambridge Journal*, Vol.7(1954), reprinted in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol.1, p.279.
42) TMS, II.i.5.10.
43) See, e.g., TMS, I.iii.3.1; II.ii.3.5; III.3.13; III.5.9; IV.2.3; VI.ii.1.20; VI.iii.30; LJ(A),iv.171; LJ(A),iv.173; LJ(B),218-9; WN, I.ii.1; III.iii.8; III.iii.11; III.iv.17; IV.ii.4; IV.ii.9; IV.ii.29; IV.vii.b.61; IV.vii.c.88; IV.ix.28; V.i.a.41; V.i.a.44; V.i.b.12; V.i.b.21; V.i.b.24; V.iii.89; LRBL, ii.203.
44) TMS, II.ii.3.5.
45) Cf. TMS, VII.iii.2.
46) TMS, IV.1.10.
47) See WN, IV.ii.9.
48) A.S. Skinner, 'Adam Smith and His Scottish Predecessors', P.Jones and A.S. Skinner(eds.), *Adam Smith Reviewed*(1992), p.232.
49) H.W. Spiegel, 'Adam Smith's Heavenly City', in J.C. Wood(ed.), op.cit., Vol.1, p.576; cf. also R. Niebuhr, 'The Religious Assumptions of Adam Smith', *Journal of Theology for Southern Africa*, Vol.44(1983), pp. 19-22. However, note that Spiegel mistakenly assigned the origin of this idea to John Chrysostom, one of the Greek Fathers in the fourth century.
50) L.Schneider, *The Scottish Moralists on Human Nature and Society*(1967), p.xlviiff.; idem, 'Adam Smith on Human Nature and Social Circumstance', in G.P. O'Driscoll(ed.), *Adam Smith and Modern Political Economy*(1974), pp.45-54; T.D. Campbell, *Adam Smith's Science of Morals*(1971), pp.69-79. Cf. A.S. Skinner, *Adam Smith: The Wealth of Nations, Books I-III*(1970, Penguin Classics), Introduction, Section I, note 38; idem, *A System of Social Science*(1979), p.11; idem, 'A Scottish Contribution to Marxist Sociology ?', in I.Bradley and M.Howard, *Classical and Marxian Political Economy*(1982), p.98. And for discussion of problems in conjunction with functional explanation see, e.g., Alan Ryan, *The Philosophy of the Social Sciences*(1970), pp. 172-96, and J.O. Wisdom, *Philosophy of Social Sciences II: Schemata*(1987),

pp. 101-4.
51) L. Schneider suggested that the origin of the idea could be traced back to Calvinist-predestinationist (op. cit., p. xlix, n. 82). Forbes insisted that the *locus classicus* of the law of the heterogeneity of purposes was fond in the conclusion of the *Scienza Nuvoa Seconda* of Vico. (cf. op. cit., p. 285) Finally, see R.L. Meek, *Social Science and the Ignoble Savage*(1976), p. 24, n. 58 where he ascribed the classical source of the principle to Bossuet. However, note that Calvin, Bossuet, and Vico were all influenced by Augustinian theory.
52) See, e.g., TMS, II.iii.3.2; III.5.7; VI.ii.3.2; VI.ii.3.5.
53) TMS, VII.iii.1.2; italics added.
54) See, for example, J. Bonar, *Philosophy and Political Economy*(1922), pp. 169-173; T.D. Campbell, op. cit., p. 53.
55) L. Stephen, op. cit., p. 16.
56) Ibid.; italics added.
57) TMS, I.ii.3.4
58) TMS, III.5.7.
59) J. Viner, 'Adam Smith and Laissez Faire', in J.C. Wood(ed.), op. cit., pp. 153-154; italics added. Despite a discord with Viner in respect of the nature of TMS Bittermann seems to have the same opinion in this point. See his 'Adam Smith's Empiricism and the Law of Nature, Part I-II', in J.C. Wood(ed.), op. cit., pp. 221-222 and 225, where it is said that 'Not only did *the order of nature* not assure harmony in human affairs, it did not even necessarily assure progress.' (italics added) Prior to Viner a recognition of some of conflicting factors existing in Smith's work was received by Dugald Stewart (Stewart, IV.12) and Edwin Cannan in his introduction to WN (1904; See the Modern Library Version of WN (1937), pp. xxxiii-xxxiv.), although it is true that they did not take those factors seriously in the light of Smith's system as a whole.
60) See, for instance, E.G. West, 'Adam Smith's Two Views on the Division of Labour', *Economica*, Vol. 31(1964); idem, 'The Political Economy of Alienation', *Oxford Economic Papers*, Vol. 21(1969); idem, 'Adam Smith and Alienation - A Rejoinder', op. cit., Vol. 27(1975); P.J. McNulty, 'Adam Smith's Concept of Labour', *Journal of the History of Ideas*, Vol. 34(1973); W.F. Campbell, 'Adam Smith's Theory of Justice, Prudence and Beneficence', *American Economic Review*, Vol. 57(1967); R. Lamb, 'Adam Smith's Concept of Alienation', *Oxford Economic Papers*, Vol. 25(1973), all reprinted in J.C. Wood(ed.), op. cit., Vol. 1 and 2. See also E.G. West, 'Adam Smith and Alienation', in A.S. Skinner and T. Wilson(eds.), *Essays on Adam Smith*; D.A. Reisman, *Adam Smith's Sociological Economics* (1976), Ch. 6.
61) Cf. e.g., R. Lamb, op. cit.,; J. Evensky, 'The Two Voices of Adam Smith: Moral Philosopher and Social Critic', *History of Political Economy*, Vol. 19(1987); idem, 'The Evolution of Adam Smith's Views on Political Economy', op. cit., Vol. 21(1989); C.M.A. Clark, 'Adam Smith and Society as an Evolutionary Process', *Journal of Economic Issues*, Vol. 24(1990).
62) Cf. R. Heilbroner, 'The Paradox of Progress: Decline and Decay in the *Wealth of Nations*', in A.S. Skinner and T. Wilson(eds.), op. cit., pp. 524-39.
63) LJ(A), iv.19; WN, II.iii.31; WN, IV.ix.28.
64) Ancient Physics, 9; cf. also TMS, I.ii.3.4; VII.ii.1.37.
65) See, e.g., R.L. Meek, *Social Science and Ignoble Savage*(1976),

pp. 116–27 and A. S. Skinner, *A System of Social Science*(1979), pp. 68–103.

66) Cf. D. Forbes, op. cit., p. 274ff.

67) T. D. Campbell, op. cit., p. 80, note 2.

68) D. Forbes, op. cit., p. 277.

69) Cf. R. Heilbroner, op. cit., pp. 528–30.

70) Ibid., p. 524.

Chapter 4: Adam Smith's Methodology

4.1. Introduction

Metaphysics outlines a research programme in a way that limits and rules out a certain range of theoretical possibilities. This happens because metaphysics supplies vision, or a view of the world, which indicates the ways of exploring data in the world. In this sense metaphysical doctrines are seen to be 'methodologically' suggestive. We have suggested this kind of thing in the previous chapters. Such chapters were designed to offer methodological discussion in a broad sense. But it should be remembered that metaphysics itself does not tell us information about the world, and the manner in which we can find it out. This type of problem of how to find out information and knowledge about the world, whether physical or human, should also be handled in the context of methodological discussion. In this chapter we shall thus devote ourselves to understanding Smith's scientific method in a somewhat restrictive sense.

The great difficulty which the students of Smith's methodology face is in the fact that we have nothing which Smith himself explicitly declares to be his own method of inquiry, which is essential to his studies of man in society. On account of this circumstance the writers on Smith's method of investigation have depended basically on many incidental statements which find their place in his entire writings. But it seems a commonplace among them that Smith's early works, and especially his essay on the history of astronomy are of particular importance for that purpose. I shall not depart from this practice.

What is remarkable when we look at the present studies of Smith's method of inquiry is that there is a fundamental disagreement concerning a very significant aspect. The disagreement among commentators is that which relates to Smith's conception of science. Henry Bittermann's paper stressed how basically Smith's major

writings, both the *Theory of Moral Sentiments* and the *Wealth of Nations*, are grounded on empiricism, following the lead of Newton and Hume. Since then, the position of many interpreters seems to have been in wide agreement with that of Bittermann; Smith's epistemological standpoint belongs to the empiricist philosophical tradition.[1] However, there have been others who claim that the empiricist interpretation of Smith's method is misleading. According to these commentators, Smith's conception of science is based on what may be called the broadly conventionalist epistemological position. Human knowledge is no more than what is governed by convention, and has nothing to do with 'true' information about the world, whether physical or social. If we have to make a choice among competitive groups of knowledge like scientific theories, the standards for the acceptance or preference lie not in their agreement with reality, but in, say, the extent to which the aesthetic qualities that they possess satisfy us.[2]

This chapter is designed to find another way which serves to develop a more precise interpretation with respect to the conception of science which Smith is believed to maintain, in the face of the disagreement of both lines of interpretation. Here it is important to see that the writers of both lines above mentioned seem to fail to realize that there are the two distinct positions within the empiricist philosophical tradition, that is, a positivist approach, and a realist approach. In fact, these two approaches were usually conflated under the terms, 'positivist' or 'empiricist'. In my view, all authors who have supported the empiricist position of Smith's method, as a matter of fact, have taken the 'positivist' interpretation. My position differs from them. While I agree that Smith stands mainly in line with the tradition of the empiricist philosophy, Smith's opinion with regard to the nature of science, I think, corresponds with the realist rather than the positivist position. In a realist's view, science primarily aims to uncover the underlying mechanism and structure which exist objectively behind, and causally necessitate, observable events. The next section will be devoted to showing that this is indeed the case with Smith.

On the other hand, if it is held that Smith has a realist view of science, which implies that he is an empiricist, there is a point to which attention should necessarily be paid. If Smith demands no examination of the relations between theory and evidence, it can safely be said that he is not an empiricist, and thus not a realist. To be sure, Smith maintains that scientific theories must be objectively checked by reference to empirical evidence. Of course, the conventionalist interpreters deny this argument. Whilst it is not rejected here that Smith admits that the acceptance and preference of scientific theories in accordance with aesthetic standards are often found in the history of science, it will be claimed that his fundamental criterion for evaluating them consists in the correspondence test with the observed facts. And what is worth noting in relation to the matter of empirical test is that Smith is a verificationist. Accordingly, Smith thinks a theory to come closer to the truth, when it confirms more observable evidences. This sort of thing will be treated in the final section.

4.2. The Theory of Scientific knowledge: A Realist View

Ernest Mossner once reminded us that 'Only within the small circle of Edinburgh intellectuals was his [Hume's] genius fully appreciated, though not fully approved, and of that intimate group only his closest friend Adam Smith gave the nod of whole-hearted approval'.[3] While, of course, Mossner's remark does not imply that Smith just followed and fully agreed to all which Hume wrote, it certainly indicates a possibility that Smith may have a number of suggestions from Hume. In fact, Mossner's suggestion about Smith's intellectual debt to Hume has been recently confirmed by many writings; writings which do not, at the same time, fail to point out Smith's originality. It is observed that Hume's influence on Smith was extensive enough to cover all the subjects of Smith's moral philosophy such as ethics, jurisprudence, and political economy.[4] Similarly, this is true of the subject of methodology and epistemology. It has been recognized that insofar as the arena of scientific method and epistemology is concerned, Hume was one of those who were most influential on Smith.[5] Whereas

presumably this kind of assertion can not be rejected, here my aim is to note that insofar as 'scientific' methodology is concerned, there is a certain element in Smith's account of scientific knowledge which departs from Hume's view of causation. This point will be very important, because it leads us to be conscious of the difference of the conception of science that Hume and Smith respectively held, and to see that each of them belongs to two different traditions in empiricist philosophy.

The argument which finds an essential Humean character in Smith's account of scientific theory is a convenient place to start our discussion. D. D. Raphael pointed out that Hume's theory of knowledge had a strong influence on Smith's account of scientific activity. Raphael argues in this connection:

> Smith is drawing ... on Hume's account both of causation and of our belief in an external world. He writes not only of *constant* conjunction but also of *coherence* in our experience. When he describes the 'interruption' of customary connections and of the 'smooth passage' of the imagination, and when he proceeds to say that the imagination fills up the gap by supposing a chain of intermediate though invisible events, he is making use of Hume's doctrine in *Treatise* I. iv. 2, the section entitled 'Of scepticism with regard to the senses'. Smith is not simply taking over Hume's theory ... But Smith is adapting Hume's account of the imagination from the one subject to the other. Smith thinks that philosophy or science is an enlargement of common-sense belief as represented by Hume. ... Of course Hume himself says that systems of philosophy are also a product of the imagination, but his description of the processes of the imagination in filling up gaps comes into his account of our ordinary belief in an external world, and that is what Adam Smith uses in his account of scientific theory.[6]

Accordingly, in Raphael's opinion, two aspects of the positive achievements which Hume made in philosophy were important in Smith's thought. Firstly, Smith owed his view of scientific method to Hume's account of causation. In other words, Smith finds that scientific theory is grounded on the constant conjunction of ideas; or he subscribes to what is called associationism, i.e., the doctrine that the basic sources of knowledge are simple ideas derived from sense impressions, and our knowledge of the external world is reached in terms of the constant conjunction of particular ideas. Secondly, Smith's view of the role of the imagination in science was an

extension of Hume's account of common-sense belief. Thus, in this view, Smith's originality in connection with the account of the work of the imagination consists in the point that he applies to scientific activities what Hume introduces in conjunction with our common-sense belief in an external world.

There is, I think, a good deal of truth in this kind of argument. Indeed, Smith appears to approve of the positive side of Hume's philosophy, though his intellectual debt to Hume is not declared. Nevertheless, it is of much importance to be aware that the argument is not complete as an outlook with respect to Smith's account of the nature of scientific theory. For Smith differs, in a fundamental aspect, from Hume, and it makes their views of the nature of science quite distinct. Hume's view of causation, which has provided the basic rationale for the positivist account of causal relations, suggests the 'regularity theory' of knowledge. In Hume's view which denies the necessary connection in nature, human knowledge is the result of the constant conjunction of ideas in accordance with observations that one of two events is regularly followed by another. Smith admits that commonsense knowledge stems from the constant conjunction of ideas based on temporal precedence and regular succession of events, and this kind of procedure is also part of scientific inquiry. But Smith claims that science goes beyond the treatment of causal relations grounded on temporal precedence and regular succession of phenomena, and aims at the discovery of the underlying mechanism and structure that exist behind and link those phenomena. This is the fundamental difference of the conception of science which Hume and Smith hold respectively. In order to see this fact let us start out to take a brief look at Hume's view of causation.

To begin with, Hume notices that our ordinary reasoning with regard to matters of fact involves the idea of necessary connection, or the idea that particular causes must necessarily have particular effects. When certain specific events follow other specific events, we believe that a causal nexus between them is necessary. Given this, Hume's question is about what type of necessity this could be. Hume firstly argues that there is no logical necessity and no non-logical

necessity concerning matters of fact. It is impossible to know that the occurrence of one event is logically connected with the occurrence of another, which is taken to be the effect of the first event. And because there is no logical necessity in nature it is also impossible to expect similar occurrences of events in the future from experience of a constant conjunction of events in the past. As Hume maintains it:

> there appears not, throughout all nature, any one instance of connexion which is conceivable by us. All events seem entirely loose and separate. One event follows another; but we never can observe any tie between them. They seem *conjoined*, but never *connected*. And as we can have no idea of any thing which never appeared to our outward sense or inward sentiment, the necessary conclusion *seems* to be that we have no idea of connexion or power at all, and these words are absolutely without meaning, when employed either in philosophical reasonings or common life.[7]

Therefore, however accurately we observe any two events which we believe to be cause and effect, there is no rule which would allow us to infer that such specific effects must always be connected with such specific causes. But, while Hume denies the idea of necessary connection in nature, he says that there still remains another method to account for our common belief in cause and effect. The point is that experience and observation enable us to learn that one particular kind of event is regularly conjoined with another, or constant conjunction between two types of events. According to Hume, when there exists a constant conjunction of those two events, we have a conception of cause and effect. That is to say, the idea of necessary connection among events emerges out of our perception about a great number of resembling cases which show constant conjunction of those events. And it does not come from any single instance of events. The necessity in which we believe is thus the consequence of custom and habit which the repetition of similar events produces, and consists in the mind, not in the external objects. In this context Hume wrote:

> It appears ... that this idea of a necessary connexion among events arises from a number of similar instances which occur of the constant conjunction of these events ... This connexion, therefore, which we *feel* in the mind, this customary transition of the imagination from one object to its usual attendant, is the

> sentiment or impression from which we form the idea of power or necessary connexion.[8]

It is worth noting, at present, that because of this account of the idea of necessary connection the Humean view of causation has been called the 'regularity theory'. Whereas there is no necessary connection in nature, instead there are only regularities of events which exist in the mind. Saying that one event is the cause of another is equivalent to saying that in the mind the former type is 'regularly' followed by the latter. What is important in this vein is that, since the idea of necessary connection in nature is refuted, our perception concerning the regularities of external objects is impossible without a supposition of the continuity of an external world, or a belief that future resembles past. In Hume's view, the imagination helps believe the continued existence of material things, and thus plays an important role in filling up the gaps between sense impressions in terms of resembling ideas or perceptions.[9] H. H. Price seems to summarise well what Hume takes to be the main function of the imagination in association with the formation of commonsense knowledge.

> We find him [Hume] saying there that what we commonly call our consciousness of material objects and events - and therefore of their conjunctions - consists largely of *imagination*. It is a combination of two factors, acquaintance with sense-impressions, and imagination ... It most certainly is not sense-acquaintance alone, Thus in the establishing of a causal rule the imagination really comes in *twice over*. It is already required for the so-called observation of constant conjunctions. And then, of course, the expectation, which our rule gives expression to, is itself according to Hume a habit of the imagination.[10]

In our ordinary life this kind of function of the imagination is of extreme significance. Such a function is, Hume says, 'the foundation of all our thoughts and actions, so that upon their removal human nature must immediately perish and go to ruin', and becomes the 'permanent, irresistible, and universal' principles of the imagination. This task of the imagination is contrasted with another which is based on the 'changeable, weak, and irregular' principles of the imagination. The latter type of function of the imagination finds expression in fantasy and art which are more free from any requirement to comply to sense impressions, and is 'neither unavoidable to

mankind, nor necessary, or so much as useful in the conduct of life'.[11] However it is noteworthy that Hume concludes that any product of the imagination, whether grounded on universal and irresistible, or weak and irregular principles, is eventually nothing but fiction.[12] In this light it is not surprising to find Hume's statement in the conclusion of *Treatise*, Book I: 'In all the incidents of life we ought still to preserve our scepticism. If we believe, that fire warms, or water refreshes, 'tis only because it costs us too much pains to think otherwise'.[13] It is doubtful if it is true that 'fire warms, or water refreshes'. After all, we learn nothing about certain truths of the world from experience and observation. There is no such thing as rational knowledge about the world. The only reason why that kind of knowledge is needed is that 'it costs us too much pains to think otherwise', or it is absolutely necessary and indispensable for practical purposes like the prevention of suffering. In concluding we can observe that there are both elements of positivism and conventionalism in Hume, which seems an inevitable consequence of the way in which he starts with empiricism, yet ends with scepticism.[14]

Now let us proceed to examine Smith's approach to the problem of scientific knowledge with that Humean theory of causality in mind. As suggested before, our aim is to notice Smith's own conception of science, as distinct from Hume's. For the purpose at hand we shall rely on *Essays on Philosophical Subjects*, and largely on the 'History of Astronomy'.

To start with, it is vital to recognize that Smith closely follows Hume in relation to the formation of commonsense knowledge. In our ordinary life, when we observe repeated events which are constantly conjoined in time, the association of their ideas naturally ensues, and we are accustomed to seeing an expected pattern between those events. Smith writes in this connection:

> When two objects, however unlike, have often been observed to follow each other, and have constantly presented themselves to the senses in that order, they come to be so connected together in the fancy, that the idea of the one seems, of its own accord, to call up and introduce that of the other. If the objects are still observed to succeed each other as before, this connection,

> or, as it has been called, this association of their ideas, becomes stricter and stricter, and the habit of imagination to pass from the conception of the one to that of the other, grows more and more rivetted and confirmed. ... When objects succeed each other in the same train in which the ideas of imagination have thus been accustomed to move, and in which, though not conducted by that chain of events presented to the senses, they have acquired a tendency to go on of their own accord, such objects appear all closely connected with one another, and the thought glides easily along them, without effort and without interruption. They fall in with the natural career of the imagination ... [15]

It does not seem to be difficult to find, in this passage, the doctrine which recalls what Hume tells us about the acquisition of knowledge; the point that knowledge arises from the constant conjunction of ideas which the imagination makes possible in terms of filling up the gap between sense impressions. Indeed Smith observes that in this way we gain commonsense knowledge. There are some cases which show this. Though at its first sight we are surprised by the motion of iron along a plain table as a result of the motion of a loadstone, it becomes 'in itself no extraordinary object' when we have long observed it.[16] The artisans feel themselves no wonder when they observe many appearances in their work-house, for custom has made them so familiar with the consequences of their work that the imagination can pass without any interval. The same is true of our knowledge that bread supplies nourishment to the human body.[17] Finally, we feel wonder when for the first time we see a good looking-glass which represents external objects before it more precisely and vividly. But repetition makes our knowledge concerning its effects so natural: 'It [the looking-glass] may excite the wonder of ignorance ... After a little use and experience, all looking-glasses cease to be wonders altogether; and even the ignorant become so familiar with them, as not to think that their effects require any explication'.[18] There is no doubt that these cases which Smith mentions in *Essays on Philosophical Subjects* reveal his view that commonsense knowledge is arrived at by means of custom and habit which make the constant conjunction of ideas 'stricter' and 'more rivetted'.

Now let us turn to Smith's account of scientific knowledge. It should be pointed out that the way in which scientific knowledge is reached, Smith finds, presupposes the way in which commonsense

knowledge is formed. In other words, scientific investigation requires the discovery of regular relations between external objects, whose knowledge is gained, Smith thinks, in terms of the constant conjunction of ideas which a number of resembling events bring into the mind. In order to inform us about how much of scientific knowledge is reached, and differs fundamentally from commonsense knowledge, Smith starts by supposing the case where new appearances give rise to wonder by disturbing the smooth course of the imagination which the perception of the mind concerning the regular relations between events renders possible. When the customary connection of ideas is interrupted and the easy passage of the imagination is disturbed, the work of the imagination on a scientist's part is, according to Smith, to attempt to 'find out something which may fill up the gap, which, like a bridge, may so far at least unite those seemingly distant objects, as to render the passage of the thought betwixt them smooth, and natural, and easy.'[19] However what is important is that so as to fill up the gap which arises from an unusual sequence of events the scientist proceeds to seek an 'intervening mechanism' whereby that kind of sequence may become part of a system. As Smith put it:

> The supposition of *a chain of intermediate, though invisible, events*, which succeed each other in a train similar to that in which the imagination has been accustomed to move, and which link together those disjointed appearances, is the only means by which the imagination can fill up this interval, is the only bridge which ... can smooth its passage from the one object to the other.[20]

Now in order to suppose 'a chain of intermediate, though invisible, events', the scientist does not draw on the constant conjunction of ideas. Instead he conjectures as to the intervening mechanism through the imagination. To make his argument more apparent Smith takes an example of how Descartes endeavoured to explain the motion of the iron which occurs as a result of proximity to the loadstone.

> when we observe the motion of the iron, in consequence of that of the loadstone, we gaze and hesitate, and feel a want of connection betwixt two events which follow one another in so unusual a train. But when, with Des Cartes, we imagine certain invisible effluvia to circulate round one of them, and by their repeated impulses to impel the other, both to move towards it,

> and to follow its motion, we fill up the interval betwixt them, we join them together by a sort of bridge, and thus take off that hesitation and difficulty which the imagination felt in passing the one to the other. That the iron should move after the loadstone seems, upon this hypothesis, in some measure according to the ordinary course of things.[21]

In brief, to account for such phenomenon Descartes supposed as an intervening mechanism the presence of certain small invisible particles of matter called effluvia which circulates round the loadstone, impels one another through the impulses that its motion gives, and finally makes the iron move in accordance with the motion of the former. This passage thus indicates that scientific theory is, in Smith's view, grounded on the hypothesis which discloses the underlying mechanism and structure which are present behind succeeding events. It is also worth noting that for this reason Smith contrasts the scientist who is interested in a connecting chain of intermediate events at sight of many appearances in the work-houses of the artisans with common people like the latter who, if an explanation is required for those succeeding events, can just say that 'It is their nature ... to follow one another and accordingly they always do so'. The same is the case with Smith's statement about a relationship between bread and the nourishment of the human body. This contrast between common people and scientists is telling, in that it clearly shows Smith's view that scientists primarily try to find out the underlying mechanism and structure which operate behind phenomena rather than observed connection of events. As Smith expressed it:

> bread has, since the world began, been the common nourishment of the human body, and men have so long seen it, every day, converted into flesh and bones, substances in all respects so unlike it, that they have seldom had the curiosity to inquire by what process of intermediate events this change is brought about. Because the passage of the thought from the one object to the other is by custom become quite smooth and easy, almost without the supposition of any such process. Philosophers, indeed, who often look for *a chain of invisible objects* to join together *two events that occur in an order familiar to all the world*, have endeavoured to find out a chain of this kind betwixt the two events I have just now mentioned; in the same manner as they have endeavoured, by a like intermediate chain, to connect the gravity, the elasticity, and even the cohesion of natural bodies, with some of their other qualities.[22]

In the same vein it is of much interest to observe the manner which

Hume and Smith respectively consider to be an explanation of the same phenomena. In an *Enquiry Concerning Human Understanding*, Hume states: 'we say, for instance, that the vibration of this string is the cause of this particular sound. But what do we mean by that affirmation ? we either mean *that this vibration is followed by this sound, and that all similar vibrations have been followed by similar sounds*: Or, *that this vibration is followed by this sound, and that upon the appearance of one the mind anticipates the senses, and forms immediately an idea of the other*'.[23] Therefore, according to the basic rationale that this Humean view of causation provides, scientific knowledge is nothing but the compilation of observed connections between events. In contrast, Smith maintains in an essay on the external senses that, provided a fact that there is a connection between the vibrations of the sounding body and the sound we hear, the intermediate causes or the underlying mechanism which links the one to the other is what the scientist is interested in, and attempts to explain.

> The vibrations of the sounding body ... are supposed to produce certain correspondent vibrations and pulses in the surrounding atmosphere, which being propagated in all directions, reach our organ of Hearing, and produce there the Sensation of Sound. There are not many philosophical doctrines, perhaps, established upon a more probable foundation, than that of the propagation of Sound by means of the pulses or vibrations of the air. ... Such are the intermediate causes by which philosophers have endeavoured to connect the Sensations in our organs, with the distant bodies which excite them.[24]

Seen in this way it is obvious that insofar as scientific explanation and knowledge are concerned, Smith does not conceive them to be grounded on the constant conjunction of ideas to which Hume's account of causation points. This once again finds itself in what Smith considers to be the work of philosophy or science24): 'Philosophy is the science of the connecting principles of nature. Nature, after the largest experience that common observation can acquire, seems to abound with events which appear solitary and incoherent with all that go before them ... Philosophy, by representing the *invisible chains which bind together all these disjointed objects*, endeavours to introduce order into this chaos of jarring and discordant appearances'.[25]

In what has so far been seen we can notice that Smith places great emphasis on the hypothesis in scientific inquiry; the product of conjecture in terms of the imagination. In this point Smith seems to be close not so much to Hume as to John Locke. Locke admits that our knowledge about an external world is not certain. This is inevitable, since we can not know the primary qualities on the basis of the sensation of the secondary qualities.[26] Under this circumstance our knowledge of the physical world is very limited if we depend on experience and observation only: 'This way of getting and improving out knowledge in substances only by experience and history ... makes me suspect that natural philosophy is not capable of being made a science'.[27] In this context Locke appreciates the part of the hypotheses in science. Furthermore he points out that the application of the hypotheses may usher us to the discovery of truth if they are checked carefully in terms of experiment and observation.[28]

> This sort of probability, which is the best conduct of rational experiments, and the rise of hypothesis, has also its use and influence; and a wary reasoning from analogy leads us often in the discovery of truths and useful productions which would otherwise lie concealed.[29]

Accordingly, Locke lends support both to the formulation of the hypotheses by conjecture, and to scientists' attempt to find out the underlying mechanism and structure which exist behind observable phenomena. It is of great importance to realize that because of this fact Locke has been treated as standing in the realist tradition of science.[30]

Given our discussion offered so far, we are in a position to give clarification to Smith's conception of science. We shall first need to make a distinction between two peculiar approaches within a broadly empiricist philosophical tradition, namely, a positivist position and a realist position. This seems necessary, because those two distinct traditions of positivism and realism have tended to be incorporated into the terms, positivism or empiricism, or be confused by several Smithian commentators.[31] For the purpose at hand let us confine attention to a brief outline of the basic features of those two positions.[32] The positivist conception of science received a great

stimulus from the work of Hume. Hume's view of causation, with the rejection of the necessary connection in nature, provided the central rationale for the positivist philosophy. For the positivist general laws are essentially ones expressing the regular relationships that are found to exist in the world of appearances. They are thus purely empirical statements which are arrived at from the Humean view of the 'regularity theory'. As a result, in this view, it is not the objective of science to make an endeavour to discover general laws beyond or behind experience and observation. Meanwhile, the origin of the realist tradition goes back to Aristotle who was interested in the discovery of essences in things, and Locke, as mentioned before, supported this approach. The realist admits that the existence of regular relations between events is a necessary condition for scientific investigation. But, whereas the positivist considers any attempt to go beyond experience to be nothing but the unverifiable claims, the realist maintains that what is additionally required for scientific explanation is the description of the underlying mechanism and structure involved in the regular relations between the observable phenomena, although it contains unobservable entities. In this light it is also worth noting that the role of model and analogy, which are often drawn from a known and familiar source, is highly appreciated by the realist. This is inevitable in that the discovery of the underlying mechanism and structure which work behind phenomena can not usually be made through experience and observation. Finally, given this, it is important not to confound realism and essentialism. According to Popper, essentialism in science makes two claims. Firstly, scientists can eventually establish the truth of a scientific theory 'beyond all reasonable doubt'. Secondly, scientists are able to describe the essence or the essential nature of things in terms of the scientific theory.[33)]

Many Smithian commentators are inclined to consider Smith's view of science to be in line with positivism.[34)] D. A. Reisman made it clearer in dealing with Smith's epistemology. According to him, 'Adam Smith believed that sense perception is the only dependable means of acquiring knowledge about external phenomena',[35)] and 'Smith, like many other Positivists, was an anti-philosopher: he advises us to include in our *Weltbild* only those observations which actual

experience compels us to include (following Ockham's Razor, the well-known nominalist principle that entities are not to be multiplied unnecessarily).[36] On the positivist interpretation, therefore, Smith's view of science shows that sense perception alone can be the source of human knowledge, and inductive procedures from ideas concerning a common sequence of events which are produced by the association of sense experience provides the basis for causal explanation. This type of interpretation, as we have already noted, is not incorrect. Indeed, Smith finds that much of human knowledge comes from repeated observation of similar events. But that is not the whole story. In Smith's opinion, this kind of knowledge is part of, and more importantly, is presupposed by, scientific practice. Science offers more than mere statements of general laws which are drawn from observable regular relations between phenomena. The discovery of regular relations does not tell us why something happens. The scientists try to seek answers to why-questions. Hence they are concerned with providing knowledge of the underlying mechanism and structure which, although usually invisible, exist behind, and link, observable events. On the realist conception of science, the formulation of hypotheses by conjecture, or by model or analogy thus plays an extremely essential role in supplying and advancing scientific knowledge. It is no wonder, seen in this light, that Smith describes philosophy as 'the science of the connecting principle of nature', or its business as 'representing the invisible chains which bind together all these disjointed objects'. Seen from this perspective it should be obvious that Smith's view as to the nature of science is grounded not so much on the positivist, but as on the realist tradition of empiricist philosophy.

It has been observed that Smith's outlook about the nature of scientific inquiry, as it exclusively appears in *Essays on Philosophical Subjects*, and especially in the essay on the history of astronomy, is based on a realist conception of science. In order to elucidate that Smith was consistent in respect both of his account of the nature of scientific inquiry and his practice, we shall finally address ourselves to a task of showing that Smith's scientific analysis of morals indeed discloses an application of the realist position.

CHAPTER 4

Suppose that we take a positivist position in dealing with the problem of morality. Under this circumstance it is necessary to find out regularities which are observed to exist between observable phenomena. That is, we require many observations with respect to the consequences of moral judgments which ordinary people make in response to certain types of action. Therefore we observe that people approve of some kinds of action, and disapprove of other kinds. For example, we find that a number of particular cases which are characterized by benevolence receive the approbation of people, and a number of particular cases which make up crime incur the disapprobation of them. In this case we can proceed to formulate a generalization; benevolence accompanies gratitude with social approval, whereas crime brings punishment with social disapproval. We as a positivist are not concerned with the underlying mechanism whereby people make moral judgments in the face of those actions, or the way in which benevolent behaviour or criminal offences generate the consequences of approval or disapproval. Rather, we as a positivist reject any endeavour to discover the underlying mechanism, because it is not of a nature that can be observed from experience. We are content with the generalizations of morality which is available from the accumulation of many observations with regard to a repeated pattern of people's moral judgments in response to certain sorts of action. Given those generalizations, we can predict the result which a certain action will bring. This description is, at the basic level, the view of scientific explanation which should be taken if we hold the positivist conception of science. This is the account of the nature of science when we stick to the rationale which Hume's view of causation provides.

But this is not the case with Smith's explanation of morality. Smith clearly recognizes that experience and induction lead us to form the general rules of morality: 'The general maxims of morality are formed, like all other general maxims, from experience and induction.'[37] Where Smith talks about the division and characteristic of the ancient philosophy, he notes that many ancient moral philosophers tended to make this kind of thing the aim of their inquiry.

> In every age and country of the world men must have attended to the characters, designs, and actions of another, and many respectable rules and maxims for the conduct of human life, must have been laid down and approved of by common consent. ... They might continue in this manner for a long time merely to multiply the number of those maxims of prudence and morality, without attempting to arrange them in any very distinct or methodical order, much less to connect them together by one or more general rules, from which they were all deducible, like effects from their natural causes.[38]

A higher level of abstraction and generalization in this matter is to move from the multiplication of the general maxims of morality to classification, relating all of them to something that is similar in character, in terms of inductive procedures. This process of generalization and classification following inductive logic is that which is duly described in the essay on the history of astronomy.

> It is evident that the mind takes pleasure in observing the resemblances that are discoverable betwixt different objects. It is by means of such observations that it endeavours to arrange and methodise all its ideas, and to reduce them into proper classes and assortments. Where it can observe but one single quality, that is common to a great variety of otherwise widely different objects, that single circumstance will be sufficient for it to connect them all together, to reduce them to one common class, and to call them by one general name.[39]

And, as we are aware, Smith finds in the history of language the same process along a line from particularity to generality, and from concreteness to abstraction.[40] Likewise, Smith thinks that in moral philosophy generalization and classification at the higher level beyond the formation of a great number of maxims of morality were achieved by other ancient moralists.[41] Such are the theories of virtue, or accounts of 'wherein does virtue consist'. These theories of virtue inform us that certain types of action (which are called virtuous) are the object of approval and reward, whilst other types (which are called vicious) are the object of blame and punishment. That is, those theories of virtue are no more than generalization of regular relations between certain types of human action (causes) and subsequent moral judgments (effects), both of which are observable. In this respect it is possible to say that those theories of virtue, which Smith reviewed in Part 7, Section 2, of the *Theory of Moral*

Sentiments, are grounded on the positivist conception of science, whether or not the moralists concerned were conscious of it.

However, the major concern of Smith's moral theory does not lie in handling the question of the nature of virtue, or 'wherein does virtue consist?'. He is largely interested in another question of moral philosophy, 'by what power or faculty in the mind is it, that this character [of virtue], whatever it be, is recommended to us?'[42] Yet, Smith's starting point in treating the latter problem is firstly to recognize the observed facts in our moral life as those theories of virtue pointed out, or that there are the regular relations between human behaviour and the effects which moral judgments produce outside. Provided this fact, Smith's agenda of the science of morals is to give a description of the 'underlying mechanism in the mind' whereby human beings make moral judgments responding to various sorts of action or circumstance, or in Smith's words, to 'examine *from what contrivance or mechanism within*, those different notions or sentiments [notions of right and wrong in many particular cases] arise'.[43] Smith's aim in the science of morals is to find out the underlying mechanism which links those regular relations in our moral life. The theory of sympathy and the impartial spectator, whose details we here do not go into, is Smith's account of the underlying mechanism which is present behind, and links together, any two events which is observable, action and people's response, in moral life. This clearly demonstrates that Smith based his account of moral judgment on the realist conception of science, in line with his view of the nature of scientific inquiry.

4.3. Scientific Method

It is scarcely possible to expect that we can be successful in a scientific enterprise without relying on scientific method. And it is unlikely that we can be consistent in it without constantly putting the same method to use. If Smith is believed to arrive at consistent results in the science of society, its ground is thus likely to be ascribed to his constant application of the same method. In the previous section we have partly observed this fact. And presumably in

a similar perspective a good number of commentators are inclined to start with Smith's methodology. In other words, it seems a commonplace to assume that Smith's view with regard to scientific method is intimately bound up with his practice as appeared in the *Theory of Moral Sentiments*, and the *Wealth of Nations*, so that a correct understanding of the former is basic to a proper interpretation of the latter. In this context much attention has been concentrated on Smith's early work, and especially on his essay on the history of astronomy. Nonetheless, it is not difficult to find that the existing interpretative hypotheses which are mainly drawn from Smith's essays on philosophical subjects do not at times fit in well with his practice in those two major work. Since I suppose, as others do, that Smith was consistent in applying his view about the scientific method discussed in the essays on philosophical subjects to the study of society, I shall here attempt to propose a more accurate interpretative hypothesis, in the extension of the preceding section. For this reason the purpose of this section will be more limited in scope.

It was recorded that at an early period of his life Smith's interest lay in the natural sciences and mathematics. And Smith's article in the *Edinburgh Review* for 1756 is said to disclose how far his knowledge of scientific literature is wide.[44] If these circumstances are considered, it may be supposed that Smith was familiar with, at least, scientific method and practice alongside the history of science. It seems that Smith's essays on philosophical subjects and particularly his essay on the history of astronomy explicitly reveal this fact. There seems to be thus an element of truth in Schumpeter's claim that 'Nobody, I venture to say, can have an adequate idea of Smith's intellectual stature who does not know these essays'.[45] Given this, for our purpose let us start with what Smith finds to be the motive and purpose of scientific study, as shown in the essay on the history of astronomy.

It is well-known that Smith's intention in writing the 'History of Astronomy' did not rest so much on the history of astronomy itself, but on an illustration of some principles of human nature, which were considered to be the universal motives of stimulating philosophical or

scientific researches, in terms of the history of astronomy. This fact manifests itself in the full title of the essay, 'The principles which lead and direct philosophical enquiries; illustrated by the history of astronomy'. The peculiar principles of the human mind which Smith notes in connection with the origin and purpose of scientific inquiry are 'Surprise', 'Wonder', and 'Admiration'. Smith seems to regard as a natural state of the human mind the situation where the imagination resumes an easy passage in terms of the association of ideas.[46] But the sentiment of surprise occurs immediately once the easy movement of the imagination is disturbed by the new appearance, which does not fall into the customary order or pattern of events.[47]

> But if this customary connection be interrupted, if one or more objects appear in an order quite different from that to which the imagination has been accustomed, and for which it is prepared, the contrary of all this happens. We are at first surprised by the unexpectedness of the new appearance, and when that momentary emotion is over, we still wonder how it came to occur in that place.[48]

As this passage indicates, the feeling of surprise is instantaneous, and fades away promptly, being followed by the sentiment of wonder. Wonder thus stems from a gap which an unfamiliar succession of things brings into the mind; a gap which must be removed in order to recover the repose and tranquillity of the imagination.[49] For this reason the sense of wonder becomes the very principle of the mind which lends stimulus to scientific inquiry: 'Wonder, therefore, and not any expectation of advantage from its discoveries, is the first principle which prompts mankind to the study of Philosophy, of that science which pretends to lay open the concealed connections that unite the various appearances of nature'.[50] Hence it follows that the scientific mind will try to take account of the irregular appearances of events in question so as to get rid of the sentiment of wonder. Consequently, science is, Smith maintains, a branch of knowledge which 'endeavours to introduce order into this chaos of jarring and discordant appearances, to allay this tumult of the imagination, and to restore it ... to that tone of tranquillity and composure', and in this sense becomes 'one of those arts which address themselves to the imagination'.[51] Seen in this way the purpose of science is to

assuage the imagination: 'the repose and tranquillity of the imagination is the ultimate end of philosophy'.[52]

This brief observation concerning Smith's account of the motive and purpose of science leads us to expect how far he would rely for an explanation of scientific inquiry and product on psychological factors and aesthetics. In fact, in the latter part of the 'History of Astronomy' where Smith reviews four main theoretical systems of astronomy, it is very easy to pick up a number of evidences which shows Smith's view that a good scientific theory ought to satisfy several aesthetical criteria such as familiarity, coherence, and simplicity. For example, the lack of simplicity and coherence in an old theoretical system, which makes the alleviation of the imagination difficult, is the cause of its replacement by a new theoretical system. Therefore, the system of Concentric Spheres, the first system of astronomy, had to give way to the system of Eccentric Spheres, because of being unable to meet the aesthetic criteria: the one 'had now become as intricate and complex as those appearances themselves, which it had been invented to render uniform and coherent. The imagination, therefore, found itself but little relieved from that embarrassment ... by so perplexed an account of things. Another system for this reason ... was invented by Apollonius ... the more artificial system of Eccentric Spheres and Epicycles'.[53]

Another instance, one of the most telling evidences in support of the view that appeal to the imagination is the eventual criterion in evaluating scientific systems, appears in Smith's account of the astronomers' abandonment of Ptolemy's system in favour of a competing system of Copernicus.

> The superior degree of coherence, which it bestowed upon the celestial appearances, the simplicity and uniformity which it introduced into the real directions and velocities of the planets, soon disposed many astronomers, first to favour, and at last to embrace a system, which thus connected together so happily, the most disjointed of those objects that chiefly occupied their thoughts. Nor can any thing more evidently demonstrate, how easily the learned give up the evidence of their senses to preserve the coherence of the ideas of their imagination, than readiness with which this, the most violent paradox in all philosophy, was adopted by many ingenious astronomers ...[54]

The system of Ptolemy had a capability to comply to the same observations, and to provide the result of the same calculations. Hence, both systems must have been favoured. Moreover, Copernicus's system was diametrically opposite to the presentation of the senses.[55] Nevertheless, since the one lacked coherence and simplicity, the astronomers abandoned it in favour of the other.

Meanwhile, the criterion of familiarity is likewise an important measure by which to evaluate a scientific system. According to Smith, 'no system, how well soever in other respects supported, has ever been able to gain any general credit on the world, whose connecting principles were not such as were familiar to all mankind'.[56] The contemporary reception of Kepler's astronomical system makes a typical case which presents how far the aesthetic principle of familiarity is essential to the needs of the imagination. Kepler's system was capable of providing more accurate calculations and predictions with respect to the motions of the Planets, and 'was better supported by observations than any system had ever been before'.[57] But philosophers and astronomers generally neglected Kepler's system, because it was drawn from an unfamiliar analogy; 'an analogy too difficult to be followed, or comprehended', since they were familiar with the motions of all the heavenly bodies in a perfect circle and with equal velocity, rather than in an ellipse and with changing velocity.[58]

Given that for Smith the aesthetic principles just mentioned are the criteria for the evaluation of scientific theories, it is quite natural to meet Smith's most favourable description with regard to the Newtonian system. For all aesthetical criteria like coherence, simplicity, and familiarity were satisfied by the Newtonian system. In Smith's words, Newton's scientific theories are 'a system whose parts are all more strictly connected together, than those of any other philosophical hypothesis. Allow his principle, the universality of gravity, and that it decreases as the squares of the distance increase, and all the appearances, which he joins together by it, necessarily follow. ... Neither are the principles of union ... such as the imagination can find any difficulty in going along with. The gravity of matter is, of all its qualities, after its inertness, that

which is most familiar to us'.[59] The Newtonian system most completely linked together the diverse phenomena in nature in terms of a single, familiar principle, gravity, and gave a capacity to predict them with more precision. Mankind approved of the Newtonian system, since in that way it 'has introduced such coherence into the motions of all the Heavenly Bodies, [and] has served not a little to recommend it to the imagination of mankind'.[60]

Finally, there is a plainly paradoxical statement about the Newtonian system to note in a similar connection, which undoubtedly is partly grounded on Smith's arguments so far observed. As noted, in the History of Astronomy Smith concentrated attention on psychological factors which were supposed to account for the origin and purpose of scientific inquiry. Wonder gives stimulus to scientific activity, and its products, i.e., scientific systems, are designed to 'soothe the imagination', and preserve the composure and order of the mind. After all, all scientific constructions are the products of the imagination, and are preferred to the extent to which they appeal to the imagination, and meet the aesthetical criteria rather than other objective standards. Looked at in this way it seems inevitable to conclude that even the Newtonian principles, which 'have a degree of firmness and solidity that we should in vain look for in any other system' are no more than the conventional kind of knowledge, which has nothing to do with objective truths that actually exist in nature. In this vein Smith writes:

> even we, while we have been endeavouring to represent all philosophical systems as mere inventions of the imagination, to connect together the otherwise disjointed and discordant phaenomena of nature, have insensibly been drawn in, to make use of language expressing the connecting principles of this one, as if they were the real chains which Nature makes use of to bind together her several operations. Can we wonder then, that it should have gained the general and complete approbation of mankind, and that it should now be considered, not as an attempt to connect in the imagination the phaenomena of the Heavens, but as the greatest discovery that ever was made by man, the discovery of an immense chain of the most important and sublime truths, all closely connected together, by one capital fact, of the reality of which we have daily experience.[61]

Appeal to the imagination which the Newtonian system makes leads us first to approve of it, and next to believe that it is the discovery of truth, or 'the real chains' in nature. But, however well it may be supported in practice, it, like any other scientific system, is a 'mere invention of the imagination', which has eventually found its place in the mind, not in nature. Accordingly, it seems that the pursuit of scientific knowledge has nothing to do with the discovery of truth.

It is in the way so far discussed that a number of Smithian commentators who have been concerned with Smith's method of inquiry are inclined to approach the problem. It is, to be sure, a mistake to reject that there is a good deal of truth in this line of interpretation. A complete denial of that type of outlook is opposite to the apparent evidences which, as a matter of fact, find themselves in the 'History of Astronomy'. Yet, a reason why further attention is required rests on the extreme position that many authors in support of the sort of opinion take with respect to Smith's view of science. Before going further let us clarify that type of interpretation.

It is evident that those who try to understand Smith's scientific method in the way above described propose the interpretative hypothesis according to which, in his view, scientific theories are accepted because they fulfil the aesthetic criteria like simplicity, coherence, and familiarity, and to such an extent they can be regarded as 'mere inventions of the imagination'. They may be called 'conventionalist interpreters'. Kolakowski's statement with respect to a standard feature of conventionalism is likely to be helpful in this vein.

> The fundamental idea of conventionalism may be stated as follows: certain scientific propositions, erroneously taken for descriptions of the world based on the recording and generalization of experiments, are in fact artificial creations, and we regard them as true not because we are compelled to do so for empirical reasons, but because they are convenient, useful, or even because they have aesthetic appeal. Conventionalists agree with empiricists on the origin of knowledge, but reject empiricism as a norm that allow us to justify all accepted judgements by appealing to experience, conceived as a sufficient criterion of their truth.[62]

In brief, for the conventionalist science does not aim at providing true description or explanation concerning the world with the aid of scientific theories. Scientific theories, which are nothing but the artificial inventions of the scientists, are simply preferred either for aesthetic reasons, or on account of being convenient instruments for practical use.

As observed, the 'History of Astronomy' clearly indicates that Smith's view of science does retain an element of conventionalism. But, what seems erroneous is to lay exclusive (or larger) stress on the conventionalist side of Smith's conception of science. Two points may be observed in this connection. Firstly, it is claimed that Smith scarcely considers the empirical test of correspondence with observable facts to be the criteria for the judgment of scientific theories.[63] This is apparent in the following sentences: 'Adam Smith came very close to identifying truth with beauty, and scientific method with aesthetics',[64] or 'Since it is the primary purpose of philosophy to satisfy man's need for coherence, philosophical systems need not be judged principally with respect to their truth or falsity.[65] Secondly, it is asserted that in Smith's estimate scientific knowledge is fiction, and is therefore far from the understanding of the 'real chain' that binds the phenomena in nature. For Smith finds that a scientific system is a product of the imagination, and its acceptance depends nearly exclusively on the extra-scientific reasons which are relating to aesthetics.[66]

This kind of interpretation which exclusively finds Smith to be a conventionalist in his method of inquiry, I believe, is misleading, looked at both from the 'History of Astronomy', and from his practice in the *Theory of Moral Sentiments* and the *Wealth of Nations*. From now on we shall proceed to examine this aspect. To begin with, it should be observed that Smith explicitly states his narrower purpose in writing the 'History of Astronomy'. His aim there is to see that the sentiments of surprise, wonder, and admiration play a *greater* part in the scientific inquiry than often supposed, or in his words, to demonstrate that the role of those sentiments 'is of far wider extent than we should be apt upon a careless view to imagine'.[67] Later on, before he goes on to review four main astronomical systems from his

peculiar standpoint, i.e., with a view to illustrating a greater influence on scientific activity of the needs of the imagination than expected, Smith once again reminds readers that he would not address himself to another face of science, the rational aspects of science. As Smith states:

> and, *without regarding their absurdity or probability, their agreement or inconsistency with truth and reality,* let us consider them *only in that particular point of view which belongs to our subject*; and content ourselves with inquiring how far each of them was fitted to sooth the imagination, and to render the theatre of nature a more coherent, and therefore a more magnificent spectacle, than otherwise it would have appeared to be.[68]

The statements of qualification seem to disclose clearly that Smith is quite well aware that science has various faces. One of the most essential faces of science is the presentation of reasons in respect of the formal relations between hypothesis and evidence. This is true of even the scholars in antiquity and the Middle Ages in spite of a difference of degree. We should be reminded that especially from the seventeenth century the decisive role of observation and experiment in science was stressed by many scientists. It is well-known that Newton and his followers gave great stimulus to experimental researches which required the relations between hypothesis and evidence.[69] Given that Smith was familiar with natural science, and that he was also a Newtonian, it would appear difficult to believe that he considers the scientific criteria to be equivalent to aesthetic criteria alone. It has been recognized by historians of science that extra-scientific reasons have frequently come into the history of science. For scientific theories are scarcely in agreement with all the facts, and there does not generally exist only one scientific theory which corresponds to all observable facts. Smith's essay on the history of astronomy should, I believe, be viewed in this light. That is to say, by means of using the fact that the extra-scientific reasons had an actual, though partial, influence on the acceptance or rejection of scientific systems, in the 'History of Astronomy' Smith tries to show the connection of the principles of human nature with the field of science; the stimulus given to both scientific inquiry and advance by a broadly psychological needs. Accordingly, it is of great importance

to be aware that the 'History of Astronomy' was not originally designed to represent his whole view of science. Rather, the restricted aim of the essay reveals that it was written, not as the description of his complete view of scientific method, but as an exemplication of his opinion[70], following Hume's position,[71] that the study of human nature provides a basis for various forms of scientific inquiry:

> 'Tis is evident, that all the sciences have a relation, greater or less, to human nature; and that, however wide any of them may seem to run from it, they still return back by one passage or another. Even *Mathematics, Natural Philosophy, and Natural Religion*, are in some measure dependent on the science of MAN; since they lie under the cognizance of men, are judged of by their powers and faculties.[72]

Now, given the point just described, it is our task to give some evidence. Let us first examine the proposition that Smith believes scientific knowledge to be no more than fiction, and that the discovery of the 'real chain' in nature is categorically impossible. As we noted in the previous section, Smith's view concerning the conception of science belongs to the realist tradition within the broadly empiricist philosophy. Smith does not think that scientists are concerned just with the discovery of regular relations between observable phenomena. The business of science, according to Smith, is to uncover the underlying mechanism and structure which are objectively present behind the observable events, or the 'invisible real chain' that binds operations in nature. This is suggested once again when Smith compares the connecting chain in nature with 'the machinery of the opera-house ... *behind the scenes*'.[73] Since science deals largely with the problem of giving causal explanations of observable events, and of the regular relations between them in terms of the 'invisible' chain, undoubtedly there is a very great difficulty in making it clear. In fact, this is the reason that scientific theories have, as a rule, some reference to analogy or model which links them to other sorts of phenomena, or other areas of scientific and commonsense knowledge. It is likely that Smith was well aware of this fact.[74] At any rate, it is evident that the consciousness of the difficulty involved in the formulation of hypotheses which aim at the description of the 'invisible real chain' makes Smith tell us that

'In the Wonders of nature ... it rarely happens that we can discover so clearly this connecting chain'.[75] Smith appears to propose here the sceptical view, which would seem to find an echo in his concluding comment on Newton's system already quoted, with regard to whether truth in the branch of science is attainable, or not. Nonetheless, it is remarkable that the discovery of the invisible real chain, Smith claims, has been possible in a small number of cases, which, after all, leads to a denial of the view that scientific knowledge is, at all events, no more than fiction. As Smith maintains:

> With regard to a few even of them, indeed, we seem to have been really admitted behind the scenes, and our Wonder accordingly is entirely at an end. Thus the eclipses of the sun and moon, which once, more than all the other appearances in the heavens, excited the terror and amazement of mankind, seem now no longer to be wonderful, since the connecting chain has been found out which joins them to the ordinary course of things.[76]

Hence, Smith's view concerning the truth of scientific knowledge seems to be that it is very difficult to find out the real chains which connect together phenomena in nature, yet not impossible. If this is correct, then the conventionalist position which says that Smith, for example like Hume, shares the view that the discovery of truth in science is impossible, is unlikely to be able to receive support from Smith.

Whereas in the 'History of Astronomy' Smith's limited objective rests on showing how far appeal to the imagination is important, and how far such aesthetic criteria as coherence, simplicity, and familiarity are influential in preferring a scientific system to another, there is yet evidence in the 'History of Astronomy' and his other writings in support of my interpretative hypothesis; the view that Smith takes a realist position in science, which implies that he stands within the empiricist philosophical tradition, and that he, like many of his contemporaries, considers the primary or 'more' fundamental criterion for the evaluation of scientific systems to lie in an objective standard, i.e., their agreement with observable facts. We shall turn to this task.

When Smith examined the first astronomical system, that of concentric spheres, he asserts that its theories explained a number of facts which were observed at that time, fairly exactly enough to satisfy early philosophers.

> The motions of the most remarkable objects in the celestial regions, the Sun, the Moon, and the Fixed Stars, are sufficiently connected with one another by this hypothesis. The eclipses of these two great luminaries are, though not so easily calculated, as easily explained, upon this ancient, as upon the modern system. ... The obliquity of the ecliptic, the consequent changes of the seasons, the vicissitudes of day and night, and the different length of both days and nights, in the different seasons, correspond too, pretty exactly, with this ancient doctrine.[77]

The system of concentric spheres initially 'gained the belief of mankind by its plausibility', and thereafter the sentiments such as wonder and admiration 'still more confirmed their belief, by the novelty and beauty of that view of nature which it presented to the imagination'.[78] Therefore, Smith says that 'if there had been no other bodies discoverable in the heavens besides the Sun, the Moon, and the Fixed Stars, this old hypothesis might have stood the examination of all ages, and have gone down triumphant to the remotest posterity.'[79] However, since more accurate observations gradually diminished the correctness of its theories, the early form of the system of concentric spheres had to be modified and abandoned.[80] This clearly shows how far Smith finds the test of correspondence with the observed facts to be in the first instance essential for the acceptance of a scientific system.

In the same vein Smith notes that among the ancient systems of astronomy the system of eccentric spheres was adopted by most astronomers. For 'Of all of them, the system of Eccentric Spheres was that which corresponded most exactly with the appearances of the heavens'.[81] The system of eccentric spheres was established after it accommodated itself to much more, and more accurate observations which a much longer course of time brought. Its better agreement with the observed phenomena led the astronomers to accept it, while the other two ancient systems, concentric spheres and Stoics, were abandoned on account of their loose correspondence with them. As Smith put it:

> It was not invented till after those appearances had been observed, with some accuracy, for more than a century together; and it was not completely digested by Ptolemy till the reign of Antoninus, after a much longer course of observations. We cannot wonder, therefore, that it was adapted to a much greater number of the phaenomena, than either of the other two systems, which had been formed before those phaenomena were observed with any degree of attention, which, therefore, could connect them together only while they were thus regarded in the gross, but which, it could not be expected, should apply to them when they came to be considered in the detail. From the time of Hipparchus, this system seems to have been pretty generally received by all those who attended particularly to the study of the heavens.[82]

Similarly, the astronomers' discontent with the system of eccentric system as time passed did not arise only from its complexity. It also happened as a result of its failure to accommodate itself precisely to more accurate observations. Smith mentions that 'neither was the complexness of this system the sole cause of the dissatisfaction, which the world in general began ... The tables of Ptolemy having ... become altogether wide of the real situation of the heavenly bodies, those of Almamon, in the ninth century, were, upon the same hypothesis, composed to correct their deviations'. In this way, until the fifteenth century the requirement of the agreement with more correct observations had made some astronomers continue to modify the system of Ptolemy: 'It appeared evident, therefore, that , though the system of Ptolemy might, in the main, be true, certain corrections were necessary to be made in it before it could be brought to correspond with exact precision of the phaenomena.'[83]

The system of Copernicus had more coherence and simplicity than that of Ptolemy. But the one also accounted for the observed motions of the five planets much better, and was able to provide the result of calculations more correctly, than the other.[84] However, there is little more telling in the 'History of Astronomy' than Smith's account of the Cartesian philosophy, in order to see his 'complete' view about the scientific criteria for the acceptance of a theory. Smith notes that Descartes originally intended to give a plausible explanation for the Copernican system, of which the merit of simplicity and coherence was reduced by the unfamiliarity that is connected with its failure to explain the rapid motions and the natural inertness of the planets. Descartes's theory of vortices,

Smith acknowledges, made it possible for the imagination to resume an easy movement, by virtue of the familiar principle of motion after impulse: 'When the fancy had thus been taught to conceive them as floating in an immense ocean of ether, it was quite agreeable to its usual habits to conceive, that they [the planets] should follow the stream of this ocean, how rapid soever'[85] This explanation of Descartes had made rendered the motions of the heavenly bodies so coherent by the familiar principle that it in the first instance received the high regard from the learned men. As Smith states: 'when the world beheld that complete, and almost perfect coherence, which the philosophy of Des Cartes bestowed upon the system of Copernicus, the imaginations of mankind could no longer refuse themselves the pleasure of going along with so harmonious an account of things. The system of Tycho Brahe was every day less and less talked of, till at last it was forgotten altogether'.[86]

But Smith immediately goes on to point out that 'The Cartesian philosophy begins now to be almost universally rejected, while the Copernican system continues to be universally received'.[87] Descartes's theory of vortices is described by Smith as 'that exploded hypothesis'. The reason is naturally that the hypothesis of Descartes did not fit in well with detailed observations, not that it failed to give the imaginative satisfaction. Smith writes:

> The system of Des Cartes, however, though it connected together the real motions of the heavenly bodies according to the system of Copernicus, more happily than had been done before, did so only when they were considered in the gross; but did not apply to them, when they were regarded in the detail. Des Cartes ... had never himself observed the Heavens with any particular application. Though he was not ignorant, therefore, of any of the observations which had been made before his time, he seems to have paid no great degree of attention ... So far, therefore, from accommodating his system to all the irregularities, which Kepler had ascertained in the movements of the Planets; or from shewing, particularly, how these irregularities, and no other, should arise from it, he contended himself with observing, that perfect uniformity could not be expected in their motions, from the nature of the causes which produced them.[88]

After all, owing to its failure to stand the test of correspondence with observable facts, the Cartesian system came to be replaced by the Newtonian system.

Newton's system, Smith observes, 'has advanced to the acquisition of the most universal empire that was ever established in philosophy'. As we noted before, Smith's stated aim is to stress that the acceptance and preference of the Newtonian system has some connection with its capability to render the movements of the heavenly bodies coherent and simple. Smith says that Newton did so, by means of discovering 'an immense chain of the most important and sublime truths, all connected together, by one capital fact'.[89] However, Smith's account in conjunction with the Newtonian system is rather generally devoted to showing that it accommodated itself to many other irregularities which the previous astronomical systems failed to do, and was thus able to explain the motions of the heavenly bodies with the most remarkable rigour.[90] In this vein Smith concludes:

> His principles, it must be acknowledged, have a degree of firmness and solidity that we should in vain look for in any other system. The most sceptical cannot avoid feeling this. They not only connect together most perfectly all the phaenomena of the Heavens, which had been observed before his time, but those also which the preserving industry and most perfect instruments of later Astronomers have made known to us; have been easily and immediately explained by the application of his principles, or have been explained in consequence of more laborious and accurate calculations from these principles, than had been instituted before.[91]

Seen together from all we so far observed it would be safe to hold that Smith conceives the test of the correspondence of a scientific theory with observed phenomena to be the 'primary and fundamental' criterion by which we actually judge of it. But the agreement of scientific systems with the observed facts is not the only criterion of their acceptance and preference. Smith appears to find that the principal standard for the evaluation of scientific theories, at the same time, is usually complemented by the aesthetic criteria such as coherence, simplicity, and familiarity. If Smith talks in the 'History of Astronomy' as if the aesthetic reasons played a nearly exclusive role in the acceptance and preference of the astronomical systems, it is because of his specific purpose in writing the essay; the aim of illustrating how far some principles of human nature or psychological factors are basic to human activity like science.[92] Now we shall turn to what Smith believes to be the method of presentation best

relevant to philosophy and science. This is necessary, not merely because we can be aware of Smith's approach to individual and society, but especially in that we can have another confirming evidence which discloses his view that the primary scientific criterion for the judgement of a theory consists in its agreement with observed phenomena.

In *Lectures on Rhetoric and Belles Lettres* Smith notes that there are two possible types of method in terms of which a didactic or scientific discourse can be delivered. According to the first form that Smith calls the Aristotelian method, we start with collecting facts concerning different subjects, and proceed to find out separate principles by virtue of examining them. Using the second form of presentation called the Newtonian method we set out a very few general principles, and proceed to link together all the phenomena in different subjects by them. As Smith put it:

> in natural philosophy or any other science of that sort we may either like Aristotle go over the different branches in the order they happen to cast up to us, giving a principle commonly a new one for every phaenomenon; or in the manner of Sir Isaac Newton we may lay down certain principles known or proved in the beginning, from whence we account for the severall phenomena, connecting all together by the same chain.— This latter which we may call the Newtonian is undoubtedly the most philosophical, and in every science whether of moralls or naturall philosophy etc., is vastly more ingenious and for that reason more engaging than the other.[93]

Smith adds that the Newtonian method 'gives us a pleasure to see the phaenomena which we reckoned the most unaccountable all deduced from some principle (commonly a well-known one) and all united in one chain, far superior to what we feel from the unconnected method where everything is accounted for by itself without any reference to the others.'[94] Here it can thus be noticed that Smith considers a method of argument to be a source of pleasure, which perhaps arises from its aesthetic qualities, and claims that the Newtonian method was 'more engaging' than the Aristotelian method because of its aesthetic features.

It is important that Smith points out, in the same context, that Descartes was the first who attempted to use 'the most philosophical method', and for that reason the Cartesian philosophy had been accepted by nearly all philosophers in Europe. Accordingly, Smith implies that the Cartesian philosophy was universally received likewise due to the psychological satisfaction which is brought by it into the mind. This is therefore consistent with Smith's argument in the 'History of Astronomy'. Descartes's account of the movements of the heavenly bodies 'was connected with a vast, an immense system, which joined together a greater number of the most discordant phaenomena of nature, than had been united by any other hypothesis'.[95] So the aesthetic qualities like coherence and simplicity which the Cartesian system possessed made contemporary philosophers and astronomers approve of and accept it. Looked at in this way Smith seems to support an extreme argument that is made by the conventionalist view before observed, to the effect that Smith identified truth with beauty, and scientific method with aesthetics.

But there is a great difficulty which ensues when we adopt such an interpretative position. As noted, the Cartesian philosophy satisfied all the aesthetic criteria, i.e., familiarity, simplicity, and coherence, which Smith in the 'History of Astronomy' deems to be essential to the acceptance and preference of a scientific system. It should thus be observed that in respect of this standard the Cartesian philosophy was exactly upon a level with the Newtonian philosophy. Both systems endeavoured to connect together a great number of diverse phenomena in different areas by reference to one general principle, with which people were familiar. If so, and if we take the conventionalist interpretation, how can we take due account of Smith's point that up to his day the system of Descartes was 'exploded', while the Newtonian system was generally accepted. Smith's further remark is telling in this respect. In Smith's opinion, the philosophy of Descartes 'does not perhaps contain a word of truth', and his work was no more than 'one of the most entertaining romances that has ever been wrote'.[96] These sentences make a good contrast with Smith's argument that Newton's system 'should now be considered ... as the greatest discovery that ever was made by man'.[97] Similarly, it is worth noting Smith's warning elsewhere that in France the scientists'

continuing attachment to 'that illusive philosophy', namely, Descartes's theory of vortices, 'seems among them to have retarded and incumbered the real advancement of the science of nature'.[98] These make up cases which plainly indicate the extent to which Smith attaches much more importance to the relations between hypothesis and evidence in science, than to the aesthetic qualities that a scientific system has.

It is likely that, inferred from Smith's statements just noted, though he nowhere deals with it, he is aware of the difference between the methods of Descartes and Newton. In fact, the Newtonian method of science differed in many respects from that of Descartes. Descartes began with metaphysics or self-evident principles, and proceeded to derive from them general laws, which, he claimed, were impossible to establish by an inductive method. Moreover, he did not considered experimental confirmation to be the criterion of adequacy of explanation.[99] By contrast, Newton stressed that scientific procedure should contain both an inductive stage and a deductive stage, or the method of analysis and synthesis, and that the consequences established through using the deductive procedure should be tested in terms of experiment and observation..[100] As he claimed it in one of his Queries, appended to the *Opticks*:

> As in mathematicks, so in natural philosophy, the investigation of difficult things by the method of analysis, ought ever to precede the method of composition. This analysis consists in making experiments and observations, and in drawing general conclusions from them by induction ... And although the arguing from experiments and observations by induction be no demonstration of general conclusions; yet it is the best way of arguing which the nature of things admits of ... And if no exception occurs from phaenomena, the conclusion may be pronounced generally. But if at any time afterwards any exception shall occur from experiments, it may then begin to be pronounced with such exceptions as occur. By this way of analysis we may proceed from compounds to ingredients, and from motions to the forces producing them ; and in general, from effects to their causes, and from particular causes to more general ones, till the argument ends in the most general. This is the method of analysis: and the synthesis consists in assuming the causes discover'd and establish'd as principles, and by them explaining the phaenomena proceeding from them, and proving the explanations.[101]

This argument of Newton with respect to scientific method clearly shows that experiment and observation should be the starting-point and the end-point of science. In fact, Newton's famous statement, '*hypotheses non fingo*' (I do not make up hypotheses), was the reflection of his view about scientific method, which objected to the view, such as Descartes's, in which general laws are directly deduced from metaphysical or self-evident principles. Relying on the scientific method he supported, Newton linked his theory of mechanics to phenomena in the physical world, and the conclusions drawn from it were in extensive agreement with the motions of celestial and terrestrial bodies. As historians of science have noted, Newton's system was mainly accepted because of the technical excellence that arose from its agreement with observable facts. This is also in line with Smith's account concerning the Newtonian system in his essay on astronomy that we noted earlier. Furthermore, in this connection, if we are reminded that the experimental method of Newton manifests itself in Smith's studies on man in society,[102] then what is Smith's actual view of science is likely to become more apparent.

So far we have tried to show that it is misleading to claim that Smith's position about scientific inquiry is far from the empiricist philosophy. As observed before, those who exclusively take the conventionalist interpretation have maintained that Smith does not believe the attainability of truth through science, and he simply equates scientific method with aesthetics. But it has been observed that though Smith sees the great difficulty involved in an endeavour of the scientists to find out the real chain established by nature, he does plainly recognize that objective scientific knowledge is attainable. Yet, given that, as Smith asserts it, scientific knowledge is the product of 'mere inventions of the imagination', how is it possible? Smith would be contradictory to himself, if he indeed identified scientific criterion with aesthetic standards. As we have seen, Smith is a consistent thinker, in so far as his view concerning scientific method is concerned. Smith finds the primary criterion for the judgment of a scientific theory to be its correspondence with the observed facts. Of course, like those who are well aware of the history of science, Smith admits, at the same time, the 'complementary' role of extra-scientific reasons in the acceptance and preference of a

scientific system. This is Smith's view about natural science, which largely appears in his essay on the Astronomy. If so, what about moral science? It is not a contradiction that a thinker may have a different view with regard to the natural and moral sciences. In the case of Smith, a number of commentators who deal with his methodology tend to assume that he has the same view about the method of both sciences. This assumption seems, as a matter of fact, valid, in that Smith himself, while his essay on astronomy was the product of his youthful interests before 1758, takes it seriously even in his later years, long after he published the *Theory of Moral Sentiments*,[103] and it would be difficult to imagine that despite a change of his view of science he thinks the essay to deserve publication.[104] Since I suppose Smith is consistent in association with methodological discussion, I need to demonstrate this aspect. In what follows we shall address ourselves to exploring this problem. Here Smith's review of the systems of moral philosophy will be considered since it gives us the clearest idea of his view of science, as compared with the review of the astronomical systems.

There is a passage in the *Theory of Moral Sentiments* that is very often observed in connection with methodological discussion. It appears where Smith comments on Mandeville's moral philosophy. After intense criticism Smith states:

> But however destructive soever this system may appear, it could never have imposed upon so great a number of persons, ... had it not in some respects bordered upon the truth. A system of natural philosophy may appear very plausible, and be for a long time very generally received in the world, and yet have no foundation in nature, nor any sort of resemblance to the truth. The vortices of Des Cartes were regarded by a very ingenious nation, for near a century together, as a most satisfactory account of the revolutions of the heavenly bodies. Yet it has been demonstrated, to the conviction of all mankind, that these pretended causes of those wonderful effects, nor only do not actually exist, but are utterly impossible, and if they did exist, could produce no such effects as are ascribed to them. But it is otherwise with systems of moral philosophy, and an author who pretends to account for the origin of our moral sentiments, cannot deceive us so grossly, nor depart so very far from resemblance to the truth.[105]

There are two points which merit the greatest attention in this passage. In the first place, it is important to observe that Smith here does not say that theories in natural science *do* 'have no foundation in nature, nor any sort of resemblance to the truth'. Descartes's theory of vortices has no foundation in nature, and no resemblance to the truth. But Smith seems to imply that it is possible for other theories in natural science to have a foundation in nature and resemble the truth. This is, to be sure, in harmony with Smith's statement in the 'History of Astronomy' that with regard to some of the 'real chains' that are present in nature, 'we seem to have been really admitted behind the scenes', and 'the connecting chain has been found out which joins them to the ordinary course of things'.

In the second place, it should be noted here that Mandeville's moral philosophy, Smith claims, 'in some respects bordered upon the truth'. This point fits in with the first point just noted. The systems of philosophy and science *can* have a foundation in nature, and resemble the truth. From this standpoint Smith says that there is some truth in Mandeville's moral theory, though his system did, in many aspects, deceive people. Smith's comment on the Physiocratic system of political economy can be understood in a similar vein. According to Smith, 'This system, however, with all its imperfections is, perhaps, the nearest approximation to the truth that has yet been published upon the subject of political oeconomy'.[106] But these are the words which itis not easyto understand from the conventionalist perspective already mentioned. Since it stresses that for Smith scientific systems are no more than 'mere inventions of the imagination', or fictions, or systems of conventional signs, so that they are not intended to deal properly with the problem of truth, or have nothing to do with the discovery of truth.

It thus appears evident that Smith acknowledges science, whether natural or moral, to be a discipline which relates to the pursuit of objective knowledge. Yet Smith is not naive in this matter. He is ready to admit a great difficulty in confirming scientific knowledge. The reason for it, as we noted, lies in the nature of the business of science which Smith maintains, namely, the fact that science aims to uncover the underlying mechanism and structure that exist behind

observable facts. At any rate, in connection with the extent of the difficulty with which scientific truth may be confirmed, Smith compares an author on natural philosophy with a traveller who talks about a distant country, and an author on moral philosophy with those who are familiar with events in our own parish. Accordingly, in Smith's opinion, it is easier to prove the truth of theories of moral philosophy, while there is more difficulty in confirming theories of natural philosophy. It is worth quoting Smith's statement:

> When a traveller gives an account of some distant country, he may have impose upon our credulity the most groundless and absurd fictions as the most certain matters of fact. But when a person pretends to inform us of what passes in our neighbourhood, and of the affairs of the very parish which we live in, though here too, if we are so careless as not to examine things with our own eyes, he may deceive us in many aspects, yet the greatest falsehoods which he imposes upon us must bear some resemblance to the truth, and must even have a considerable mixture of truth in them.[107)]

Perhaps this statement is not one which present-day people think of. But if we consider the circumstances of Smith's day under which controlled experiments in the field of natural science were much less available than of today, the comparison seems acceptable. In any case, it is important to note Smith's following remark about by what standard a moral theory put forward is evaluated.

> when he proposes to explain the origin of our desires and affections, of our sentiments of approbation and disapprobation, he pretends to give an account, not only of the affairs of the very parish that we live in, but of our own domestic concerns. ... yet we are incapable of passing any account which does not preserve some little regard to the truth. ... The author who should assign, as a cause of any natural sentiment, some principle which neither had any connection with it, nor resembled any other principle which had some such connection, would appear absurd and ridiculous to the most injudicious and unexperienced reader.[108)]

This argument apparently indicates that we judge of a moral theory in terms of its consonance with the facts which we are well aware of through experience and observation. We are reminded that Smith does not say that we approve of, or disapprove of it for any extra-scientific reason.

In fact, it is worthwhile to be conscious that this methodological discussion developed in the context of criticism of Mandeville's moral theory occurs in Part 7 of the *Theory of Moral Sentiments*, where Smith handles the history of moral philosophy. Indeed, it then comes as no surprise to discover that Smith's practice in conjunction with the assessment of the previous systems of moral philosophy is in line with that methodological discussion. That is, Smith attempts there to demonstrate both the limited relevance of other systems of moral philosophy, and the superiority of his system over them, by reference to the criterion of how far they can explain the actual moral behaviour of persons. Finally, we shall take a brief look at this aspect.

Before reviewing the former systems of moral philosophy, Smith informs us that there are the two main questions which are to be considered in the subject of moral philosophy: 'First, wherein does virtue consist? ... And, secondly, by what power or faculty in the mind is it, that this character, whatever it be, is recommended to us?'[109] Smith's intention here is to examine those earlier system of ethics which had dealt with these two questions. Smith's main argument in reviewing those moral theories is that whilst they are not wrong in all aspects, they are, in fact, defective in the sense that they can only explain some of the moral rules which are actually observed in society. In relation to the question of the nature of virtue, Smith claims that all previous systems of moral philosophy fall into three main groups; those which find virtue to consist in propriety, prudence, and benevolence. The moral theories which find virtue to consist in propriety cannot explain the moral rule that benevolence is good, or the fact that benevolent actions are actually approved of, and are considered to deserve reward. As Smith states:

> There is no virtue without propriety, and wherever there is propriety some degree of approbation is due. But this description is imperfect. For though propriety is an essential ingredient in every virtuous action, it is not always the sole ingredient. Beneficent actions have in them another quality by which they appear not only to deserve approbation but recompense. None of those systems account either easily or sufficiently for that superior degree of esteem which seems due to such actions, or for that diversity of sentiment which they naturally excite.[110]

Similarly, the moral theories which find virtue in prudence fail to account for the fact that 'to be amiable, to be respectable, to be proper object of esteem, is by every well-disposed mind more valued than all the ease and security which love, respect, and esteem can procure us'.[111] The system of ethics in which virtue is confined to benevolence, while it is 'supported by many appearances in human nature',[112] is likewise flawed in that it cannot explain the social approval with regard to actions which arise from prudence and propriety.[113]

In a similar manner, when Smith examines the moral theories which discussed the nature of virtue, he criticizes the ethical theories that explored the principles of moral approval. The moral theories which regard self-love as the origin of moral approbation cannot account for the fact that we approve of, or disapprove of the actions of the past which have no relation to our present self-interest,[114] just as the ethical theory based on rationalism cannot explain the fact that we can make a moral judgment concerning an event which we for the first time experience.[115] The theory of moral sense fails because it cannot explain the fact that we judge even of whether our fellows' approbation or disapprobation which is already made with regard to an action is proper or not.[116] The moral theory in which sympathy with utility is the origin of moral approval fails to account for the fact that we feel respectively different sentiments with respect to the breaches of the laws of justice, and 'police'.[117] After all, it is evident that while all previous moral theories possess certain elements of the truth, each of them is, in the event, a partial view in the sense that it can only explain some part of the moral rules in society, and of their origin. In this respect, it is worth quoting Smith's conclusion, as stated in the introductory section of Part 7 of the *Theory of Moral Sentiments*.

> If we examine the most celebrated and remarkable of the different theories which have been given concerning the nature and origin of our moral sentiments, we shall find that almost all of them coincide with some part or other of that which I have been endeavouring to give an account of; ... From some one or other of those principles which I have been endeavouring to unfold, every system of morality that ever had any reputation in the world has, perhaps, ultimately been derived. As they are all of them, in this respect, founded upon natural principles, they are all of

> them in some measure in the right. But as many of them are derived from a partial and imperfect view of nature, there are many of them too in some respects in the wrong.[118]

As this passage indicates, Smith seems to imply that his moral theory is 'right', and comes closer to the truth, because his own is based on a whole view of human nature, and can account for, and confirm moral rules and behaviour more accurately and effectively than any previous system of morality. This obviously confirms that Smith judges a most fundamental test for the acceptability of a theory to lie in the process of its 'confirmation' by reference to the facts. In concluding we can say that Smith's criterion of appraisal in examining the earlier systems of moral philosophy rests on how much better they can explain observable moral behaviour. This practice is certainly in line both with the suggestive kind of methodological discussion which comes about in the context of criticism of Mandeville's moral theory, and with Smith's argument in the 'History of Astronomy' which was observed before from our point of view.

Notes to Chapter 4

1) Cf. H. Bittermann, 'Adam Smith's Empiricism and the Law of Nature', in J. C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol. 1, pp. 190-235; O. H. Taylor, *A History of Economic Thought* (1960), pp. 50-6; J. F. Becker, 'Adam Smith's Theory of Social Science', in J. C. Wood(ed.), op. cit., Vol. 1, pp. 310-22; T. D. Campbell, *Adam Smith's Science of Morals*(1971), chapter 1.
2) Cf. J. R. Lindgren, *The Social Philosophy of Adam Smith*(1973), chapter 1; D. A. Reisman, *Adam Smith's Sociological Economics*(1976), pp. 37-45; M. Brown, *Adam Smith's Economics*(1988), chapters 2 and 3.
3) E. Mossner, *The Life of David Hume*(1954), p. 4.
4) See, e. g., D. D. Raphael, 'Adam Smith and 'The Infection of David Hume's Society' ', in J. C. Wood(ed.), op. cit., Vol. 1, pp. 388-408; D. Forbes, 'Sceptical Whiggism, Commerce, and Liberty', in A. S. Skinner and T. Wilson(eds.), *Essays on Adam Smith*(1975), pp. 179-201; D. Winch, *Adam Smith's Politics*(1978); K. Haakonssen, *The Science of a Legislator*(1981); R. Teichgraeber, III, *'Free Trade' and Moral Philosophy*(1985); A. S. Skinner, 'Adam Smith and His Scottish Predecessors', in P. Jones and A. S. Skinner(eds.), *Adam Smith Reviewed*(1992), pp. 217-43.
5) See, e. g., A. S. Skinner, *A System of Social Science*(1979), pp. 14-7; D. D. Raphael, ' 'The True Old Humean Philosophy' and Its Influence on Adam Smith', G. P. Morice(ed.), *David Hume: Bicentenary Papers*(1977), pp. 23-38.
6) D. Raphael, op. cit., p. 28; original italics.
7) D. Hume, *Enquiries concerning Human Understanding and concerning the Principles of Morals*(1975) Selby-Bigge(ed.), Section VII, n. 58, p. 74; original italics.
8) Ibid., n. 59, p. 75; original italics.
9) See D. Hume, *A Treatise of Human Nature,* Selby-Bigge(ed.), pp. 198, 209, 213, and 237.
10) H. H. Price, *Hume's Theory of the External World*(1940). p. 8; original italics.
11) D. Hume, op. cit., p. 225.
12) Cf. ibid., pp. 209 and 215.
13) Ibid., p. 270.
14) Cf. L. Kolakowski, *Positivist Philosophy from Hume to Vienna Circle*(1972), pp. 42-59.
15) Astronomy, II. 7.
16) Ibid., II. 6.
17) Ibid., II. 11.
18) Imitative Arts, I. 17.
19) Astronomy, II. 8.
20) Ibid.; italics added.
21) Ibid.
22) Astronomy, II. ii; italics added.
23) D. Hume, *Enquiries*, Section VII, n. 60, p. 77; original italics.
24) External Senses, 41 and 42; cf. also 36-40.
25) Astronomy, II, 12.
26) Cf. J. Locke, *An Essay Concerning Human Understanding,* selected and edited by J. W. Wolton (Everyman's Library; 1976), Book IV, Chapter 3, n. 12.
27) Ibid., Book IV, Chapter 12, n. 10.
28) Cf. ibid., Book IV, Chapter 12, n. 13.
29) Ibid., Book 5, Chapter 16, n. 12.

30) Cf. W.A. Wallac, *Causality and Scientific Explanation* (1974), Vol. 2, pp. 22-29; also R. Keat and I. Urry, *Social Theory as Science*(1975), p. 6.
31) Such confusion appears, for instance, in H. Bittermann, op. cit., p. 199; R. Lindgren, op. cit., pp. 5-6; T. D. Campbell, op. cit., pp. 34-39 (especially p. 35, note 3); M. Brown, op. cit., pp. 27 and 34-5.
32) For details in respect of natural science see R. Keat and J. Urry, op. cit., Part 1; cf. also L. Kolakowski, op. cit., and K. Popper, 'Three Views Concerning Human Knowledge', in *Conjectures and Refutations*(1972).
33) See K. Popper, op. cit., pp. 97-119; cf. also Keat and Urry, op. cit., p. 42ff.
34) See, for example, H. J. Bittermann, op. cit., p. 195ff.; D. A. Reisman, *Adam Smith's Sociological Economics*(1976), pp. 20-37; M. Brown, op. cit., p. 25ff.
35) D. A. Reisman, op. cit., p. 22.
36) Ibid., p. 25.
37) TMS, VII. iii. 2. 6.
38) WN, V. i. f. 25.
39) Astronomy, II. 1.
40) See *Considerations Concerning the First Formation of Languages* (LRBL, pp. 203-26).
41) According to Smith, the ancient moralists 'have contented themselves with describing *in a general manner* the different vices and virtues, and with pointing out the deformity and misery of the one disposition as well as the propriety and happiness of the other' (TMS, VII. iv. 3; italics added).
42) TMS, VII. i. 2.
43) TMS, VII. iii. intro. 2; italics added.
44) Cf. Stewart, I. 7-8; and R. H. Campbell and A. S. Skinner, *Adam Smith*(1982), p. 80ff.
45) J. Schumpeter, *History of Economic Analysis*(1954), p. 182.
46) Cf. Imitative Arts, II. 20.
47) Wonder happens, Smith observes, in the case of the interruption of our ordinary perception with respect not only to 'relation' between events, but also to 'similarity' between them (see Astronomy, II. 5-11, and II. 1-4).
48) Ibid., II. 8.
49) See ibid., II. 9.
50) Ibid., III. 3.
51) Ibid., II. 12.
52) Ibid., IV. 13.
53) Ibid., IV. 8. In the same vein see ibid., IV. 27.
54) Ibid., IV. 35.
55) See ibid., IV. 38.
56) Ibid., II. 12.
57) Ibid., IV. 52 and 54.
58) See ibid., IV. 51, 52, and 56.
59) Ibid., IV. 76.
60) Ibid., IV. 74.
61) Ibid., IV. 76.
62) L. Kolakowski, op. cit., pp. 158-9.
63) Cf. for instance H. F. Thomson, 'Adam Smith's Philosophy of Science', in J. C. Wood(ed.), op. cit., Vol. 1, p. 328ff.; J. R. Lindgren, op. cit., chapter 1; R. Olson, *Scottish Philosophy and British Physics, 1750-1880*(1975), p. 121-4; D. A. Reisman, op. cit., p. 37ff.; M. Brown, op. cit., p. 33ff.; D. A. Redman, 'Adam Smith and Isaac Newton', *Scottish*

Journal of Political Economy, Vol.40(1993), pp. 216-8.
64) D.A. Reisman, op.cit., p.45.
65) R.Olson, op.cit., p.122.
66) Cf. for example, H.F. Thomson, op.cit., pp.330-1; J.R. Lindgren, op.cit.; D.D. Raphael, op.cit., pp.29, and 35-6; R.Olson, op.cit., p.123.
67) Astronomy, Intro. 7. This is pointed out in A.S. Skinner, op.cit., chapter 2, p.36.
68) Astronomy, II.12; italics added.
69) P.Frank notes that modern science arose from a nearly exclusive emphasis on the empirical test of scientific results (see *Philosophy of Science*(1957), chapter 2).
70) Cf. Stewart, I.8 and II.52.
71) A.S. Skinner notes this (op.cit., p.14).
72) D.Hume, *Treatise*, p.xv; original italics.
73) Astronomy, II.9; italics added.
74) Cf. ibid., II.12.
75) Ibid., II.9.
76) Ibid.
77) Ibid., IV.4.
78) Ibid., IV.5.
79) Ibid., IV.4.
80) See ibid., IV.6, 7, and 8.
81) Ibid., IV.16.
82) Ibid.
83) Ibid., IV.26.
84) See ibid., IV.30-31, and 35.
85) Ibid., IV.65.
86) Ibid.
87) Ibid.
88) Ibid., IV.66.
89) See ibid., IV. 74 and 76.
90) See ibid., IV.68-75.
91) Ibid., IV.76.
92) A.S. Skinner noted that in the essay on the history of astronomy Smith drew attention to the importance of the 'subjective side of science' (op.cit., pp.37-9).
93) LRBL, ii.133.
94) Ibid., ii.134.
95) Astronomy, IV.65.
97) LRBL, ii.134.
97) Astronomy, IV.76. From this point of view A.S. Skinner noted that Smith implicitly distinguished between the principles connected with the constitution of didactic or scientific discourse, and the theory of scientific procedure by which to seek for the true relations of phenomena. 'Adam Smith: Rhetoric and the Communication of Ideas', in A.W. Coats(ed.), *Political Economy and Public Policy*(1983), p.83, and *A System of Social Science*, p.10.
98) EPS, p.244.
99) For an account of Descartes's method of science see J.Losee *A Historical Introduction to the Philosophy of Science*(1972), pp.70-9.
100) J.Losee mentioned that Newton in fact confirmed a methodology 'defended by Grosseteste and Roger Bacon in the thirteenth century, as well as by Galileo and Francis Bacon at the beginning of the seventeenth century'. op.cit., p.81; cf. also Gerd Buchdahl, *Metaphysics and the Philosophy of Science*(1969), pp.128-129.
101) Sir Isaac Newton, *Opticks* (London, 1931), pp.404-405.

102) Cf. e.g., H.J. Bittermann, 'Adam Smith's Empiricism and the Law of Nature', in J.C. Wood(ed.), op.cit., Vol.1, pp.195-9; H.F. Thomson, op.cit., pp.332-5; T.D. Campbell, op.cit., p.31ff; A.S. Skinner, 'Adam Smith: Philosophy and Science', in J.C. Wood(ed.), op.cit., Vol.1, pp.461 and 469ff.; idem, *A System of Social Science*, p.10.

103) Corr., letter 137, Adam Smith to David Hume, 16 April 1773.

104) A conventionalist commentator who adopts the same assumption may face a great difficulty when it is noticed, as we shall see it, that Smith's standard for evaluating a theory in moral science is its correspondence with facts. On account of this circumstance D.D. Raphael holds that Smith draws a distinction between natural and moral philosophy, in conjunction with the discovery of truth. See his 'Adam Smith: Philosophy, Science, and Social Science', in S.C. Brown(ed.), *Philosophers of the Enlightenment*(1979), pp.77-93.

105) TMS, VII.ii.4.14.

106) WN, IV.ix.38.

107) TMS, VII.ii.4.14.

108) Ibid.

109) TMS, VII.i.2.

110) TMS, VII.ii.1.50.

111) TMS, VII.ii.2.12.

112) TMS, VII.ii.3.4.

113) See TMS, VII.ii.3.15-16.

114) Cf. TMS, VII.iii.1.3.

115) CF. TMS, VII.iii.2.7.

116) Cf. TMS, VII.iii.3.14.

117) Cf. TMS, II.ii.3.10-11.

118) TMS, VII.i.1.

Chapter 5: Some Analyses of the *Theory of Moral Sentiments* With Reference to Smith's Metaphysical or Metatheoretical Principles

5.1. Introduction

I have already stated the major theme which is to be manifested throughout this thesis: a metaphysical proposition that is not capable of being tested and so never belongs to the realm of science has a significant regulative effect on scientific research. The metaphysical proposition plays that role by outlining a programme of research and providing a source from which scientific theories can be drawn. This becomes possible, since it articulates a specific way of observing the world, and limits or rules out a certain range of theoretical possibilities.

In this perspective we have noted, in the last chapter, some metatheoretical principles, with which Smith's religious conviction in a benevolent God has an intimate link, such as the principle of the heterogeneity of purposes, the proposition of ruling out conflict on the theoretical dimension, and the idea of progress. And it has also been indicated in Chapter 2 that on account of the inheritance from the natural law approach, Smith's theorizing was also affected by the organismic outlook, (as well as the mechanistic point of view). This chapter will be addressed to shedding light on the *Theory of Moral Sentiments* by reference to such metaphysical or metatheoretical doctrines.

In this chapter we shall indulge ourselves in the clarification of the characteristics of Smith's ethical theory in the light of his methodological and metatheoretical principles. The second section will be devoted to an enterprise of showing that Smith's moral theory which is based upon the key principles of sympathy and the impartial spectator is marked by the ruling out of the theoretical possibility of conflict in moral discourse. In the third section we shall deal

with the fact that in the *Theory of Moral Sentiments* Smith informs us of the progress of moral values, just as he talks about the progress of legal codes and of wealth through time in other writings. These tasks are designed to demonstrate what we called Smith's metatheoretical propositions, i.e., that at the theoretical level he rules out the theme of conflict and believes in the progress of things. It was noted before that organismic philosophy belongs to one of Smith's metaphysical doctrines. It may be seen that the doctrine provides a frame of explanation. In this regard we shall shed light on his theory of conscience, which I suppose can be best understood in connection with normative organicism. This will be treated in the fourth section. In a similar light the fifth section will concern a problem related to Smith's normative ethics and its philosophical justification. It is claimed that, provided that he simply equates analytic exposition of moral judgments with moral obligation, its ground rests not on utilitarianism or a theological argument, but on organismic outlook which is basic to the philosophy of natural law. Finally, the sixth section is intended to show that an opposition between Smith's metaphysics and Mandeville's brings about a contrast between their analytic accounts of morality. It is pointed out that if this fact is neglected, an agreement between them with regard to many real features of society may lead us to contend mistakenly that despite his severe denouncement as a 'licentious system' Smith in fact appears to commit himself to Mandeville's paradox of 'private vices, public benefits'.

5.2. The Metatheoretical Principle of Ruling Out Conflict and the Nature of Moral Theory

In the seventh part of the *Theory of Moral Sentiments* before going on to review various systems of moral philosophy and draw an evident line between those systems and his ethical theory, Smith puts forward two questions to be considered in handling the principles of morality; one concerns the character of virtue; and another is about what faculty of mind causes man to denominate one conduct right and another wrong.[1] Now we shall need to look at the second major question

only for our present purpose. To begin with, Smith objects to a system of which the representative is Hobbes and in which the basis for man's moral judgments is deduced from psychological egoism, on the ground that the moral sentiments which man feels about the historical facts are never able to be accounted for by self-love, but by an indirect sympathy with the agents who in the past experienced a kind of benefit or damage.[2] And Smith also rejects the idea that reason remains the principle of moral approbation or the basis for evaluation of right and wrong as if it distinguishes between truth and falsehood, say, in mathematics. For, even if reason may be a source of moral approbation in that it serves to form the general rules of morality, the first perceptions of right or wrong are founded on immediate sense and feeling,[3] as Hutcheson first made clear. Finally, a peculiar power of perception called a moral sense which is thought to resemble the external senses may likewise not be regarded as the basis for the principle of approbation in the sense that the moral judgments which are made by reference to man's moral sentiments can be denominated morally good or bad, whilst it is absurd and unintelligible to ascribe to the external sense some qualities of the objects which they perceive.[4] Smith thus concludes:

> in order to account for the principle of approbation, there is no occasion for supposing any new power of perception which had never been heard of before: Nature ... acts here, as in all other cases, with the strictest oeconomy, and produces a multitude of effects from one and the same cause; and sympathy, a power which has always been taken notice of, and with which mind is manifestly endowed, is ... sufficient to account for all the effects ascribed to this peculiar faculty [moral sense].[5]

This is the ground on which Smith comes to unfold his own science of morals. Smith opens the first passage by stressing that sympathy is a universal faculty of mind which every human being holds: 'How selfish soever man may be supposed, there are evidently principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. ... The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it'.[6] But in taking account of the concept of sympathy Smith strives to make two things quite apparent. Firstly, sympathy

involves a wider meaning than pity or compassion which signifies a certain fellow-feeling with the sorrow of others. For Smith sympathy 'may now ... be made use of to denote our fellow-feeling with any passion whatever'.[7] Secondly, sympathy does not come from a certain immediate experience of the emotions of others, but from the idea of what every attentive spectator[8] feels in the like situation. Smith thus writes: 'sympathy ... does not arise so much from the view of the passion, as from that of the situation which excites it'.[9] Put in this way the expression of sympathy presupposes that in order to understand the passions of others man experiences the same type of passions through an act of imagination with regard to the situation of others. Yet, Smith extends the concept of sympathy. Sympathy is claimed to arise out of a comparison between the original sentiments of the agent and the reaction of the spectator with respect to the same cause. When the original and the sympathetic emotions concord with each other, the former becomes just and suitable to the object. And Smith goes on to state:

> To approve of the passions of another, therefore, as suitable to their objects, is the same thing as to observe that we entirely sympathize with them; and not to approve of them as such, is the same thing as to observe that we do not entirely sympathize with them.[10]

Hence sympathy also comes to denote the fact that, if, when the spectator compares his sympathetic feelings with the original ones of the agent, the former is completely in agreement with the latter, the spectator approves of the behaviour of the agents.[11]

When man is going to evaluate the behaviours of others, two fundamental sources of moral judgment, Smith maintains, consist in propriety (impropriety) and merit(demerit). These moral concepts are immediately derived from two different features or relations of every action which Smith thinks proceeds from the sentiments or affections of the human mind; firstly the cause or motive which gives rise to them, and secondly the end or effect which they tend to bring about.[12] Both these aspects of the action are the fundamental fact in everyday life, even if moralists have, as a rule, been concerned solely with the second respect. As Smith puts it:

> Philosophers have, of late years, considered chiefly the tendency of affections, and have given little attention to the relation which they stand in to the cause which excites them. In common life, however, when we judge of any person's conduct, and of the sentiments which directed it, we constantly consider them under both these aspects.[13]

Propriety or impropriety is a concept relating to a manner of judgment with regard to whether or not the affection has a fitness to its cause. Smith thus says that propriety or impropriety lies in 'the suitableness or unsuitableness ...[or] the proportion or disproportion which the affection seems to bear to the cause or object which excites it'.[14] Merit or demerit finds itself in connection with the purpose of the action resulting from the affection, or, as Smith states, 'the beneficial or hurtful nature of the effects which the affection aims at, or tends to produce'.[15] On Smith's argument the judgment of propriety or impropriety is made in two different situations; first on non-moral conduct or the general subjects of science and taste for which the coincidence of the affections is not required, and secondly on moral conduct.[16] In the second case, Smith says, it is more difficult to make a certain concord of the opinions between the agent and the spectator, although it is much more essential. This happens since the agent is much more interested in a state of affairs related to himself, whereas the sympathetic emotions of the spectator arise merely from the imaginary change of situation. Two types of virtues, Smith holds, emerge under this circumstance. The respectable virtue of self-command is founded upon an endeavour of the agent to moderate his sentiments in order for the spectator to enter into them. And the amiable virtue of humanity is based upon the spectator's effort to bring home to himself every minute situation which may happen to the agent.[17]

Finally, Smith tries to make it quite explicit that the 'mediocrity ..., in which the point of propriety consists, is different in different passions',[18] in other words, that the spectator's disposition to sympathize with the emotions of the agent is dependent upon the origins or sources of the passions of the latter. Smith in detail deals with this theme in Part 1, Section 2 of the *Theory of Moral Sentiments*. Yet later he summarises it concisely:

> The point of propriety, the degree of any passion which the impartial spectator approves of, is differently situated in different passions. ... It may be laid down as a general rule, that the passions which the spectator is most disposed to sympathize with, and in which, upon that account, the point of propriety may be said to stand high, are those of which the immediate feeling or sensation is more or less agreeable to the person principally concerned: and that, on the contrary, the passions which the spectator is least disposed to sympathize with, and in which, upon that account, the point of propriety may be said to stand low, are those of which the immediate feeling or sensation is more or less disagreeable, or even painful , to the person principally concerned. This general rule ... admits not of a single exception.[19]

Meanwhile, the evaluation of merit or demerit occurs in case an action of the agent accompanies a certain impact on the person who is acted upon. The sentiments which become the foundation for judgments of merit and demerit are gratitude and resentment that immediately and directly lead to reward and punishment respectively, as distinct from love and hatred. The spectator approves of the gratitude of the person who is acted upon if the spectator finds the original action of the agent to be the proper object for gratitude. In this case the spectator judges the agent's conduct to deserve reward or to have merit. On the contrary it is said that the original behaviour of the agent deserves punishment or has demerit if the spectator judges it to be the proper object for resentment and approves of the resentment of the third person.[20] In this respect Smith calls the sense of merit of demerit 'a compounded sentiment'. For the analysis of the sense of merit or demerit involves two distinct stages of sympathy; first a direct sympathy with the sentiments of the agent by means of which the propriety of the agent's action is examined, and secondly an indirect sympathy with the gratitude or the resentment of the third person who receives the benefit or the harm that arises from the original action.[21] However, what is worthy of notice is that basically a judgment of the merit of demerit of the agent's action, Smith suggests, draws upon a judgment of the propriety of it.[22] Before proceeding to see the influence of fortune upon the moral sentiments Smith again makes it clear:

> To the intention or affection of the heart, therefore, to the propriety or impropriety, to the beneficence or hurtfulness of the design, all praise or blame, all approbation or

> disapprobation, of any kind, which can justly be bestowed upon any action, must ultimately belong.[23]

And Smith goes on to point out that 'Its self-evident justice is acknowledged by all the world, and there is not a dissenting voice among all mankind.'[24] Nonetheless, Smith acknowledges that when man comes to particular cases in which the influence of fortune works, the actual consequences of an action have a very great effect upon the sentiment of mankind with regard to merit or demerit. The influence of fortune contributes firstly to diminishing the merit or demerit of an action which arose from a good or bad motive when it fails reach its intended effects, and secondly to increasing the merit or demerit of the action when by accident it brings about an extraordinary effect.[25] In this way Smith recognises that the judgment of merit or demerit is, in fact, dependent upon both the intention and the actual outcome of an action.[26]

So far we have observed Smith's theory of moral judgment concerning the conduct of others. Yet Smith also stresses that his account of moral judgments on the deed of others is a general theory of morality which in the same way allows an application for moral judgments concerning our own action.

> We either approved or disapprove of the conduct of another man according as we feel that, when we bring his case home to ourselves, we either can or cannot entirely sympathize with the sentiments and motives which directed it. And, in the same manner, we either approve or disapprove of our own conduct, according as we feel that, when we place ourselves in the situation of another man, and view it, as it were, with his eyes and from his station, we either can or cannot entirely enter into and sympathize with the sentiments and motives which influenced it.[27]

Hence, when man attempts to make judgments on his deed he comes to divide himself into two persons: the spectator and the agent. The reason why this is so is that, in so far as we live in a society, and seek to gain approbation and to avoid disapprobation, our moral judgments must have a social reference to the sentiments of others. In this respect Smith points out the part that the desire to be praised plays, since it lets us give great attention to the favourableness or unfavourableness of the moral opinion of others.[28]

Nevertheless, Smith finds that the love of praise may not be the sufficient condition for the impartial, just and proper judgment of our own behaviour, since mistaken and groundless praise or blame may be given concerning it when the actual spectator lacks relevant information (as it is often the case).[29] But according to Smith, the constitution of human nature also contains another crucial principle, a desire to become praiseworthy, at least in part to counteract that unfit judgment.

> Nature, accordingly, has endowed him, not only with a desire of being approved of, but with a desire of being what ought to be approved of; or of being what he himself approves of in other men. The first desire could only have made him wish to appear to be fit for society. The second was necessary in order to render him anxious to be really fit.[30]

This desire of praiseworthiness, which renders ourselves the proper objects of the favourable judgment of others, thus becomes the very source of the exercise of our own conscience.[31] Owing to our selfish passions 'the loss or gain of a very small interest of our own, appears to be of vastly more importance, excites a much more passionate joy or sorrow, a much more ardent desire or aversion, than the greatest concern of another with whom we have no particular connexion'.[32] However, due to the opinion of conscience which is founded in the desire of praiseworthiness, we are able to correct the strongest drive of self-love. As Smith claims:

> When we are always so much more deeply affected by whatever concerns ourselves, than by whatever concerns other men; what is it which prompts the generous, upon all occasions, and the mean upon many, to sacrifice their own interests to the greater interests of others? It is not the soft power of humanity, it is not that feeble spark of benevolence which Nature has lighted up in the human heart, that is thus capable of counteracting the strongest impulses of self-love. It is a stronger power, a more forcible motive, which exerts itself upon such occasions. It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct.[33]

Yet at this stage Smith recognizes at the same time that there are occasions where we may fail to judge ourselves in line with what we conceive to be the opinion of the impartial spectator: 'In order to pervert the rectitude of our own judgments concerning the propriety of

our own conduct, it is not always necessary that the real and impartial spectator should be at a great distance. When he is at hand, when he is present, the violence and injustice of our own selfish passions are sometimes sufficient to induce the man within the breast to make a report very different from what the real circumstances of the case are capable of authorising'.[34] It is because of violent emotions of selfishness that on two occasions, namely, at the moment when we are about to act and later when the action is over, we are likely to be partial and subordinate to self-delusion. Since in the first case the 'eagerness of passion' will prevent us from forming an impartial judgment with regard to our own actions, and since in the second whereas we are capable of judging candidly and correctly, ' It is so disagreeable to think ill of ourselves, that we often purposely turn away our view from those circumstances which might render that judgment unfavourable'.[35] However, Smith shortly goes on to add that Nature provided for us a way to avoid these self-deceptions:

> Nature, however, has not left this weakness, which is of so much importance, altogether without a remedy; nor has she abandoned us entirely to the delusions of self-love. Our continual observations upon the conduct of others, insensibly lead us to form to ourselves certain general rules concerning what is fit and proper either to be done or to be avoided.[36]

Hence, self-deceit is likely to be avoided, because we have the ability to form general rules of morality by means of observing what is approved or disapproved of in particular instances. Those general rules become 'the standards of judgment' because they are universally recognized forms of rules which find their origin in a large number of particular judgments endorsed by the sentiments of mankind. On account of this feature of those general rules of conduct and since they can not be modified by the state of mind which may be liable to deviation from the required level of impartiality according to the particular situations, they are, Smith finds, of great value 'in correcting the misrepresentations of self-love concerning what is fit and proper to be done in our particular situation'.[37] The general rules of morality tend to be observed, because 'Without this sacred regard to general rules, there is no man whose conduct can be much depended upon'.[38] and we naturally want to avoid a great degree of

blame. In addition, the observance of the general rules of behaviour occurs because conscience gives us a sanction when those general rules are obeyed or violated. As Smith put it, they 'are attended too with the sanction of rewards and punishments. Those vicegerents of God within us, never fail to punish the violation of them, by the torments of inward shame, and self-condemnation; and on the contrary, always reward obedience with tranquillity of mind, with contentment, and self-satisfaction'.[39] In short, our natural egoism is restrained by the voice of the impartial spectator and the general rules of morality.

This is an outline which shows the basic structure of the theory of moral judgment that Smith conceives to be a science of morals. Now, it is important, viewed from this outline, to be aware that Smith's moral theory, which stands on the key principles of sympathy and the impartial spectator, rules out of the 'theoretical' plausibility of conflict in moral discourse. Two observations require notice in this respect.

In the first place, Smith accepts what the Stoics considered to be the first motive of human action. Man is by nature disposed to prefer his own happiness to that of others: 'Every man ... is first and principally recommended to his own care; and every man is certainly, in every respect, fitter and abler to take care of himself than of any other person. Every man feels his own pleasures and his own pains more sensibly than those of other people'.[40] Smith finds nothing wrong in this principle. Smith says that 'Before we can feel much for others, we must in some measure be at ease ourselves'.[41] But what concerns him is the situations in which the pursuit of self-love leads us to ignore the rights of others and to create the state of conflict among men, i.e., 'mutual resentment and animosity',[42] for in such situations 'the great, the immense fabric of human society ... must in a moment crumble into atoms'.[43] What is at present to be recalled is that Smith's moral theory above outlined does not allow room for that state of conflict.

Even if man is by nature directed to self-interest, he has also a natural capacity to imagine what he would feel if he were in the

circumstances of other people, namely, to sympathize with them.[44] On account of this sympathy we can compare our sympathetic feelings with the original ones of other people and approve of their degree of emotions and their actions.[45] Because man naturally desires agreement with the sympathetic passions of the spectator and because the spectator can not feel the same sentiments in the same degree as the agent, man will try to moderate his passions and accommodate his level of emotions to that of others. Smith makes this clear where he takes note of how momentary and weak the sympathetic affections are generally relative to the original ones:

> the emotions of the spectator will still be very apt to fall short of the violence of what is felt by the sufferer. Mankind, though naturally sympathetic, never conceive, for what has befallen another, that degree of passion which naturally animates the person principally concerned. That imaginary change of situation, upon which their sympathy is founded, is but momentary. ... The person principally concerned is sensible of this, and at the same time passionately desires a more complete sympathy. He longs for that relief which nothing can afford him but the entire concord of the affections of the spectators with his own. ... But he can only hope to obtain this by lowering his passion to that pitch, in which the spectators are capable of going along with him. He must flatten, if I may be allowed to say so, the sharpness of its natural tone, in order to reduce it to harmony and concord with the emotions of those who are about him.[46]

In other words, because of our desire for the sympathy of others and social approval[47] we are inclined to view our situation with the eyes of others who have less interest in it, and to judge and act with the standard of what is called the impartial spectator. In this way man's natural preference for his own happiness above the interests of others is in part restrained by his tendency to temper the selfish passions through the judgment of the impartial spectator, or, in Smith's words, to 'humble the arrogance of his self-love, and bring it down to something which other men can go along with'.[48] According to Smith, this provides a sufficient basis for 'the harmony of society'.[49] And as already discussed, when there may be cases where the violence of selfish passions would lead us to ignore the judgment of the impartial spectator and bring about partiality in favour of our own interests, the general rules of morality which are formed by virtue of our capacity to draw judgments from particular instances

through the process of induction play a decisive part in correcting it. On account of this influence of the general rules Smith states as follows:

> Many men behave very decently, and through the whole lives avoid any considerable degree of blame, who yet, perhaps, never felt the sentiment upon the propriety of which we found our approbation of their conduct, but acted merely from a regard to what they saw were the established rules of behaviour. ... None but those of the happiest mould are capable of suiting, with exact justice, their sentiments and behaviour to the smallest difference of situation, and of acting upon all occasions with the most delicate and accurate propriety. The coarse clay of which the bulk of mankind are formed, cannot be wrought up to such perfection. There is scarce any man, however, who by discipline, education, and example, may not be so impressed with a regard to general rules, as to act upon almost every occasion with tolerable decency, and through the whole of his life to avoid any considerable degree of blame.[50]

In brief, it can be said that Smith's moral theory is designed to account for how man imposes on himself control over his passions, granted that he has a natural preference for his own interests above those of others. Smith finds that man's inclination to take the standpoint of the impartial spectator tied to his natural desire for the fellow-feeling of others, and his regard to the general rules of conduct counteract his natural egoism. Looked at in this way it should be evident that at the analytical or theoretical level Smith rules out the possibility of conflict or 'mutual resentment and animosity' among men in moral discourse.

Before proceeding there is a significant point which requires notice. The point is that although on the level of moral theory Smith sees the social harmony which is made possible by the restraint and control of self-interest through the operations of moral faculties, he is not so naive as to argue that his moral theory covers all the aspects of reality. As a matter of fact he is never blind to another feature of society which is produced by the pursuit of selfish passions without limit. He acknowledges that disorder, injustice, and corruption actually come about in society. The possibility of such social turbulence springs from the compelling impulse of the selfish affections which leads us to neglect the interest of other people:

> Men, though naturally sympathetic, feel so little for another, with whom they have no particular connexion, in comparison of what they feel for themselves; the misery of one, who is merely their fellow-creature, is of so little importance to them in comparison even of a small conveniency of their own; they have it so much in their power to hurt him, and may have so many temptation to do so ...[51]

In the same context Smith points out that self-deception, yet more eventually the seeking of self-interest without bound, is 'the source of half the disorders of human life'.[52] And the disposition to pursue wealth and greatness without propriety, which emerges from the disposition to sympathize more with joy than with sorrow, brings about the corruption of moral sentiments and induces acts of violence in the course of avaricious and hostile competition.[53] In this regard, to the extent to which Smith devotes himself to the description of the corruption and injustice of human affairs, he can by no mean be said to stand at the expense of facts.[54] In contrast, he should be seen as an honest observer of human life.

Given this, another question that may arise is why Smith does rule out, at the theoretical level, the dark side of human affairs despite his observations of it, focussing instead solely on the mechanism by which social harmony is reached. I am convinced that the explanation is to be found in what may be called his world view or vision. Smith believed, as a result of his study on natural theology, that the original array in nature is designed to reveal a profound harmony. Because of this kind of metaphysical idea he seems not to suppose the dark feature of human affairs to be the appropriate data for analytical purposes. Accordingly, he finds neither that human nature is in itself corrupted, nor that self-love and certain dispositions are in themselves detrimental and destructive to both good morals and society.[55] Instead, he seeks the source of the disorder and corruption of social life from men's tendency to view in the unfair and partial light the situation in which they are themselves involved. As Smith presents the point;

> The propriety of our moral sentiments is never so apt to be corrupted, as when the indulgent and partial spectator is at hand, while the indifferent and impartial one is at a great distance.[56]

In this way Smith's empirical observation that man takes the viewpoint of the impartial spectator in moral judgments becomes a fundamental assumption in his moral theory in spite of the admitted fact that man does not in a number of instances follow the direction of the impartial spectator. Smith appears to envisage the one rather than the other as human nature in design. If someone conceives the latter to be a more central fact of human affairs, such a view is likely to arise because he sees the world from a different kind of vision which a different metaphysical outlook brings. This is, I believe, the case with Bernard Mandeville. In this connection a contrast between Smith and Mandeville will be observed in the final section of this chapter.

In the second place, another point to be noticed in association with Smith's metatheoretical principle which serves to discard the consideration of conflict at the analytical level is that Smith's moral theory does not allow room for the possibility of substantial dissension and conflict in moral discourse[57] or what is called the problem of moral conflict or dilemma[58]. A moral dilemma, according to Sinnott-Armstrong, arises where con-currently an agent ought to follow each of two alternative imperatives individually but cannot choose both together.[59] Since under those circumstances the appropriate considerations with respect to the course of actions conflict with each other, it is indeed difficult to determine which course of action should be endorsed as the proper and right one. As Sinnott-Armstrong duly states it;

> If moral conflicts were not possible, there would always be one choice that an agent could make without worrying about remorse or compensation afterwards. However, since moral conflicts are possible, it is not enough for an agent *just* to determine which action is the best one.[60]

It should be supposed that to recognize the moral world where moral conflicts or dilemmas are prevalent is unlikely to be a favourable stance for Smith. For, if men, however impartial and well-informed they are, can not afford to evaluate the righteousness of certain actions from the view of a particular situation, it will not be compatible with his metaphysical doctrine which assumes the goodness of God[61] and the best working universe in design.[62]

It is noteworthy that the notion of the impartial spectator in Smith's ethical theory plays an important part in ruling out the theoretical possibility of moral conflict. Smith looks upon the perspective of the impartial spectator as arising out of the 'divine extraction'.[63] The standpoint of the impartial spectator, Smith believes, is arrived at just through the gradual and repeated process of learning, consciousness and reflection towards 'the idea of exact propriety and perfection'.[64] For this reason it seems quite relevant that the conception of the impartial spectator for Smith embodies the socially objective attitude for moral judgments,[65] to which the members of society constantly and generally attempt to adjust themselves, and by virtue of which the just and right evaluation of moral problems are made and the conflicts of interests or arguments among them can be resolved.[66] In short, the standpoint of the impartial spectator in Smith's moral theory represents the dominant force which is contributory to reaching a universal agreement of opinions among people. In this sense, I am convinced, we can afford to confirm a part of Smith's metatheoretical strategy which leaves out of consideration all likelihood of any conflict on the theoretical dimension.

Given that Smith's 'analytic' treatment of moral judgment rules out the possibility of conflict in moral discourse, a final word should be said in connection with Smith's clear-cut recognition of certain variations in approved moral standards in society at large. Smith, for example, obviously talks about the existence of two different sets of moralities in a society:

> In every civilized society, in every society where the distinction of ranks has once been completely established, there have been always two different schemes or systems of morality current at the same time; of which the one may be called the strict or austere; the other the liberal, or, if you will, the loose system. The former is generally admired and revered by the common people: the latter is commonly more esteemed and adopted by what are called people of fashion.[67]

The two different groups of people, the lower and the higher strata of society, develop their own standards of behaviour, and form a different style of moral norms. In addition, Smith notes the role of

'subaltern societies' to which people typically belong, and describes the loyalties which they create. As Smith writes:

> Every independent state is divided into many different orders and societies, each of which has its own particular powers, privileges, and immunities. Every individual is naturally more attached to his own particular order or society, than to any other. His own interest, his own vanity, the interest and vanity of many of his friends and companions, are commonly a good deal connected with it. He is ambitious to extend its privileges and immunities. He is zealous to defend them against the encroachments of every other order or society.[68)]

Seen from this kind of facts it is evident that there may be agreement within a group, but disagreement between groups. Accordingly, there may be a question: is the argument that Smith's ethical theory rules out the possibility of moral conflict indeed consistent with the descriptions just noted? We may seem to be able to give a positive answer. The reason for it is that while Smith's analysis of the process of moral judgments is established on the dimension that a person as 'individual' visualizes the actions of himself or others, Smith also assumes that the agents and the spectators who are involved in the process of moral judgments act and respond within a particular social and economic circumstance.[69)] In Smith's view, the mechanism of sympathy and the impartial spectator whereby individuals make moral judgments is uniform irrespective of any given circumstance. However, the agents and the spectators are treated by Smith, not as those who behave in an abstract and ideal situation, but as those whose moral standards are affected by a particular environment. Variations in the accepted social and moral norms of different societies and ages which Smith obviously recognizes can thus be explained by reference to variations in environmental elements that are available to the different societies and ages. It should be clear that this argument is not incompatible with the point made above that the perspective of the impartial spectator serves to rule out the possibility of dissension and conflict in moral discourse.[70)]

5.3. The Metatheoretical Principle of Progress and the Development of Moral Values

The concept of progress, as we noted earlier, is a metatheoretical principle. It is thus not surprising that many commentators have pointed out that Smith is largely concerned to illuminate the theme of the progress of society.[71] It is also well-known that in dealing with the progress of social institutions Smith makes reference to four types of socio-economic organization, which may be seen to be a heuristic device that represents a general condition necessary to consider historical change. This implies that the four stages theory was used to offer an account of the change of social institutions. Much attention has been drawn to Smith's account of the advance of wealth in modern Europe in the *Wealth of Nations*, and the progress of legal codes in the *Lectures on Jurisprudence* by reference to the stages theory.[73]

Unfortunately, it cannot be said that the same kind of explanation has been given with respect to the progress of moral values in the *Theory of Moral Sentiments*. It is true that Forbes once observed that:

> The progress of society may also be said to be the historical framework of the *Theory of Moral Sentiments*, in so far as moral judgments are shown to have a social origin, and to be relative to the state of society, so that, for instance, there will be different degrees of self-command in different degrees of civilization.[74]

It is obvious that, even though the general outline offered by Forbes was correct, his judgment was insufficient to demonstrate the thesis of the progress of moral codes. For the fact that Smith points out 'different degrees of self-command in different degrees of civilization' is not an evidence which shows his conviction that moral rules advance through time. In this connection I shall proceed to elucidate the point that Smith has a clear idea of the development of moral codes through time.

In treating the question of where dose virtue consist in Part 7 of the *Theory of Moral Sentiments* Smith attempts to reduce all former systems to three different classifications: propriety, prudence and benevolence.[75] But Smith's decisive objection to those three systems is that the exponents of each system draw their conclusions

about the nature of virtue from partial aspects of human nature, so that even if each system in part contains truth, it is never perfectly in concord with reality.[76] On this ground Smith is emphatic in allowing the character of virtue to involve all the qualities of propriety, prudence and benevolence. However, it is now noteworthy that though all three qualities above mentioned, Smith insists, constitute part of virtue from the whole viewpoint of human nature, he does not think them all to be upon a level with one another. It seems that Smith draws a hierarchical picture of virtue. Now let us proceed to observe the hierarchy of virtues that he describes.

Firstly, the virtue of prudence is aroused by a self-interested motive. Smith thus notes that 'The care of the health, of the fortune, of the rank and reputation of the individual, the objects upon which his comfort and happiness in this life are supposed principally to depend, is considered as the proper business of that virtue which is commonly called Prudence'.[77] Since the prudential acts which arise out of the selfish affections accompany the benefit of only the person concerned and thus excite no sympathetic gratitude, prudence is referred to as an inferior virtue. According to Smith, 'though it is regarded as a most respectable and even, in some degree, as an amiable and agreeable quality, yet it never is considered as one, either of the most endearing, or of the most ennobling of the virtues'. Therefore prudence, Smith says, 'commands a certain cold esteem, but seems not entitled to any very ardent love or admiration'.[78]

Secondly, the virtue of propriety is determined by reference to the sentiments of the supposed impartial spectator. As Smith mentions, propriety thus becomes a virtue 'which, upon most occasions, overawes all those mutinous and turbulent passions into that tone and temper which the impartial spectator can enter into and sympathize with'.[79] Smith continued:

> Those passions which are restrained by the sense of propriety, are all in some degree moderated and subdued by it. But those which are restrained only by prudential considerations of any kind, on the contrary, frequently inflamed by the restraint, and sometimes (long after the provocation given, and when nobody is

> thinking about it) burst out absurdly and unexpectedly, and with tenfold fury and violence.[80]

Meanwhile, it is of particular importance to observe that, when Smith talks about the amiable and respectable virtues, he takes note of the important distinction between these virtues and propriety. Smith describes the attainment of the amiable and respectable virtues as approaching to 'the perfection of human nature'[81], whilst he finds that 'proper' actions are more common:

> The amiable virtue of humanity requires, surely, a sensibility, much beyond what is possessed by the rude vulgar of mankind. The great and exalted virtue of magnanimity undoubtedly demands much more than that degree of self-command, which the weakest mortals is capable of exerting. ... There is, in this respect, a considerable difference between virtue and mere propriety; between those qualities and actions which deserve to be admired and celebrated, and those which simply deserve to be approved of. Upon many occasions, to act with the most perfect propriety, requires more than that common and ordinary degree of sensibility or self-command which the most worthless of mankind are possest of, and sometimes even that degree is not necessary.[82]

Thirdly, as Smith's aforementioned remark with regard to the amiable virtue of humanity implicitly suggests,[83] the virtue of benevolence is designated as divine virtue,[84] given that its achievement requires a considerable exertion in order to be able to surmount the most unyielding passions of self-interest. Even if benevolence is called divine virtue, it is yet an observable phenomenon that individuals exercise the benevolent affections : 'That virtue consists in benevolence is a notion supported by many appearances in human nature'.[85] And Smith observes that the effect of benevolence rests on the fact that the agent, the recipient and the spectators are made comfortable and happy due to a harmony of minds. As he puts it:

> It sooths and composes the breast, seems to favour the vital motions, and to promote the healthful state of the human constitution; and it is rendered still more delightful by the consciousness of the gratitude and satisfaction which it must excite in him who is the object of it. Their mutual regard renders them happy in one another, and sympathy, with this mutual regard, makes them agreeable to every other person.[86]

Hence, Smith places the virtue of benevolence highest[87] amongst the virtues, in that a benevolent act is not merely a suitable object of gratitude and reward, but brings the effect of a double sympathy, so that more pleasure between persons is created.

Seen in this way, it is certain that Smith supposes a hierarchical structure of virtues. Prudence occupies an inferior realm in that hierarchical picture, since it brings in the main an advantage on behalf of the person concerned. Benevolence represents the highest realm in human life because it can be exercised only with the greatest exertion and plays an extremely important part in making social life agreeable. On the basis of this fact we may proceed to examine Smith's view of the development of the form and content of moral codes.

As we are aware, Smith deals with historical change in the form and content of the wealth and law against four stages. This is also the case when he came to discuss changes in moral values. Smith appears to find that the form and content of the moral codes are subject to variation in accordance with historical circumstances. In this connection Smith's following statement is telling: 'The propriety of a person's behaviour, depends not upon its suitableness to any one circumstance of his situation, but to all the circumstances, which , when we bring his case home to ourselves, we feel, should naturally call upon his attention'.[88] This suggests that the moral evaluation which the spectators make concerning the behaviour of others and thus the content of the moral rules which are obtained through such moral evaluation on individual occasions[89] ought to be accounted for relative to a specific historical stage. Smith writes in the same vein:

> The different situation of different ages and countries are apt ... to give different characters to the generality of those who live in them, and their sentiments concerning the particular degree of each quality, that is either blamable or praise-worthy, vary, according to that degree which is usual in their own country, and in their own times. ... Every age and country look on that degree of each quality, which is commonly to be met with in those who are esteemed among themselves, as the golden mean of that particular talent or virtue. And as this varies, according as their different circumstances render different qualities more

> or less habitual to them, their sentiments concerning the exact propriety of character and behaviour vary accordingly.[90]

Yet, this statement sounds as if Smith only spoke of variation of moral values rather than the progress of them in accordance with the changes in historical situations.[91] However, it is of critical significance to note that when he goes on to offer a contrast between the morality of barbarous and civilized societies, of which the characteristic is primarily a socio-economic type,[92] he implicitly indicates that moral codes progress according to the stages of economic development.

To begin with, Smith notes the difference between barbaric and civilized morals : 'Among civilized nations, the virtues which are founded upon humanity, are more cultivated than those which are founded upon self-denial and the command of the passions. Among rude and barbarous nations, it is quite otherwise, the virtues of self-denial are more cultivated than those of humanity'.[93] Because Smith does not assume the difference in human nature, the external situation which each of those two contrasted societies faces is likely to play a vital role in producing differences of morality between them. For the purpose at hand it is proper to note what Smith tells us about the external situations and the response of human mind to them.

In the first place, the external situation to which every savage in the barbarous society is liable may be characterised by many miseries, continual danger and extreme hunger. It is natural that under these circumstances the savage is necessarily inured to every hardship, and is also forced to restrain his emotions, since he can expect no sympathy from his fellows for even the least weakness. The fact that self-command of passions among savages and barbarians is more fostered than other moralities, is explained by the fact that the savage must mainly indulge in the pursuit of self-regarding propensities because of the necessity of his situation. As Smith noted:

> Before we can feel much for others, we must in some measure be at ease ourselves. If our own misery pinches us very severely, we have no leisure to attend to that of our neighbour: and all savages are too much occupied with their own wants and necessities, to give much attention to those of another person.[94]

In brief, the hard situation and men's reaction to it in the barbarous ages render the level or pitch or sympathy, with which the spectators can enter into the passions of the agent, much lower and, as a result, lead them to be more habituated to self-denial. Smith finally adds that this feature of the rude and barbarous ages brings about another essential point: 'Barbarians, ... being obliged to smother and conceal the appearance of every passion, necessarily acquire the habit of falsehood and dissimulation'.[95]

In the second place, the external circumstances become largely changed through the economic development from the barbarous to the civilized society. In the ages of civility men can enjoy the general security and happiness so much that they are scarcely subject to hardship, pain and hunger. They are also in a situation to be able to escape poverty with ease. It is quite natural that under these circumstances 'the mind is more at liberty to unbend itself, and to indulge its natural inclination in all those particular respects'.[96] This is the ground on which in the civilized ages the moral codes based on humanity are more cultivated than others. On this basis Smith tells us that 'A humane and polished people, who have more sensibility to the passions of others, can more readily enter into an animated and passionate behaviour, can more easily pardon some little excuse'[97] and, 'being accustomed to give way, in some measure, to the movements of nature, become frank, open, and sincere'.[98]

This argument suggests that the less the external situations disturb the expression of natural sentiments through the realisation of the higher stage of society, the nearer the moral rules come to an ideal state. This will again be clear, as we recall Smith's remark with respect to the evolution of jurisprudence in the civilized nations in comparison with the barbaric ones:

> the rudeness and barbarism of the people hinder the natural sentiments of justice from arriving at that accuracy and precision which, in more civilized nations, they naturally attain to. Their laws are, like their manner, gross and rude and undistinguishing.[99]

Now we shall proceed to take a close look at the virtue of humanity in an effort to show the fact that men's capacity to have more sensibility to feelings of others implies the progress of moral values. On Smith's argument, the perfection of human nature, which may be conceived to be a moral ideal, is 'to feel much for others ..., and to indulge our benevolent affections'.[100] Smith calls this the amiable virtue of humanity and defines it as consisting in 'the exquisite fellow-feeling which the spectator entertains with the sentiments of the persons principally concerned, so as to grieve for their sufferings, to resent their injuries, and to rejoice at their good fortune'.[101] On account of this respect of humanity he contends that it belongs to 'the social and benevolent affections' and is the essential basis which affords a harmony of sentiments and minds by inducing a redoubled sympathy.[102] That is, the affection of humanity is of particular importance, since it serves to promote social harmony by virtue of enhancing the level of the sympathetic passions and increasing the mutual pleasure[103] that they produce. As Smith points out:

> The great pleasure of conversation and society ... arises from a certain correspondence of sentiments and opinions, from a certain harmony of minds, which like so many musical instruments coincide and keep time with one another. But this most delightful harmony cannot be obtained unless there is a free communication of sentiments and opinions. We all desire, upon this account, to feel how each other is affected, to penetrate into each other's bosoms, and to observe the sentiments and affections which really subsist there. The man who indulges us in this natural passion, who invites us into his heart, who, as it were, sets open the gates of his breast to us, seems to exercise a species of hospitality more delightful than any other.[104]

Now it can be concluded that the perfection of the human mind to which the benevolent affections including humanity will lead, and the happiness of society which they will bring, are closely bound up with Smith's acknowledgment that benevolence occupies the highest sphere of virtue. Looked at in this way it should be apparent that when Smith pointed out general variations in moralities by contrasting the barbaric with the civilized moral values, he had in mind the idea of progress in moral codes which accompanies socio-economic development.

5.4. Normative Organicism and the Theory of Conscience

It has been noted that Smith has his own theory concerning the development of conscience of the individual and that it resembles some types of theories in social psychology which were developed in the twentieth century.[105] To be sure Smith's developmental theory of conscience has something in common with those present-day psychological theories. However, what is entirely missed in this kind of discussion is, I think, the issue as to whence Smith's idea of the developmental aspect of conscience arises. It seems to me that such an idea comes out of the teleological conception of nature along with the ethico-juristic tradition of natural law, as we already noted. Now, we shall focus attention on Smith's view with respect to the developmental process of conscience not just to emphasize its close association with his organismic philosophy, but also to clarify the similarity and the difference between his own theory of conscience and some psychological theories which are counted as bearing some resemblance to it.

To begin with, we shall need to distinguish between positive and normative organicism. Apart from the positive form of organicism in which the actual and factual features of things are alleged as coherence and unity manifested in a normal living organism, the normative form of organicism is characterised in the following way. Firstly, the distinction is made between ideal and reality. In other words, even if the original scheme of things is organic in design and it may, to some extent, be actualised, it is never meant that such genuine order entirely reveals itself in fact and in reality. Secondly, despite this it is implied that reality is a process of natural realisation towards the original scheme of things. The actual and factual features of things may therefore be located somewhere along the lines directed towards the designed perfection. Finally, reality of things is thus conceived to be never static, but dynamic due to a tendency towards their own ideal and perfection.[106]

Smith's account of the mature process of conscience can in this light be referred to as presenting a normative type of organicism, as

it is the case with Aristotle's theory of state.[107] And it may be said that Smith's regard to the normative organicism plays a significant part in indicating the basic frame of exposition for the growth of conscience, although surely Smith attempts, as elsewhere, to account for the evolutionary process of conscience by means of efficient causes. Let us take a look at this feature of Smith's theory of conscience while bearing in mind the characteristic of the normative type of organicism above mentioned.

The supposed impartial spectator is designated by Smith as the 'demigod within the breast'. Therefore man, when his moral judgments are apparently directed by the point of view of the impartial spectator, Smith says, 'seems to act suitably to his divine extraction'.[108] The ground of this remark consists in the fact that the man within seeks to act on the principle of praiseworthiness more than of actual praise given by the man without, and moreover the former may have more precise information on his motive than the latter.[109] In fact, this is the reason why the impartial spectator theoretically is rendered the normative criterion of moral judgments in Smith's moral theory.[110] Yet what is to be observed further on this premiss is that Smith never claims that the impartial spectator is the universal character which all human beings naturally come to attain. Rather, for Smith the impartial spectator can be seen to imply 'potentiality' that a young child has as a human being, or the perfect personality which he is designed to attain through lifetime. Accordingly, the supposed impartial spectator is the 'normative ideal' which conscience comes to adopt in the fullness of time.

Smith endeavours to clarify this point when he talks about two different standards by which moral judgments are made concerning ourselves: the ideal and the common standards.

> The one is the idea of exact propriety and perfection ... The other is that degree of approximation to this idea which is commonly attained in the world, and which the greater part of our friends and companions, of our rivals and competitors, may have actually arrived at.[111]

However, Smith is quick to acknowledge that the judgment of the impartial spectator is not the standard which everybody actually always makes use of in moral judgments: 'the attention of different men, and even of the same man at different times, is often very unequally divided between them; and is sometimes principally directed towards the one, and sometimes towards the other'.[112] Nonetheless, it is stressed that the first standard is the normative ideal which every man holds by observing the positive behaviour of people (although the wise and virtuous man is much more likely to make actual judgments by using the ideal standard than other people) and which may be reached as a result of the gradual advance of the human mind in the course of time. In Smith's own words:

> There exists in the minds of every man, an idea of this kind, gradually formed from his observations upon the character and conduct both of himself and of other people. It is the slow, gradual, and progressive work of the great demigod within the breast, the great judge and arbiter of conduct.[113]

This is evidence in which Smith's organismic view of things is somewhat plainly disclosed. And looked at from the organismic standpoint those statement about two different standards of moral evaluation concerning ourselves also serve to make out not just the reason why for Smith the judgment of the impartial spectator should be the frame of reference by which people make moral evaluation. They also help us to grasp the basic structure of exposition, in his theory of conscience, with regard to its evolution in the sense both that it provides the crucial conception by which the distinction is drawn between the ideal and the actual features being mixed in reality, and that it lucidly indicates the direction of the development of things which are to be accounted for.

Now in what follows we shall be concerned with Smith's causal explanation of the development of conscience against this background. The essential premiss that Smith emphasizes at the outset is that man is originally social man, not a solitary individual. In Smith's view the social presence of man itself is the sole source in which he first learns the patterns of approval and disapproval about the

behaviour of others, which an isolated man from society can never expect to observe. As he states:

> Were it possible that a human creature could grow up to manhood in some solitary place, ... he could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, of the beauty or deformity of his own mind, than of the beauty or deformity of his own face. ... Bring him into society, and he is immediately provided with the mirror which he wanted before. It is placed in the countenance and behaviour of those he lives with, which always mark when they enter into, and when they disapprove of his sentiments; and it is here that he first views the propriety and impropriety of his own passions, the beauty and deformity of his own mind. ... he will observe that mankind approve of some of them, and are disgusted by others.[114]

Smith begins to trace the origin of conscience under this basic postulate. Man, according to Smith, has an inborn desire to gain approbation (praise) and to avoid disapprobation(blame): 'Nature, when she formed man for society, endowed him with an original desire to please, and an original aversion to offend his brethren. She taught him to feel pleasure in their favourable, and pain in their unfavourable regard. She rendered their approbation most flattering and most agreeable to him for its own sake; and their disapprobation most mortifying and most offensive'.[115] This desire is a force which requires people to regard their behaviour through the looking glass of others. This process thus becomes a first important step in the development of conscience, for it gives rise to dividing the self into agent and spectator respectively. In Smith's expression,

> When I endeavour to examine my own conduct, when I endeavour to pass sentence upon it, and either to approve or condemn it, it is evident that, in all such cases, I divide myself, as it were, into two persons; and that I, the examiner and judge, represent a different character from that other, I, the person whose conduct is examined into and judged of. The first is the spectator ... The second is the agent ...[116]

At this stage man therefore attempt to control his own violent emotions through the eyes of actual spectators because of his natural love of praise. Smith illustrates this case by taking an example of a very young child. In the first instances the young child is, Smith says, not accustomed to constrain its own passions. At this time it is often required to abate them only by an outside compulsion.

> A very young child has no self-command; but, whatever are its emotions, whether fear, or grief, or anger, it endeavours always, by the violence of its outcries, to alarm, as much as it can, the attention of its nurse, or of its parents. While it remains under the custody of such partial protectors, its anger is the first and, perhaps, the only passion which it is taught to moderate. By noise and threatening they are, for their own ease, often obliged to frighten it into good temper; and the passion which incites it to attack, is restrained by that which teaches it to attend to its own safety.[117]

But the moment the child goes to school, the first step in the development of conscience is taken:

> When it is old enough to go to school, or to mix with its equals, it soon finds that they have no such indulgent partiality. It naturally wishes to gain their favour, and to avoid their hatred or contempt. Regard even to its own safety teaches it to do so; and it soon finds that it can do so in no other way than by moderating, not only its anger, but all its other passions, to the degree which its play-fellows and companions are likely to be pleased with.[118]

This passage suggests that the schoolchild, as the socialisation process begins, comes to have the mirror whereby it can view its character, and is so anxious to gain the approval of others that he imagines himself in the eyes of real spectators. And it also serves to suggest the fact that the genesis of conscience comes from a reflection of social opinions which are derived from the actual bystanders.

Now it is yet of great importance to note that further evolution of conscience in the mature individual, Smith insists, is not necessarily dependent upon the opinions of real bystanders. To this extent conscience may be looked upon as becoming autonomous from the judgment of actual spectators. It seems that when he makes this point Smith does so on the supposition that the actual spectators do not, in many cases, have the information needed to give an impartial evaluation of our actions.[119] The lack of full information available is decisively likely to lead to a partial and false judgment. This is the ground on which Smith comes to indicate the autonomy of conscience in the individual of mental maturity.

CHAPTER 5

In making some attempt to account for the phenomenon of the autonomy of conscience, Smith ascribes to the original desire of praiseworthiness the efficient cause by which the mature individual is encouraged to share the perspective of the supposed impartial spectator.[120] Praiseworthiness leads man to be very interested in 'that thing which is the natural and proper object of love'[121] and thus serves 'to inspire him with the real love of virtue, and with the real abhorrence of vice'.[122] The principle of praiseworthiness accordingly brings man to think and act in the light of 'what naturally ought to be the sentiments of other people',[123] given that they share the proper knowledge of the actual circumstances of his behaviour. For this reason man who gives more significance to the desire of praiseworthiness is able to be more indifferent with respect to the applause and censure of the real spectators; the internal approval of the supposed impartial spectator is more highly valued than the other, in that the man within is not just better informed, but also pursues what is honourable and noble. Smith describes the attitude of the mature individual whose principle of behaviour is based upon the desire to be praiseworthy:

> though mankind should never be acquainted with what he has done, he regards himself, not so much according to the light in which they actually regard him, as according to that in which they would regard him if they were better informed. He anticipates the applause and admiration which in this case would be bestowed upon him, and he applauds and admires himself by sympathy with sentiments, which do not indeed actually take place, but the ignorance of the public alone hinders from taking place, which he knows are the natural and ordinary effects of such conduct, ... and which he has acquired a habit of conceiving as something that naturally and in propriety ought to follow from it.[124]

Since conscience in the mature man develops under the circumstances just mentioned, the voice of conscience for him becomes a higher tribunal[125] than the outlook of the actual bystanders who very often are ill-informed and thus can be partial and mistaken. On this ground Smith is convinced that where the authority of conscience is highly and firmly established through a continuous and uninterrupted regard to the supposed and well-informed impartial spectator, conscience comes to play a very eminent part in enhancing the propriety of actions which arise from the most vigorous motive of

self-love and becomes the mechanism whereby the mature man induces 'the practice of those divine virtues'. As he notes it:

> It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct. It is he who, whenever we are about to act so as to affect the happiness of others, call to us, with a voice capable of astonishing the most presumptuous of our passions, that we are but one of the multitude, in no respect better than any other in it; and that when we prefer ourselves so shamefully and so blindly to others, we become the proper objects of resentment, abhorrence, and execration. ... It is he who shows us the propriety of generosity and the deformity of injustice.[126]

Hence, the individual whose conscience is always built up upon the judgment of the supposed impartial spectator is the man who Smith portrays as the most perfect and virtuous. The man is so because 'He has never dared to forget for one moment the judgment which the impartial spectator would pass upon his sentiments and conduct',[127] so that he 'joins, to the most perfect command of his own original and selfish feelings, the most exquisite sensibility both to the original and sympathetic feelings of others'.[128] This man is therefore the final point from the organismic viewpoint which conscience is able to reach, and at which the voice of conscience represents that of God.

Here another thing which deserves notice is that the stage at which the standard of the impartial spectator that is identified with 'the idea of exact propriety and perfection' is so embodied into conscience that its voice stands for that of God, is achieved through a gradual and dynamic process. This appears where Smith points out an continuous effort of the mature individual to reach such a normative ideal. In the mind of the mature individual:

> they[observations on the conducts of people] have been made with the most acute and delicate sensibility, and the utmost care and attention have been employed in making them. Every day some feature is improved; every day some blemish is corrected. ... He endeavours as well as he can, to assimilate his own character to this archetype of perfection. ... He feels the imperfect success of all his best endeavours, and sees, with grief and affliction, in how many different features the mortal copy falls short of the immortal original. He remembers, with concern and humiliation, how often, from want of attention, from want of judgment, from want of temper, he has, both in words and actions, both in conduct and conversation, violated the exact rules of

> perfect propriety; and has so far departed from that model, according to which he wished to fashion his own character and conduct.[129]

Therefore, this mature individual is not the man who follows simply what his neighbours actually do. On reflection he does not merely evaluate the actions of others and his own in accordance with the 'archetype of perfection'. He is also anxious to adjust his behaviour to it. In this way, since he, in so far as his concern is mainly with praiseworthiness, makes a continuous attempt to improve his behaviour after learning and reflection, his attitude always comes to be in the direction of dynamic movement towards the normative ideal.

So far we have observed Smith's theory of conscience in the perspective of normative organicism. On this basis, we shall finally make a brief comment on the major characteristics of Smith's theory of conscience in comparison with the modern psychological accounts of conscience which some commentators above mentioned have taken to be similar to it. This task is likely to be profitable because it serves to clarify the difference as well as the similarity between Smith on the one hand, and others like Freud and Allport on the other.

Firstly, it is true that like Freud who saw the origin of super-ego as a second self replacing the function of other persons including parents[130] by identification process, Smith in the first instance takes conscience to be the supposed man within which is formed as a result of the observation of the attitude of other persons.[131]

Secondly, it is difficult for the Freudian psychoanalytic theory to account for the autonomy of conscience, in particular when the man within conflicts with the opinion of actual spectators. This is due to the fact that the theory has a tendency to draw attention, in the main, to the experiences in childhood. As Brandt's statement suggests:

> Psychoanalytic theory certainly does not provide the complete answer for the psychology of ethical values, for it contains no theory of the extinction. It has nothing to say about changes in ethical standards during adult years, as a result of information and reflection. It provides us with no tools for understanding the modification in ethical values in a social group.[132]

In contrast, Smith's theory of conscience, it has been suggested, allows for the possibility of conscience's standing against a pattern of childhood response or the attitude of the real bystanders.

Thirdly, Smith's theory concerns the developmental transformation of conscience. As we have already noted, for Smith the growth of conscience is procured by individuals' desire to be praiseworthy or to arrive at the state of 'exact propriety and perfection' on the basis of learning and reflection. In this respect Smith's theory of conscience may be said to anticipate in its general outline Gordon Allport's psychological theory which goes beyond both a behavioural theory of learning and the Freudian psychoanalytic theory, since Allport argues first that internal sanctions are substituted for external ones, and yet secondly that the shift from the experiences of 'prohibition, fear, and "must"' to those of 'preference, self-respect, and "ought"' is accomplished 'in proportion as the self-image and value-systems of the individual develop'.[133] In this way both Smith and Allport insist that the desire of praiseworthiness and 'generic self-guidance' by virtue of the growing ideal self-image, give rise to the dynamic pictures of conscience which the behavioural and the Freudian theories find difficulty in accounting for.

Fourthly, it is important to note that in Smith's theory of conscience the driving forces which lead to the growth of conscience and thus the mature personality are regarded as a primitive set of the principles of human nature. Smith therefore speaks of the desires of praise and praiseworthiness as the 'original' ones, with which nature has endowed mankind.[134] In this respect Smith differs from Allport who claims the functional autonomy of motives, or the transformation of motives, happens in the course of time where conscience and personality make advances from childhood to adulthood. Briefly speaking, whereas Smith depends on the static features of human nature, Allport lays pivotal stress upon the emergent property of motives that play a role in promoting the growth of conscience throughout one's lifetime.[135]

Finally and most significantly, what makes a fundamental difference between Smith's theory of conscience and some modern psychological

theories so far mentioned is that since the one is being formulated along the idea of organicism, it indicates not simply that there is an ideal end-point that conscience ought, by nature, to arrive at in time,[136] but also that such an ideal is to some extent being actualised among normal adults. This point will become apparent if we are again reminded of Smith's remark that there is 'in the mind of every man, an idea of this kind [of exact propriety and perfection]'[137], and that 'habit and experience have taught us to do this [to take the perspective of the impartial spectator] so easily and so readily, that we are scarce sensible that we do it'.[138]

5.5. Organismic Philosophy, and the Science of Morals, Normative Ethics, and Meta-ethics

W.K. Frankena describes the traditional view with regard to the division of moral philosophy in the following way:

> 1. There is descriptive empirical inquiry, historical or scientific ... Here, the goal is the describe or explain the phenomena of morality or to work out a theory of human nature which bears on ethical questions. 2. There is normative thinking of the sort ... that anyone does who asks what is right, good, or obligatory. ... 3. There is also "analytical", "critical", or "meta-ethical" thinking.... It asks and tries to answer logical, epistemological, or semantic questions like the following: What is the meaning or use of the expression "(morally) right" or "good" ? How ethical and value judgments be established or justified?[139]

Briefly stated the science of morals, normative ethics and meta-ethics comprise the branch of moral philosophy in a modern sense. Viewed according to this tripartite division of ethics Smith's intention rested primarily on a science of morals or a scientific study of moral psychology that is concerned to elucidate the manner in which we come to make judgments as to what is fit to be done or to be avoided.[140]

However, it must not be missed that at the same time Smith also concerned himself with the problem of normative judgment and itsjustification. As Campbell commented:

> what is less often remarked upon is Smith's conviction that his causal explanations of the origin and development of moral opinions make a positive contribution both to the defence and to the refinement of those opinions. Certainly he sees no incongruity in adding prescription to description or in following an explanation of a moral attitude with a hortatory aside. Yet his characteristic method is not to pass *from* causal explanation *to* moral justification but rather to combine the two enterprises, working the assumption that scientific explanation constitutes the core of any adequate justification of moral attitudes.[141]

In Smith's normative ethics, the impartial spectator is of critical significance. For the judgments of the impartial spectator are conceived, in normative ethics, to be the criteria to which men ought to conform in order to determine whether or not an action or character is morally fit. In other words, the impartial spectator plays a twofold part in Smith's moral theory; firstly the scientific notion which is drawn from empirical fact or the average reactions of persons on the one hand, and secondly general obligation which ought to be fulfilled for moral judgments on the other.[142] Put in this way, the descriptive and the normative phenomena are inextricably bound up with each other. In this regard Haakonssen stated: 'All Smith's ideas of how a social morality is formed and how an ideal morality develops out of it[the impartial spectator] are given in purely descriptive terms. And yet I venture to suggest that it is of clear normative import as well'.[143] This attitude of Smith is also reflected in his treatment of natural jurisprudence.

> the language of Smith's jurisprudence lectures is permeated by the expressions from the spectator theory. Thus, instead of hearing how things were at a given time, we are told how they were *conceived* or *looked upon*. Actions have a *seeming* or *apparent propriety* or *impropriety*, and people can or cannot *go along with* them or *enter into* their motives. However, it is not just the actual spectator, but also the impartial spectator who is present in Smith's discussion of law.[144]

This observation might be thought odd when we are reminded that Smith's primary aim in the *Theory of Moral Sentiments* consists in the science of morals or the scientific study of the actual mode of moral judgments, which, in his words, is 'a mere matter of philosophical curiosity', yet 'of none in practice'.[145] Smith also seems to be aware of the warning which Hume gave to the effect that an 'Is' and an 'Ought' respectively articulate a certain different relation, and one

can not directly get the latter from the former.[146] At any rate, it is yet true that Smith's normative ethics is firmly bound up with the science of morals. On account of this character of his science of morals Smith was able to go beyond the dimension of science and create a critical weapon by which to evaluate whether or not an action or character is morally right. In fact, that is a reason why the discipline of jurisprudence, Smith informs us, is normative in character: 'Jurisprudence is the science which inquires into the general principles which ought to be the foundation of the laws of all nations'.[147] Systems of positive law, although they are important as 'the records of the sentiments of mankind in different ages and nations', 'can never be regarded as accurate systems of the rules of natural justice'.[148] They do not necessarily coincide with the natural sentiments of the impartial spectator, and to that extent can not be right. In this way, since the spectator principle which constitutes the core of Smith's science of morals was identified as the normative principle, it could provide the basis for the evaluation of positive laws. This is the ground on which Smith devotes himself to legal criticism in a number of places in the *Lectures on Jurisprudence* and the *Wealth of Nations.*[149]

So far we have observed that Smith's science of morals embraces more than the level of science and slips over into normative ethics. At present, granted that Smith endorses the principles of obligation by which to determine what action or character is right or wrong, an enterprise to which we should now turn is the question of his meta-ethics or of how he gives a philosophical justification for his normative ethical theory. It can be pointed out that there have been two types of interpretation with regard to the meta-ethical problem of justification.

In the first place, there is one argument according to which Smith strives to give moral justification for the recommendation of a certain sort of moral attitude on the basis of the assumption of the validity of utilitarianism at a contemplative level, where Smith takes the view of the philosopher, as distinct from that of the scientist involved in explanatory enterprises, in order to assess and improve the mechanism of moral life of mankind. In Smith's opinion, the

principle of utility is not a guide by which men originally make moral choices, although he does not deny that its consideration as an after-thought may have an influence upon moral judgments. According to him, 'it is not the view of this utility or hurtfulness which is either the first or principle source of our approbation and disapprobation'.[150] However, the principle of utility remains essential for Smith when he talks about the value of ends, not about the the way in which means fulfil these ends, i.e., when he attempts to take a God's-eye view of the moral world. In this connection T.D.Campbell insists:

> His accounts of the functional utility of the moral sentiments in general, and of conscience in particular, have the consequence of commending them by showing that they are essential for social harmony and so for the preservation and happiness of mankind. ... But such justification do, of course, presuppose the validity of the utilitarian maxim that morally right action maximizes happiness and minimizes pain ... Smith does assume that utility is the standard by which to assess the good and bad qualities of a total way of life. I call this contemplative utilitarianism to indicate that utility is, for Smith, the standard by which to appreciate the qualities of an entire social system.[151]

In other words, 'Utility is ... very much *the* meta-principle for Smith'.[152] It can thus be said that Smith assumes that the ethical term, 'right', means being conducive to the maximum happiness of mankind. Accordingly, if a set of behaviours is shown to promote the maximum possible happiness for all concerned, such actions are regarded as right. As a matter of fact Smith finds that following our natural sentiments brings those consequences: 'Nature, indeed, seems to have so happily adjusted our sentiments of approbation and disapprobation, to the conveniency both of the individual and of the society, that after the strictest examination it will be found, I believe, that this is universally the case.'[153] This interpretation on Smith's meta-ethics thus implies that since Smith thinks that acts in accordance with the judgments of the impartial spectator will produce the maximum possible happiness, he deems it to be right conduct and exhorted us to take the attitudes of the impartial spectator.

In the second place, another interpretation is based on the idea that Smith, like some theologically committed philosophers of his day, held the theological contention that acting in agreement with our natural sentiments is the commandment of God. For Smith, philosophical justification for ethical judgment in which the impartial spectator ought to guide our conduct rests on the point that the voice of the man within reflects the intention of God. In this context Campbell maintained: 'there are some elements of philosophical justification in the *Moral Sentiments*. There are a few appeals to the fact that the *de jure* authority of moral rules is 'obvious', which could be interpreted as an appeal to self-evidence or common sense, although these are usually associated with an assertion of the alleged function of moral sentiment in controlling other sentiments which, in turn, is related to the theological argument that the rules of morality are the commandments of God'.[154] In fact, Smith says that God intends moral faculties of human beings to command their actions. For instance, Smith writes:

> Upon whatever we suppose that our moral faculties are found, ... it cannot be doubted, that they were given us for the direction of our conduct in this life. They carry along with them the most evident badges of this authority, which denote that they were set up within us to be the supreme arbiters of all our actions, to superintend all our senses, passions, and appetites, and to judge how far each of them was either to be indulged or restrained. ... since these, therefore, were plainly intended to be the governing principles of human nature, the rules which they prescribe are to be regarded as the commands and laws of the Deity, promulgated by those vicegerents which he has thus set up within us.[155]

This citation suggests that the impartial spectator is the voice of God. Therefore, if Smith postulates that right conduct means that 'commanded by God', then it is logically derived that we ought to follow our natural moral sentiments and obey the man within. Put in this way Smith's normative moral theory is dependent on his theological argument.[156]

These are two interpretations raised with regard to Smith's meta-ethical theory. We are told that Smith seeks to justify his ethical judgments by appeal to either utilitarianism or theological argument. A clear-cut characteristic of these interpretations to be observed is

that they are based on the logic of ethical naturalism. That is to say, they find that Smith tries to 'derive' an Ought from an Is on the basis of a premiss, or to deduce out of his science of morals his normative moral theory in terms of the postulate that right conduct means 'being conducive to the maximum happiness for mankind', or that 'commanded and approved by God'.

But, what is of great import to remember at this stage is that Smith does not just take the transition from analytic description to prescription despite his knowledge of the significance of the distinction between an Is and an Ought which Hume made, but also tended to 'identify' positive analysis with normative prescription. In other words, he is inclined to equate causal with moral necessity with no evident premiss. As we noted earlier, Smith accepts Hume's assumption with regard to the constant principles of human nature. In this respect it is no wonder that Smith speaks of 'the natural sentiments of all mankind'.[157] This assumption is neatly illustrated in his statement that: 'Every faculty in one man is the measure by which he judges of the like faculty in another. I judge of your sight by my sight, of your ear by my ear, of your reason by my reason, of your resentment by my resentment, of your love by my love. I neither have, nor can have, any other way of judging about them'.[158] It is important to note that this type of presumption of a basic uniformity in human nature enables Smith to believe that natural sentiments are 'necessary' feelings. For example, sympathetic feelings are felt by all men. We can arrive at the *same* type of emotions of others by virtue of the sympathetic emotions in imagining the situation of others. This is also the case with the standpoint of the impartial spectator on the basis of which Smith says that men make moral judgments. 'To approve of another man's opinions is to adopt those opinions, and to adopt them is to approve of them'.[159] Hence, when our feelings concord with the sympathetic feelings of others, we are given their approval and praise. And all men have a natural desire to be praised and to be praiseworthy.[160] Under these circumstances we adjust ourselves, as a matter of course, to the ordinary moral standard, for nothing shocks us more than the experience in which we find that the sympathetic emotions of others

are not in agreement with, or contrary to our emotions.[161] Against this background Smith claims:

> Before we can make any proper comparison of those opposite interests, we must change our position. We must view them neither from our own place nor yet from his, neither with our own eyes nor yet with his, but from the place and with the eyes of a third person, who has no particular connexion with either, and who judges with impartiality between us. Here, too, habit and experience have taught us to do this so easily, that we are scarce sensible that we do it.[162]

This passage shows that the viewpoint of the impartial spectator is a common standard which all men have in a common moral world, and they generally become accustomed to take such a vantage point. The common constitution of human nature urges all men to adopt that attitude towards one another. Looked at in this way men's moral evaluations in accordance with their natural moral sentiments become a causal necessity. And Smith appears to think that, provided that the sympathetic affections tied to the standard of the impartial spectator necessarily occur in the process of moral judgments, for all men who follow natural moral faculties, and provide, in consequence, the basis of social harmony, it is reasonable and unavoidable that such attitudes are obligatory for them. In this vein Smith asserts:

> Whatever gratifies the taste is sweet, whatever pleases the eye is beautiful, whatever soothes the ear is harmonious. the very essence of each of those qualities consists in its being fitted to please the sense to which it is addressed. It belongs to our moral faculties, in the same manner to determine when the ear ought to be soothed, when the eye ought to be indulged, when the taste ought to be gratified, when and how far every other principle of our nature ought either to be indulged or restrained. What is agreeable to our moral faculties, is fit, and right, and proper to be done; the contrary wrong, unfit, and improper. The sentiments which they approve of, are graceful and becoming: the contrary, ungraceful and unbecoming. The very words, right, wrong, fit, improper, graceful, unbecoming, mean only what pleases or displeases those faculties.[163]

In this way, Smith simply seems, I suppose, to equate causal necessity with moral obligation, yet without employing any postulate or definition in a similar fashion which present-day ethical naturalists use.[164] Accordingly, it can be said that he does not attempt to 'derive' logically normative moral judgments from

scientific moral theory, but instead 'identifies' the one with the other. In what way are we able to understand this manner of reasoning? In my view, this mode of thinking can be ascribed to reasoning grounded on the philosophy of natural law, which earlier was referred to as one of Smith's metaphysical propositions that were regarded as being methodologically suggestive. Myrdal's remark is very much helpful for our understanding at this stage:

> The peculiarity of the philosophy of natural law is not that it attempts to derive moral laws from the natural order of things, an 'ought' from an 'is'. If this were the essence of the doctrine of natural law, almost every type of objective moral philosophy and ... utilitarianism in particular would be a natural law doctrine. Its peculiarity is rather its attempt to identify 'is' and 'ought', the actual and the obligatory, directly and without lengthy proofs; it simply equates reason and nature.[165)]

This kind of argument was the philosophical method which was common to natural law theorists, even though it appeared in many different forms and was employed for many different purposes. The idea enabled them to simply equate natural or rational with necessary or obligatory. And it must be stressed at present that behind that idea lies the organismic outlook of things which pervades the philosophy of natural law. Society and social order are organic in design. The basic design may and need not be fully achieved in reality. But, it is thought that reality comes into line with the design and is permeated by a tendency towards design and perfection. This reasoning is what may be called normative organicism. This form of organicism provides the basis for that identification between description and prescription. As Werner Stark informs us: 'normative organicism distinguishes an Is and an Ought, yet the Ought is not really, or radically, at variance with the Is. Rather is it its true working out, its natural realisation. It is more than an idle play upon words to say, that the normative theory demands that society should become what it is--that it should become in reality what it is in design'.[166)]

Seen in this way it is evident that Smith does not logically deduce his normative moral theory out of his science of morals on the basis of a given assumption or definition, as the ethical naturalists do. Indeed, he seems not to presuppose the utilitarian and the theological

definitions in order to back up the normative judgments. That is, he does not presume that right conduct denotes 'the promotion of the maximum happiness of mankind', or one 'commanded and approved by God'. Instead, without those presuppositions he simply identifies causal necessity with moral obligation. This manner of thinking is based upon organismic philosophy, which seems to lie behind the thought of natural law theorists. In my view, this makes up the background of Smith's meta-ethical theory. Smith is disposed to consider that if the constitution of human nature leads men to make moral judgments on the basis of the sympathetic emotions from the perspective of the impartial spectator, all men are obliged to do so. He would make claim that because human nature is so constituted that each of us does adopt such moral attitudes towards each other, it is morally inevitable to do so. To be sure Smith endeavours to justify his normative moral theory by appeal to the nature of things. Yet, his philosophical justification for moral attitudes which he endorses is different from ethical naturalism mentioned above. Such a method of vindication is what is called ethical justification in a *non-logical* sense, as distinct from that in a logical sense such as the utilitarian and the theological definitions.[67] It does not seek to draw logically an Ought from an Is working on those assumptions. It is not dependent on them for justification. Rather, it finds its reasonableness in correctness of scientific explanation. If causal explanation is inadequate, then we can discard that justification.

Before concluding there is a point which deserves notice. The philosophy of natural law has been in fact intertwined with theological speculations. As a result, a natural law theorist tended to believe that 'natural' is equivalent to 'divine'. Furthermore, natural theology was a subject which Smith taught, and on which he attempted to demonstrate the character of the Deity such as goodness, wisdom, and justice. In that study he was certainly concerned to show that there are nice adjustments of means to ends in this world; for instance, how well human nature is directed to the realisation of the perfection and happiness of mankind. Under these circumstances it is likely to be natural to see that several diverse ideas are so combined in Smith's writings that it is not easy to clarify which idea is the key to the problem of his meta-ethics. Nevertheless, provided

that Smith does not so much derive the normative aspect from the positive analysis of his moral theory, but identify those two sides,[168] we can isolate and rule out other elements such as utilitarianism at the contemplative level and a theological argument. If so, the interpretation established on the same proposition as ethical naturalists appears less convincing, for reasons that we have already clarified.

In brief, it can be concluded that since Smith works on the basis of organismic philosophy connected with the teleological conception of nature, one of whose main characteristics is a mere equation between an Is and an Ought despite a clear-cut distinction between them, he not simply combines causal explanation of morality and its obligation, but also provides a philosophical justification for the theory of obligation in the non-logical sense. Given that Smith does not pass from analytic description to prescription, and instead does identifies them, those views in which he seeks moral justification for his theory of obligation in terms either of utilitarianism, or of the argument of the commandment of God cannot be accepted.

5.6. Metaphysics and Moral Theory: A Contrast Between Smith and Mandeville

Smith's criticism of Mandeville's moral theory appears in Part VII of the *Theory of Moral Sentiments*, which is concerned with a review of various systems of moral philosophy. While, as noted above (Chapter 4), Smith informs readers of the restricted relevance of the former systems of moral philosophy which were concerned with the question of wherein virtue consists, he does not place strictures on them. Though they have a defect in explaining the nature of virtue, they, Smith claims, perform a function of 'Ethics', namely, serve to 'inflame our natural love and increase our abhorrence of vice'.[169] Mandeville's system is an exception. Smith calls it a licentious system. The reason why Mandeville's account of morality is criticized is that it, unlike others, tends to remove the distinction between virtue and vice, so that it is pernicious to morals and society.[170]

CHAPTER 5

According to Smith, Mandeville conceives all actions to arise from vicious passions. He reduces all the motives which human beings have on particular occasions to the same selfish motives, and especially to vanity among them, which is considered as a foundation of vice.[171] Even virtuous actions which are approved as an object of esteem and honour are considered eventually to be the consequences of vanity. As Smith states:

> Dr. Mandeville considers whatever is done from a sense of propriety, from a regard to what is commendable and praise-worthy, as being done from a love of praise and commendation, or he calls it from vanity. Man, he observes, is naturally much more interested in his own happiness than in that of others, and it is impossible that in his heart he can ever really prefer their prosperity to his own. Whenever he appears to do so, we may be assured that he imposes upon us, and that he is then acting from the same selfish motives as at all other times. Among his other selfish passions, vanity is one of the strongest ...[172]

In criticism of Mandeville's system Smith firstly points out that vanity has to be duly distinguished from the 'love of virtue' and the 'love of true glory', which can be, in no sense, included in the meaning of vanity. Secondly, it is claimed that Mandeville's account supports itself by using ascetic doctrines which make virtue consist in the extirpation or complete self-denial of the passions.[173] Thirdly, and more importantly, Smith disapproves of Mandeville's moral theory on the ground that 'self-love may frequently be a virtuous motive of action'.[174] Elsewhere Smith argues that 'Regard to our own private happiness and interest, too, appears upon many occasions very laudable principles of action'.[175] Self-interest brings us to the virtue of prudence. Smith does not, of course, claim that all forms of self-love are approved as proper. Only where the pursuit of self-interest has reference to the interests and opinions of our fellows, actions which arise from the self-interested motives are sympathized with and approved of. This kind of argument is neatly summarized in the conclusion of Part VI of the *Theory of Moral Sentiments*.

> Concern for our own happiness recommends to us the virtue of prudence: concern for that of other people, the virtues of justice and benevolence; of which, the one restrains us from hurting, the other prompts us to promotes that happiness. Independent of any regard either to what are, or to what ought to be, or to what upon a certain condition would be, the sentiments

> of other people, the first of those three virtues is originally recommended to us by our selfish, the other two by our benevolent affections. Regard to the sentiments of other people, however, comes afterwards both to enforce and to direct the practice of all those virtues; and no man during, either the whole of his life, or that of any considerable part of it, ever trod steadily and uniformly in the paths of prudence, of justice, or of proper beneficence, whose conduct was not principally directed by a regard to the sentiments of the supposed impartial spectator, of the great inmate of the breast, the great judge and arbiter of conduct.[176]

Hence, these suggest, not only that self-regarding propensities are not those which dominate all the aspects of life, but that self-interest itself cannot be identified with vice, and its pursuit is not incompatible with propriety where it refers to the opinions of our fellows. In this connection Smith asserts against the position of Mandeville above outlined:

> It is the great fallacy of Dr. Mandeville's book to represent every passion as wholly vicious, which is so in any degree and in any direction. It is thus that he treats everything as vanity which has any reference, either to what are, or to what ought to be the sentiments of others: and it is by means of this sophistry, that he establishes his favourite conclusion, that private vices are public benefits.[177]

Put in this way Smith seems to provide a reasonable reply to Mandeville's insistence that private vices are public benefits.

However, there is a passage in Smith's concluding remark with respect to Mandeville's system of moral philosophy which deserve attention. Whereas, as has been noted, Smith attempts to criticize Mandeville's account of morality, he admits, on the other hand, that it contains some truth: 'how destructive soever this system may appear, it could never have imposed upon so great a number of persons, nor have occasioned so general an alarm among those who are the friends of better principles, had it not in some respects bordered upon the truth'.[178] In this part Smith does not detail the respect in which Mandeville's system bordered upon the truth. It seems likely that reference has to be made to the earlier parts of the book, in order to be aware of a common opinion which both Smith and Mandeville share with regard to some aspects of a commercial society. For example, this appears most obviously where Smith talks about men's

pursuit of wealth and place in connection with their desire for approbation.

> it is chiefly from this regard to the sentiments of mankind, that we pursue riches and avoid poverty. For to what purpose is all the toil and bustle of this world? what is the end of avarice and ambition, of the pursuit of wealth, of power, and preheminence? Is it to supply the necessities of nature? The wages of the meanest labourer can supply them. ... From whence, then, arises that emulation which runs through all the different ranks of men, and what are the advantages which we propose by that great purpose of human life which we call bettering our condition? To be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation, are all the advantages which we can propose to derive from it. It is the *vanity*, not the ease, or the pleasure, which interests us. But vanity is always founded upon the belief of our being the object of attention and approbation.[179]

As pointed out above, vanity is regarded as a vice, and a source of the misery and disorder of human affairs.[180] But Smith here observes that there is a linkage between the pursuit of wealth or economic activity, and vanity. In this passage motivation which is related to the pursuit of wealth and place is attributed to vanity. While, if we are reminded that Smith rejects Mandeville's theme of 'private vices, public benefits', certainly this seems to present difficulties for his own argument, it clearly shows his recognition that vanity plays a very important role in conjunction with economic activity. Hence Smith, like Mandeville, appears to consider the coexistence of wealth and virtue in a commercial society to be, in a sense, difficult.

Meanwhile it is noteworthy that the agreement between Smith and Mandeville has led some critics to claim that Smith's criticism against the Mandevillian paradox as a moral justification of commercial society is either 'flat and feeble'[181] or 'wide of the mark'.[182] Thomas Horne's comment in the same vein is more serious. According to him, even though Smith intended to take a middle ground between Hutcheson's claim which ignore the fruitfulness of some forms of self-interest, and Mandeville's position which overestimates the inevitability of vice, Smith 'was unwilling to rescue virtue and commercial society by making unrealistic claims on their behalf'. Smith was too honest an observer of human affairs. As the above quotation indicates, Smith himself, following Mandeville, in fact

admitted the role of vanity in economic activity. As a result, 'Smith seems to have committed himself to Mandeville's paradox of "private vices, public benefits"'.[183]

The arguments of these critics may seem to remain valid to the extent to which Smith, like Mandeville, acknowledges the part which vanity plays in association with men's pursuit of wealth and place. However, it is quite misleading to assert that Smith accepts the Mandevillian paradox. Such an interpretation arises from neglecting the point that while Smith introduces various features of social reality at the practical level, he rules out some facets of reality at the analytic or theoretical level. In other words, Smith apparently admits that vanity acts as an actual form of self-love which leads a number of people to the active pursuit of riches. Yet, at the same time, he also observes the fact that vanity is not the only form of self-interest which dominates all aspects of human life, and that there are some other forms of self-love which play a similar role in economic activity. A clear-cut example of the latter in Smith's eyes is that a number of people take 'prudent' actions in matters which are connected with the pursuit of wealth and place. The prudent man also seeks for riches and reputation, and desires the approbation which they bring. This end is achieved by taking the course of 'prudence', for the 'methods of improving our fortune, which it [prudence] principally recommends to us, are those which expose to no loss or hazard; real knowledge and skill in our trade or profession, assiduity and industry in the exercise of it, frugality, and even some degree of parsimony, in all our expences'.[184] In the same connection Smith says that 'The habits of oeconomy, industry, discretion, attention, and application of thought, are generally supposed to be cultivated from self-interested motives, and at the same time are apprehended to be very praise-worthy qualities, which deserve the esteem and approbation of every body'.[185] These arguments suggest that there is, as Smith observes, another form of self-love which makes the pursuit of wealth and status compatible with that of virtue.

What is of great importance under these circumstances is that when Smith is concerned with the formal analysis of morality, he focuses exclusively on the latter type of phenomena, while at the same time

ignoring the fact that vanity is, in a large number of cases, an actual source which leads men to seek for wealth and status. In my opinion, the reason is that while Smith recognizes frankly that such is indeed a moral problem in a commercial society,[186] he essentially believes that human nature in design is so constituted that the viewpoint of the impartial spectator dominates the process of moral judgments concerning both others and ourselves, and that this serves as a barrier against anti-social passions. In other words, Smith judges that the pursuit of riches and place is possible without relying upon the passion of vanity, because of the constitution of the human mind in design, and actually observes that there are some forms of self-interest which make the coexistence of wealth and virtue possible. In this way, on a theoretical dimension Smith rules out the working of the passion which is thought to be a foundation of vice. This is the ground on which Smith is able to criticizes Mandeville's account of morality. Hence, it is misleading to see that Smith committed himself to Mandeville's argument that private vices are public benefits. Such an interpretation is based on a confusion between the theoretical and the practical dimensions in Smith's work. Finally, I am convinced, as I claimed above(section 2), that Smith's mind-set, namely, the fact that he is interested in a particular type of fact to the exclusion of other facts, though they are all observed at the practical level, and that he performs formal analysis in a way that shows the harmonious moral order, is due to his metaphysics or theological belief in a benevolent harmony and order of the universe. Since I believe that a similar sort of thinking may seem to be found in Mandeville's thought, yet his different world view leads himself to produce a contrasting system, which, in my opinion, is responsible for an eventual disagreement between Smith (and Shaftesbury's followers) and Mandeville, we shall proceed to examine this aspect in conjunction with Mandeville's outlook on nature.

Sir Leslie Stephen once noted that for Mandeville nature is 'a dark power'[187], and that his view of nature as such is contrasted with the viewpoint of Shaftesbury's school to which Smith belongs; the standpoint from which the profound harmony and order of things in nature are declared. In a similar vein a commentator informed us that: 'When he [Mandeville] looked at nature he did not see the

benevolent harmony and order which excited the admiration and approval of Shaftesbury and the Deists ... He would instead be compelled to believe that this universe is the scene of a huge struggle of organisms driven by conflicting passions'.[188] In this regard it is very interesting to observe that Mandeville himself declared a diametrical opposition between Shaftesbury's system and his own, and regarded the former system as a false account of morality:

> The attentive Reader, who perused the foregoing part of this Book, will soon perceive that two systems cannot be more opposite than his Lordship's and mine. His Notions I confess are generous and refined: They are a high Compliment to Human-kind, and capable by the help of a little Enthusiasm of Inspiring us with the most Noble Sentiments concerning the Dignity of our exalted Nature : What Pity it is that they are not true.[189]

In contrast to the deists who believe in the benevolent harmony and order of the universe, he goes so far as to say that when examined carefully the elements of the earth and the constitution of the human mind 'make up together a frightful Chaos of Evil'[190], or 'every thing is Evil, which Art and Experience have not taught us to turn into a Blessing'.[191] It seems to be no wonder that given such a view of nature, Mandeville thinks human beings to have in origin 'his corrupt and defective Nature'.[192] Mandeville's pessimistic attitude to nature also leads him to renounce the contention that man has some capacity to govern his behaviour in accordance with natural moral faculties: 'there is no Innocence or Integrity that can protect a Man from a Thousand Mischiefs that surround him'.[193] In Mandeville's opinion, this happens because man is not a creature who has 'natural' sociableness, and because man is completely motivated by degraded and selfish passions. Mandeville states in this connection:

> But be we Savages or Politicians, it is impossible that Man, mere fallen Man, should act with any other View but to please himself while he has the Use of his Organs, and the greatest Extravagancy either of Love or Despair can have no other Centre. There is no difference between Will and Pleasure in one sense, and every Motion made in spite of them must be unnatural and convulsive. Since then Action is so confin'd and we are always forc'd to do what we please, and at the same time our Thoughts are free and uncontroul'd, it is impossible we could be sociable Creatures without Hypocrisy.[194]

This is certainly an apparent contrast with Smith's (and Shaftesbury's followers') view, outlined above, that man is originally social. This view of Mandeville also makes a contrast with Smith's account of morality, as it will be clear when we are reminded that Smith's analysis of self-love and its constraint shows 'the point that men are led as if an invisible hand to generate barriers against their unsocial passions by natural as distinct from artificial means'.[195]

How can such a contrast between Mandeville and Smith be understood? It seems significant to notice that Mandeville, together with many of his contemporaries, was also influenced, whether directly or indirectly, by a sort of theological outlook. A modern commentator insists that behind Mandeville's thought which shows a deep concern in the dark side of nature is a French intellectual tradition dating from the end of the seventeenth century; the tradition which was intimately linked to the religious thought of the Jansenists.[196] The theological stance of Jansenism[197] is summarized as follows:

> Their pessimistic theological ideas, which stressed the depravity of all men after the fall, the impotence of men to effect their own salvation, the enormous separation between man and God, and the unregenerate evil of nature, expressed the unfavorable situation in which this group found itself.[198]

This kind of religious outlook seemed to act as a means whereby Mandeville was led to see men's corrupted nature along with a negative image of reality. Mandeville talks about man's 'State of Innocence', 'his Beautiful' and 'his Divine Original' before the fall, and says that 'this Earth must have been alter'd since the Fall of our first Parents'; in this world 'All the Elements are our Enemies'[199]; and 'All untaught Animals are only solicitous of pleasing themselves, and naturally follow the bent of their own Inclinations, without considering the good or harm that from their being pleased will accrue to others'.[200] Put in this way, it seems, therefore, that Mandeville's theological view, that came from the influence of Jansenism, and may be treated, in my opinion, as his metaphysics, plays a role in his perception of the negative aspects of social reality including his view of human nature.

Looked at from the perspective just noted, it is likely that an 'ultimate' reason for the contrast of opinions between Mandeville and Smith can be found in the contrast of this 'world view'. Understood in this way the reason why they may disagree about an 'analytic' account of morality,[201] though they have, in some respects, a common view with regard to real facets of society appears clear. One might be tempted to ascribe the difference of their views to a definition of virtue and vice. Macfie, for instance, pointed out, in support of Smith, that 'Mandeville's paradox holds water only if we regard *asceticism* as the standard of private virtue'.[202] There is a certain truth in this argument. Yet it appears to me that the disagreement between Mandeville and Smith somewhat goes beyond the problem of definition. For people may disagree about the nature of things or facts even though they use similar definition. We shall finally proceed to look at this aspect in connection with Smith's criticism of Mandeville's system of moral philosophy.

In Smith's opinion, Mandeville's error was to consider 'whatever is done from a sense of propriety, from a regard to what is commendable and praise-worthy, as being done from a love of praise and commendation, or as he calls it from vanity'.[203] Smith defends himself by pointing out that 'the desire of doing what is honourable and noble, of rendering ourselves the proper objects of esteem and approbation, cannot with any propriety be called vanity'.[204] However, Smith's reply may remain unsatisfactory to Mandeville, if he initially accepts Smith's point, yet questions the eventual source of virtuous actions. The remark of one commentator seems to sum up well Mandeville's intention: 'The ersatz virtue is not true virtue just because its motive is vanity'.[205] In the same context Kaye's comment is very suggestive:

> There are several things to be borne in mind in connection with Mandeville's reduction of all action to open or disguised selfishness. The first is that he did not deny the existence of those impulses which are commonly called altruistic. He merely argued that the philosopher can go behind this apparent unselfishness. He was rather explaining altruism than explaining it away.[206]

In other words, while recognizing that the man who acts from the love of virtue alone performs what is right and proper in a disinterested concern for the public good, at the same time Mandeville may judge that his 'ultimate' motive springs, in the end, from vanity and pride. It is worth quoting Mandeville's statement in this regard:

> But such Men, as without complying with any Weakness of their own, can part from what they value themselves, and, from no other Motive but their Love to goodness, perform a worth Action in Silence: Such Men, I confess, have acquir'd more refin'd Notions of Virtue than those I have hitherto spoke of ; yet even in these (with which the world has yet never swarm'd) we may discover no small Symptoms of Pride, and the humblest Man alive must confess, that the Reward of a Virtuous Action, which is the Satisfaction that ensues upon it, consists in a certain Pleasure he procures to himself by Contemplating on his own Worth ...[207)]

In concluding it is important to remember that whereas Smith's criticism of Mandeville's system of moral philosophy is obviously offered in connection with his formal analysis of morality, a contrast of opinions between them can eventually be understood in respect of the difference of the world view which both of them respectively believe to be true. That is, the reason for the antagonism between Smith and Mandeville can be sought in their contrasting metaphysics: a deistic outlook which finds itself in the benevolent harmony and order of things in the universe, and a pessimistic outlook which denies such a deistic view, and envisions men's degeneracy.

Notes to Chapter 5

1) See TMS, VII.i.2.
2) Cf. TMS, VII.iii.1.3-4.
3) Cf. TMS, VII.iii.2.5-7; III.4.7-8.
4) Cf. TMS, VII.iii.3.8.
5) TMS, VII.iii.3.3.
6) TMS, I.i.1.1
7) TMS, I.i.1.5.
8) Smith's indebtedness to some precursors and his originality in connection with the use of two concepts, 'sympathy and impartial spectator', which are the core principles of his science of morals, are lucidly discussed in D.D. Raphael, 'The Impartial Spectator', in A.S. Skinner and T.Wilson(eds.), *Essays on Adam Smith*(1975), pp.85-96; D.D. Raphael and A.L. Macfie,' Introduction' to TMS(1976), pp.13-17.
9) TMS, I.i.1.10.
10) TMS, I.i.3.1.
11) It has been observed that the term 'sympathy' has several kinds of meaning in TMS. See, for example, J.Bonar, 'The Theory of Moral Sentiments by Adam Smith, 1759', *Journal of Philosophical Studies*, Vol.1(1926), p.352; T.D. Campbell, *Adam Smith's Science of Morals*(1971), p.96; K.Haakonssen, *The Science of a Legislator* (1981), p.51; P.H. Werhane, *Adam Smith and His Legacy for Modern Capitalism*(1991), pp.32-33.
12) Cf. TMS, I.i.3.5.
13) TMS, I.i.3.8.
14) TMS, I.i.3.6.
15) TMS, I.i.3.7.
16) Cf. TMS, I.i.4.
17) Cf. TMS, I.i.5.
18) TMS, I.ii.intro.2.
19) TMS, VI.iii.14.
20) Cf. TMS, II.i.1.
21) Cf. TMS, II.i.5.
22) Cf. TMS, II.i.3.
23) TMS, II.iii.intro.3.
24) TMS, II.iii.intro.4.
25) Cf. TMS, II.iii.2.1.
26) In this sense Smith's theory of moral judgment is called 'a most extraordinary combination of an ideal ethics of intentions with an actual ethics of consequences'. See K.Haakonssen, op.cit., p.65.
27) TMS, III.1.2.
28) Cf. TMS, III.2.6.
29) This point is made by A.S. Skinner, *A System of Social Science*(1979), p.55. cf. also 'Adam Smith: Ethics and Self-love', in P.Jones and A.S. Skinner, *Adam Smith Reviewed*(1992), p.148.
30) TMS, III.2.7.
31) Cf. TMS, III.3.5; III.3.32.
32) TMS, III.3.3.
33) TMS, III.3.4.
34) TMS, III.4.1.
35) TMS, III.4.4.
36) TMS, III.4.7.
37) TMS, III.4.12.
38) TMS, III.5.2.
39) TMS, III.5.6.

40) TMS, VI.ii.1.1; also TMS, II.ii.2.1; V.2.9.
41) TMS, V.2.9 and VI.ii.1.
42) TMS, II.ii.3.3.
43) TMS, II.ii.3.4
44) Cf. TMS, I.i.1.
45) Cf, TMS, I.i.3.
46) TMS, I.i.iv.7.
47) Cf. TMS, III.2.6.
48) TMS, II.ii.2.1.
49) TMS, I.i.iv.7.
50) TMS, III.5.1.
51) TMS, II.ii.3.4.
52) TMS, III.4.6 and 7.
53) Cf. TMS, I.iii.2 and 3; especially I.iii.2.8; I.iii.3.8; III.3.43.
54) Cf. Sir Leslie Stephen, *History of English Thought in the Eighteen Century*(1876), Vol.2, p.16, where it is claimed that Smith(as a member of the school of Shaftesbury) sought 'to obtain a comfortable and symmetrical theory at the expense of facts'.
55) Smith claims, for instance, that for man to act on the principle of self-love is 'fit and right', (TMS, II.ii.2.1.) and 'the mere want of the capacity to take care of one's-self is, with the generous and humane, the object of compassion; with those of less delicate sentiments, of neglect, or ... of contempt'. (TMS, VI.i.16.) And he also finds the disposition to admire the rich and the great to be a source of the order of society. (TMS, I.iii.2.3.)
56) TMS, III.3.4. Smith also says in the same vein that 'the natural misrepresentations of self-love can be corrected only by the eye of this impartial spectator'. (TMS, III.3.4.) In this respect see also TMS, III.6.7, where it is stated that a passion of ambition is approved without exception when it works within the limit of prudence and justice. This, of course, implies that if a man of ambition takes the position of the impartial spectator his action is approved, for person's conception with regard to virtue and vice, Smith judges, is derived from the practice of moral judgments by way of an act of sympathy from the vantage point of the impartial spectator. (Cf. T.D. Campbell, op.cit., pp.50 and 166).
57) One critic pointed out that Smith's ethical theory cannot afford to account for the ongoing debate on the moral issues such as abortion, drug-taking, and draft-dodging. See P.Mercer, *Sympathy and Ethics*(1972), p.92.
58) Moral conflict and moral dilemma are the terms which express a somewhat different concept respectively. The one is used when some rules of morality collide with one another, but the conflict can be resolved by reference to a certain method, say, like ranking among those rules of morality. The other find itself when moral requirement conflicts are unresolvable even by any means. See Walter Sinnott-Armstrong, *Moral Dilemmas*(1988), p.21; cf. also J.D. Wallace, *Moral Relevance and Moral Conflict*(1988), pp.6-23. However, since Smith's ethical theory does not recognize both situations, I shall treat them for convenience as if they would mean the same thing, since our aim is to see what his theory rules out.
59) W. Sinnott-Armstrong, op.cit., p.29.
60) Ibid., p.215; original italics.
61) In this respect the remark of a religious philosopher is very suggestive for our purpose, since he contends that morality is consistent on the ground of natural theology. As he states: 'suppose circumstances are such that observance of one Divine law, say the law

against lying, involves breach of some other absolute Divine prohibition? ... If God is rational, he does not command the impossible; if God governs all events by his providence, he can see to it that circumstances in which a man is inculpably faced by a choice between forbidden acts do not occur'. P.Geach, *God and the Soul*(1969), p. 128.

62) Recall, for example, that Smith claims: 'Nature, indeed, seems to have so happily adapted our sentiments of approbation and disapprobation to the conveniency both of the individual and of the society'. (TMS, IV.2.3.)

63) TMS, III.2.33.

64) TMS, VI.iii.23 and 25. In relation to the organismic view of Smith's thought that we noted in the previous chapter we shall look at this respect of the development of conscience of mankind in the next section.

65) On stressing the character of 'social ethics' that Smith's moral theory contains A.L. Macfie pointed out that the concept of the impartial spectator 'is much more convincingly and consistently worked out on its objective social and institutional side than on its subjective conscience side'. A.Macfie, *The Individual in Society*(1967), pp. 82-100 (and p. 94 for a sentence now cited.) In the same context see L.Bagolini, 'The Topicality of Adam Smith's Notion of sympathy and Judicial Evaluations', in A.S. Skinner and T.Wilson(eds.), op.cit., pp. 103-107.

66) It is claimed that an apprehension of legal activity in Court may be given in connection with this nature of Smith's moral theory. See L.Bagolini, op.cit., pp. 102-103 and 110-113.

67) WN, V.i.g.10; cf. also TMS, I.iii.3.5-6.

68) TMS, VI.ii.2.7.

69) Cf. A.S. Skinner, *A System of Social Science*(1979), p. 63, and T.D. Campbell, op.cit., chapter 6.

70) It is true that the problem of moral conflict 'between' groups or societies still remains. In this connection Skinner says that 'There is no discussion in the *Theory of Moral Sentiments* as to how the conflicts of opinions which may result can be resolved'(op.cit., p. 63).

71) See, for example, G.Bryson, *Man and Society*(1945), pp. 86-89; D.Forbes, 'Scientific Whiggism: Adam Smith and John Millar', *Cambridge Journal* , Vol.7(1954), reprinted in J.C. Wood(ed.), op.cit., pp. 273-280; R.L. Meek, *Economics and Ideology and Other Essays*(1967), pp. 38-40; idem, 'Smith, Turgot, and the "Four Stages" Theory', *History of Political Economy,* Vol.3(1971), reprinted in J.C. Wood(ed.), op.cit., Vol.4, pp. 150-152; idem, *Social Science and the Ignoble Savage*(1976), pp. 116-127; A.S. Skinner, 'Economics and History - The Scottish Enlightenment', *Scottish Journal of Political Economy,* Vol.12(1965), pp. 5-7; idem, 'Natural History in the Age of Adam Smith', *Political Studies,* Vol.15(1967), pp. 40-45; idem, *A System of Social Science*(1979), pp. 68-103; T.D. Campbell, op.cit., pp. 79-83; T.W. Hutchison, 'Adam Smith and *The Wealth of Nations*', *Journal of Law and Economics,* Vol.19(1976), reprinted in J.C. Wood(ed.), op.cit., Vol.2, pp. 178-179; H.M. Hopfl, 'From Savage to Scotsman: Conjectural History in the Scottish Enlightenment', *Journal of British Studies,* Vol.17(1978), pp. 29-33; P.H. Werhane, op.cit., p. 68ff.

72) Recall D.Stewart's statement : 'In Mr. Smith's writings, whatever be the nature of his subject, he seldom misses an opportunity of indulging his curiosity, in tracing from the principles of human nature, or from the circumstances of society, the origin of the

opinions and the institutions which he describes.' (Stewart, II.52.)

73) See A.S. Skinner, 'Adam Smith: an Economic Interpretation of History', in A.S. Skinner and T.Wilson(eds.), op.cit., pp.154-178; idem, 'A Scottish contribution to Marxist Sociology ?', in I.Bradley and M.Howard(eds.), *Classical and Marxian Political Economy*(1982), pp.87-98; K.Haakonssen, op.cit., pp.154-177; R.F. Teichgraeber, III, *'Free Trade' and Moral Philosophy*(1986), p.143ff.

74) D.Forbes, op.cit., p.277; cf. also R.L. Meek, *Social Science and the Ignoble Savage*(1976), pp.114-115.

75) Cf. TMS, VII.ii.intro.4.

76) TMS. VII.i.1.

77) TMS, VI.i.5.

78) TMS, VI.i.14.

79) TMS, VI.concl.2.

80) TMS, VI.concl.4.

81) TMS. I.i.5.5.

82) TMS, I.i.5.6-7.

83) Smith mentions that the passion of humanity belongs to the benevolent affections. (Cf. TMS, I.ii.4.1.) And humanity is sometimes accompanied by benevolence. (See TMS, VI.ii.intro.2 and VI.ii.2.16.).

84) Cf. TMS, VII.ii.3.2. and 18.

85) TMS, VII.ii.3.4.

86) TMS, I.ii.4.2.

87) Yet it is worthwhile to notice that the 'highest' virtue does not imply the 'most necessary' one. Smith thus could say in the metaphorical terms that benevolence 'is the ornament which embellishes, not the foundation which supports the building' whilst 'Justice ... is the main pillar that upholds the whole edifice.' (TMS, II.ii.3.4.).

88) TMS, V.2.5.

89) On Smith's argument the general rules of morality are derived from the observation that people have had of the moral judgments which were made in the particular situation. Cf. TMS, III.4.

90) TMS, V.2.7.

91) For this reason T.D. Campbell does not seem to recognise that the thesis of the progress of society is likewise illustrated with regard to the *Theory of Moral Sentiments*. See Campbell, op.cit., pp.80(n.2) and 143.

92) In the *Theory of Moral Sentiments* Smith makes use of the terms like 'barbarous' and 'civilized' instead of the fourfold classification with which he is usually associated : hunting, pasturage, agriculture and commerce. Yet it can be supposed from many parts of his writings that 'barbarous' corresponds to the first two and 'civilized' to the last one.

93) TMS, V.2.8.

94) TMS, V.2.9.

95) TMS, V.2.11.

96) TMS, V.2.8.

97) TMS, V.2.10.

98) TMS, V.2.11.

99) TMS, VII.iv.36; italics added.

100) TMS, I.i.5.5.

101) TMS, IV.2.10.

102) Cf. TMS, I.ii.4.

103) Cf. TMS, I.i.2.

104) TMS, VII.iv.28.

105) Some commentators say that Smith's theory of conscience is similar to Freud's theory of the super-ego and another claims that Smith's own is like that of Gordon Allport. For the first type of argument see T.D. Campbell, op.cit., pp. 148-149; D.D. Raphael, in A.S. Skinner and T.Wilson(eds.), op.cit., pp. 97-98; G.Harman, *Moral Agent and Impartial Spectator*(1986), pp. 11-12. For the second type see R.Lindgren, *The Social Philosophy of Adam Smith*(1973), p. 40. Later we shall make a brief comment on these views.

106) For the distinction between the positive and the normative organicism, and the main features of the second type of organicism I am indebted to W.Stark, *The Fundamental Forms of Social Thought*(1962), pp. 17-18 and 30-31. And here it is important to note that in the normative sort of organicism the term 'ideal' does not mean a thing like utopia.

107) It is well-known that Aristotle drew an organismic analogy to deploy the theory of institutions in society. See, for example, W.Stark, op.cit., pp. 19-25; H.E. Barnes, 'Representative Biological Theories of Society', *Sociological Review*, Vol. 17(1925), p. 120.

108) TMS, III.2.32.

109) Cf. TMS, III.2.1-7.

110) Cf. TMS, VI.concl.1 and VII.ii.1.49.

111) TMS, VI.iii.23.

112) Ibid.

113) TMS, VI.iii.25.

114) TMS, III.1.3

115) TMS, III.2.6.

116) TMS, III.1.6.

117) TMS, III.3.22.

118) Ibid.

119) Of course we can suppose another possibility that Smith thought 'the man without' to be too corrupted or partial to give the impartial judgment of certain behaviours. In fact Smith speaks of the partiality that faction and fanaticism bring about to the greatest extent : 'In a nation distracted by faction, there are, no doubt, always a few, though commonly but a very few, who preserve their judgment untainted by the general contagion.' (TMS, III.3.43.) To be sure this presents Smith's own apprehension of reality itself. However, as it was already noted, it ought to be remembered that Smith assumes the impartiality of spectators on the theoretical level. Meanwhile, in order to consider the aspect of reality in which many partial judgments are actually made yet, Smith seems to introduce a new assumption of the lack of information for the real spectators in part III of TMS. Smith's need to draw the distinction between the desires of praise and praiseworthiness therefore arises out of the introduction of the new assumption. On this ground appears the following expression in Part III; 'point of view in which their own consciences must tell them that they would appear to every body, if the *real truth* should ever come to be known.' (TMS, III.2.4.; emphasis added). The failure to follow Smith's reasoning that happens from the new assumption which he introduced on dealing with the theory of conscience led some critics such as Stephen and Swabey to insist mistakenly that, when he founded the jurisdiction of the man within on the desire for praiseworthiness as distinct from that for praise, he made the standard of morality incapable of being sought for in reality quite apart from the judgment of actual spectators which he previously established as the principle of approval. (cf. L.Stephen, op.cit., p. 76; W.C. Swabey, *Ethical Theory from Hobbes to Kant* (1961), pp. 182-

185) It is finally noteworthy that whilst, as T.D. Campbell evidently pointed out, Smith's discussion with respect to conscience has also an empirical character (op.cit., pp.154-155), he was able to give a more realistic account of the judgment of our own actions and of our sense of duty because of the introduction of the new assumption reflecting an aspect of reality.

120) Cf. TMS, III.2.1-7.

121) TMS, III.2.1.

122) TMS, III.2.7.

123) TMS, III.2.25.

124) TMS, III.2.5.

125) Cf. TMS, III.2.32.

126) TMS, III.3.4.

127) TMS, III.3.25.

128) TMS, III.3.35.

129) TMS, VI.iii.25.

130) In Freudian theory of the super-ego a child's parents is *not* the only source for his conscience. The formation of his conscience by way of identification is also affected by teachers and others in authority, since he is a member of various groups even in childhood. Cf. R.B. Brandt, *Ethical Theory*(1959), p.141.

131) Meanwhile, Raphael duly noted that Freud saw the nature of conscience as a social product of the negative forces of disapproval and fear, whereas Smith conceived it as a result of both favourable and unfavourable attitudes of others. See D.D. Raphael, in A.S. Skinner and T.Wilson(eds.), op.cit., pp.97-98.

132) R.B. Brandt, op.cit., p.143.

133) G.W. Allport, *Becoming*(1955), p.143.

134) Cf. TMS, III.2.6-7. Smith says that 'Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain' are 'original and immediate instincts'. (TMS, II.i.5.10) It is therefore safe to regard the desires of praise and praiseworthiness as innate inclinations of persons.

135) See G.W. Allport, op.cit., p.74, note 41 and *Personality*(1937), pp.190-212.

136) Allport was concerned with the universal characteristics of the mature personality. However, since his view is never based on organicism, it has nothing to do with the organismic standpoint that they both ought to be, and are being, sought by individuals. Cf. op.cit., pp.213-231.

137) TMS, VI.iii.25.

138) TMS, III.3.3.

139) W.K. Frankena, *Ethics*(1973), pp.4-5.

140) Cf. W.C. Swabey, op.cit., p.179. And note that T.D. Campbell's *Adam Smith's Science of Morals*(1971) is a detailed investigation in this respect.

142) T.D. Campbell, 'Scientific Explanation and Ethical Justification in the *Moral Sentiments*', in A.S. Skinner and T.Wilson(eds.), p.68. See also S.E. Nordenbo, 'Science of Morals and Moral Philosophy With Special Reference to Adam Smith's *Moral Sentiments*', *Danish Yearbook of Philosophy*, Vol.12(1975), pp.97-98.

142) Cf. TMS, III.3.11; II.ii.2.1; II.i.3.3; III.5.5.

143) K.Haakonssen, op.cit., p.61.

144) Ibid., p.136; original italics.

145) TMS, VII.iii.intro.3.

146) See above, chapter 4.

147) LJ(B), 1.

148) TMS, VII.iv.36.
149) K.Haakonssen brilliantly gave a detailed analysis of Smith's legal criticism which can be properly understood within the category of critical jurisprudence. Haakonssen claimed that the spectator principle which makes up the core in Smith's scientific explanation of morality becomes a critical tool in his critical jurisprudence and thus his science of morals is given a normative significance. However, he seemed to fail to see the reason for the identification of description and prescription that we earlier pointed out. See K.Haakonssen, op.cit., pp.135-153.
150) TMS, IV.2.3; cf. also TMS, I.i.4.4.
151) T.D. Campbell, op.cit., pp.75-76.
152) T.D. Campbell, *Adam Smith's Science of Morals*, p.219; original italics.
153) TMS, IV.2.3; cf. also TMS, III.5.7.
154) T.D. Campbell, op.cit., p.224.
155) TMS, III.3.5-7.
156) See T.D. Campbell, *Adam Smith's Science of Morals*(1971), pp.221ff.; idem, 'Scientific Explanation and Ethical Justification in the *Moral Sentiments*', pp.81-82. In these writings Campbell in fact seemed to change his main interpretation with respect to Smith's meta-ethics in that in the latter he stressed much more, and concentrated nearly exclusively upon Smith's utilitarian position at a contemplative level. For a similar assertion see also S.E. Nordenbo, op.cit., p.110.
157) TMS, II.iii.2.9.
158) TMS, I.i.3.10.
159) TMS, I.i.3.2.
160) Cf. TMS, III.2.7.
161) Cf. TMS, I.i.2.1-6.
162) TMS, III.3.3.
163) TMS, III.5.5.
164) On naturalistic meta-ethical theories see, e.g., W.K. Frankena, op.cit., pp.96-102; J.Hospers, *An Introduction to Philosophical Analysis*(1967), pp.568-72.
165) G.Myrdal, *The Political Element of the Development of Economic Thought*(1953), p.28; original italics.
166) W.Stark, op.cit., p.18.
167) Cf. W.K. Frankena, op.cit., pp.85-87 and 96-102.
168) This is T.D. Campbell's premiss for discussion of Smith's meta-ethics; see earlier quotations from him (note 137 above).
169) TMS, VII.iv.6.
170) Cf. TMS, VII.ii.4.6.
171) TMS, III.2.4; VI.iii.33-34.
172) Cf. TMS, VII.ii.4.7.
173) Cf. TMS, VII.ii.4.8-12.
174) TMS, VII.ii.4.8.
175) TMS, VII.ii.3.16.
176) TMS, VI.concl.1.
177) TMS, VII.ii.4.12.
178) TMS, VII.ii.4.14.
179) TMS, I.iii.2.1; italics added.
180) Cf. TMS, III.2.4; III.3.31.
181) Joan Robinson, *Economic Philosophy*(1964), p.22; cf. also F.A. Hayek, *New Studies in Philosophy, Politics, Economics and the History of Ideas*(1978), p.252 and L.Dumont, *From Mandeville to Marx*(1977), p.63.

182) Lucio Colletti, *From Rousseau to Lenin*(1974), p.210ff.
183) Thomas Horne, 'Envy and Commercial Society: Mandeville and Smith on "Private Vices, Public Benefits" ', *Political Theory*, Vol.9(1981), pp.560 and 565.
184) TMS, VI.i.6.
185) TMS, VII.ii.3.16; also TMS, VI.i.11.
186) Smith admits that such a moral problem in fact affects men's capacity for moral judgment(see, e.g., TMS, I.iii.3).
187) Sir Leslie Stephen, op.cit., p.39. But Stephen certainly is wrong in claiming that whereas the school of shaftesbury overlooked facts due to its harmonious theory of the universe, Mandeville kept his eyes upon the facts alone owing to the lack of the deistic outlook of the universe (cf. pp.15-18.).
188) Cf. A.K. Skarsten, 'Nature in Mandeville', *Journal of English and Germanic Philology*, Vol.53(1954), p.564.
189) Bernard Mandeville, *The Fable of the Bees*, edited by F.B. Kaye (1924), Vol.1, p.324.
190) Ibid., p.344.
191) Ibid., p.345.
192) Ibid., p.286.
193) Ibid., p.345.
194) Ibid., pp.348-349.
195) A.S. Skinner, 'Adam Smith: Ethics and Self-love', in P. Jones and A.S. Skinner (eds.), *Adam Smith Reviewed*(1992), p. 160.
196) See Thomas Horne, *The Social Thought of Bernard Mandeville*(1978), Chapter 2; cf. also F.B. Kaye's 'Introduction' to *The Fable of the Bees*, pp.ciii-cxiii.
197) It is said that of two paradoxical doctrines of Jansenism - men's degenerate state and the demand of the realization of absolute religious values - Mandeville did not yet follow the latter (see Thomas Horne, op.cit., p.23.).
198) Ibid., p.21.
199) See B.Mandeville, op.cit., pp. 344-49.
200) Ibid., p. 41.
201) For the point that Mandeville's approach to social phenomena was scientific depending on the laws of cause and effect see A.K. Skarsten, op.cit., p.568; M.R. Jack, 'Religion and Ethics in Mandeville', I.Primer(ed.), *Mandeville Studies*(1975), pp.35-38.
202) A.L. Macfie, op.cit., p.81; original italics.
203) TMS, VII.ii.4.7.
204) TMS, VII.ii.4.8.
205) H.Monro, *The Ambivalence of Bernard Mandeville*(1975), p.235.
206) F.B. Kaye's 'Introduction' to *The Fable of the Bees*, p.lxiii.
207) B.Mandeville, op.cit., Vol.1, p.57.

Chapter 6: Some Analyses of the *Wealth of Nations* With Reference to Smith's Metaphysical or Metatheoretical Principles

6.1. Introduction

The central arguments of this thesis are based on the proposition that metaphysical doctrines, which can be seen to be confirmable yet irrefutable (therefore extra-scientific), are influential in scientific study or at work in the background of scientific inquiries. Metaphysical doctrines provide a general perspective whereby a coherent type of data can be arranged and organized, and rule out a certain range of theoretical possibilities. Looking at problems from this outlook we have observed several features of the *Theory of Moral Sentiments*, and found that there is scope which allows a more consistent interpretation with regard to Smith's system of thought.

In this chapter we shall focus attention on some aspects of the *Wealth of Nations* in a similar manner as we have done in the last chapter. But there seems to be more difficulty in this task, in the sense that many commentators found two different perspectives in Smith's thought in association with the fact that the *Wealth of Nations* discloses a great number of cases of the social flaws. In this connection it is noteworthy that Smith's 'philosophic and historical vision' was declared to show two contrasting convictions of optimism and pessimism. Therefore, before we proceed to demonstrate a regulative influence of Smith's religious belief grounded on natural theology on his 'theoretical' analysis of an exchange economy, we shall need to elucidate a point in connection with the gloomy features of human affairs which the *Wealth of Nations* uncovers in many places. I shall first review the present line of interpretation which finds an 'intrinsic dichotomy' between theoretical and practical domains in the *Wealth of Nations* in order to explain the coexistence of the themes of social harmony and disharmony. I shall argue for both the fact that Smith was a well-balanced observer, and the requirement that we draw an explicit line between theoretical and practical dimension in

Smith's work, and yet we ought not to seek a complete separation between his methods of inquiry, abstract and empirical, or ideal and real. This is the burden of the next section. And we shall proceed to devote ourselves to exploring Smith's view of economic growth, the division of labour, and value and distribution; the tasks to be performed so as to prove my theme that his natural theology had a regulative effect on his scientific study. Accordingly, in the second section, I shall endeavour to show that Smith's view of long-term economic evolution is characterized by an unlimited growth because he is bound to the notion of progress as a metatheoretical principle. Next, I shall proceed to reveal that Smith's theoretical treatment of distribution is bound up with his metatheoretical principle of ruling out conflict. This fourth section is also partly intended to take issue with the writers who perceived Smith's analysis of value and distribution in the *Wealth of Nations* as bringing out the theme of social conflict and exploitation. Meanwhile, the metatheoretical principle of progress is also interesting in relation to Smith's treatment of the division of labour. Whereas the division of labour acts as one of the basic determinants of social progress in Smithian theoretical economics, at the same time it appears as a barrier which is responsible for a harmful effect on the labourers' intelligence, morality, and martial spirit. On account of this fact a number of commentators found Smith's statements concerning the deleterious consequences of the division of labour as a significant source of inspiration for Marx's critique of capitalism. While I do not deny this contention, I would claim that there is an irreconcilable gap between Smith's and Marx's approaches to the division of labour, ascribing it to the difference of the world view which Smith and Marx respectively presupposed as true. This will be performed with a view to an illustration of the theme that metaphysics is methodologically suggestive in such a way that limits or rules out a certain range of theoretical possibilities. This is the task of the final section.

6.2. The Duality of Smith's Method of Inquiry?: A Conventional Outlook Reviewed

CHAPTER 6

In a well-known passage of the *Wealth of Nations* Smith reminded readers that the self-seeking motivation of capitalists who were never concerned with social interest unintentionally brought about socially beneficent consequences: 'Every individual is continually exerting himself to find out the most favourable employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily leads him to prefer that employment which is most advantageous to the society'.[1] An instance which Smith introduced in order to underpin the theme of unintended results in human affairs was that capitalists, since they want the highest return on capital, naturally prefer investment in domestic industry to that in foreign trade, so that social produce, without anyone's intention or as if led by an invisible hand, becomes maximized. As Smith wrote:

> 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. He generally, indeed, neither intends to promote the publick interest, nor know how much he is promoting it. By preferring the support of domestick to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.[2]

This is a case to which Smith applied the principle of the heterogeneity of purposes; the thesis which states that while man acts for the sake of his personal purposes alone, the social outcomes produced by such individual actions are often greater.[3] But more importantly, the passage has been popular in that it summarises the central argument which Smith's formal economic analysis as a whole involves; the message that since everyone who acts on his own self-interest is the best judge with regard to the way which makes the use of his capital and labour most profitable, the wealth of a nation will be maximized if he is left free to carry on his business in accordance with his judgment. In this vein it is not surprising that many Smithian students found the doctrine of social harmony in the *Wealth*

of Nations. Gunnar Myrdal is typical of this trend, when he states: 'A sunny optimism radiates from Smith's writings. He had no keen sense for social disharmonies, for interest conflicts. ... On the whole, it is true to say that he was blind to social conflicts. The world is for him harmonious. Enlightened self-interest ultimately increases social happiness'.[4]

However, on the other hand, we have become familiar with the fact that the *Wealth of Nations* reveals another side of society as contrasted with that of social harmony. That is, whereas the book endorses the doctrine of social harmony on the side of production, it also uncovers a good number of instances of social conflict on the side of distribution, and the dark features of a commercial society. This type of perception is due to the authors like E. Halevy, Gide and Rist, and Viner.

Giving qualification against Smith's dominant image as such, namely, a patron of the thesis of social harmony, Gide and Rist, the coauthor of one of the earliest books that treated the history of economic thought as a separate subject, stated:

> This idea of a harmony between private interest and the general well-being of a society was not put forward as a rigidly demonstrable a priori theory, open to no exceptions. It was a general view of the whole position - the conclusion drawn from repeated observations ... Smith would have been the first to oppose the incorporation of his belief in any dogma. ... He was also the first to point out instances - in the case of merchants and manufacturers, for example - where the particular and the general interest came into conflict. We might cite many characteristic passages in which he takes pains to qualify his optimism.[5]

In a similar vein Jacob Viner compiled collections of numerous examples of disharmony that can be found in the *Wealth of Nations.*[6] A partial list of the social flaws whose instances Viner collected is roughly as follows. Masters and workmen have conflicting interests over wages, because the former wants to give less and the latter to receive more, and owing to this fact both parties tend to come to a combination: 'The workmen desire to get as much, the masters to give as little as possible. The former are disposed to combine in order

to raise, the latter in order to lower the wages of labour'.[7] Moreover, the masters usually have the superior bargaining power over the workmen.[8] In addition, the interest of merchants and manufacturers is opposed to the interest of the public in that the former always attempts to raise prices of goods by way of imposing restrictions on competition.[9] There is also divergent interests between the manufacturers in town, and the farmers and landlords in country[10], between the master and the apprentice, and the public.[11] The division of labour is detrimental to the labourers' intelligence, morals, and martial spirit.[12] Indeed, Smith made a number of individual statements[13] throughout the work with regard to the flaws in the social order, which were mainly associated with the problem that took place among individuals or classes due to economic gain. These are unequivocally the statement of social disharmony which Smith did not fail to confess. It was thought that even this partial list of social conflict would provide ammunition for socialist orations.[14]

On the basis of this fact Viner compares the *Theory of Moral Sentiments* with the *Wealth of Nations*. In Viner's view the former work is a book of a speculative philosopher which draws a set of self-evident propositions from a doctrine of a harmonious order in nature. In contrast, Smith in his later writing was, Viner observes, keen not to neglect factual material and preferred observational data to generalization which proclaims the natural harmony of economic order. Out of this new attitude which Smith shows in the latter book the intense collision between generalization and facts thus arose, and came to comprise its inconsistency. As Viner put it:

> He still, it is true, retained his flair for resounding generalizations of heroic range. There is a long standing feud between sweeping generalization and run-of-the-mill factual data, and when Smith brought them together he did not always succeed in inducing altogether harmonious relations. But Smith's strength lay in other directions than exactly logical thinking, and he displayed a fine tolerance for a generous measure of inconsistency. It is to his credit that when there was sharp conflict between his generalization and his data, he usually abandoned his generalization.[15]

Here we can notice that Viner talks as if Smith sought 'sweeping generalization' on the basis of the assumption of the natural harmony

of economic order and irrespective of ordinary facts. But it will be shown below that this contention which Viner makes is, in some respects, misleading.

At all events, Viner's discussion about the 'flaws in the natural order' which are found in the *Wealth of Nations* seems to have become an influential source for many later Smithian commentators.[16] It has, in a large measure, given stimulus to numerous studies with respect to the dark side of Smith's thought. And Viner's contrast of 'sweeping generalization' with 'run-of-the-mill factual data' has brought an interest in Smith's method of inquiry. Firstly, much attention was paid to the problem of so-called alienation in connection with Smith's explicit statement concerning some damaging effects on the labourers of the division of labour in a commercial society. And this line of study was so closely related to the problem of how to comprehend methodologically Smith's statements as to two contrasting effects of specialization.[17] Secondly, it was asserted that Smith's scheme of evolution (and his philosophic vision) was eventually pessimistic.[18] This argument received support both from those studies which dealt with the theme of so-called alienation, and from Smith's description of a stationary state in relation to economic evolution. Thirdly, the Marxian interpretation of Smith's value theory which had existed prior to Viner's observation of social disharmony found refreshing evidences in support of the themes of social conflict and exploitation which such interpretation accompanied.[19] Finally, the coexistence of the bright and dark sides which are disclosed in Smith's work enabled several commentators to point out the duality of Smith's method of inquiry, i.e., his manner of making 'parallel' use of two distinctive methods, *a priori* and inductive, or abstract and empirical, or ideal and real.[20] These are four strands of interpretation which may be seen to be affected, in some degree, by Viner's early study. Since I suppose that a more correct methodological approach becomes the basis for resolving some misapprehensions which happen around this issue, I shall first address myself to methodological discussion in relation to the coexistence of the themes of social harmony and conflict.

CHAPTER 6

A conventional point of view from which two opposed features that Viner noted are approached is simply to introduce the two Smiths. According to Guy Routh's expression, 'we observe in Adam Smith a curious conflict in beliefs. There is the received gospel that he must faithfully transmit; then he changes roles and becomes intermittently an apostate denying what he has preached'.[21] Many commentators made a similar point in this connection.[22] Jerry Evensky's writing is noteworthy since recently it was concerned to detail this type of argument. The duality of Smith's thought results from his distinction between the ideal and the real world. As Evensky put it:

> The voices [of Smith] express the two points of view from which Smith views the world. One of them is that of Smith as moral philosopher. From this point of view Smith sees the world as the Design of the Deity, a perfectly harmonious system reflecting the perfection of its designer. Smith's second viewpoint is that of historian, contemporary observer, and social critic, and from it he sees that the real world is not the Design of his ideal vision. He recognizes that human frailty leads to distortions in the Deity's Design.[23]

According to Evensky, the former analysis was built up on the socio-psychological premiss of 'perfect' individual virtue, whereas the latter analysis is based on the socio-psychological premiss of 'human frailty'.[24] Obviously, this account implies that Smith's perspective was divided because of two different sets of method of inquiry, abstract and empirical, and the two Smiths, i.e., Smith the moral philosopher and Smith the social critic respectively emerged from an exercise of those different methods. Since this type of interpretation not only finds the duality of Smith's methodology or his manner of making 'parallel' use of two different methods, but also supports implicitly the view that draws the inherent dichotomy in Smith's philosophic and historical vision from what he told us about the flaws of the social order throughout the *Wealth of Nations*[25], it is important to observe what Smith's own method of inquiry actually is.

To start with, we need to note that Smith's recognition of bright and dark features in a commercial society is intimately connected with the psychological assumption in the *Wealth of Nations* that man acts in a self-interested manner in economic transactions; the assumption that

Smith expressed in one of the best-known passages: 'It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but their self-love, and never talk to them of our own necessities but of their advantages'.[26] From this premiss Smith did not merely draw a picture of increasing well-being and prosperity which are seen to be reached as a result of the division of labour and capital accumulation. On the same assumption he also found a number of instances of conflict of interests among individuals or groups. For example, the clash of interests between workers and employers, as this is shown by the combination of each group to raise wages or to keep wages low beyond what free competition would allow in the labour market, came from an effort of each group to seek its self-interest. Now it is noteworthy that this kind of social conflict among people was familiar to Smith. This point reveals itself in the *Theory of Moral Sentiments*; Smith's earlier book which provides, as it is now commonplace since the bicentennial literature,[27] richer and more comprehensive treatment of the psychology of self-love[28] on whose assumption the *Wealth of Nations* is built up.

Smith made it clear in the earlier writing that self-interest was not simply a natural principle of the human mind, but a prime one of passions which motivated human action: 'Every man is, no doubt, by nature, first and principally recommended to his own care. ... Every man, therefore, is much more deeply interested in whatever immediately concerns himself than in what concerns any other man'.[29] Obviously, under these circumstances it would be not difficult to expect that some forms of self-interest are likely to bring about discord and disorder among individuals or groups or nations. Indeed, Smith, although he mentioned only a general rather than a detailed state of affairs of disorder, noted, in many places,[30] hostile opposition, violence and crime, and ascribed such anti-social phenomena to excessive selfishness. In Smith's eyes, self-deception or what is described by Smith as 'the delusions of *self-love*' in moral judgments, 'this fatal weakness of mankind, is the source of half the disorders of human life'.[31] This undoubtedly reflects Smith's realistic sense. Because of the possibilities of unconstrained self-

interest Smith judged that justice was the minimum condition for the existence of society. In this regard, the enforcement of the rules of justice was considered as a duty of government.[32] It should be seen that if Smith had been blind to the fact of social disruption and unrest, the discussion of justice would never have been thought of. On the other hand, however, it is likewise important to be aware that Smith discovered that abuse of self-interest was not invariably the case. That is, Smith found that there had been social agreement among people, and man as a social being was involved in an uninterrupted communication process, affected by social opinion and conscience. At the practical level Smith observed the fact that extreme pursuit of self-love was voluntarily restrained by certain elements, so that society was able to survive and continue.[33]

Looked at in this way it is evident that Smith as an observer was a level-headed person and well aware of various facets of reality in which agreement, cooperation and friendship on the one side, and antipathy, antagonism and resentment on the other abounded. Yet, what is of critical consequence is that Smith as a theorist was led to deem the facts connected with social concord rather than antipathy to be an appropriate substance for theoretical construction. As we have seen in the previous chapter, therefore, on the level of moral theory, it is shown that all the checks and controls of self-interest are achieved in terms of man's moral faculties. In other words, Smith's theory of moral judgment points explicitly to the restraint from and the reconciliation of the probable abuse and clash of self-interest between individuals by virtue both of the impartial spectator mechanism, and of man's regard to the moral rules of behaviour.[34]

If it is agreed that Smith apply the same methodological perspective in both of his major writings, it is possible to view the *Wealth of Nations* in the same vein. Therefore, we would expect to find a number of instances of social flaws scattered throughout the *Wealth of Nations* chiefly revolving around economic gain. It is highly likely that so long as Smith finds man's predominant motive of action to consist in self-love, he will be ready to reiterate that the collision of interests between individual and individual or between individual and society everywhere would occur. However, what matters

for our purpose is that as in the *Theory of Moral Sentiments*, so in the *Wealth of Nations* Smith, on the formal or theoretical dimension, focuses on socially positive facts alone among various features which he actually observes that man's self-interest brings in the economic world. Smith observes negative facts which obtain in society, yet leaves them as empirical data alone. In this way, at the level of formal economic analysis Smith provides a vision of steady economic progress, concentrates on the beneficial effects of the division of labour, and allows little room for social conflict even on the side of distribution of social product, as we shall see in the succeeding sections. In my opinion, the ground on which Smith focuses attention on the positive rather than the negative side of social reality should be found in his 'conceptual' outlook of the motions of society which regards social progress and harmony as the 'original' arrangements of nature.

It should be seen, in concluding, that it is indeed difficult to accept the conventional view noted above which finds the duality of Smith's method of inquiry in the discovery of social flaws that are disclosed in the *Wealth of Nations*. Those who hold that point of view are inclined to separate completely methods, *a priori* and inductive, or abstract and empirical, or ideal and real, in Smith's work. On account of this fact the conventional outlook seems to be able to lend support to a certain view which suggests a duality of Smith's philosophic vision. The truth is that Smith's method of social inquiry which is related to his theoretical analysis is at once *a priori* and inductive, or abstract and empirical, or ideal and real. This is a fundamental foundation on which we shall proceed.

6.3. The Metatheoretical Principle of Progress and the Theory of Growth

A large number of commentators[35] have already observed that for Smith the idea of the progress of society plays a key part in his account of the history of civil society; a form of account which has been duly called 'philosophical history' in the sense that it seeks to

give a historical analysis in a fashion which employs a scientific method (such as Newton's) whereby we 'lay down certain principles known or proved in the beginning, from whence we account for the severall Phenomena, connecting all together by the same Chain'.[36] It is now known, on the authority of W. R. Scott that Smith's endeavour to demonstrate the theme of the progress of society is traceable back to his late twenties between 1748 and 1751 when he lectured in Edinburgh.[37]

Smith states explicitly in the *Wealth of Nations* that there is a 'natural progress of things toward improvement'.[38] And it has been shown in detail[39] that in the later work Smith provides an account of social progress from the rise and fall of the feudal society to the emergence of modern European states by reference to the self-interest of individuals and the stadial thesis which envisages society as passing through four distinct modes of socio-economic organisation. Indeed Dugald Stewart indicated that in the *Wealth of Nations* 'the great and leading object of his speculations is ... to illustrate the provision made by nature in the principles of the human mind, and in the circumstances of man's external situation, for a gradual and progressive augumentation in the means of national wealth'.[40] It may therefore be said that Smith's prevalent objective in the type of historical investigation envisaged lay in an ideal or a highly formal and theoretical delineation of economic progress through time.[41]

Smith's scheme of economic development as purely economic analysis as distinct from the philosophical history has also been touched upon by a large number of historians of economic thought. A larger number of commentators found that Smith presented a very optimistic picture of the future prospects of a commercial society.[42] However, others, whilst focussing on Smith's explicit remark with reference to a stationary state, tended to see that his view about the nature of social evolution had to be eventually found out in a gloominess of the final stage.[43] While commentaries of the former kind may have a validity in that they try to reconstruct what Smith has in mind as to economic growth, here my concern is to clarify on what ground conclusions which the latter type of commentaries reach concerning the inevitablity of the stationary state are misleading. It is of course

to be recalled that this task will be performed in order to illustrate my theme that at the analytic or theoretical level Smith consistently applies his metatheoretical principles in exploring society.

In this section I shall therefore address myself to the exercise of showing that Smith's theoretical interest lay indeed in an ever-progressive economy, and of suggesting the manner in which his optimistic account of economic evolution can be understood in spite of his expressed reference to the stationary state. Before going further it yet appears necessary to mention what Smith assumed for the sake of an analytic treatment with regard to a commercial economy. This is important, since it helps not only to see a close linkage between the analysis of economic growth and other areas within his theoretical economics, but also to gain a more precise understanding of his theoretical doctrine, as distinct from empirical descriptions, concerning economic evolution.

The concern of science lies, Smith maintains, in finding the connecting principles of nature in terms of which a complex of disjointed and discordant phenomena are inter-related.[44] As a result, it has became the dominant view that on the same basis, namely, on the conviction of the interdependent nature of diverse economic phenomena, Smith addressed himself to economic analysis. In this connection Jacob Viner noted that Smith made 'detailed and elaborate application to the wilderness of economic phenomena of the unifying concept of a co-ordinated and mutually dependent system of cause and effect relationships which philosophers and theologicians had already applied to the world in general', thus providing 'a definite trend toward logically consistent synthesis of economic relationships, toward "system-building"'.[45]

From a similar viewpoint it has been demonstrated that the treatment of the division of labour, the analysis of price and distribution, the discussion of reproduction, of capital accumulation, and of growth are all inseparably linked with one another in such a way as to constitute an economic machine which ensures the efficient working of a type of economy where the goods one requires are attained through exchange.[46] As A. S. Skinner has pointed out it:

> It may now be apparent that the concept of the philosophical (analytical) system as a kind of 'imaginary machine' is particularly apt as a description of Smith's contribution to theoretical economics. ... Smith's argument makes it possible to proceed from one area of analysis to another in a fairly clear and logical order; from the analysis of price to that of distribution, from the analysis of distribution to the treatment of the 'circular flow' and thus to the explanation of growth. Moreover, it is apparent that Smith advances through the work by dealing with distinct logical problems in a particular sequence, and in a form which successfully demonstrates the interdependence of economic phenomena.[47)]

On this ground Smith's science of economics has often been called a 'theoretical system'[48)] or 'conceptual system',[49)] although it is true that some economic analyses in detail have been declared to be inconsistent or irrelevant from the perspective of modern commentators.[50)] It seems of great importance, in some respects, to understand properly the Smithian theoretical or conceptual system which conceptualizes a commercial economy in terms of the interdependence of its components. Firstly, based on the notion of a reciprocal causation, Smith envisaged as endogenous the variables which act as the major forces of the dynamic process. Allyn Young's following statement, which sounds like mere tautology, suggests very well such a characteristic: 'Adam Smith's dictum amounts to the theorem that the division of labour depends in large part upon the division of labour'.[51)] Secondly, in so far as 'theoretical economics' is concerned, Smith postulated certain factors as given.[52)] In other words, in order to derive the type of theoretical propositions through his formal economic analysis Smith first presumed that the competent institutional arrangements due to perfect justice and liberty are properly established[53)]; and secondly adopted, as A. Lowe duly noted, 'the assumption of constant returns on natural resources, that is, an optimistic view of nature's bounty which, for all practical purposes, permits the output of agriculture and of the extractive industries to adjust itself to rising demand without any check on real output and income'.[54)] As a matter of fact, Smith was inclined to think that an improper institutional structure[55)] and a certain sort of physical conditions would act, in fact, as barriers which prevented theoretical propositions in his formal analysis from being precisely reached. For example, his theory of natural price in which the market price of commodities always tends to gravitate

towards the natural price may be stated to obtain where a condition of justice and liberty is satisfied[56]; further economic advance cannotbe made in areas where some natural conditions such as fertility of the soil are not fulfilled.[57] After all, this discussion implies that when Smith is concerned with his formal economic analysis he makes effective use of the 'ceteris paribus' postulate, meaning other things being equal, as a methodological rule. In this respect it is of vital significance to remember that if Smith's theoretical doctrines interest us, they need to be duly distinguished from his merely empirical or historical statements.[58]

Now, we shall devote ourselves for a moment to show how Smith draws an optimistic picture of the mechanism whereby social progress is assured. To start with, let us turn our attention to identifying the major forces upon which Smith counted for economic growth. That Smith's principal concern within economic analysis was with economic growth[59] may be supposed from the full title of the *Wealth of Nations* and from the fact that much of the work is permeated by his attention to the issue of economic development. In addition, we are reminded that Smith stated clearly that the objective of political economy was 'to enrich both the people and the sovereign'.[60] Given the objective of political economy, Smith considered two conditions to be of fundamental importance:

> The annual produce of the land and labour of any nation can be increased in its value by no other means, but by increasing either the number of its productive labourers, or the productive powers of those labourers who had before been employed.[61]

That is to say, the level of the annual output (or economic growth) is governed by two sets of requirement; firstly, the proportion in which labour is employed in productive purposes; secondly, the productivity of labour, whose degree is enlarged by the division of labour. Yet, the even more fundamental precondition of economic development in a commercial society depends, Smith finds, upon capital accumulation. For capital accumulation helps to increase the amount of the employment of productive relative to unproductive labour and to widen scope of the sub-division of labour. As Smith pointed out:

> The proportion between capital and revenue, therefore, seems everywhere to regulate the proportion between industry and idleness. Wherever capital predominates, industry prevails: wherever revenue, idleness. Every increase or diminution of capital, therefore, naturally tends to increase or diminish the real quantity of industry, the number of productive hands, and consequently, the exchangeable value of annual produce of the land and labour of the country, the real wealth and revenue of all its inhabitants.[62]

> As the accumulation of stock must, in the nature of things, be previous to the division of labour, so labour can be more and more subdivided in proportion only as stock is previously more and more accumulated. ... As the division of labour advances, therefore, in order to give constant employment to an equal number of workmen, an equal stock of provisions, and a greater stock of materials and tools than what would have been necessary in a ruder state of things, must be accumulated beforehand.[63]

These suggest that Smith assigned a central role for economic growth to the division of labour and capital accumulation. Moreover it is noticed that in the Smithian model of economic growth such major determinants of economic development are intimately inter-related with one another in a way that constitutes, once established, a reciprocal causation or a linking chain acting as both dependent and independent variables.[64] Given this knowledge, we shall now give a brief description of the mechanism whereby Smith presents the process of economic change through the interaction of those principal factors above described.

In Smith's account, capital accumulation immediately brings about an increase in the amount of employment: an additional capital which is rendered available by parsimony or net saving, 'by increasing the fund which is destined for the maintenance of productive hands, tends to increase the number of those hands whose labour adds to the value of the subject upon which it is bestowed'.[65] On the one hand, this fact leads to the growth of physical output and wealth by virtue not just of a growing proportion of productive to unproductive labour,[66] but also of technical advance and increasing productivity which are due to the division of labour which has a positive relation to employment.[67] On the other, an increase of capital also contributes to the increase in wages and population, because it is directly responsible for the addition to the wages fund.[68] The former causes

the price of manufactured goods to fall in the long run.[69] The latter also serves to give stimulus to the market for products by way of making possible an enlarged demand for goods, which will in turn, through widening the size of the market, provide further scope to the division of labour.[70] After all, a sequence of the flow turns out to be further capital accumulation; a new departure point from which economic growth on an extended scale can be carried further forward. It may thus be stated that Smith had in mind, to be sure, a process of economic evolution, wherein an economy in the commercial stage will move forward towards indefinite progress by the aid of the interaction of increased productivity and widened markets, both of which rely on capital accumulation. In this respect it seems correct to say that Smith's theoretical interest in the problem of economic change rested solely upon a type of economy marked by increasing returns to scale[71]. As such, the Smithian model shows a very pleasant prospect for the future.

This is a brief sketch of Smith's theory of economic evolution, to which the greatest priority is given throughout the *Wealth of Nations*. Meanwhile, if this line of argument is accepted as correct, the question of how to understand Smith's two contrasting statements with regard to the evolutionary trend is likely to be raised. For the textual presence of the opposed parts in connection with the future prospects of economic evolution has enabled many writers to see two different aspects concerning the core of Smith's theory of economic growth.

In the chapters on wages and the profits Smith made 'empirical' observations with regard to thriving, stationary, and declining states. Firstly, Smith states that there is a progressive state, one which is in reality the cheerful and the hearty state to all the different orders of the society'; a situation where 'while the society is advancing to the further acquisition, ... the condition of the labouring poor, of the great body of the people, seems to be the happiest and the most comfortable'.[72] It is depicted as the best circumstance for all, because it is apparently marked by the continuous increase of wealth and opulence, which implies an increase of revenue and capital respectively for landlords and entrepreneurs on

the one hand, and rising real wages for labourers on the other. In the light of our line of argument Smith's empirical observation of this kind corresponds to the nature of the whole path of economic development which he envisages at the theoretical level. Secondly, Smith speaks of the 'stationary state', as found in:

> a country which had acquired that full complement of riches which the nature of its soil and climate, and its situation with respect to other countries allowed it to acquire; which could, therefore, advance no further, and which was not going backwards, both the wages of labour and the profits of stock would probably be very low.[73]

In a society which is in the stationary state the competition among labourers reduces wages to the level of subsistence; most capitalists, who carry on a business with a moderate level of stock sink into the status of self-employer; only a fairly limited number of the wealthy continue to live on their money interest.[74] Finally, Smith alluded to a declining state in which, as a result of the falling-off of the capital stock of society, wages are reduced even below 'the most miserable and scanty subsistence of the labourer',[75] whereas the profit rate is becoming so high as to encroach on the entire rent of the landlord.[76] And it is also mentioned that in this condition population decreases due to starvation up to the level at which the capital stock of the society is easily capable of sustaining it.[77]

Now, if the declining state is left out of consideration since, despite its 'textual' presence, few tend to think it to be a final stage that Smith expected the growing society to reach, two contrasting situations remain to be explained. On account of the very coexistence of two yet apparently opposed passages which were connected with the prognosis of the long-term economic process many writers have been able to claim either an insuperable dichotomy between Smith's twofold assertions, or an eventually pessimistic nature of his vision, which must prompt us to find in his work a type of 'dismal science' that suggests a Ricardian prospect.[78] It is important that some parts among various statements offered by Smith ought not to be favoured to the exclusion of others. However, in so far as Smith's *Wealth of Nations,* which contains diverse factors such as theoretical arguments, empirical statements, historical discourse,

and policy recommendations, is concerned, it is also important to distinguish such elements and dimensions properly. In particular, where our interest lies in Smith's theoretical arguments, it is likely that the validity of any exegesis does not rely so much upon citation from a peculiar part, as upon the totality of an author's work. In this regard, it is worth quoting what George Stigler proposes in conjunction with textual exegesis:

> A successful hypothesis accounts for the important relationships in the appropriate data, but it need not account for random variation. Similarly, the textual interpretation must uncover the main concepts in the man's work, and the major functional relationships among them. The interpretation need not account for careless writing or unintegrated knowledge. ... The test of an interpretation is its consistency with the main analytical conclusions of the system of thought under consideration.[79]

I believe this remark is a moderately helpful guide for the purpose of exegesis, if a requirement is added that commentators should not rule out giving the reason for 'random variation' which the author examined, if he is at least a systematic writer, offers in his writings.

In the light of this perspective we shall now mainly concentrate on Robert Heilbroner's view, because he was particularly interested in the paradox of progress which was deemed to arise from the duality of Smith's own philosophical and historical vision. Robert Heilbroner begins with a Smithian model of economic growth originally constructed by A. Lowe[80]; a model which shows 'hitchless' growth, with an economy moving forward in dynamic equilibrium without outside disturbances. Yet he maintains that somewhere the upward trend must turn into a process which moves on towards a stationary state, an end of the historical sequence apparently characterized by general poverty.

What deserves to be noted is that before proceeding to explain the way leading to the Malthusian-Ricardian prospect Smith is believed to propose, Heilbroner concedes very clearly that 'Nowhere does Smith actually explain the mechanism that leads him to the conclusions so unequivocally spelled out'.[81] Presumably it would be a highly curious thing to think that, given that it is usually recognized that

his originality rests upon system-building, Smith himself fails to make quite plain the procedure by which the course of continuous economic development is so reversed as to run towards the gloomy final stage. At any rate, Heilbroner believes that within the statements apparently made by Smith just one behavioural source, which leads to the consequence, remains to be inferred: 'a rate of population growth that continues to be positive throughout the various stages of real *per capita* well-being implied in the long trajectory of economic growth and decline'.[82]

Heilbroner's reasoning on Smith's behalf may be summarized as follows. On the one hand, rising wages ensuing from the increasing demand for labour, that is in turn caused by capital accumulation, make a positive contribution to a continuous increase in population by means of producing a greater ability of labourers to support a larger number of children. On the other hand, as capital accumulates, the profits that are responsible for further accumulation are likely to decline on account of the supposed inverse relationship between wages and profit,[83] or because 'High wages of labour and high profits of stock, however, are things, perhaps, which scarce ever go together, except in the peculiar circumstances of new colonies'.[84] In this way Heilbroner came to a conclusion that 'Hence we must assume that the increase of population proceeds relentlessly until it reaches a point at which the increase in productivity stemming from the continuing division of labour is finally overwhelmed by the decreasing productivity of the land and resources available to the nation'.[85] This is a summary of the anatomy of the 'concealed' mechanism that is responsible for the grim dynamics in the *Wealth of Nations* to which Robert Heilbroner once addressed himself. It is notable that in fact Heilbroner's view concerning Smith's prognosis of the long-run trend of an economy coincides precisely with the logic of David Ricardo's reasoning.[86]

Three assumptions which were made by Heilbroner require clarification in questioning the validity of his interpretation. Firstly, Heilbroner postulated that in Smith's model of economic growth the profit rate was the ultimate source which enabled manufacturers to accumulate capital.[87] Since Smith obviously found

that the profit rate would fall in the course of social progress, Heilbroner noted that manufacturers' inability to accumulate capital stock as a result of the falling rate of profit would act as a hitch which prevented the growth process from proceeding. Secondly, he presumed that in Smith's view the (Malthusian) population mechanism took control of population so effectively that its size in the end would multiply to fit in with the level which could be sustained at the subsistence wage.[88] Finally, he believed that Smith expected diminishing returns in agriculture[89]; a phenomenon which occurs due to the assumption of non-homogeneity of land in Ricardo's corn model. Combined together, to be sure, all these elements are likely to act as the decisive variables that are sufficient to portray the evolutionary process of a commercial economy which, via a progressive state, descends to a stationary state. Hence, what becomes of much significance for our purpose is to examine whether or not Smith ever subscribed to those propositions.

It remains true that Smith acknowledged that the rate of profit has a tendency to fall with the continuing accumulation of capital stock, attributing the falling rate of profit to the intensity of competition among capitalists.

> The increase of stock, which raises wages, tends to lower profit. When the stocks of many rich merchants are turned into the same trade, their mutual competition naturally tends to lower its profits; and when there is a like increase of stock in all the different trades carried on in the same society, the same competition must produce the same effect in them all.[90]

However, what is of great importance is that Smith clearly associated capital accumulation during a given period not so much with the rate of profit but with the magnitude of profit.[91] In other words, in so far as Smith's view of capital accumulation was concerned, the capital-supplying power rested upon the amount of aggregate profits rather than upon the profit rate itself. Only in this way we can properly understand Smith's assertion that as social progress proceeds the bulk of capital stock expands in spite of the decline of the profit rate:

> As riches, improvement, and population have increased, interest has declined. The wages of labour do not sink with the profits of stock. The demand for labour increases with the increase of stock whatever be its profits; and after these [the profit rate] are diminished, stock may not only continue to increase, but to increase much faster than before. It is with industrious nations who are advancing in the acquisition of riches, as with industrious individuals. A great stock, though with small profits, generally increases faster than a small stock with great profits.[92]

This argument clearly indicates that the low rate of profit[93] was not seen by Smith as a marked barrier to economic progress.[94]

Next, it has to be recognized that Smith seems to offer a Malthusian type of argument to the effect that population would respond in proportion to the demand for labour: 'the demand for men, like that for any other commodity, necessarily regulates the production of men; quickens it when it goes on too slowly, and stops it when it advances too fast'.[95] This passage is interesting in that it obviously indicates, like the writings of later classical economists, a certain kind of interaction between capital accumulation, employment, wage level and population.[96] Yet it is of great consequence to be aware that Smith did not expect the mechanism just stated to entail the Malthusian conclusion that the demand for labour(employment) and population would expand as fast as the rate of growth of capital accumulation, so that wages are always sustained at the level of subsistence. For Smith explicitly or implicitly sets out some premises which serve to check the growth of capital stock and wages respectively.

Firstly, Smith presumes insatiableness of desire except that of food. He thus sees no boundary to the extent to which one may crave for other goods or fancies such as the ornaments of building, dress, equipage, and household furniture. As Smith writes:

> Those ... who have the command of more food than they themselves can consume, are always willing to exchange the surplus ... for gratifications of this other kind. What is over and above satisfying the limited desire, is given for the amusement of those desires which cannot be satisfied, but seem to be altogether endless.[97]

Once the means of subsistence therefore is sufficiently supplied, as it is the case in a progressive state, it is possible that the desire for articles of luxury may help to curb the population multiplication in strict proportion to the growing wages.[98] For there exists a trade-off relationship, given the amount of income, between the growth of expense for luxurious goods and the up-bringing of children. The increase in the demand for those manufactured goods, as real wages rise, will thus act as an impediment to population growth in exact proportion to the rising income. In addition, it is noted by Smith that luxury plays a role unfavourable to procreation : 'Luxury in the fair sex, while it enflames perhaps the passion for enjoyment, seems always to weaken, and frequently to destroy altogether, the powers of generation.'.[99] As a consequence there seems to be little scope that the supply of labour either matches or exceeds the demand for it, as an economy progresses. In this regard it will be of particular interest to notice Smith's comment on Great Britain (and most European countries) to the effect that the real wages had constantly been growing since the middle of the sixteenth century, and even the lowest ranks of people enjoyed luxury, whereas population in Great Britain (and most European countries) had expanded so much more steadily that it needed at least five hundred years to double.[100]

Secondly, Smith believed that fixed capital, and raw material (without which the working of economy as a whole would be impossible[101] in Smith's model of macro-economics) increases, as a commercial economy advances:

> The quantity of materials which the same number of people can work up, increases in a great proportion as labour comes to be more and more subdivided; and as the operations of each workman are gradually reduced to a greater degree of simplicity, a variety of new machines comes to be invented for facilitating ad abridging those operations. As the division of labour advances, therefore, in order to give constant employment to an equal number of workmen, an equal stock of provisions, and a greater stock of materials and tools than what would have been necessary in a ruder state of things, must be accumulated beforehand.[102]

This requirement of fixed capital and raw material which must be fulfilled as capital stock increases serves, as a result, to work as a

type of shackle which comes to render the expansion of employment and population less speedy than that of capital accumulation.[103]

Thirdly, there is a point which was made by W.A. Eltis: 'if wages also rise as capital accumulates, there will be a further 'leakage' of circulating capital to the payment of higher wages per worker - which would reduce the rate of growth of employment still further in relation to the rate of growth of capital'.[104] Seen in the light of these remarks it can be concluded that a faster rate of population growth than of capital stock was not looked on by Smith as an anticipated phenomena in the course of economic development, and hence cannot be counted as an important hitch in the Smithian model of economic growth.

Finally, we shall turn to the principle of diminishing returns in agriculture which Smith was deemed to hold. The exploration of the presence of diminishing returns in Smith's model appeared to be made mainly with a view to giving a due account of the secular decline of profits along with economic growth.[105] It is true that some sentences in the *Wealth of Nations* look as if Smith explicitly introduced the assumption of diminishing returns. A passage which alludes to diminishing returns in agriculture appears in the chapter on profits:

> A new colony must always for some time be more under-stocked in proportion to the extent of its territory, and more under-peopled in proportion the extent of its stock, than the greater part of other countries. ... As the colony increases, the profits of stock gradually diminish. When the most fertile and best situated lands have been all occupied, less profit can be made by the cultivation of what is inferior both in soil and situation, and less interest can be afforded for the stock which is so employed. ... As riches, improvement, and population have increased, interest has declined. The wages of labour do not sink with the profits of stock.[106]

Looked at in isolation this might be conceived to correspond to what Ricardo had in mind as he presented a corn model; a model in which a secular decline in the rate of profit was explained by virtue of the rising costs of the output(wheat) from land, since land was non-

homogenous and, as population expanded, less fertile land formerly uncultivated had to be brought into cultivation.

However, the passage does not occur in a context which shows that as economic development proceeds, the declining profit rate is brought about by diminishing returns to land. Rather, it emerges in a place that is designed to elucidate his repeated theme with regard to competition between capitals which is seen to generate the downward movement of the profit rate, as its first two sentences hint (and his discussion immediately subsequent on it clarifies); the theme in which the rate of profit depends upon the amount of capital stock in proportion to the business that is conducted, in modern terms, the capital-output ratio.[107] Accordingly, it can be said that the passage above cited was not meant to represent the assumption of diminishing returns which arise from an increasingly unfavourable proportion between land on the one hand and labour and capital on the other hand.[108]

A general suggestion about returns to scale may be found, instead, in the first chapter on the division of labour, which has became somewhat familiar since Allyn Young elaborated Smith's account of the division of labour by reference to increasing returns. It comes out when Smith discusses the nature of manufacture and agriculture in relation to the possibility of a further subdivision of labour; the most important force which, in his model, comes to be contributory to increasing returns owing to its capacity to give rise to technical progress and rising productivity. As he writes:

> The labour too which is necessary to produce any one complete manufacture, is almost always divided among a great number of hands. How many different trades are employed in each branch of the linen and woolen manufactures, from the growers of the flax and the wool, to the bleachers and smoothers of the linen, or to the dyers and dressers of the cloth! The nature of agriculture, indeed, does not admit of so many subdivisions of labour, nor of so compete a separation of one business from another, as manufactures. It is impossible to separate so entirely, the business of the grazier from that of the corn-farmer, as the trade of the carpenter is commonly separated from that of the Smith.[109]

Accordingly, whilst increasing returns may be expected in manufacture, it is difficult to see the same consequence in agriculture. In addition, Smith insisted that the real price of manufactures would fall mainly because of the effects on the costs of the technical progress stemming from the division of labour as improvement proceeds:

> It is the natural effects of improvement, however, to diminish gradually the real price of almost all manufactures. ... In consequence of better machinery, of greater dexterity, and of a more proper division and distribution of work, all of which are the natural effects of improvement, a much smaller quantity of labour becomes requisite for executing any particular piece of work ...[110]

Even though real wages rise in this process, the cost-reducing effect of the enhanced and improved productivity will more than counterbalance the effect of the increased wages, in that less labour than before is required.

Meanwhile, Smith expected, as economic progress goes on, that much of the produce in agriculture and mining, where the scope for further division of labour is extremely limited, will rise in price:

> If you except corn and such other vegetables as are raised altogether by human industry, that all other sorts of rude produce, cattle, poultry, game of all kinds, the useful fossils and minerals of the earth, &c. naturally grow dearer as the society advances in wealth and improvement, I have endeavoured to show already.[111]

It will be so with the exception of corn[112], whose price will be roughly constant due to a counterbalance between the effect of improved cultivation and the rising price of cattle, and of other vegetable foods[113], which will face a reduction of price simply as a result of technical progress in agriculture.

Hence, it follows from these utterances that Smith assumed increasing returns in manufactures, constant costs in corn production and rising costs in most other agricultural produce except vegetable foods. Viewed in this way it remains important to find out Smith's view with regard to which sector (among manufactures and agriculture) will have greater effects on further development of a commercial

economy where social progress is already under way. It seems that indeed Smith considered manufacturing industry to play a more crucial role in future progress. It must be seen that this remark is not inconsistent with Smith's well-known argument that agriculture is the major source for capital accumulation since the same bulk of capitals brings the greatest surplus in agriculture among various economic sectors. The reason for it is that agriculture, Smith saw, is most favourable to the rate of capital accumulation, in nations where little or no accumulation is attained,[114] or where there is no capital which is sufficient for all economic sectors[115]. However, as accumulation is sufficient to put all sectors into motion, its effect is to favour manufacturing industry.[116]

This proposition just described can be seen to be grounded on Smith's two theses, formally in relation to the demand side. Firstly, there is a limit to the consumption of food[117]; secondly, the desire of manufactured goods, where the basic need of nourishment is fulfilled, is unlikely to be satiable.[118] As Smith put it: 'The desire of food is limited in every man by the narrow capacity of the human stomach; but the desire of the conveniences and ornaments of building, dress, equipage, and household furniture, seems to have no limit or certain boundary'.[119] This remark is, as a matter fact, supported by another empirical argument which was made in association with a feature of manufacturing and agricultural production:

> This impossibility of making so complete and entire a separation of all the different branches of labour employed in agriculture, is perhaps the reason why the improvement of the productive powers of labour in this art, does not always keep pace with their improvement in manufactures. The most opulent nations, indeed, generally excel all their neighbours in agriculture as well as in manufactures; but they are commonly more distinguished by their superiority in the latter than in the former.[120]

This passages clearly implies that economic development is more manufacture-attracting.[121] Hence, as capital accumulates, and employment and real wages rise, the demand for manufactured goods expands exceedingly fast relative to agricultural sector. It leads to further division of labour and increasing productivity in manufactures, which serve to generate the general prevalence of

increasing returns in the whole economy while overwhelming the effect of diminishing returns in agriculture. This sequence will evidently sustain the progress of opulence and subsequently enhance the rate of capital accumulation, providing another opportunity of expansion. This reasoning is, I believe, behind the passage just quoted.

As we have observed, Smith offered his analysis of economic evolution on the basis of a relationship of mutual dependence between capital accumulation and the division of labour, and considered such a relationship to be reinforced by increasing returns. In addition, Smith judged that the trend of economic progress came to secure more manufactures-attracting form of development. Given this fact, it seems misleading to seek an understanding with respect to Smith's scheme of economic growth on the assumption of broad diminishing returns, or somehow the predominance of diminishing returns. After all, Smith did not treat diminishing returns to scale as another important hitch which prevented growth from continuing.

Finally, this examination of Heilbroner's view enables us to conclude that Smith did not apparently have any concealed mechanism whereby an improving economy was expected to move forward, through the cheerful progressive state, towards the final gloomy stage of the stationary state. Instead, the Smithian model of growth provided an optimistic picture with respect to future evolution of a commercial economy. If, as Stigler argued, the test of an interpretation is seen to rely upon 'its consistency with the main analytical conclusions of the system of thought under consideration', this conclusion can be supported by A.S. Skinner's remark. On Skinner's close examination, in the *Wealth of Nations*:

> Nor in dealing with the 'flow' did Smith suggest that the level of output attained during any given period would be exactly sufficient to replace the goods used up in it. On the contrary, he argued that output levels attained in any one year would be likely to exceed previous levels: an important reminder that Smith's predominant concern was with economic growth.(22)

After all, it can be said that Heilbroner's reconstruction of the mechanism of economic evolution 'concealed' in the *Wealth of Nations* with reference to the Ricardian model is misleading. Before proceeding

there is, however, another point which is worth noting in this connection. The point is that in spite of a pessimistic outlook which is derived from Ricardo's theory of economic growth, Smith and Ricardo shared a same practical purpose in relation to its theoretical analysis. In other words, Ricardo's ultimate aim in presenting his formal analysis of the process of economic evolution is not so much in a mere presentation of the gloomy circumstances which a progressive economy would be expected to reach naturally, but in reinforcing the view that economic prosperity could be sustained if free trade would be allowed, for example, by way of the abolition of Corn Laws.[123] Hence, given that the whole point of the Ricardian model was definitely to demonstrate the need for the repeal of the Corn Laws in respect of economic prosperity, it seems that Heilbroner was doubly mistaken.

Now, what remains to be spoken of (since we declared that Smith did not see the stationary state as that which was due to treatment, beyond simply empirical observation, in his model of economic growth) is one thing related to the stationary state ('random variation' in Stigler's term). The question is about the reason why Smith had no need to provide a theoretical explication of the steps leading to the stationary state despite his detailed description of it. Two possible types of argument may be put forward. A probable account is a weak type of one in the sense that although it is in part defensible, ultimately it cannot explain the nature of Smith's growth theory in comparison with other economists. According to such an account, the fact that Smith lived in an epoch when there was the rapid growth in the rate of economic development is responsible for his exclusive concern with a progressive state at the formal level. As one commentator maintained:

> He spelt out the details of the stationary state no more than Keynes bothered to provide a detailed description of the ultimate destination of a Keynesian economy with the rentier 'euthanised', and the rate of profit reduced to negligible proportions. Such propositions were not relevant to the main work of Smith and Keynes, which was to provide an account of the working of the economies that they lived in.[124]

Certainly, it must be accepted, as many historians of economic thought have pointed out, that the social and economic circumstances of a particular era have a very great effect upon economists (and social philosophers), so that a mutual relationship between their theories and the history of their time may be noticed.[125] Smith undoubtedly wrote the *Wealth of Nations* in an epoch which showed the features of a remarkable economic development, even though some different opinions[126] have been advanced with regard to whether or not he was utterly familiar with the movement known as the Industrial Revolution. In this regard it does not seem wrong to claim that it is possible to appreciate, from the economic circumstances of Smith's day, the entire lack of the theoretical, as distinct from the observational, concern with the stationary state. Nonetheless it is likely that such an approach is not sufficient to help us understand the optimistic nature of Smith's growth theory. For David Ricardo whose prognosis of the future prospects for the long-run trend of a commercial society is contrasted with that of Smith (though both of them had a same practical purpose) surely lived in the epoch of the Industrial Revolution. In the midst of dramatic economic growth he presented a pessimistic outlook which was responsible for the designation of economics as 'dismal science'.

Now it appears that a more sufficient account concerning the optimistic implication of Smith's formulation of social evolution can be sought in what I have put forward. In dealing with the problem of economic evolution, the concept of progress, one of Smith's metatheoretical principles which are inextricably connected with, and supported by his theological belief, plays a clear-cut role in proposing and constructing the central theme of the *Wealth of Nations*.[127] Smith was so keen an observer as to be not blind to the reality of his day. Nevertherless Smith's exclusive analytic concern as to social evolution was with the thriving or progressive state. This seems to be the reason that those who attempted to find out the concealed assumptions and logic in the *Wealth of Nations* whereby the evolutionary route to the stationary phase can be accounted for fail to receive sufficient support from his text, and come to rely on some assumptions of Smith's successors instead of his own.

6.4. The Metatheoretical Principle of Ruling Out Conflict and the Theory of Value and Distribution

In connection with a popular view which talks about the 'two Smiths', or the inconsistency of belief and vision in Smith, I have pointed out the fact that Smith was well aware of various features of reality. In the same context I have also noted the requirement that we distinguish the formal or theoretical from the practical dimension, if we are interested in his belief and vision. It is my view that though Smith observes both the positive and the dark sides at the practical level, his world view or vision, supplied by his theological outlook with reference to God's benevolence, leads him to consider the former aspects to be the nature of things in original arrangenments, and the latter to be a deviation from such a state. Accordingly, Smith obviously describes the clashes of individual or group interests which happen in association with economic gain, yet has no interest in such issues at the analytic level (which should be distinguished from his practical prescription for its remedy). Instead, he is concerned with another side of reality at the formal level. At this stage Smith's metatheoretical doctrine of ruling out conflict plays an active part in shaping his theories. This section will therefore be devoted to showing that Smith's formal analysis as to distribution and value[128] endorses my view.

Let us begin by examining the lines of interpretation which find the theme of social conflict in Smith's discussion of distribution. For example, Elie Halevy[129] claimed that Smith's argument of social conflict appeared primarily in the area of income distribution. At the time of the publication of the *Wealth of Nations* Smith had failed to integrate the earlier theory of production and exchange as formulated in his Glasgow lectures on jurisprudence with the theory of distribution later introduced probably under the influence of the Physiocratic system[130]. This was the reason why, even if the thesis of the natural identity of interests prevailed, the fact of the natural divergence of interests likewise appeared. On the other hand, there is another interpretation which finds that Smith foreshadowed the theory of exploitation of Marx[131], in the sense that firstly

Smith, identifying labour as the only source of value,[132] suggested a deduction theory of profit and rent; secondly he was emphatic in unmasking the disharmony between three classes in a capitalist society which arose from the problem of relative shares. As D.A. Reisman concisely expressed it: mutual dependence among members or classes in a capitalist society, 'which does not preclude exploitation, might be unable to prevent conflict over relative shares. Central to Smith's views on the objective existence of exploitation is the labour theory of value. ... It is also possible, however, that the theory identifies labour as the unique creator of value, with the implication that the profit of the capitalist and the rent of the landowner reflect not compensation for value added but position in the power-structure'.[133]

In so far as Halevy's opinion questions the systematic character of Smith's formal analysis, it can be discarded as irrelevant.[134] Meanwhile, it is evident, as Marxian interpretation informed us, that Smith considered profit and rent to be deductions from the produce of labour to be a type of surplus in an economic sense.[135] Yet, it is also worth noting that he did not regard the distribution of the social surplus among capitalists and landlords as a form of exploitation, while Marx considered surplus-value to be exploitation. Smith made it plain that capital and land had become property at an advanced stage of society. What is of considerable importance in this context is that in the *Wealth of Nations* he presupposed an institutional system of justice and consequently a theory of property rights of which a full treatment was given in the *Lectures on Jurisprudence*.[136] Accordingly, it is to be admitted that Smith judged it to be reasonable that remuneration ought to be made for the use of those forms of property.[137]

Now we shall turn to the examination of Smith's theory of distribution and value to see whether or not his discussion of them generates the implication of social conflict revolving around distributive shares. Therefore, for the purpose at hand, we have to consider whether or not Smith has a theory of distribution, as Ricardo and Marx do, which establishes a precise inverse relationship between distributive variables. For a theoretical identification of the inverse relationship between such variables apparently indicates a

conflict between social classes in the problem of the distribution of social product in the sense that given a constant size of pie an increasing proportionate share by one class directly implies a decreasing share by another, and thus provides scope for class struggle in the determination of distributive shares.[138] Before going on, it seems worth noticing that the labour theory of value has recently been recognized as a purely analytical device for the measurement of the value of the social product in terms of the quantities of embodied labour; a device which can be utilized, with a view to avoiding circular reasoning, to derive, as in the case of Ricardo and Marx, the rate of profit prior to and independently of the determination of its price.[139] The implication to be realized is that the argument that Smith held, whether consistently or inconsistently, a labour-embodied theory of value, cannot be used in demonstrating the point that he envisaged conflict between social classes at the theoretical level.[140]

To begin with, it should be admitted that Smith speaks as if profit varied inversely with wages: 'High wages of labour and high profits of stock, however, are things, perhaps, which scarce ever go together, except in the peculiar circumstances of new colonies'.[141] This statement was made when he talked about the state of distribution in countries which were advancing or progressive. At the beginning of the same chapter Smith explained the reason that high wages were not compatible with high profit. According to Smith, the reason rests on the intensity of competition among capitalists which the accumulation of capital brought about:

> The increase of stock, which raises wages, tends to lower profit. When the stocks of many rich merchants are turned into the same trade, their mutual competition naturally tends to lower its profit; and when there is a like increase of stock in all the different trades carried on in the same society, the same competition must produce the same effect in them all.[142]

Furthermore, Smith offered a more detailed account of how the accumulation of capital involved a declining rate of profit. This occurred in two ways; firstly by reducing prices in commodity market, and secondly by raising wages in the labour market. As Smith put it:

> As capitals increase in any country, the profits which can be made by employing them necessarily diminish. It becomes gradually more and more difficult to find within the country a profitable method of employing any new capital. There arises in consequence a competition between different capitals, the owner of one endeavouring to get possession of that employment which is occupied by another. ... He must not only sell what he deals in somewhat cheaper, but in order to get it to sell, he must sometimes too buy it dearer. The demand for productive labour, by the increase of the funds which are destined for maintaining it, grows every day greater and greater. ... Their competition raises the wages of labour, and sinks the profits of stock.[143]

And it is noteworthy that a similar line of reasoning was employed in explaining the phenomena of low wages and high profits in a decaying economy where the reduction of capital stock is under way.[144] Viewed in these passages Smith's remark about the effect of accumulation on the rate of profit might be seen to anticipate Ricardo's theory of profit.[145] For wages seem to be described as the decisive variable which affects the rate of profit in the course of economic development.

However, if we take a closer look at Smith's discussion of value and distribution,[146] it will become evident that he never related wages to the rate of profit in such a way as to suggest that the latter varied inversely with the former.[147] Two observations need to be made by way of clarification. In the first place, it is to be noticed that in Smith's view wages and profit are determined by two distinct mechanisms and, in particular, the rate of profit is treated as being unrelated to the ratio of aggregate profits to aggregate capital advanced. In other words, Smith argued that wages would be determined partly by the supply of labour in relation to the amount of capital stock seeking its employment,[148] and partly by the price of the necessaries.[149] The latter factor which regulates wages led Smith to point out that the lowest limit of wages is the subsistence level.[150] But Smith also claimed with the former factor just described in mind that the long-run price of labour could go beyond the subsistence level.[151] As observed above,[152] if the condition under which an economy stands accords, for example, with an advancing state, on which Smith concentrated his formal analysis, the long-run price of labour may well be established and sustained at a level above that of subsistence.

Meanwhile, low or high profit, according to Smith, depends on the quantity of capital stock directed to investment in conjunction with the amount of business which it has to deal in[153]; 'The ordinary rate of profit ... is every where regulated by the quantity of stock to be employed in proportion to the quantity of the employment, or of the business which must be done by it'.[154] As this statement makes clear, Smith did not consider the determination of the rate of profit to rely on the relation of wages to the rate of profit (or the ratio of aggregate profits to aggregate capital advanced, in which wages vary inversely with the profit rate). Instead, he argues that the profit rate is associated with the amount of capital stock in proportion to the business that is conducted, in modern terms, the capital-output ratio.[155]

As this shows, Smith found no analytical relationship between wages and profit. He proceeded as if those different forces which have no connection with each other had determined respectively the rate of wages and profit. In this regard, Smith's assertion that, for instance in a thriving economy, 'High wages of labour and high profits of stock ... are things, perhaps, which scarce ever go together'[156] must not be envisioned so much as an expression of the inverse relationship between wages and profit, but as the kind of a contrast of the long-term trend of two distributive variables of which the magnitude is determined independently of each other according to the forces above mentioned. We are reminded that for Smith the tendency of the rate of profit to fall in the course of economic growth is brought about directly by the increasing capital stock in conjunction with the amount of business available rather than, as in Ricardo, rising wages or the rising cost of the labourers' subsistence. On this reasoning it is thus possible that (although the technical conditions of production are unchanged,) high profit is compatible with high wages wherever the amount of business is sufficient in connection with the increasing capital stock. As Smith stated: 'The acquisition of new territory, or new branches of trade, may sometimes raise the profits of stock, and with them the interest of money, even in a country which is fast advancing in the acquisition of riches'.[157] In short, it is important to perceive that Smith finds no constraint to bind changes in wages to changes in profit, since in

his account of distribution both of them are considered to be regulated independently of each other.

In the second place, it deserves notice that an examination of Smith's theory of price again confirms that he does not identify any constraint by which the economic antagonism between social classes manifests itself. Smith defined the natural price as the sum of wages, profits and rent which must be paid as costs incurred by those who were involved in the production of commodities.[158] This sort of a cost-of-production explanation of price[159] leads to indicate that the natural price changes, given the dominant technological conditions of production, if one of its component parts changes. As Smith put it: 'The natural price itself varies with the natural rate of each of its components parts of wages, profit, and rent'.[160] In this sense, Smith's theory of value was described by Sraffa as that in which 'the price of commodities is arrived by a process of adding up the wages, profit and rent'.[161] And this characteristic of Smith's theory of value and distribution, which may be thought to reflect, in a sense, his view of the nature of social mechanism, may well be observed by means of turning to his discussion as to the effect of changes in the rates of return on price.[162] Let us look, for instance, at Smith's account concerning the effect of changes in wages on the price of commodities.

If wages rise for any reason, it follows that 'The increase in the wages of labour necessarily increases the price of any commodities, by increasing that part of it which resolves itself into wages'.[163] Accordingly, in Smith's estimate, a rise in the price of corn, for instance due to the corn export bounty, will be passed on by way of an increase in wage costs to all commodities in the form of higher price. Smith wrote in the chapter on bounties in Book IV of the *Wealth of Nations*:

> the money price of corn regulates that of all other home-made commodities. It regulates the money price of labour, which must always be such as to enable the labourer to purchase a quantity of corn sufficient to maintain him and his family ... It regulates the money price of all the other parts of the rude produce of land, which ... must bear a certain proportion to that of corn ... By regulating the money price of all the other parts

> of the rude produce of land, it regulates that of the materials of almost all manufactures. By regulating the money price of labour, it regulates that of manufacturing art and industry. And by regulating both, it regulates that of the compleat manufacture. The money price of labour, and of every thing that is the produce either of land or labour, must necessarily either rise or fall in proportion to the money price of corn.[64]

This passage obviously reveals that Smith applies his theory of value and distribution above outlined. Smith judges undertakers, whenever there is an increase in the wage rate, to be capable of raising the prices of commodities in order to cover the rising cost of production, giving a clear impression that this process of price adjustment has no distributive implications. After all, it ought to be seen that in Smith's opinion changes in wages were not inextricably linked to changes in profit.[65]

We can finally conclude, through a brief consideration of Smith's theory of value and distribution, that Smith saw no constraint or inverse relationship in which one class cannot be better off without another class being worse off. For Smith argued that wages and profit could be determined autonomously and independently of each other; the adding up of three sources of costs of production constitutes the price of commodities. The sociological implication of Smith's treatment of value and distribution is therefore that viewed at the theoretical level a commercial economy manifests no class antagonism in the division of social produce. Even though Smith was well aware of clashes of individual interests and social conflict in the problem of income distribution, he did not provide any analytical treatment which could support the implication of social conflict. Instead, concentrating exclusively on the facts which show the harmonious features of the commercial society, Smith proceeded to give a formal analysis of distribution around its positive aspects. And I believe that this conclusion concerning the sociological nature, observed in relation to the distribution of wealth, of Smith's theoretical economics which was built up on the assumption of some institutional factors such as justice and competition being maintained may, in a large measure, be confirmed by his statement as follows: 'The establishment of perfect justice, or perfect liberty, and of perfect quality, is the very simple secret which most effectually

secures the highest degree of prosperity to all the three classes'.[166] A final word which should be said is that this feature of social harmony which Smith's account of value and distribution in the *Wealth of Nations* suggests can be well understood in conjunction with his theological outlook and metatheoretical principle of ruling out conflict in the original arrangements of things in nature.

6.5. Metaphysics and the Treatment of the Division of Labour: A Contrast between Smith and Marx

It was noted above that in Smithian theoretical economics the division of labour plays a very important part as one of the basic determinants upon which social progress depends. That is, Smith envisaged specialization in an exchange economy as helping bring a considerable improvement in wealth and in the standard of living by virtue of its capability to advance the productive powers of labour.[167] In Smith's words, the gains of the division of labour 'are mutual and reciprocal, and the division of labour is ..., as in all other cases, advantageous to all the different persons employed in the various occupations into which it is subdivided',[168] since 'It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people'.[169]

On the other hand, quite interestingly Smith acknowledged that the division of labour has some damaging effects on the labourers because of a simple routine arising out of repeated factory work. As Smith states:

> In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations; frequently to one or two. But the understandings of the greater part of man are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operation, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his

> invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many, even, of the ordinary duties of private life.[170)]

In fact, Smith's Glasgow lectures on jurisprudence also reveal that he was fully aware of the same kind of inconveniences which accompanied specialization in commercial society.[171)]

These two contrasting views of the effects of the division of labour have given rise to much concern, whether direct or indirect, among Smithian students. Attention was drawn by one group of commentators to the fact that Smith's remark concerning the deleterious effects of the division of labour acted as a main source of inspiration for the Marxist-socialist critique of capitalist institutions.[172)] Another, while beginning from the same premiss and looking in more detail at Smith's treatment of the negative aspect of the division of labour from the viewpoint of Marx's term, 'alienation', was also concerned with how those opposed views as to the division of labour may be 'methodologically' grasped in Smith's economics.[173)] Whereas at the outset it is of course to be recognized that Smith surely affected Marx's view of alienation in capitalist society[174)] although the former did not employ the term alienation when speaking of the disadvantageous outcomes stemming from specialization in the commercial society, there seems to be room for further discussion pertaining to this issue. It is undeniably true that Smith and Marx agreed, in some measure, as to the unhappy aspects of the division of labour. Yet, it seems to me of fundamental significance that they envisioned and organized the phenomena revolving around the division of labour through their own peculiar looking glass; a world view which buttressed and oriented their own peculiar reading of history and society. It is my purpose in this section to clarify this idea with reference to Smith's view of the division of labour. Marx's treatment of the division of labour will also be considered, for that purpose, i.e., in order to see the

contrast of the theoretical approach which a difference of metaphysical dimension between them brings.

Let us begin by examining several interpretations[175] which were introduced with a view to explaining the reason why Smith was consistently insistent on some bad consequences of the division of labour in a commercial society, whereas the division of labour received a great weight of emphasis in respect of social progress. Firstly, some commentators[176] proposed that Smith's duality about the treatment of the division of labour came from the different point of view between disciplines or economics and sociology. E. G. West argued: 'It is possible that in Book V he worked back from this "fact" to make his social diagnosis. By contrast, however, his analysis of the productive advantages of the division of labour in Book I carried him forward buoyantly to reach conclusions about the incidental social effects which were positively favourable and optimistic. Proceeding from two different starting points, the sociological and economic methods thus yielded different results'.[177] That is to say, Smith's economic approach to the division of labour led him to stress its positive effects whereas his sociological approach brought its negative effects into relief. According to West, Smith's economics of the division of labour is characterized by 'a balanced combination of empirical illustration and *a priori* analysis',[178] whilst his sociological analysis is built up on observations of social reality.[179] Hence it seems evident that by economic and sociological approaches in Smith's treatment of the division of labour West means a priori and inductive methods. While it cannot be denied that it is possible to look at Smith's writings from a sociological point of view,[180] I find that West's attempt to perceive 'contradictions in *The Wealth of Nations* in Adam Smith's treatment of the division of labour' in terms of the economic-sociological distinction, or the contrast of methods, a priori and inductive, is incorrect. As noted before, it is not Smith's method of inquiry. In fact, West's view about this seems similar to R. Lamb's described below. In any case it is noteworthy that West insisted, with the economic-sociological distinction within the *Wealth of Nations* in mind, that Smith's sociological argument about the so-called alienation of labour was in part, although not wholly, similar to Marx's theory of alienation.[181]

Secondly, it was claimed that the dichotomy of Smith's statements with regard to the division of labour arose from two contrasting methods that Smith made matching use of. In other words, the inconsistency in his treatment of the division of labour was due to the fact that on the one hand Smith drew optimistic conclusions on the basis of an abstract theory of relations in the capitalist society which was not based on the actual situations associated with the division of labour, while on the other its harmful effects were reached in terms of Smith's use of inductive method which led him to observe and describe the phenomena of alienation which was really occurring among factory workers. As Lamb insisted:

> Smith's statements about the socializing effects of the division of labour are based on his abstract model of society built up from conjectured individual propensities origination in man's innate tendency to truck, barter, and exchange. On the other hand his critique of the division of labour's effect on detail factory labourers is drawn from observations of the real social effects of such institutions upon individuals.[162]

Lamb's outlook of this sort in association with Smith's method of inquiry is to be rejected.[163] The inadequacy which this kind of interpretation faces does not simply lie in the alleged opposition between theory and observation.[164] Rather, such an interpretation errs in not being conscious that Smith's statement concerning the positive effects of the division of labour is likewise based upon empirical observation. For example, Smith's claim about the improved productive power resulting from the division of labour was made by focussing on the factual observation of the pin manufacture. It is apparently true that when Smith was concerned with theoretical work, he ascribed the origin of the 'observed empirical facts' to a certain propensity of human beings. Yet it does not imply that one of Smith's two contrasting methods serves to propose 'an abstract theory of capitalism' at the formal or analytical level which is scarcely associated with empirical observation, whereas another lets him make 'socialist criticism of existing society'[165] at the empirical level. Since Smith postulated that human beings act according to their own nature, he made an endeavour to seek the origin of observed facts in terms of tracing the basic principles of human nature. To be sure, Smith's method of inquiry belongs to the empiricist tradition, and may

be seen to reflect a peculiar characteristic of the realist conception of science, as I tried to describe it above.[186] This ought to be distinguished from the positivist conception of science consisting of another pillar of the empiricist tradition.

Thirdly, Maurice Brown contended that Smith's contradictory statements with regard to the effects on the division of labour resulted from the logical implications of his 'dialectical materialist model'[187], as distinct from the empiricist conception of science that was usually assumed to be Smith's own. On this interpretation, the distinctive feature of Smith's method of inquiry consists 'both in the stress that it places on the *interaction* of economic organisation and socially generated individual consciousness, and in its emphasis on the dynamic, historical, nature of that interaction'.[188] Its aim is to offer an adequate account of the self-propelling processes of the social world where objects actually change by way of the dynamic movement of 'qualitative' transition.[189] Therefore, in this view:

> The central division of labour model is ... a highly complex construct designed to explain- to reflect, or make comprehensible - the actual course of development (as perceived by Smith) or commercial society. It is a crucial feature of such constructs, that in so far as there are considered to be contradictory tendencies in the actual social world, they should be mirrored with the model, which should in turn provide a theoretical explanation for them.

In this frame of interpretation Brown went on to say that 'That such a theoretical resolution exists in Smith's model, becomes clear if we consider its overall structure. For it is one of its central features that there is, in the interaction between individual and society, a process of 'creative destruction' during which socio-economic institutions can evolve in response to the needs of a progressively developing society.'[190] In this way Brown claimed that Smith's proposal of education initiated by government was a kind of theoretical construct which his dialectical materialist model held with a view to resolving the existing contradictory modes as to the effects of the division of labour or reversing such a process of 'creative destruction'. Two points may be made in criticism of this interpretation. Firstly, we are reminded that Smith has a realist

view of science, which implies that he stands in the 'empiricist' tradition. Secondly, this dialectical materialist approach tends to completely ignore the distinctive status of 'the science of a legislator', which has been successfully established by recent studies. For Brown's interpretative model finds the source of all events in the 'interaction of economic organization and socially generated individual consciousness'. Hence, there is in fact no room for the free and independent decision of political agency.

In my opinion, it is important to know initially that Smith was a honest observer of human life, as pointed out before. In other words, he saw at the empirical level that the division of labour in commercial society had both effects, the positive and the negative. On the one hand, Smith envisaged that the division of labour enabled the workers to heighten their capacity to improve the efficiency of the work and to invent a good deal of machinery which was not of great complexity. The improvements in the productive powers of labour and invention, which Smith thought played a very important part in the determination of the volume of wealth and the course of social evolution, were rendered possible by the fact that the workers concentrated on a narrow range of operations as a result of the division of labour. This description comes from Smith's observation of the real features of society. On the other, at the practical level Smith' keen eyes did not allow him to neglect the point that the workers became depraved in the moral, social, and intellectual capacity when society advanced with such an extensive division of labour.

This description of two contrasting features of an existing phenomenon cannot be regarded as odd, for a man, at least, of common sense is fully aware that a great number of social phenomena never have just one effect. What is now worth noticing is that Smith looked upon the former aspect of the division of labour as a set of data suitable for a formal or theoretical treatment whilst leaving the latter as an empirical fact only, which does not deserve to be dealt with, in so far as Smith is concerned, at an analytical level. Critical comment may be made on such an attitude of Smith's, on the ground that though it is worthwhile to take seriously the problem of alienation in modern society, Smith tended to make so light of the

issue that he gave no formal or theoretical analysis of it. It is yet important to realize that this choice does not constitute a theoretical mistake on his part.[191]

A question which now arises is about why Smith regarded the constructive rather than the detrimental effects of the division of labour as a source for formal analysis. An interpretative framework from which I envision the problem raised is that Smith's metaphysical idea, a presupposition, which declares the harmonious order of things, is influential in this matter. That is, the metaphysical doctrine leads Smith to conceive the former feature as the nature or essence of things in the original array which merits attention for analytic treatment. This is the ground on which the contributory aspects of the division of labour appear as a core principle inextricably associated with social progress in Book I and II of the *Wealth of Nations*. The major concern of these books rests on a formal analysis of the commercial economy, whereas the intellectual and social decay of the workers stemming from a dull routine and monotony of the work process that accompanies it is given a relatively small portion of treatment in relation to state-subsidized education in Book V of the same work.[192] After all, it should be apparent that to grasp in this way Smith's contradictory statements concerning the effects of the division of labour discloses an intimate relationship between his metaphysics and science. And this standpoint is also of great importance since it serves to provide a striking contrast between Smith's political economy and Marx's, just as it helped us to find a contrast between Smith's ethics and Mandeville's.

While giving qualification to the view of those who found the *Wealth of Nations* as an important source of inspiration for Marx's theory of alienation, E.G. West argued that among three dimensions of the term, alienation, used by Marx, only its third aspect, i.e., self-estrangement, could be seen to be similar to Smith's 'alienation passage' which appeared in Book V of the work. West also pointed out that Smith's concept of alienation was very restrictive, not merely in the connotation of the term relative to Marx's use, but in that his notion of it was confined to the degradation of merely the workers whereas Marx saw universal and all-embracing alienation coming from

the division of labour in the capitalist society.[193] And in an extension of West's view it was also claimed that this strain of Smith's thought obviously revealed the profound pessimism of his philosophical vision and as a result represented a contradiction of his whole system.[194]

It cannot be denied that Smith's 'alienation passage' certainly affected Marx's perception of a feature of capitalism. If confined only to the textual comparison, Smith's concept of alienation may be seen to resemble, in a certain respect, Marx's view on it. However, one seems liable to miss a sharp contrast between Smith's system and Marx's if attention is just drawn to a simple comparison of some parts or the sociological respect of their writings. For the deep-seated contrast between Smith's view of the division of labour and Marx's eventually arises, I believe, from the difference of metaphysics which they respectively presupposed implicitly as genuine. We shall take a brief look at Marx's metaphysics with a view to making plainly evident an unbridgeable gap in the respect of Smith's and Marx's perception of worldly phenomena. This point seems important, because it helps understand a contrasting nature of their formal analysis of capitalism despite a certain correspondence of their empirical observation of facts.

Marx's metaphysics through which the social facts were observed and filtered out and the general framework for theory construction was formed may be called an anthropological ontology, in that he established the dialectical relationship between materialist ontology and anthropology.[195] In other words, unlike those who found human nature in a fixed *a priori* anthropological principles, or on the basis of relativistic historicism, Marx presupposed that the essence of man manifests itself in the fact that man is a teleological being who is capable of self-development of his various powers or capacities by way of taking actions against nature as the source of raw material with which to work. Labour or productive activity plays the part, in the mediation between man and nature, as the very means by which man comes to what he is. In Marx's conceptual framework of anthropological ontology the transformation of man (and nature) was fulfilled by the interaction between them through the mediation of labour. Labour was

viewed by Marx as the ontologically crucial factor which was necessary for the historical development of man and society.[196]

Marx's philosophical anthropology appeared for the first time in his *Economic and Philosophic Manuscripts of 1844*.[197] There Marx summed up his position very plainly as follows: 'Only through developed industry ... does the ontological essence of human passion come into being, in its totality as well as in its humanity.[198] And when he insisted on a sharp contrast between human life and that of other animals, the point also reveals itself:

> In creating a *world of objects* by his practical activity, in his *work upon* inorganic nature, man proves himself a conscious species-being, i.e., as a being that treats itself as a species-being. Admittedly animals also produce. ... But an animal only produces what it immediately needs for itself or its young. It produces one-sidedly, whilst man produces universally. It produces only under the dominion of immediate physical need, whilst man produces even when he is free from physical need and only truly produces in freedom therefrom.[199]

According to Marx, the whole character of man's species-being is marked by 'free and conscious' life activity. He judges that the 'real' attribute of man rests on his working as a result of cultural as well as simply physical human needs. Hence, for Marx, 'free and conscious' productive activity is the significant point of reference which serves to make a decisive distinction between man and other animals and becomes the basis for the realisation of his species-life. This Marxian presupposition that man realizes his 'real' nature only in terms of purposive production through 'free and conscious' practical activity also became the fundamental idea that persisted and was stressed in his later writings such as *Capital*. It is worth quoting at length.

> We shall ... have to consider the labour-process independently of the particular form it assumes under given social conditions. Labour is, in the first place, a process in which both man and Nature participate, and in which man of his own accord starts, regulates and controls the material re-actions between himself and Nature. He opposes himself to Nature as one of her own forces, setting in motion arms and legs, head and hands, the productions in a form adapted to his own wants. By thus acting on the external world and changing it, he at the same time changes his own nature. He develops his slumbering powers and

> compels them to act in obedience to his sway. We are not now dealing with those primitive instinctive forms of labour that remind us of the mere animal. ... We pre-suppose labour in a form that stamps it as exclusively human. ... But what distinguishes the worst architect from the best of bees is this, that the architect raises his structure in imagination before he erects it in reality. At the end of every labour-process, we get a result that already existed in the imagination of the labourer at its commencement. He not only effects a change of form in the material on which he works, but he also realises a purpose of his own that gives the law to his modus operandi, and to which he must subordinate his will.[200]

This perspective from which the development of essential human qualities is teleologically accomplished in terms of human productive activity in an 'unrestrained' self-expression stands firmly in the background of Marx's view of the alienation of labour. In this light Marx evaluated a number of social facts in the pre-socialist society. Marx's diagnosis of the alienation of labour came from the perception of constraints which were continuously created by the major institutions in such a class society; constraints which, in his view, acted as barriers to the genuine realisation of potential in human powers in terms of labour. In Marx's view, private property, which was regarded by the political economists including Adam Smith as an unquestionable basic social institution was a human establishment which played a crucial role as a source of diverse aspects of human alienation: alienation of labour from its product, alienation from the producing activity, self-estrangement and the estrangement of man from man.[201] In this vein, Marx mentioned: 'In tearing away from man the object of his production, therefore, estranged labour tears from him his *species-life*, his real objectivity as a member of the species, and transforms his advantage over animals into the disadvantage that his inorganic body, nature, is taken away from him.'[202] It is thus not surprising that the history of the pre-socialist (class) society which may be seen, in a sense, to be the history of the movement of private property was envisioned in Marx's eyes as that of general and intransigent alienation of labour.

In this way Marx's anthropological ontology influenced his view of the division of labour. Marx, like the classical political economists, was fully aware that the division of labour, perceived as an aspect of private property, brought progress of productive forces

and the increasing prosperity of society as a whole: 'the division of labour raises the productive power of labour and increases the wealth and refinement of society'.[203] Nevertheless, the division of labour is referred to by Marx as 'the *estranged, alienated* positing of human activity as a *real activity of the species*'.[204] For, in his opinion, it brought about private property, and opposition between individual interests and communal interests which necessities of mutual inter-dependence among individuals in society create; and it prevented human beings from achieving self-fulfillment in terms of voluntary activity because under the rule of private property it was left outside human control.[205] After all, the division of labour which on the one hand expressed the advance in man's command over nature implied, for instance in capitalism, the conversion of man into 'a crippled monstrosity' on the other. For, far from the occasion on which the productive activity assisted by a proper use or control of the productive means leads to man's real species-life, the workman under wage labour is degraded to a thing which exists simply to satisfy the requirement of self-expansion of capital as the property of another and an alien power to which he is subjugated. As Marx put the point briefly:

> It [the division of labour in manufacture] increases the social productive power of labour, not only for the benefit of the capitalist instead of for that of the labourer, but it does this by crippling the individual labourers. ... it is a refined and civilised method of exploitation.[206]

In brief, in Marx's view, the division of labour in the capitalist form of production, even though it was looked upon by Marx as a necessary condition for future communist society whereby humanization would be ensured in terms of self-conscious life-activity, was in its entirety one of the fundamental sources through which human fragmentation and deformation were accelerated on account of its contribution to confined human capacities. Now, it is to be noted that Marx's anthropological ontology already mentioned acted as the looking glass through which his evaluation about the division of labour was made and its negative and pessimistic features were thrown into relief.

In contrast, Smith's conviction was that seen from an abstract and philosophical perspective human society looked like a coherent machine which by its various motions brought about a large number of harmonious and agreeable consequences.[207] As noted earlier, his conviction of this kind stemmed from his concern in natural theology according to which the universe was a system which was intended to produce the sustenance and the prosperity of all the creatures; the operations of the social world were therefore fulfilled in order to make sure the greatest possible happiness of mankind. In this light Smith found that the principles of human nature which were for him the basis for the exposition of human affairs were at the same time the vehicle for realizing those beneficial ends. Smith's lucid announcement of this perspective appeared in the *Theory of Moral Sentiments*: 'In every part of the universe we observe means adjusted with the nicest artifice to the ends which they are intended to produce ... the two great purposes of nature, the support of the individual, and the propagation of the species. ...[B]y natural principles we are led to advance those ends ... which in reality is the wisdom of god'.[208] In *the Wealth of Nations* a similar outlook was expressed when Smith talked about the unplanned character of the progress of opulence which happened in the Western commercial economies: 'That order of things which necessity imposes ... is ... promoted by the natural inclinations of man'.[209] It is likewise the case with the division of labour. In Smith's view, the original scheme of the social world was intended to show that necessity arising out a certain propensity in human nature brought about the division of labour which in its turn secured the spontaneous and blind progress of society.[210]: 'This division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another'.[211] It is thus likely to come as no surprise that Smith's world view as just described allowed his 'formal' or 'speculative' analysis of the operations of an economy to exclusively concern the favourable side of the division of labour.

CHAPTER 6

In conclusion, it ought to be seen that in spite of a certain similarity of Smith's and Marx's observation concerning the division of labour, the irreconcilable breach between their theoretical approaches to it results above all from the distinctive character of the world view which both of them respectively presupposed as authentic.

Notes to Chapter 6

1) WN, IV.ii.4.
2) WN, IV.ii.9.
3) Smith introduced the principle of the heterogeneity of purposes to show socially favourable outcomes arising without deliberate design from the free interplay of individuals acting on their own self-interest. Recall that this doctrine is one of Smith's metatheoretical principles.
4) Gunnar Myrdal, *The Political Element in the Development of Economic Theory*(1953), p.107.
5) Gide and Rist, *A History of Economic Doctrines*(1915), p.108.
6) See J.Viner, 'Adam Smith and Laissez-faire', in J.C.Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol.1, pp.153-55.
7) WN, I.viii.11-13.
8) Cf. WN, I.viii.12-14; I.x.c.61.
9) See WN, I.xi.p10; I.x.c.27; IV.iii.c.10; cf. also IV.ii.43; VI.vii.b.49; IV.viii.17; V.i..4.
10) Cf. WN, I.x.c.25.
11) Cf. WN, I.x.c.16.
12) Cf. WN, V.i.f.50.
13) See e.g., WN, I.vii.12; IV.vii.b.3; V.i.b.2; V.i.b.22
14) See J.Viner, op.cit., p.154.
15) Ibid., p.155.
16) Viner's same paper also played a seminal role in making us aware of the non-triviality of Smith's politics, as we shall see it in the next chapter.
17) See E.G.West, 'The Political Economy of Alienation: Karl Marx and Adam Smith', in J.C.Wood(ed.), op.cit., Vol 1, pp.357-77; R.Lamb, 'Adam Smith's Concept of Alienation', in J.C.Wood(ed.), op.cit., Vol.1, pp.540-52; M.Brown, *Adam Smith's Economics*(1988), pp.107-14.
18) See R. Heilbroner, 'the Paradox of Progress', in A.S. Skinner and T.Wilson(eds.), *Essays on Adam Smith*(1975), pp.524-39; cf. also C.M.A. Clark, 'Adam Smith and Society as an Evolutionary Process', *Journal of Economic Issues*, Vol.24(1990), pp.825-844, and W.F.Campbell, 'Adam Smith's Theory of Justice, Prudence and Beneficence', in J.C.Wood(ed.), op.cit., Vol 1, p.356.
19) See D.A.Reisman, *Adam Smith's Sociological Economics*(1976), chapter 6; R.L.Meek, *Adam Smith, Marx, & After*(1977), pp.6-14.
20) See, for instance, R.Lamb, 'Adam Smith's System: Sympathy Not Self-interest', *Journal of the History of Ideas*, Vol.35(1974), pp.671-72; R.Heilbroner, 'The Socialization of the Individual in Adam Smith', *History of Political Economy*, Vol.14(1982), p.429; C.M.A. Clark, op.cit., pp.829-31; J.Evensky, 'The Two Voices of Adam Smith: Moral Philosopher and Social Critic', *History of Political Economy*, Vol.19(1987), pp.447-68; idem, 'The Evolution of Adam Smith's Views on Political Economy', op.cit., Vol.21(1989), pp.127-137.
21) G.Routh, *The Origin of Economic Ideas*(1975), p.103.
22) T.E. Cliffe Leslie seems the first to make this point. Cf. *Essays on Political Economy*(1888), pp.23-24; also J.K. Ingram, *A History of Political Economy*(1915), pp.88-91.
23) J.Evensky, 'The Two Voices of Adam Smith', pp.447-8.
24) Ibid., p.448.
25) Viner, for example, stated as follows: 'There may be genuine difficulty in reconciling Smith's deistic interpretation of the origin of the moral sentiments with other aspects of his social thought,

including some of his specifically economic thought' ('Adam Smith', *International Encyclopedia of the Social Sciences*(1968), Vol. 14, p. 324); cf. also A. H. Cole, 'Puzzles of the Wealth of Nations', *Canadian Journal of Economics and Political Science*, Vol. 24 (1958), pp. 1-8.
26) WN, I. ii. 2.
27) For a wide ranging survey see H. C. Recktenwald, 'An Adam Smith Renaissance anno 1976 ? The Bicentenary Output - A Repraisal of His Scholarship', *Journal of Economic Literature*, Vol. 16(1978), reprinted in J. C. Wood(ed.), op. cit., Vol. 4, p. 258ff.
28) For suggestion of more subtlety and complexity of Smith's view on self-interest see A. W. Coats, 'Adam Smith's Conceptions of Self-Interest in Economic and Political Affairs', in J. C. Wood(ed.), op. cit., Vol. 2, pp. 135-139; D. Winch, *Adam Smith's Politics*(1978), pp. 166-69. And see many commentaries which stress a moral basis of Smith's treatment of self-interested economic man; G. R. Morrow, 'Adam Smith: Moralist and Philosopher', in J. C. Wood(ed.), op. cit., Vol. 1, pp. 168-81; A. L. Macfie, *The Individual in Society*, pp. 59-81; R. Anspach, 'The Implications of the Theory of Moral Sentiments for Adam Smith's Economic Thought', in J. C. Wood(ed.) op. cit., Vol. 1, pp. 438-459; L. Billet, 'The Just Economy: the Moral Basis of the Wealth of Nations', in Wood(ed.), Vol. 2, pp. 205-220; A. S. Skinner, 'Adam Smith: Ethics and Self-love', in P. Jones and A. S. Skinner(eds.), *Adam Smith Reviewed*(1992), pp. 142-67.
29) TMS, II. ii. 2. 1.
30) See, for instance, TMS, I. iii. 2. 8; I. iii. 3. 8; II. i. 5. 8; II. ii. 2. 1; II. ii. 3. 4; III. 3. 3; III. 3. 4; III. 3. 43; III. 4. 6; VI. ii. 2. 12.
31) TMS, III. 4. 6. and 7.
32) See mainly TMS, I. iii. 2. 8; I. iii. 3. 8; II. i. 5. 8; II. ii. 2. 1; II. ii. 3. 4; III. 3. 3; III. 3. 43; III. 4. 6; VI. ii. 2. 12.
33) See Part 3 of TMS.
34) Cf. above, chapter 5, section 2.
35) Cf. above, chapter 5, note 71.
36) LRBL, ii. 133.
37) W. R. Scott, *Adam Smith as Student and Professor*(1973), pp. 54-5; cf. also R, H. Campbell and A. S. Skinner, *Adam Smith*(1982), chapter 3. Meanwhile, Scott stated that the source of his quotation was John Callander of Craigforth, an intimate friend of Smith who attended the Edinburgh lectures. But recently D. D. Raphael argued with a reliable evidence that it must have been David Callander of Westertown, a pupil of Smith at Glasgow University. See D. D. Raphael, 'Adam Smith 1790: The Man Recalled: the Philosopher Revived', in P. Jones and A. S. Skinner(eds.), *Adam Smith Reviewed*(1992), pp. 93-103.
38) WN, II. iii. 31; cf. WN, IV. ix. 28; LJ(A), iv. 19.
39) Cf. above, chapter 5, note 73.
40) Stewart, IV. 13.
41) Cf. Stewart, II. 56; also R. H. Campbell and A. S. Skinner, 'General Introduction' to the *Wealth of Nations*(1976; Glasgow Edition), p. 59. Smith's historical analysis in Book III of WN is said to be 'ideal' in the sense that whereas it is part of his intellectual system especially illustrating his view of the different employment of capitals and is based in some degree on historial material, on the other hand it stresses that the actual historical record in the modern states of Europe was found to indicate an unnatural progress of opulence (cf. WN, III, 1. 8-9; and for a more detailed account of Smith's historical analysis see A. S. Skinner, *A System of Social Science*(1979), chapter 4; idem, 'Adam Smith: The Origins of the

Exchange Economy', *The European Journal of the History of Economic Thought*, Vol. 1(1993), pp. 1-25.

42) See, for example, J.M. Low, 'An Eighteenth Century Controversy in the Theory of Economic Progress', *Manchester School of Economic and Social Studies*, Vol. 20(1952), pp. 311-330; E. Roll, *A History of Economic Thought*(1953), p. 153; A. Lowe, 'The Classical Theory of Economic Growth', *Social Research*, Vol. 21(1954), pp. 132-141; idem, 'Adam Smith's System of Equilibrium Growth', in A.S. Skinner and T. Wilson(eds.), *Essays on Adam Smith*(1975), pp. 415-425; J. Schumpeter, *History of Economic Analysis*(1954), p. 572; W.O. Thweatt, 'A Diagrammatic Presentation of Adam Smith's Growth Model', *Social Research*, Vol. 24(1957), in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol. 3, pp. 88-91; G.S.L. Tucker, *Progress and Profits in British Economic Thought, 1650-1850*(1960), pp. 72-73; H. Barkai, 'A Formal Outline of a Smithian Growth Model', *Quarterly Journal of Economics*, Vol. 83(1969), pp. 396-414; G.B. Richardson, 'Adam Smith on Competition and Increasing Returns', in A.S. Skinner and T. Wilson(eds.), op. cit., pp. 350-360 ; W.A. Eltis, 'Adam Smith's Theory of Economic Growth', in A.S. Skinner and T. Wilson(eds.), op. cit., pp. 426-454; idem, *The Classical Theory of Economic Growth(1984), Ch. 3; D.P. O'Brien, The Classical Economists*(1975), pp. 206-214; C. Venning, 'The World of Adam Smith Revisited', *Studies in Burke and His Time*, Vol. 19(1978), p. 68; A.S. Skinner, *A System of Social Science*(1979), pp. 176-183; G.C. Reid, 'Disequilibrium and Increasing Returns in Adam Smith's Analysis of Growth and Accumulation', *History of Political Economy*, Vol. 19(1987), pp. 87-106.

43) See, e.g., Paul H. Douglas, 'Smith's Theory of Value and Distribution', in J.M. Clark *et al.*, *Adam Smith, 1776-1926*(1928), pp. 107-110; J.J. Spengler, 'Adam Smith's Theory Economic Growth', in J.C. Wood(ed.), op. cit., pp. 110-141; R. Heilbroner, 'The Paradox of Progress: Decline and Decay in *The Wealth of Nations*', in A.S. Skinner and T. Wilson(eds.), op. cit., pp. 524-539; P. Samuelson, 'The Canonical Classical Model of Political Economy', *Journal of Economic Literature*, Vol. 16(1978), pp. 1415-1434; R.E. Prasch, 'The Ethics of Growth in Adam Smith's *Wealth of Nations*', *History of Political Economy*, Vol. 23(1991), pp. 337-351.

44) Cf. Astronomy, II. 12.

45) J. Viner, 'Adam Smith and Laissez-Faire', in J.C. Wood(ed.), op. cit., Vol. 1, p. 143.

46) See A.S. Skinner, op. cit., chapter 7; cf. also W. Letwin, *The Origin of Scientific Economics*(1963), p. 226.

47) Op. cit., pp. 181-812.

48) Cf. A. Lowe, op. cit., p. 415.

49) Cf. A.S. Skinner, op. cit., p. 151.

50) No attempt is made to supply a complete list of the commentaries on this issue. I shall simply record some. Adam Smith's theory of value and distribution does not seem to deserve discussion except a purpose for the understanding of the labour theory of value which is related to Ricardo and Marx. (P.H. Douglas, op. cit., pp. 77-115.) Smith's labour theory of value was found as much confused (whilst the cost-of-production theory was identified as his own.) (Schumpeter, op. cit., pp. 188-189; M. Dobb, *Theories of Value and Distribution since Adam Smith*(1973), pp. 43-56 and 76.) But it was noted that Smith's cost-of-production theory is no value theory at all in the sense that it does take no account of the determination of its components. (M. Blaug, *Economic Theory in Retrospect*(1978), pp. 40-41; D.P. O'Brien, op. cit., p. 79; E.K. Hunt, *History of Economic Thought*(1979), Ch. 3;

R.O'Donnel, *Adam Smith's Theory of Value and Distribution*(1990), Ch.10) One critic even declared, from the perspective of the modern neoclassical micro-economics, that Smith's theorizing in price analysis is too completely defective to deserve praise as establishing a foundation of 'analytic' economics. (S. Rashid, 'Adam Smith and the Market Mechanism', *History of Political Economy*, Vol.24(1992), pp.129-152.) A criticism was also made of Smith's proposition of the investment priorities of capitals. (S. Hollander, *The Economic of Adam Smith*(1973), pp.193-199).

51) Allyn Young, 'Increasing Returns and Economic Progress', *Economic Journal*, Vol.38(1928), p.533; cf. also A. Lowe, op.cit., pp.416ff and N. Kaldor, 'The Irrelevance of Equilibrium Economics', *Economic Journal*, Vol.82(1972), p.1244ff.; S. Hollander, *Classical Economics*(1987), p. 319.

52) A. Lowe, op.cit., pp.416-417. In dealing with the 'constants' in Smith's model Lowe in fact added to those factors(institutional and natural) the psychological items, say, a self-regarding propensity like 'the desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and never leave us till we go into the grave'. (WN, II.iii.28) However, I do not agree that such psychological factor is of the same character or position as the institutional and natural ones. Firstly, the psychological items are the basic principles by which Smith supposes human beings behave and thus on which his theories are built up and as such postulated at the outset like Newton's principle of gravitation. Secondly, they are assumed to be invariable throughout time, and, unlike A. Lowe's view (cf.op.cit., p.422.), do not enter, in any event, into a reciprocity of cause and effect.

53) It therefore implies that, in so far as Smith's 'theory' of, say, economic growth is concerned, an imperfect institutional framework is not considered as a causal factor in affecting the course of development of society, even though it is admitted that in the *Wealth of Nations* as a whole there exists an interdependence between it and purely economic factors.

54) A.Lowe, op.cit., p.417. This assumption means that although Smith did not rule out the possibility that natural resources might be exhausted, this is not a feature of his theoretical model of growth. This fact appears not to be noticed by some commentators (cf. J.Spengler, op.cit., p.128; R.Heilbroner, op.cit., p.530.).

55) See, for example, Smith's reference to China as an example of a stationary economy which 'had probably long ago acquired that full complement of riches which is consistent with the nature of its law and institutions'. (WN, I.ix.14)

56) See WN, I.vii.30; cf. also WN. I.vii.6; I.x.a.1; IV.vii.c.44; IV.ix.17.

57) Cf. LJ, iv.62 where it is remarked that the poor soil of Tartar and Arab acted as a decisive barrier to further development. For comment see A.S. Skinner, 'A Scottish Contribution to Marxist Sociology ?', in I.Bradley and M.Howard(eds.), *Classical and Marxian Political Economy*(1982), pp.91-92. Cf. also Smith's suggestion that natural conditions can give rise to fluctuations in physical output. (WN, II.i.29.)

58) It is well known that the *Wealth of Nations* is not a treatise in the style of the textbooks of the present-day 'positive' economics. Rather, it contains the mixture of theoretical doctrines, empirical statements, historical discourse, and policy recommendations. Moreover, it is important to note that in performing such different

purposes - especially in presenting political prescriptions - Smith does not employ a single form of communication style, e.g., like a style of didactic or scientific discourse. For comment on this issue see, for example, A.S. Skinner, 'Adam Smith: Rhetoric and the Communication of Ideas', in A.W. Coats(ed.), *Political Economy and Public Policy*(1983), pp.71-88; A.M. Endres, 'Adam Smith's Rhetoric of Economics', *Scottish Journal of Political Economy*, Vol.38(1991), pp.76-95; cf. also A.S. Skinner, *A System of Social Science*(1979), pp.206-208.

59) Note that Smith refers to political economy as the treatment of 'the nature and causes of the wealth of nations'. (WN, IV.ix.38.) Cf. G.Bryson, *Man and Society*(1945), p.208ff.; J.J. Spengler, op.cit., p.110ff.

60) WN, intro.1; cf.also WN, II.v.31.

61) WN, II.iii.32; cf.also WN, intro. and plan.3; IV.ix.34.

62) WN, II.iii.13.

63) WN, II.intro.3; cf. also WN, I.viii.57.

64) In this regard Smith's model of economic growth has been described as 'self-propelling', 'self-generating' or 'self-sustaining'. See the papers of A.Lowe, A.S. Skinner and G.B. Richardson in the above note 42.

65) WN, II.iii.17.

66) See WN, intro. and plan. 6; II.iii.13; II.iii.17; II.iii.32; IV.ix.36.

67) See WN, I.viii.57; II.intro.4. For comment see S.Hollander, op.cit., pp.210-211 and 252; W.A. Eltis, 'Adam Smith's Theory of Economic Growth', op.cit., p.429.

68) See WN, I.viii.18,21,23,40 ad 42, together with WN, II.iii.17 and 32.

69) Cf. WN, I.viii.57; I.xi.o.1; V.i.e.26.

70) Cf. WN, I.iii; IV.ix.41.

71) See, e.g., Allyn Young, op.cit., pp.527-542; N.Kaldor, op.cit., pp.1242-1246; G.B. Richardson, op.cit., pp.351-352; A.S. Skinner, op.cit., p.182; G.C. Reid, op.cit., pp.87-106.

72) WN, I.viii.43.

73) WN, I.ix.14.

74) See WN, I.viii.24; I.ix.20.

75) WN, I.viii.26.

76) See WN, I.ix.13 and 21.

77) See WN, I.viii.26.

78) See R.Heilbroner's paper especially amongst those which treat the stationary economy as a final stage Smith visualized.

79) G.J. Stigler, 'Textual Exegesis as a Scientific Problem', *Economica*, N.S., Vol.32(1965), p.448; cf. also C.B. McCullagh, 'Can Our Understanding of Old Texts Be Objective ?', *History and Theory*, Vol.30(1991), p.316.

80) Cf. the above note 42.

81) R.Heilbroner, op.cit., p.529.

82) Ibid.

83) In the final section of this chapter it will be argued with that Smith did not find an inverse relationship between wages and profits.

84) WN, I.ix.11; cf. also WN, I.ix.2; I.x.c.26; II.iv.8.

85) Heilbroner, op.cit., pp.529-530.

86) In dealing with economic relationships Ricardo supposes the whole economy to be marked by the corn model producing a single product in which it is assumed that a single production factor or a fixed factor proportion of labour and capital is applied to land, subject to

diminishing returns, and that the size of population, whose change draws on Malthus's population mechanism, determines the demand for wheat. (For accounts of the corn model see, e.g., M. Blaug, *Ricardian Economics* (1958), pp. 12-15; idem, *Economic Theory in Retrospect*(1978), pp. 91-95; D. P. O'Brien, op. cit., pp. 37-41; S. Hollander, *The Economics of David Ricardo*(1979), pp. 7-8 and 695f.) In addition, he assumes the closed economy in which the mobility of resources is possible only within each country (see H. Myint, 'Adam Smith's Theory of International Trade in the Perspective of Economic Development', in J. C. Wood(ed.), op. cit., Vol. 3, pp. 511 and 513) and allows no room for the effects of technological advance (cf. E. G. West, 'Ricardo in Historical Perspective', *Canadian Journal of Economics*, Vol. 15 (1982), pp. 316-18 and 322; cf. also P. Samuelson, op. cit., p. 1428). It can be pointed out that these are restrictive assumptions Smith did not share at all (see below; for a contrast of Smith's and Ricardo's model and assumptions of economic system see H. Myint, op. cit., pp. 511-514). At all events, under those assumptions Ricardo insists that capital accumulation gives rise to increasing population by way of wages above subsistence and consequently increasing demand for wheat, which in turn brings inferior land into cultivation; as a result of diminishing returns rising price of wheat and wages result, finally leading to a permanent decline of profit rate. After all, Ricardo reaches, through the route, a conclusion in which a final stage of a developing economy will become a stationary state where accumulation will cease and wages will be at subsistence level.

87) Ibid., pp. 526-527. For the same view see J. J. Spengler, op. cit., p. 126; P. Sylos-Labini, 'Competition: The Product Markets', in A. S. Skinner ad T. Wilson(eds.), *The Market and the State*(1976), p. 220.

88) Heilbroner, op. cit., pp. 527 ad 529; cf. also P. Samuelson, 'A Modern Theorist's Vindication of Adam Smith', *American Economic Review*, Vol. 67 (1977), in J. C. Wood(ed.), op. cit., Vol. 3, pp. 499-500.

89) Heilbroner, op. cit., p. 530. This point was stated more clearly in the article under the same title which appeared in *Journal of the History of Ideas*, Vol. 34 (1973), p. 251. Cf. also J. J. Spengler, op. cit., p. 128; P. Samuelson, op. cit., p. 500; idem, 'The Canonical Classical Model of Political Economy', op. cit., pp. 1416ff. and 1432, note 13.

90) WN, I. ix. 2; also WN, I. ix. 11; I. ix. 23; II. iv. 8.

91) See R. O'Donnel, op. cit., p. 47 and passim. In this regard it is of particular importance to be aware that for Smith, like many contemporaries in the eighteenth century, accumulation or net saving did not fall back so much upon the rate of profit, as upon the habits and outlook of society. (See M. Bowley, *Studies in the History of Economic Theory before 1870*(1973), pp. 193-196; cf. also WN, I. iii. 14-17, where it is stated that 'capitals are increased by parsimony, and diminished by prodigality and misconduct'.

92) WN, I. ix. 11; cf. also IV. vii. c. 59.

93) Smith's account of a falling rate of profit appears in his discussion of different employments of capital(WN, II. v.). For comment see, e.g., M. Bowley, op. cit., pp. 220-22.

94) Cf. G. L. S. Tucker, op. cit., pp. 72-73.

95) WN, I. viii. 40.

96) See WN, I. viii. 18-22, 40 and 42.

97) WN, I. xi. c. 7; cf. WN, I. xi. c. 36; I. xi. g. 28.

98) This point was suggested by J. J. Spengler, op. cit., p. 126.

99) WN, I. viii. 37.

100) Cf. WN, I. viii. 23 and 35; I. ix. 6. It is true that focussing on

a positive relationship between population and prosperity Smith noted that in North America where the rate of accumulation was much faster than in Britain and most European countries, population took 20 or 25 years to double. But what requires emphasis is that its cause is not so much attributed to the rising cost of wage goods, as to a profitability attained by parents when more children are brought up. On this ground Smith said that in North America 'The value of children is the greatest of all encouragements to marriage'. (WN, I. viii. 23.) Smith's reasoning of this kind in fact makes it clear that his opinion of population mechanism must be distinguished from Malthus's view of it which contains two forces: the desire for procreation as a biological impulse and available subsistence. In other words, Smith saw a rational evaluation of the 'value of children' as another important force which dominates population mechanism. Certainly this force may act as another check which keeps additional population from augmenting accurately proportionately to the wage goods. For a similar yet even more loose suggestion see J. J. Spengler, 'Adam Smith on Population', *Population Studies*, Vol. 24(1970), p. 388; idem, 'Adam Smith on Population Growth and Economic Development', *Population and Development Review*, in J. C. Wood(ed.), op. cit., Vol. 3, p. 403.

101) Cf. WN, II. i; II. iii. 32; II. iii. 35; II. iv. 4; II. v. 11; IV. iii. c. 15.

102) WN, II. intro. 3; cf. WN, I. xi. c. 7.

103) See W. A. Eltis, op. cit., pp. 436-437.

104) Ibid., p. 437.

105) Cf. the articles of R. Heilbroner and P. Samuelson in the above note 42. And for discussion of this issue see, for instance, S. Hollander, 'On Professor Samuelson's Canonical Model of Political Economy', *Journal of Economic Literature*, Vol. 18(1980), p. 559-574; E. G. West, 'Development in the Literature on Adam Smith: An Evaluative Survey', in W. O. Thweatt(ed.), *Classical Political Economy*(1988), pp. 21-27. It is worth noting that in fact, some of Smith's successors, e. g., Ricardo did not think that the secular profit falls in Smith's model came about owing to diminishing returns. He criticized Smith's failure to find its cause not in diminishing returns to land, but in the drying up of investment opportunity resulting from the intense competition between capitals. (See D. Ricardo, *On the Principles of Political Economy and Taxation*, in Piero Sraffa(ed.), Chapter. 21.)

106) WN, I. ix. 11.

107) Cf. WN, I. ix. 12-14; II. iv. 8; V. ii. f. 3.

108) Cf. S. Hollander, op. cit., p. 560ff.

109) WN, I. i. 4.

110) WN, I. xi. o. 1; also I. viii. 57; V. i. e. 26.

111) WN, I. xi. i. 3; also I. xi. d. 1; I. xi. e. 1.

112) Cf. WN, I. xi. e. 28. On this ground Smith says corn can act as a more proper measure of value than any other good. (WN, I. v. 15; IV. v. a. 23.)

113) Cf. WN, I. viii. 35; I. xi. n. 10.

114) See W. A. Eltis, op. cit., p. 452.

115) See, for instance, WN, II. v. 19-20.

116) In this sense it was noted that 'There is thus a trade-off between agriculture which favours the *rate* of accumulation, and industry which favours the *effects* of accumulation'. (W. A. Eltis, op. cit., p. 452; original italics)

117) Cf. WN, I. xi. c. 7; TMS, IV. i. 1. 10; LJ(A), iii. 135.

118) Cf. WN, I. xi. c. 7; I. xi. c. 36; I. xi. g. 28; LJ(B), 209. A more

detailed account of the insatiable wants of mankind appears, in the *Theory of Moral Sentiments*, in relation to the desire for approval which is basically seen to inspire them to seek wealth (and status), and is closely connected with the discussion of economic growth. See TMS, I.iii.2; IV.1; VII.ii.4.12. And for comment see A.S. Skinner, 'Adam Smith: Ethics and Self-love', in P.Jones and A.S. Skinner(eds.), *Adam Smith Reviewed*(1992), pp.149-154 and 162-163.

119) WN, I.xi.c.7.

120) WN, I.i.4.

121) In this respect it deserves notice that whilst probably it is likely that a preindustrial conception of, say, technology was employed in the *Wealth of Nations*, it does not, in part, seem correct to claim that Smith failed to anticipate the Industrial Revolution. [Cf. R.Koebner, 'Adam Smith and the Industrial Revolution', *Economic History Review*, Vol.2(1959), reprinted in J.C. Wood(ed.), op.cit., Vol.4, p.72ff; M.Blaug, op.cit., pp.37-38.] Furthermore, it appears completely mistaken to find that Smith's analytical work ought to be understood as a type of the preindustrial economics, since basically his theoretical doctrines can be conceived as something 'intended to promulgate an egalitarian agrarian capitalism in the spirit of physiocracy'. [See H.Caton, 'The Preindustrial Economics of Adam Smith', *Journal of Economic History*, Vol.45(1985), pp.833-853.] In a similar vein one can be critical of D.McNally's book, *Political Economy and the Rise of Capitalism*(1988), chapter 5, where he placed an overstress on the primacy of agricultural growth in Smith's outlook of evolution by overlooking Smith's confidence both in the expected direction of the preference of consumers and in the greatest competence of specialization in manufacture.

122) A.S. Skinner, op.cit., p.176.

123) See, for example, Leo Rogin, *The Meaning and Validity of Economic Theory*, (1956), pp.110-117.

124) W.A. Eltis, op.cit., p.453; cf. also C.Venning, op.cit., p.68; A.S. Skinner, 'Say's Law: Origins and Content', *Economica*, Vol.34(1967), p.165.

125) See, for instance, the prefaces or the introductions of J.K. Ingram, *A History of Political Economy*(1915); E.Roll, op.cit.,; E.K. Hunt, op.cit.

126) See, e.g., R.Koebner, op.cit., pp.72-83; M.Blaug, op.cit., pp.37-38; S.Hollander, op.cit., pp.208-241; C.P. Kindleberger, 'The Historical Background: Adam Smith and the Industrial Revolution', in A.S. Skinner and T.Wilson(eds.), *The Market and the State*(1976), pp.1-25.

127) Note that somewhat curiously Schumpeter suggested that vision described as 'the preanalytic act' yet capable of having no effect on the analytic process of scientific work might play a very important part *exceptionally* in the economists' theoretical formulation relating to the issue of economic growth. (Schumpeter, op.cit., pp.42ff. and 570ff.) Meanwhile, it is also worth noting that while he places emphasis on the role of vision in appreciating scenarios or theories of some prominent modern economists, Heilbroner recently would seem to go a long way from his original position already examined, in that he remarked: 'Smith's visionary deistic order precedes and guides the processes of self-ordering growth described in the *Wealth of Nations*'. See R. Heilbroner, 'Analysis and Vision in the History of Modern Economic Thought', *Journal of Economic Literature*, Vol. 28(1990), p. 1110.

128) On the point that in the classical political economy the problem of value was inextricably related to the problem of distribution, see, e.g., E. Cannan, *A History of the Theories of Production and Distribution in the English Political Economy*(1898), p. 186ff.; R.L. Meek, *Precursors of Adam Smith*(1972), p. x; P. Garegnani, 'Value and Distribution in the Classical Economists and Marx', in J.C. Wood(ed.), *Karl Marx's Economics: Critical Assessments*(1988), Vol.1, p. 1077ff..
129) See E. Halevy, *The Growth of Philosophic Radicalism*(1901), translated by Mary Morris(1928), pp. 100-103.
130) Cf. R.L. Meek, 'Adam Smith and the Classical Concept of Profit', in his *Economics and Ideology and Other Essays*(1967), pp. 28-32, where he speculated about the impact of the Physiocratic system on Smith's analysis of distribution, whilst at the same time considering together Dugald Stewart's statement that the division of returns into wages, profit, and rent was first indicated by his friend, James Oswald (cf. Stewart, III.2): cf. also A.S. Skinner, *A System of Social Science*(1979), pp.122-9.
131) See P.H. Douglas, 'Smith's Theory of Value and Distribution', in J.M. Clark, et al., *Adam Smith, 1776-1926*(1928), pp.77-115; E.Roll, *A History of Economic Thought*(1954), p.171ff.; M.Dobb, *Theories of Value and Distribution since Adam Smith*(1973), pp.46 and 112; R.Lamb, 'Adam Smith's Conception of Alienation', in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol. 1, pp.481 and 485; D.A. Reisman, *Adam Smith's Sociological Economics*(1976), chapter 6; R.L. Meek, *Smith, Marx & After* (1977), pp.6-14; P.H. Werhane, *Adam Smith and His Legacy for Modern Capitalism*(1991), pp.132 and 143.
132) Smith stated at the beginning of WN that 'The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life' (WN, intro.1; cf. also I.x.c.12), and used as his criterion of social advantage the quantity of productive labour put into motion by a given capital (cf. WN, II.v). Note also that from the second edition Smith removed the words, 'a source of value', which were also applied to profit and rent in the first edition(WN, I.vi.6 and 8).
133) D.A. Reisman, op.cit., p.164.
134) Cf. A.S. Skinner, op.cit., chapters 5 and 7.
135) See WN, I.viii.19-20; cf. also I.vi.7-8 and I.viii.6-8.
136) For detailed discussion of Smith's theory of property rights see K.Haakonssen, *The Science of a Legislator*(1981), pp.96-97 and chapter 5; P.H.Werhane, op.cit., chapter 2.
137) It is noted that Smith considered 'just' the deduction of non-labour forms of income from the produce of labour (J.T. Young, 'Natural Price and the Impartial Spectator', *International Journal of Social Economics*, Vol.12(1985), pp.123-28; idem, 'The Impartial Spectator and Natural Jurisprudence: An Interpretation of Adam Smith's Theory of Natural Price', *History of Political Economy*, Vol.18(1986), pp.377-81). And for a linkage of Smith's concept of natural price to 'just price' in the scholastic tradition see Gunnar Myrdal, op.cit, p.60f; Raymond de Roover, 'Scholastic Economics: Survival and Lasting Influence from the Sixteenth Century to Adam Smith', *Quarterly Journal of Economics*, Vol.69(1955), pp.161-190; M.Bowley, *Studies in the History of Economic Theory Before 1870*(1973), pp.127-32; cf. also J.R. Lindgren, *The Social Philosophy of Adam Smith*(1973), pp.87 and 97-99.
138) For a clear statement of this point see D.M. Nuti, 'Vulgar Economy' in the Theory of Income Distribution', *De Economist*, Vol.118(1970), reprinted in E.K. Hunt and J.G. Schwartz(eds.), *A Critique of Economic Theory* (1972), p.226; cf. also K.Marx, *Theories*

of Surplus Value(1969: Lawrence & Wishart London), Part II, p. 166.
139) Cf. J. Eatwell, 'Competition', in I. Bradley and M. Howard(eds.), *Classical and Marxian Political Economy*(1982), p. 212; P. Garegnani, op. cit., pp. 1079-80; idem, 'Surplus Approach to Value and Distribution', in *The New Palgrave: A Dictionary of Economics*(1987).
140) It can be seen in this connection that an interpretative attempt to stress Smith's having theoretical interest in class antagonism by virtue of his link to a labour theory of value is unconvincing. For interpretation of the kind see, for instance, D. A. Reisman, op. cit., pp. 164-69.
141) WN, I. ix. 11.
142) WN, I. ix. 2.
143) WN, II. iv. 8.
144) See WN, I. ix. 13.
145) Ricardo and his followers judged that the falling rate of profit would result from diminishing returns from land and rising wages (see D. Ricardo, *Principles of Political Economy*, edited by P. Sraffa(1951), chapter 21 and particularly p. 296). As Ricardo briefly stated: 'if, as is absolutely certain, wages should rise with the rise of corn ... profits would necessarily fall' (ibid., p. 111 and passim).
146) There have been many lines of interpretation on Adam Smith's theory of value in connection with WN. I will just state their major respects below. Firstly, it was claimed that Smith had a labour-embodied theory of value for a primitive economy and yet for a capitalist society both the labour-embodied and labour-commanded theories were applied. (cf. P. H. Douglas, op. cit., pp. 88-90; also E. F. Paul, *Moral Revolution and Economic Science* (1979), p. 23). Note that this argument was criticized, above all, for its failure to distinguish between the source and the measure of value. (cf. V. W. Bladen, 'Command over Labour: A Study in Misinterpretation', in J. C. Wood(ed.), op. cit., Vol. 3 pp. 370-1; S. Kaushil, 'The Case of Adam Smith's Value Analysis', in J. C. Wood(ed.), op. cit., Vol. 3, p. 278.)
Secondly, while sharing in part the above view on the dichotomy of Smith's account of value, some writers argued that for the capitalist economy he put forward a cost-of-production theory which was meant to represent a kind of supply and demand theory. This view finds that Smith contributed to the development of both lines of tradition concerning the treatment of value, namely, the labour theory and the neoclassical theory, (cf. E. Roll, op. cit., pp. 161-164 ad 171-172; R. L. Meek, *Studies in the Labour Theory of Value*(1956), pp. 69-71; idem, *Smith, Marx, & After*(1977), pp. 8 and 154-57; M. Dobb, op. cit., pp. 45-47; idem 'Ricardo and Adam Smith', in A. S. Skinner and T. Wilson(ed.), *Essays on Adam Smith*(1975), pp. 327-328; E. K. Hunt, *History of Economic Thought*(1979), ch. 2.).
Thirdly, objecting to the view that Smith held, although partially for a barter economy, a labour theory of value, on the ground that in such situation any theory of value would suggest the same result, i.e., the same exchange rate between commodities, many found that his theory of value was consistently an explanation of value in terms of cost of production. On this interpretation it is noted that Smith's account of the determination of value corresponds to a special case of Marshall's theory of value in that it assumes constant costs, so that demand has no role in determining the long-run price. (cf. J. Schumpeter, *History of Economic Analysis*(1954), pp. 188-89 and 309; M. Blaug, *Economic Theory in Retrospect*(1978), pp. 40-42; M. Bowley, *Studies in the History of Economic Theory Before 1870*(1973), pp. 122-126; D. O. O'Brien, *The Classical Economists*(1975), pp. 78-80; A. S.

Skinner, *A System of Social Science* (1979), pp. 157-58).
Fourthly, Smith was seen to anticipate the neoclassical general equilibrium theory of value. In this view Smith's treatment of value is evaluated as an attempt to provide a version of long-run general equilibrium, rather than partial equilibrium analysis of supply and demand; value is determined by the interplay of both demand and supply which are based on utility and scarcity. (See S. Hollander, *The Economics of Adam Smith*(1973), chapter 4, and S. Kaushil, op. cit., pp. 280-82; cf. also J. Schumpeter, op. cit., p. 189; K. E. Boulding, 'After Samuelson, Who Needs Adam Smith ?', in J. C. Wood(ed.), op. cit., Vol. 3, p. 250; P. A. Samuelson, 'A Modern Theorist's Vindication of Adam Smith', in J. C. Wood(ed.), op. cit., Vol. 3, p. 499.)
Finally, there has recently been a challenge to the contemporary interpretation on Smith's theory of price in respect of the surplus (or classical) approach to value and distribution. This approach draws attention to the analytical structure of classical political economy mainly concerned with the determination of relative prices and the rate of profit whose problem was considered to arise from classical economists' primary interest in reproduction and distribution. On the one hand, this line of analysis disapproves of the general equilibrium approach according to which for Smith price is determined by demand and supply (cf. P. Garegnani, 'The Classical Theory of Wages and the Role of Demand Schedules in the Determination of Relative Prices', *American Economic Review*, vol. 73(1983), pp. 309-313; R. O'Donnel, *Adam Smith's Theory of Value and Distribution*(1990), especially chapter 9 and passim). On the other it shows that Smith considered the relative prices to be determined by the methods of production and the manner in which the surplus is distributed (See P. Sylos-Labini, 'Competition: The Product Markets', in A. S. Skinner and T. Wilson(eds.), *The Market and the State*(1976), pp. 202-6; R. O'Donnel, op. cit., pp. 76ff. and 89-90; cf. also P. Sraffa, *Production of Commodities by Means of Commodities*(1960), in particular section 20.)

147) The consideration of rent will be dropped, since Smith did not make a consistent argument about rent. Rent was spoken of as price-determining when he talked about the component parts of natural price(WN, I. vi. 17; vii. 4; vii. 33), whilst in contrast as price-determined on his taking detailed account of it(WN, I. xi). Moreover, note that Smith did not establish a precise analytical relationship between the rates of wages, profit and rent (cf. P. Sylos-Labini, op. cit., p. 204; R. O'Donnel, op. cit., pp. 100-102). Smith once said as if rent had been related to wages and profit; 'High or low wages and profit, are the causes of high or low price; high or low rent is the effect of it' (WN, I. xi. 9. 8). However, it is not of course an expression of an analytical relation between the distributive variables needed for the discussion of value.

148) It is suggested that Smith's argument to this effect must not be taken to show that he produced an analysis of wage determination by virtue of demand and supply 'theory' which is identical to modern economics (See P. Garegnani, op. cit., pp. 310-311; J. Spengler, 'Adam Smith's Theory of Economic Growth', in J. C. Wood(ed.), op. cit., Vol. 3, pp. 125-126.

149) See WN, I. viii, and especially I. viii. 52; V. ii. 1. 1; V. ii. k. 4.

150) See WN, I. viii. 16. It is worth noting that by subsistence rate Smith did not mean a biologically or physiologically determined level of wages, but wage level culturally or historically determined (Cf. WN, V. ii. k. 3).

151) In this connection it must be observed that Smith's saying that for instance the natural rate of wages is 'regulated ... partly by the general circumstances of the society, their riches or poverty, their advancing, stationary, or declining condition; and partly by the particular nature of each employment' (WN, vii.1) does not imply that in his opinion the rate is determined exclusively by 'physical, social, and institutional factors' (Cf. R.L. Meek, op.cit., p.158; also C.M.A. Clark, op.cit., p.834 and S.Rashid, 'Adam Smith and the Market Mechanism', *History of Political Economy*, Vol.24(1992), p.135). It seems to me that Smith introduced three general circumstances of society with taxonomic rather than explanatory purpose, as he utilized the four stages theory which was recognized as a taxonomic tool with the aid of which an explanation of history was attempted (cf. K.Haakonssen, op.cit., p.188).

152) See above, section 2.

153) See WN, I.ix.12-14; II.iv.8.

154) WN, V.ii.f.3.

155) Cf. W.A. Eltis, 'Adam Smith's Theory of Economic Growth' in A.S. Skinner and T.Wilson(eds.), *Essays on Adam Smith*(1975), p.44; R.O'Donnel, op.cit., p.96ff.

156) WN, I.ix.11.

157) WN, I.ix.12.

158) Cf. WN, I.vii.4.

159) It is stressed that the argument that the price will be equal to costs of production must not be looked on as a type of the theory of value, for such fact is simply a statement of the state always assured under the condition of competition and the theory of value ought to show what determine the value of commodities. Furthermore, it is noted that costs of production cannot be calculated independently of, and prior to the determination of the prices of commodities[cf. P.Sraffa, op.cit., section 4; J.Eatwell, 'Cost of Production', in *The New Palgrave: A Dictionary of Economics*(1987)]. It is declared in this respect that a cost-of-production 'theory of value' cannot be applied to both classical and neoclassical theories (R.O'Donnel, op.cit., pp.21-22).

160) WN, I.vii.33.

161) P.Sraffa, 'Introduction' to *Principles of Political Economy* of David Ricardo(1951), p.xxxv.

162) The same is in part true of Smith's analysis of taxes on wages and profit. See WN, V.ii.f.2; V.ii.g.3-4; V.ii.l.1-2; V.ii.k.4-5.

163) WN, I.viii.57.

164) WN, IV.v.a.11-14.

165) It is claimed that no identification by Smith of the analytical relationship between the distribution variables made his theory of value indeterminate yet not wrong (See P.Sylos-Labini, op.cit., p.204; R.O'Donnel, op.cit., pp.100-102).

166) WN, IV.ix.17.

167) Smith found that the division of labour had such capacity because of three kinds of advantage it induced: the increase of dexterity of labourers, the saving of time in the process of work, and the invention of machinery which serves to facilitate and abridge labour (see WN, I.i.5-8).

168) WN, III.i.1.

169) WN, I.I.10.

170) WN, V.i.f.50.

171) See LJ(B), 328-338.

172) Cf. Gide and Rist, *A History of Economic Doctrines*(1915), p.109; J.Viner, 'Adam Smith and Laissez-faire' in J.C.Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol.1, p.154; idem, 'Introduction' to John Rae's *The Life of Adam Smith*(1965), p.35; N.Rosenberg, 'Adam Smith on the Division of Labour: Two Views or One ?', in J.C.Wood(ed.), op.cit., Vol.3, p.171; D.Forbes, in D.Young *et al*, *Edinburgh in the Age of Reason*(1967), p.47; P.A. Werhane, *Adam Smith and His Legacy for Modern Capitalism*(1991), p.145.
173) See below, notes 137, 143, and 145.
174) See, for instance, M.Fay, 'The Influence of Adam Smith on Marx's Theory of Alienation', *Science and Society*, Vol.47(1983), reprinted in J.C.Wood(ed.), *Karl Marx's Economics: Critical Assessments*(1989), Vol.1, pp.551-556, where it is argued that Marx's *Economic and Philosophic Manuscript of 1844* shows that his elaboration of the concept of alienation was deriveed from his critical analysis of Smith's ***Wealth of Nations*** in terms of the Hegelian looking glass of the dialectical method.
175) Here our aim is to give a critical review as to those concerned mainly with a 'methodological' grasp of the theme of 'alienation'. It was pointed out that Smith's social welfare function was not confined to economic or material satisfaction and included non-economic welfare criteria such as moral approval of the impartial observer (J.M.A. Gee, 'Adam Smith's Social Welfare Function', in J.C.Wood(ed.), *Adam Smith*, Vol.4, pp.84-97). It is to be kept in mind that similarily many commentators have approached the problem of 'alienation' from the perspective of, say, socio-political welfare criteria. See, e.g., J.Cropsey, *Polity ad Economy*(1957), p.56ff; idem, 'Adam Smith and Political Philosophy', in A.S. Skinner and T.Wilson, *Essays on Adam Smith*(1975), pp.132-153; D.Winch, *Adam Smith's Politics*, chapter 5; A.S. Skinner, *A System of Social Science*(1979), chapter 9; idem, 'Adam Smith and Economic Liberalism', in D.Mair(ed.); *The Scottish Contribution to Modern Economic Thought*(1990), pp.138-140.
176) See E.G. West, 'Adam Smith's Two Views on the Division of Labour', in J.C.Wood(ed.), op.cit., Vol.3, pp.162-170; cf.also R.Heilbroner, 'The Paradox of Progress', in A.S. Skinner and T.Wilson(eds.), *Essays of Adam Smith*(1975), p.530.
177) E.G. West, op.cit., pp.168-169.
178) Ibid., p.162.
179) See ibid., pp.165-69.
180) A number of authors have shown that Adam Smith (and the member of the Scottish Enlightenment) was a predecessor of the modern sociology, and discussed his work in the perspective of sociology. See, for example, A.W. Small, *Adam Smith and Modern Sociology*(1907); R.Pascal, 'Property and Society, *Modern Quarterly*, Vol.1(1938), pp.167-179; G.Bryson, *Man and Society*(1945); A.Salomon, 'Adam Smith as Sociologist', *Social Research*, Vol.12(1945), in J.C.Wood(ed.), op.cit., Vol.1, pp.236-249; R.L. Meek, *Economics and Ideology and Other Essays*(1967), pp.34-50; idem, *Social Science and the Ignoble Savage*(1967); A.Swingewood, 'Origins of Sociology: the Case of the Scottish Enlightenment', *British Journal of Sociology*, Vol.21(1970), pp.164-180; D.A. Reisman, *Adam Smith's Sociological Economics*(1976).
181) Cf. E.G. West, 'The Political Economy of Alienation: Karl Marx and Adam Smith', in J.C.Wood(ed.), op.cit., pp.357-377; idem, 'Adam Smith and Alienation' in A.S. Skinner and T.Wilson(eds.), op.cit., pp.540-552
182) R.Lamb, 'Adam Smith's Concept of Alienation', in J.C.Wood(ed.),

op. cit., Vol. 1, p. 481.
183) See above, section 2.
184) For such an argument see, e.g., M. Brown, *Adam Smith's Economics*(1988), p. 108.
185) R. Lamb, op. cit., p. 481.
186) See above, chapter 4.
187) See M. Brown, op. cit., pp. 107-114.
188) Ibid., p. 19; original emphasis.
189) Cf. ibid., pp. 13-21.
190) Ibid., p. 110.
191) Cf. Nathan Rosenberg's argument as elaborated in 'Adam Smith on the Division of Labour: Two Views or One ? ', in J. C. Wood(ed.), op. cit., Vol. 3, pp. 171-183.
192) That 'alienation' of the workers was treated as merely observed facts for the subject of political economy does not of course mean that Smith regarded it as something unworthy of further consideration. Rather, Smith found that it ought to be balanced and ameliorated in the perspective of politics. This point implies that the subjects of Smith's moral philosophy are interconnected. We shall touch this issue in the next chapter. Cf. D. Winch, *Adam Smith's Politics*(1978), pp. 80-87 and chapter 5.
193) See E. G. West, 'The Political Economy of Alienation: Karl Marx and Adam Smith', op. cit. Note also that R. Lamb, accepting and following all three aspects of alienation which West identified as Marx's own, went further in arguing that Smith regarded the workers as facing in some ways the condition of isolation, powerlessness and self-estrangement in the commercial society (R. Lamb, op. cit.).
194) Cf. R. Heilbroner, 'The Paradox of Progress: Decline and Decay in *The Wealth of Nations*', in A. S. Skinner and T. Wilson(eds.), op. cit., pp. 524-539.
195) See I. Meszaros, *Marx's Theory of Alienation*(1970), pp. 36-48.
196) In this regard Marx's view of the dialectics of labour as the foundation of humanity was appreciated as an attempt to resolve the philosophical opposition between idealism and materialism and between teleology and causality. For comment see G. Lukacs, 'The Dialectic of Labour: Beyond Causality and Teleology', *Telos*, Vol. 6(1970), pp. 162-174; L. Kolakowski, *Main Currents of Marxism*(1978), Vol. 1, pp. 133-138; I. Meszaros, op. cit., pp. 162-169; P. Walton and A. Gamble, *From Alienation to Surplus Value*(1972), pp. 27-34; C. J. Arthur, *Dialectics of Labour*(1986), pp. 5-7.
197) Scholars such as Daniel Bell, Sidney Hook and Lewis Feuer have argued that there was a radical break in the development of Marx's ideas, i.e., between the young and the mature Marx. However, Marxian commentators have recently emphasized the consistent unity of Marx's writings, drawing attention to the ideas intensely expressed in the Paris Manuscripts. See, for example, L. Kolakowski, op. cit., Vol. 1, pp. 132-133 and passim; I. Meszaros, op. cit., p. 22; D. McLellan, *Marx's Grundrisse*(1971), p. 12ff; P. Walton and A. Gamble, op. cit., p. 25; E. K. Hunt, 'Marx's Concept of Human Nature and the Labour Theory of Value', *Review of Radical Political Economy*, Vol. 14(1992), reprinted in J. C. Wood(ed.), *Karl Marx's Economics: Critical Assessments*(1988), Vol. 1, pp. 477-512; C. J. Arthur, op. cit., pp. 141-145.
198) Karl Marx, *Economic and Philosophic Manuscripts of 1844*(Lawrence & Wishart, London, 1974), p. 120.
199) Ibid., p. 68; original italics.
200) Karl Marx, *Capital* (International Publisher; 1967), Vol. 1, pp. 177-178.

201) Cf. Karl Marx, *Economic and Philosophic Manuscripts of 1844*, pp. 61-74.
202) Ibid., p. 69; original italics.
203) Ibid., p. 23; cf. also K. Marx and F. Engels, *The German Ideology* (Lawrence & Wishart; 1970), p. 43f., edited and introduced by C. J. Arthur; Karl Marx, *Capital*, Vol. 1, pp. 359-368.
204) Karl Marx, *Economic and Philosophic Manuscripts of 1844*, p. 114; original italics.
205) Cf. Karl Marx and F. Engels, *The German Ideology*, p. 52f.
206) Karl Marx, *Capital*, Vol. 1, p. 364.
207) Cf. TMS, VII. iii. 1. 2.
208) TMS, II. iii. 3. 5.
209) WN, III. i. 3.
210) Recall Smith's two metatheoretical propositions: the principle of the heterogeneity of purposes and the belief in progress.
211) WN, I. ii. 1.

Chapter 7: Metaphysics and the Role of the State

7.1. Introduction

What we have attempted to make clear in the last two chapters is that metaphysical doctrines are methodologically suggestive. Smith's lectures on natural theology were devoted in part to proving the being of God and His character like goodness and wisdom. The manner in which Smith tried to give such proofs was a type of reasoning a posteriori. Hence, it is evident that Smith had to collect a large number of cases of the nice adjustments of means to ends which are observed everywhere in nature. The same is true of social phenomena. There is no doubt that he could not lend full support to his thesis especially when he faced diverse social facts. The problem of evil comprises a typical case which disproves the pattern of order and design. The doctrine of the goodness and wisdom of God is thus in agreement with possible finite set of observations. The doctrine is inconclusively confirmable. Yet, it is irrefutable in the sense that it can not be defeated, for the existence of moral evil is referred to men's free will to do evil rather than to God's intention. With this characteristic the doctrine becomes metaphysical, and to such an extent it plays a regulative role in the construction of empirical theories while ruling out other empirical theories which it clashes with.[1] After identifying such metatheoretical propositions as the belief in progress and the supposition of no conflict which are derived from the metaphysical doctrine, we have so far been concerned with the demonstration of an evident relationship between metatheoretical propositions and Smith's ethical and economic theories. In other words, we have mainly seen that at the 'theoretical' level Smith avoids descriptions of conflict and draws a picture of social progress.

Given that this interpretation is correct, namely, if Smith just supposes that there is a harmonious order in society, how should we understand Smith's clear-cut recognition of the essential role of

politics? A key point is that at the empirical level Smith also found an incomplete world as well. As we have noted, in his work he plainly acknowledged the flaws in society and described the situation of his day even as a 'depraved state of mankind'.[2] This is perhaps a reason that Smith was convinced that a political agency was necessary as a means which encourages and coordinates the concord and cooperation among men. It is evident, in this connection, that my position, which has primarily focused on the harmonious aspects of Smith's work, is not inconsistent with the point that for Smith politics has not just a validity, but a neccesity.[3]

In this chapter my aim is to explore the bearing of Smith's metaphysical doctrine and its associated propositions on his political attitude as well. We are reminded that the theme stating that metaphysical doctrines may have political suggestiveness although they do not entail particular policy proposals,[4] seems to lend support to this enquiry. In the next section I shall first introduce recent studies which have stressed the centrality as well as non-triviality of Smith's politics. Whereas I fully accept the achievements of those studies, I am going to take note that for Smith the problem of the maintenance of social order which must be an objective of politics is not entrusted only to the political sovereign, and that other agencies like moral and economic forces are also allowed to perform a similar role in preserving social order. In the third section I shall be concerned with the main enterprise above mentioned. Smith's metaphysical doctrine which is bound up with his natural theology and the metatheoretical proposition of progress lie behind his argument for economic liberalism. Before that it will be pointed out that Smith's enunciation of economic liberty is dependent on a formal analysis of the economic system based on exchange; that his laissez-faire position is put forward just a means of maximizing wealth and remains what may be called a 'theory' or 'general principle' of economic policy; and that on insisting on the need for free enterprise other objectives of public policy are isolated.

7.2. Social Order, and Political and Non-political Agencies of Order

As it is well-known, in the final chapter of Book IV of the *Wealth of Nations* Smith eloquently advocated 'the system of natural liberty'.

> All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men. The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society.[5]

Undoubtedly, Smith's proposed system of natural liberty is based on his view that man's desire of bettering his condition leads not just to personal and social opulence, but to the progress of social environment; the conviction that 'The natural effort of every individual to better his own condition, when suffered to exert itself with freedom and security, is so powerful a principle, that it is alone, and without any assistance, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions with which the folly of human laws too often incumbers its operations'.[6]

It is likely that Smith's strong argument for natural liberty, as found in the above quotation, has played a crucial role in establishing his dominant image as an advocate of laissez-faire, and as an opponent of government intervention in the minds of later generations. Appreciating Smith's rhetorical ability on the centenary of the publication of the *Wealth of Nations*, Walter Bagehot wrote: 'Adam Smith has carried political economy far beyond the bounds of those who care for abstract science. ... He has popularised it in the only sense in which it can be popularised without being spoiled; that is, he has put certain broad conclusions into the minds of hard-headed man, which are all which they need know, and all which they for

the most part will ever care for, and he has put those conclusions there ineradicably'.[7] Indeed, R.D.C. Black's paper,[8] in which the proceedings at the Political Economy Club's dinner in 1876 to celebrate the centenary of the *Wealth of Nations* and a leading newspaper were surveyed, lends proper support to the fact that British popular writers and politicians were much attracted by Smith's argument of free trade. It was reported that they judged the most important proposition of Smith's teaching to consist in the doctrine of laissez-faire or the universal non-intervention of the state. Perhaps it is no wonder that the nineteenth century popular view of Smith as the leading patron of laissez-faire has survived up to today. It is, as a matter of fact, a feature of a number of typical university textbooks.[9] This fact comes as no surprise if we are reminded that at the *Wealth of Nations* bicenennial celebrations held in 1976 at Glasgow University one of the leading economists, George Stigler, opened his after-dinner speech to the effect that Adam Smith was alive and well, and living in Chicago. Moreover, it is worthwhile to notice, in a similar context, that among many historians of ideas as well there was a tendency to regard Smith as a theorist in the tradition of thought connected with 'a non-political model of society'; a model built up upon a conceptual outlook of society, which, 'by virtue of being a closed system of interacting forces, seemed to sustain its own existence without the aid of an outside political agency'.[10] According to that line of interpretation, Smith believed that the free interplay of individuals who act in the pursuit of private interest spontaneously brought about an ordered pattern of social relationship, so that the intervention of the outside political authority was unnecessary except for the performance of some minimal duties.

However, the tendency to view Smith's work as nothing but 'a non-political model of society' did not go unchallenged. At least four main strands of interpretation came out with the aim not just of rescuing Smith from this traditional image, but of showing eventually that his politics has its own place in his intentions. In the first place, it can be observed that many historians of economic thought[11] including Gide and Rist[12] and Viner[13] were concerned with a qualification of the popular view of Smith as a doctrinaire believer

in the non-intervention of government. They informed readers that Smith assigned a much more active role to the state than is generally discerned. They supported their position, beyond taking note of what Smith explicitly identified as three functions of political agency, namely, the administration of justice, defence and the provision of several public works and institutions, by means of collecting another list of instances concerning which Smith indisputably recognized the legitimacy of government participation. But it needs to be noted that they found the latter cases scattered through the *Wealth of Nations* to be just a number of exceptions to a general rule of laissez-faire. As Viner put it:

> Smith made many exceptions to his general argument for laissez-faire. But his interest as a reformer and a propagandist was not in these exceptions. He nowhere gathered together in orderly fashion the exceptions which he would have made to his general restriction of government activity to protection, justice, and the maintenance of a few types of public works and public institutions. When considering in general terms the proper functions of government, he forgot all about these exceptions.[14]

Secondly, apart from simply enumerating examples of a wide range of government activities which were conceived as exceptions to a laissez-faire policy, there was a more refined approach which attempted to find the 'general principles' for policy prescriptions which Smith suggested.[15] It is noticeable that this line of comment is emphatic in stating that Smith's agenda for government action may vary according to historical circumstances, for his policy prescriptions, as proposed in the *Wealth of Nations*, were derived from an application of the 'general principles' to the circumstances of his day. This implies that what Smith supposed to be the functions of government in the eighteenth century context must not be mistaken for what he would propose in modern times. In this connection A.S. Skinner identified a number of general principles which were applied by Smith, in order to justify a wide range of resposibilities of the state. Firstly, the presence of market failure was an important ground on which Smith lent support to the provision of public works, one of the general duties of the state, such as roads, bridges, canals and harbours. Secondly, he called for a major reform of economic policy of his day and admitted a

need for specific policies in respect of two general principles of personal liberty and economic efficiency.

Thirdly, a valuable effort was made to reinstate Smith's politics of its own accord alongside his ethics and economics. Donald Winch's *Adam Smith's Politics* is the first major contribution in this connection. Winch, whilst being in part in line with some earlier commentators who made the case that politics plays a more important role in Smith's work than is in general recognized, was emphatic in pointing out that such effort 'has not succeeded in shifting the debate outside the confines of the liberal capitalist framework'.[16] Arguing against those who characterized Smith's work as standing in agreement with 'a non-political model of society' or the nineteenth century English tradition of liberal capitalism, Winch provided, by reference both to an insight from the civic humanist ideas[17] and to the perspective of a naturalistic science of politics or sceptical Whiggism that Smith shared with Hume,[18] a wide-ranging historical reading of Smith's statements concerning several critical political problems of the day to which the simple harmony through laissez-faire did not apply, so that the intervention of political agency was required.

Fourthly and finally, whereas Winch's attempt to recover from mistaken interpretations Smith's position of *homo civicus* running parallel with *homo socius* and *homo oeconomicus* seemed to be in a large measure successful, it ought to be noted that shortly after its publication there arose an opinion which doubted if in establishing and recapturing Smith's overall intentions Winch's work indeed designated Smith's politics as a crucial and independent area of concerns. As Teichgraeber suggested:

> the book [of Winch] is marked by a curious, and ultimately unresolved, tension between what might be called the "weak" and the "strong" versions of its main argument. The "weak" version is the observation that in recovering the historical Smith we find that his politics was neither "trivial nor vestigial." This point seems unarguable. The "strong" version is the often implied claim that since it is misleading to regard politics as occupying an unimportant role in Smith's thought, it then follows that for Smith politics also represented an important and autonomous realm of value in human affairs. That point may or

> may not be right, but Winch simply does not make a strong enough case for it.[19]

This kind of reactions seemed inevitable, since, even though Winch reminded readers that 'The treatment of justice obviously provides an important clue, and it is important to stress at the outset the natural jurisprudential framework of Smith's views on the study of politics',[20] he did not properly handle the ethical and philosophical basis of Smith's natural jurisprudence within which his political thinking was said to find its place.

Haakonssen's study of Smith's jurisprudence provided another remarkable contribution.[21] Haakonssen has shown that Smith's natural jurisprudence is developed from his moral theory, that it has ethical and philosophical foundations, and demonstrated that the application of theory in the face of historical circumstances is always behind Smith's historical account and criticism of law and government. This means that while seeking a clear-cut link between the *Theory of Moral Sentiments*, *Lectures on Jurisprudence* and the *Wealth of Nations*, Haakonssen made it quite plain that Smith's politics occupied 'an important and autonomous realm of value in human affairs', thus making a strong case for a firm vision of politics. In Haakonssen's words:

> If we are to apply anachronistic categories to Smith, it would be more accurate to say that his natural jurisprudence is a theory of the state in search of a supplementary view of politics. In order to understand Smith's politics we must combine this idea of natural jurisprudence with his strongly historicised view of society, indeed of morals generally, as a web of particulars in which we may retrospectively find some broad and approximate patterns, but which in its present and its future is inevitably subject to flux and uncertainty.[22]

These are four major lines of interpretation were intended to suggest a non-trivial role and stress a necessary vision of politics in Smith's work. Since Skinner, Winch and Haakonssen, as a result, there seems to be much agreement, at least among serious Smith scholars,[23] with regard to the fact that politics performs an essential part in his thought.

While I entirely agree with the studies just mentioned, there seems to be one point which merits attention before proceeding. It is related to a problem of the maintenance of social order, which is likely to form part of the concerns of a politically-minded philosopher. The problem of social order which I have here especially in mind concerns the way in which the insolent and selfish proclivities of the human mind would be controlled and harnessed to the general social good. In this connection Nathan Rosenberg[24] has admirably shown that at the institutional level the *Wealth of Nations* can be grasped as a treatise putting forward an institutional mechanism to restrain from antisocial elements in human nature which are inimical to the public interest, and to channel them towards the greater social benefit.[25] As Rosenberg concluded:

> Smith's *Wealth of Nations* provided the first systematic guide to the manner in which the price mechanism allocated resources in a free-market economy, and the book has been justly celebrated for this unique achievement. At the same time, however, Smith was very much preoccupied with establishing the conditions under which this market mechanism would operate most effectively. His conception of human behavior allowed for the free operation of certain impulses, motivations, and behavior patterns which were calculated to thwart, rather than to reinforce, the beneficent operation of market forces, and Smith was therefore very much concerned with providing an exact, detailed specification of an optimal institutional structure.[26]

It is apparent that Rosenberg is talking mainly about legal and institutional machinery whose organization requires legislative action to control and harness selfishness to the general welfare of society. Thus we are told that Smith was obsessed with the 'enforcement' of a spontaneous identity of interests among individuals by virtue of proper legal institutions.[27] But it is noteworthy that Rosenberg seems to overlook other forms of institutional order, as distinct from a legal form administered by political agency, with which Smith was also concerned. Those are institutional forms[28] of encouraging voluntary (as contrasted with enforced) control or adjustment of interests.[29] Both moral forces,[30] and economic forces working through the market are typical of the voluntary control mechanisms that Smith had in mind as a means of leading unrestrained selfishness to a socially productive direction.

In the first place, as mentioned earlier, it was Smith's view that self-interest is the first and foremost motive of human action. Owing to that sturdiest impulses of self-love, a great number of adverse effects take place. Even the impartial spectator or conscience, which Smith regards as a corrective to the violence and injustice of selfish passions, often fails to prevent them[31]: 'so partial are the views of mankind with regard to the propriety of their own conduct, both at the time of action and after it; and so difficult is it for them to view it in the light in which any indifferent spectator would consider it'.[32] Therefore this self-deception becomes 'the source of half disorders of human life'.[33]

Yet it is important to note that Smith found morality to be another instrument for the voluntary control of social conflict. The general rules of conduct, according to Smith, emerge from man's continual observation with respect to patterns of social approval and disapproval. The rules of morality often become 'standards of judgment' and are regarded as 'the ultimate foundations of what is just and unjust in human conduct'. As such moral rules, 'when they have been fixed in our mind by habitual reflection, are of great use in correcting the misrepresentations of self-love concerning what is fit and proper to be done in our particular situation'.[34] Meanwhile, it is interesting to observe Smith's statements with regard to internal or external sanctions in association with the voluntary control mechanism. As Smith wrote:

> those general rules which our moral faculties observe in approving or condemning whatever sentiment or action is subjected to their examination, may much more justly be denominated such. They have a much greater resemblance to what are properly called laws, those general rules which the sovereign lays down to direct the conduct of his subjects. Like them they are rules to direct the free actions of men: they are prescribed most surely by a lawful superior, and are attended too with the sanctions of rewards and punishments. Those vicegerents of God within us, never fail to punish the violation of them, by the torments of inward shame, and self-condemnation; and on the contrary, always reward obedience with tranquillity of mind, with contentment, and self-satisfaction.[35]

> vice and virtue can be either punished or rewarded by the sentiments and opinions of mankinds ...[36]

On this basis morals as a spontaneous institution, Smith finds, contribute to the creation of social order by means of controlling unchecked selfishness. Finally, it is remarkable that Smith seems to give priority more to morality as a device of social control than to legal machinery enforced by government: 'what institution of government could tend so much to promote the happiness of mankind as the general prevalence of wisdom and virtue ? All government is but an imperfect remedy for the deficiency of these. Whatever beauty, therefore, can belong to civil government upon account of its utility, must in a far superior degree belong to these'.[37]

In the second place, it can be pointed out that in Smith's opinion economic forces under free competition will supply a certain desirable social order, as distinguished from aspects of static equilibrium, efficient allocation of resources and due economic development; a social order in which voluntary control or adjustment of different interests is so rewardingly achieved by the parties concerned that their pursuit of self-interest may well be harmonized with the broader public interests of society. A clear example of a voluntary adjustment of interests appears in relation to the actions of workers and employers in the labour market. As Smith tells us, it is natural that the workers want to raise the wages whereas employers attempt to hold wages down. The self-interest of those two parties is so different and opposite that each party would prefer to establish a combination in order to accomplish its purpose.[38] However, for instance, when there is a continual growth of capital accumulation and thus increasing demand for labour, employers are expected to concede to higher wages, breaking the combination between them. As Smith put it:

> When in any country the demand for those who live by wages; labourers, journeymen, servants of every kind, is continually increasing; when every year furnishes employment for a greater number than had been employed the year before, the workmen have no occasion to combine in order to raise their wages. The scarcity of hands occasions a competition among masters, who bid against one another, in order to get workmen, and thus voluntarily break through the natural combination of masters not to raise wages.[39]

In other words, a particular set of economic circumstances will promote voluntary control or adjustment by accommodating the interests of employers to those of workers. As in the case of voluntary control by moral rules, this process of adjustment will happen because of an effective negative sanction which deviation from it will give rise to. Under these circumstances, unless an employer accepts higher wages, the employer must suffer a penalty in the sense that he may be unable to find workers at a lower level of wages than they demand and consequently lose business. Meanwhile, if an economy is in the stationary or declining state, the contrary situation will ensue; workers will try to adjust their interests to those of employers. Otherwise a worker will be subject to a negative sanction because he will lose his employment. It seems worthwhile to note that behind his appeal to competition lies Smith's insight into the operation of economic forces in conjunction with voluntary control of interests in respect of social order. Smith was well aware that the self-interest of merchants and manufacturers was closely bound up with their monopolising spirit and that it was difficult for laws to hamper a voluntary combination between them. In this regard it is stated that 'People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty and justice'.[40] What is a corrective to monopoly or restrictive agreements ? Smith shortly goes on to describe it.

> An incorporation not only renders them necessary, but makes the act of the majority binding upon the whole. In a free trade an effectual combination cannot be established but by the unanimous consent of every single trader, and it cannot last longer than every single trader continues of the same mind. The majority of a corporation can enact a bye-law with proper penalties, which will limit the competition more effectually and more durably than any voluntary combination whatever.[41]

An implication of his statements therefore appears to be clear. Provided that competition is assured or the state does not assist legal incorporation, economic forces bring about the natural withdrawal of monopoly and restrictive agreements. To such a extent

economic forces, as in the labour market, may come to encourage voluntary control or adjustment of interests between merchants and manufacturers and the public in the commodity market, thus leading to a moderation of social conflict. Finally, in a similar vein, Smith's remark concerning how far economic stimulus under competition comes to control and harness unfavourable effects emerging from self-interest in support of the public interest is surely telling and is worth quoting at length:

> In every profession, the exertion of the greater part of those who exercise it, is always in proportion to the necessity they are under of making that exertion. This necessity is greatest with those to whom the emoluments of their profession are the only source from which they expect their fortune, or even their ordinary revenue and subsistence. In order to acquire this fortune, or even to get this subsistence, they must, in the course of a year, execute a certain quantity of work of a known value; and, where the competition is free, the rivalship of competitors, who are all endeavouring to justle one another out of employment, obliges every man to endeavour to execute his work with a certain degree of exactness. ... Rivalship and emulation render excellency, even in mean professions, an object of ambition, and frequently occasion the very greatest exertions.[42)]

Now a conclusion is in order. While it is true that in a sense Smith's work is characterized by an effort to channel the disadvantageous upshot of selfish passions in terms of institutional arrangements into a social benefit, it cannot be asserted that his concern about the contents of institutional order to impose social control is predominantly with legal institutions set up by political authority. As noted above, morals and economic forces are the other main forms of institutional framework which Smith thinks play a crucial role in checking selfish actions. Furthermore, he seems to judge morality to be more significant than legal institutions in the sense that the former 'promises prosperity and satisfaction, both the person himself and to every one connected with him' whereas the latter only 'guard against the mischiefs which human wickedness give occasion to'.[43)] In addition, it should also be observed that while for Smith legal institutions are the condition under which economic forces operate through the market, he makes it obvious that some types of legal regulations are subject to the failure to accomplish their aim of harnessing selfish passions to the public interest, since they were

enforced without considering the operation of economic forces concerned.[44]

7.3. Smith's Metaphysics and Economic Liberalism

Some studies of Smith's intentions and achievements have shown that politics is not merely given an autonomous place within his system of moral philosophy, but acts as a bridge between ethics and economics. One of the fruitful points which were explicitly made by these studies is that Smith ought not to be looked upon simply as an economist, who draws economic policy directly from just economic analysis alone. That is to say, the point is that for Smith there is no simple one-to-one relationship between his economic and political thinking. Winch is typical of those who have taken pains to bring this aspect into relief:

> there is ample evidence in what he did publish, and especially in the *Wealth of Nations* itself, to show that the *branch* of the science called political economy has no simple one-to-one relationship with the 'art of legislation', or with what we would call economic policy. In other words, I wish to emphasise how much of Smith's advice to the legislator depends on considerations that do not flow from *economic* reasoning alone. Moreover, when he fortified or modified his analysis of what would be expedient from an economic point of view, he did so in a systematic way that goes well beyond the *ad hoc* introduction of legal and political consideration of a more or less subjective kind.[45]

Winch demonstrated his theme through a detailed examination of such outstanding cases as Smith's analysis of the problem of defence including standing armies versus militias issue, his treatment of mental mutilation arising from the division of labour and its remedy through a programme of education and cultivation of the arts, his discussion of public debt and expenditure, his consideration of solutions to the current difficulties caused by the American Revolution,[46] and finally his view on the corn trade.[47] In addition, in a similar vein, it should also be borne in mind that, as pointed

out by Viner and Skinner, Smith allowed for a wide range of government's policy including legal reform.

Meanwhile, whilst these studies gave modern readers an opportunity to correct Smith's mistaken image as a notable exponent of laissez-faire doctrine, nonetheless it is justifiably accurate to find a persistent theme against government intervention in economic affairs throughout the *Wealth of Nations*. It is evident that the presence of such an insistence enables many modern economists, despite the criticism directed to them, to hold still that Smith's political attitude is to a great degree characterized by his contention against government intervention.[48] But what is noteworthy is that even those writers who have been at great pains to recover Smith as the politically-minded philosopher against the traditional view of him as a modern advocate of laissez-faire, do not hesitate to concede that there exists, beyond a rhetorical purpose, a 'certain' element of rejecting the active role of government in Smith's thought. Viner, for example, stated that 'There is no possible room for doubt, however, that Smith in general believed that there was, to say the least, a strong presumption against government activity beyond its fundamental duties of protection against its foreign foes and maintenance of justice'.[49] After giving a variety of qualifications Skinner also seemed ready to admit a similar point.[50] Winch was likewise prepared to grant that whereas Smith believed that the functions of government would expand with the development of modern civilized society,[51] 'he hoped its operation would not be extensive and detailed in the economic field'. Furthermore, Winch allowed that for Smith the use of the term, laissez-faire, may be valid when applied in some contexts: 'West has accused me of downgrading the status of laissez-faire in Smith's thinking to that of a 'myth'. I do not think this is so. Within the context of anti-mercantilism, as part of the rejection of Hobbesian or Mandevillian assumptions of non-sociability, and as an antidote to the arrogance of the 'man of system', the slogan may still have its uses'.[52]

Now, the kind of statements made by authors such as Viner, Skinner and Winch seem to require more clarification. For a strain may be seen in appearance in the sense that beyond the basic three duties of

the state like defence, maintenance of justice and provision of public works Smith is found to demand the legal reform of contemporary institutions and propose a large number of specific tasks which government should perform in diverse areas, while at the same time it is recognized that his work discloses, in some respect, a general presumption against the interference of the state. For the moment I shall engage myself in rendering this tension clearer. This task is needed for the purpose at hand and because, in my view, the problem of how that aspect should be grasped appears to allow room for further discussion. To begin with, we shall have to recall the place of political economy and formal economic analysis within Smith's scheme of moral philosophy.

In his lectures at Glasgow University when he was elected to the Chair of Moral Philosophy Smith began with natural theology, worked on to ethics and then proceeded to jurisprudence and political economy. The second part of his lectures, i.e., ethics was mainly covered by the *Theory of Moral Sentiments* and the last part, i.e., political economy by the *Wealth of Nations*.[53] Yet, what is significant is that although the lectures on political economy consisted of a distinct part of Smith's moral philosophy its treatment was elaborated within the categories of his natural jurisprudence. This point may be made apparent in terms of Smith's statement of intentions which appears in the advertisement of the sixth edition of the *Theory of Moral Sentiments* published in 1790.

> In the last paragraph of the first Edition of the present work, I said, that I should in another discourse endeavour to give an account of the general principles of law and government, and of the different revolutions which they had undergone in the different ages and periods of society; not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law. In the *Enquiry concerning the Nature and Cause of the Wealth of Nations*, I have partly executed this promise; at least so far as concerns police, revenue, and arms.

Natural jurisprudence was regarded by Smith as 'a theory of the general principles which ought to run through and be the foundation of the laws of nations'[54] and this passage indicates that he placed his work on economics, and dealt with it, within the framework of natural

jurisprudence. This fact is of course fully confirmed by the students' notes from the jurisprudence lectures. Economic questions are dealt with under the heading of 'Police', one of the great objects of law, which handles 'the cheapness of commodities, public security , and cleanliness'. Just the first subject relating to 'the most proper way of procuring wealth and abundance'[55] comes to comprise a large part of the *Wealth of Nations*, as Millar reported. Since the great requirement of natural jurisprudence rested on the presentation of a theoretical model of legislation and economic questions were seen to occupy a place within the framework of natural jurisprudence, Smith called political economy 'a branch of the science of a statesman or legislator'.[56] Put in this way it is apparent that for Smith political economy is part of politics in a broad sense and is by no means an autonomous subject apart and separable from the latter.

Granted that political economy is a branch of the science of the legislator whose great object is 'to encrease the riches and power'[57] of a nation the next question remains as to the place of formal economic analysis within the sphere of political economy, which becomes the subject of the first two books of the *Wealth of Nations*. In other words, what part is formal economic analysis designed to play in conjunction with the given object of political economy ?

The 'laws of police' are founded on the general principle of utility.[58] According to Smith the duty of government is to 'command mutual good offices' in the consideration of convenience and prosperity, as well as to enforce the rules of justice:

> The civil magistrate is entrusted with the power not only of preserving the public peace by restraining injustice, but of promoting the prosperity of the commonwealth, by establishing good discipline, and by discouraging every sort of vice and impropriety; he may prescribe rules, therefore, which not only prohibit mutual injuries among fellow-citizens, but command mutual good offices to a certain degree.[59]

On the basis of that principle of public utility the legislators can thus enact the 'laws of police' which will organize and control a specific institution with the particular purpose of ensuring and increasing national prosperity. However, unless the legislators have

precise knowledge of the operation of the economic system as a whole, their intentions are apt to fail, or create the contrary effects. Without perceiving the laws of motion of system as precisely as possible,[60] it appears to be implausible to find the most proper way of achieving effectively their purpose. This is the reason that Smith is critical of the mercantile system and the Physiocratic system, which he thinks worked contrary to the very end which they were designed to back up.[61] On account of this Smith says that 'Some general, and even systematical, idea of the perfection of policy and law, may no doubt be necessary for directing the views of the statesman'.[62] The study of such ideas is necessary for and part of the science of a legislator 'whose deliberations ought to be governed by general principles which are always the same'.[63] If it is so, what is the efficient way to interest the legislators in mastering that form of system knowledge ? Where man's love of system from which the means is more valued than the end is mentioned, we are told about what is likely to be an effective manner in which to persuade them:

> You will be more likely to persuade, if you describe the great system of public police which procures these advantages, if you explain the connections and dependencies of its several parts, their mutual subordination to one another, and their general subserviency to the happiness of the society; if you show how this system might be introduced into his own country, what it is that hinders it from taking place there at present, how those obstructions might be removed, and all the several wheels of the machine of government by made to move with more harmony and smoothness, without grating upon one another, or mutually retarding one another's motions.[64]

If the legislators are persuaded in that way, it 'frequently serves to recommend those institutions which tend to promote the public welfare'. This seems to be Smith's view concerning the ground on which system knowledge[65] is needed and the way in which it should be arranged to persuade the legislator.

Looked at in this way the role of formal analysis of the economic system for Smith seems plain. It was introduced, in terms of a systematic account of the economic world, to assist the great object of political economy as the science of a legislator which 'proposes to enrich both the people and the sovereign'.[66] Hence, at the outset,

his economic analysis, which dealt with a series of different yet inter-connected areas such price, distribution, macro-statics and macro-dynamics, started with a definite normative aim of serving legislative actions in respect of how material well-being or economic growth could be promoted. Even though we should not dismiss other aspects of Smith's economic analysis, from the perspective of modern economics, such as his treatment of equilibrium and resource allocation in a free market economy, it is of much importance to be convinced that as a number of commentators[67] have pointed out, the main and foremost objective of economic analysis on Smith's part consists in the condition of economic development. That alone will be quite consistent with what he explicitly stated as the great object of political economy in the *Lectures on Jurisprudence* and the *Wealth of Nations*.

As noted in the first section of the last chapter, the conclusion of Smith's theory of economic growth is that when natural justice and liberty are maintained and competition without preference or constraint is assured, the process of economic evolution will show steady progress in terms of the operation of self-enforcing forces subject to increasing returns. If we are allowed to apply anachronistic modern terms, it can be said that this conclusion helped Smith to formulate the 'theory' or 'general principle' of economic policy. That is to say, Smith's theory of economic policy is based upon systematic or scientific knowledge of the laws of motion derived from a comprehensive analysis of the economic system as a whole corresponding to a commercial society. The general prescriptions in support of free trade or economic freedom is what we would call the theory of economic policy. As Smith put it: 'All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man or order of men'.[68] Behind this theory of economic policy lies of course Smith's reference to the economic analysis of macro-dynamics. For example, Smith states:

> No regulation of commerce can increase the quantity of industry in any society beyond what its capital can maintain. It can only divert a part of it into a direction into which it might not otherwise have gone; and it is by no means certain that this artificial direction is likely to be more advantageous to the society than that into which it would have gone of its own accord.[69]

Rather, that artificial regulation prevents the natural order of things towards improvement and prosperity from taking place by virtue of overturning the order of investment priority.[70]

> It is thus that every system which endeavours, either, by extraordinary encouragements, to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it, or, by extraordinary restraints, to force from a particular species of industry some share of the capital which would otherwise be employed in it; is in reality subversive of the great purpose which it means to promote. It retards, instead of accelerating, the progress of the society towards real wealth and greatness; and diminishes, instead of increasing, the real value of the annual produce of its land and labour.[71]

As this sequence of reasoning implies, if an objective of macroeconomic policy of government is to maintain as a high rate of economic growth as possible, the general principle of economic policy ought to be 'the system of natural liberty'. For the artificial direction of government in favour of a specific area of industry does the nation no good and creates consequences contrary to the original object. It is of particular interest that when Smith argued in this way, he advanced the general principle of economic policy on the basis of formal economic analysis, whilst at the same time he isolated this aspect from what might be other objectives of economic policy. In other words, in respect of economic growth, Smith was establishing an one-to-one relationship between economic analysis and the theory of economic policy. In this sense we can say that Smith's argument for the system of natural liberty therefore does not directly tell us anything about the sphere of other government activities.

However, his argument for economic freedom or free enterprise becomes much more restrictive in scope than generally expected if it is agreed that the state may and does have a wide range of different

domains of public policy. Even in the economic field his recommendation of free trade may be subject to limitations if government has a number of various objectives in respect of economic policy. It is evident that Smith was fully aware of this.

As Smith's system of jurisprudence implies,[72] there are various and different areas to which attention should be drawn by the state. And if the domains of public policy are diverse, it is natural that there may be cases where conflict occurs between the particular purposes of each sphere of public policy. This is the reason that an order of priority between them is required in order to avoid unnecessary conflict.

Smith does not conceive that the increase in wealth and economic welfare ought to be given the first order, of priority in the agenda of the state, although he is conscious that it also accompanies good consequences for society in many aspects.[73] Smith's formulation of priority represents that first of all the considerations of defence and justice have to precede the objective of the progress of opulence. Defence is the 'first duty of the sovereign'. Without defence even justice may be useless in the sense that if there be no security from injuries from without the property of individualls can not be secure'.[74] In this regard Smith says that 'defence ... is of much more importance than opulence'. Therefore, the Act of Navigation is justified even though it 'is not favourable to foreign commerce, or to the growth of that opulence which can arise from it'.[75] In the same context he endorses the regulations of fishing bounty and of the bounties on the export of British-made sail-cloth and gunpower.[76]

Next, the maintenance of justice is referred to as the 'second duty of sovereign'. According to Smith, 'The first and chief design of all civil governments is ... to preserve justice amongst the members of the state and prevent all incroachments on the individualls in it, from others of the same society'.[77] This statement reflects the point that 'Justice ... is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society ... must in a moment crumble into atoms', for 'Society ... cannot subsist among those who are at all times ready to hurt and

injure one another'.[78] On account of this significance of justice Smith found that it must take precedence over economic prosperity:

> Commerce and manufactures can seldom flourish long in any state which does not enjoy a regular administration of justice, in which the people do not feel themselves secure in the possession of their property, in which the faith of contracts is not supported by law, and in which the authority of the state is not supposed to be regularly employed in enforcing the payment of debts from all those who are able to pay.[79]

It is also worth noticing in the consideration of justice and public utility that Smith demands legal reform of the economic laws of his day.[80] Similarly he is rather willing to set up a principle which permits the regulations of the state in the economic field at the sacrifice of the principle of economic freedom for the sake of the progress of opulence: 'those exertions of the natural liberty of a few individuals, which might endanger the security of the whole society, are, and ought to be, restrained by the laws of all governments; of the most free, as well as of the most despotical'.[81] A typical case to which Smith refers is regards to the regulation of the issue of the small bank notes, for which the reason is that the common bankruptcies of beggarly bankers may cause not just disturbances to social stability, but a great disaster for many poor people in terms of economic loss.[82]

It is also evident that Smith offers what may be another goal of economic policy ; that which is to facilitate the operation of an exchange economy. This is another part of economic policy. This economic policy is directed to providing and organizing certain 'public works and institutions for facilitating the commerce of the society' that 'it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society'.[83] The cases of public works which Smith presents under this object of economic policy Smith presents are such things as roads, bridges, canals, and harbours.[84] On a similar ground and yet in relation to institutions other than public works Smith recognizes the usefulness of temporary monopolies for groups of

merchants who will undertake the great risks and expense entailed in establishing a new trade with remote foreign countries, in the same manner as the grants privileges to the inventors of a new machine and the authors of a new book.[85]

Furthermore, it is noticeable that Smith is quite prepared to grant that some objectives of social policy which point to a higher public interest can override the consideration of individual liberty. Such objectives of social policy are to encourage and maintain the 'intellectual, social, and martial virtues' of common people. The division of labour in a commercial society, despite its good effects on the economic prosperity, renders common people incapable of 'relishing or bearing a part in any rational conversation', of 'conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life' and finally of 'exerting his strength with vigour and perseverance, in any other employment than that to which he has been bred'.[86] This decline in virtue is so inevitable a situation that 'some attention of government is necessary in order to prevent the almost entire corruption and degeneracy of the great body of the people',[87] since the encouragement and maintenance of them will essentially serve to lessen the possibilities both of a danger to liberty and of disturbances to public order which that creates.[88] On this ground Smith is keen to assign compulsory education to the state whilst making a case of allowing it to intervene at the expense of the principle of laissez-faire:

> The public can impose upon almost the whole body of the people the necessity of acquiring those most essential parts of education, by obliging every man to undergo an examination or probation in them before he can obtain the freedom in any corporation, or be allowed to set up any trade either in a village or town corporate.[89]

So far we have attempted to clarify a theme arising out of a conclusion of recent studies; one according to which on the one hand Smith's work demonstrates how many assignments he ascribes to the state, while on the other hand his argument for free enterprise undoubtedly comprises an important thesis which permeates the *Wealth*

of Nations. In the course of clarification we have pointed that there is an evident one-to-one relationship between Smith's formal economic analysis and his principle of laissez-faire. And it has been recalled that his formal analysis of the economic system as a whole is devoted to an account of the laws of motions of an economy based on exchange, namely, of how the economy, when accompanied by appropriate environments, operates. The result of such exposition reveals that under appropriate circumstances the economy goes forward towards economic prosperity by means of the working of self-propelling forces. With the background of such economic analysis, the general principle of economic freedom becomes a slogan of economic policy for promoting economic growth.

But, as we have observed, it is certain that the promotion of material well-being, however important it is, constitutes a part of economic policy. The latter is also a part of public policy to which the state should direct attention. Smith thinks that as a whole defence and the consideration of justice ought to take priority over other objectives of governmental activity, and, on account of a need for the attainment of a higher social good, certain issues of social policy should take precedence over the consideration of individual liberty. Therefore, even if it is true that there is a strong tone which finds expression in Smith's argument for laissez-faire throughout the *Wealth of Nations*, there is no reason to believe that the general principle of non-intervention of government must be regarded as a correct description of Smith's position in connection with the role of the state.

Moreover, it is to be borne in mind that the principle of laissez-faire is what can be referred to as the 'theory' of economic policy. Smith is anxious to warn to the effect that theory should be differentiated from its application. This point duly manifests itself in Smith's well-known criticism of the 'man of system':

> Some general, and even systematical idea of the perfection of policy and law, may no doubt be necessary for directing the views of the statesman. But to insist upon establishing, and upon establishing all at once, and in spite of all opposition, every thing which that idea may seem to require, must often the highest

> degree of arrogance. It is to erect his own judgment into the supreme standard of right and wrong.[90]

Hence, the practical application of the principle of laissez-faire should be made very carefully. It ought to be made on the basis of contextual knowledge of particular events together with the consideration of the constraints which the legislators may face in executing legislation.[91] This aspect emerges clearly in Smith's remark about the man of public spirit:

> When he cannot conquer the rooted prejudices of the people by reason and persuasion, he will not attempt to subdue them by force; ... He will accommodate, as well as he can, his public arrangements to the confirmed habits and prejudices of the people; and will remedy as well as he can, the inconveniencies which may flow from the want of those regulations which the people are averse to submit to. When he cannot establish the right, he will not disdain to ameliorate the wrong; but like Solon, when he cannot establish the best system of laws, he will endeavour to establish the best that the people can bear.[92]

This seems to be reflected in Smith's remark concerning how the state of free trade has to be restored in the face of the current British condition which made her extremely dependent upon a single market.

> Some moderate and gradual relaxation of the laws which give to Great Britain the exclusive trade to the colonies, till it is rendered in a great measure free, seems to be the only expedient which can, in all future times, deliver her from this danger ... To open the colony trade all at once to all nations, might not only occasion some transitory inconveniency, but a great permanent loss to the greater part of those whose industry or capital is at present engaged in it. ... Such are the unfortunate effects of all the regulations of the mercantile system ! They not only introduce very dangerous disorders which it is often difficult to remedy, without occasioning, for a time at leas, still greater disorders. In what manner, therefore, the colony trade ought gradually to be opened; what are the restraints which ought first, and what are those which ought last to be taken away; or in what manner the natural system of perfect liberty and justice ought gradually to be restored, we must leave to the wisdom of future statesmen and legislators to determine.[93]

At the same time it is noteworthy that Smith's advice to the effect that besides general principles, contextual knowledge and the consideration of constraints are required for legislative action also

lies behind his well-known pessimism as to the chances of realizing 'the system of natural liberty' or implementing a policy of laissez-faire: 'To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Ocena or Utopia should ever be established in it. Not only the prejudices of the publick, but what is much more unconquerable, the private interests of many individuals, irresistibly oppose it'.[94] Yet the status of politics and the political aspects in Smith's thought have been successfully treated in other writings already mentioned and here we perhaps do not need to repeat these arguments.

Finally, the task to which we now have to turn is a question to be addressed with regard to Smith's argument for laissez-faire. We all know that Smith must not be treated as an advocate of the universal non-intervention of government, and that his principles, on which his specific policy proposals, quite suitable to the eighteenth century context are dependent, will produce an extensive agenda of the state when applied today.[95] As already noted, it is nonetheless true that Smith believed in and advocated a policy of laissez-faire, in so far as one of the objectives on which politics should focus attention is to facilitate economic prosperity and growth. Smith did not doubt the intellectual soundness of the argument for free trade. Moreover, as Dugald Stewart informs us, the idea is one of some 'leading principles' whose originality Smith claimed in a paper which dates back at least to 1755.

> Projectors disturb nature in the course of her operations in human affairs; and it requires no more than to let her alone, and give her fair play in the pursuit of her ends, that she may establish her own designs. ... Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things. All governments which thwart this natural course, which force things into another channel, or which endeavour to arrest the progress of society at a particular point, are unnatural, and to support themselves are obliged to be oppressive and tyrannical.[96]

Granted that the case for free trade finds a place in Smith's thought, what will concern us here is a question of the source of his

advocacy of economic liberalism or of what makes it basically possible for him to believe in it. To start with, let us proceed to review the present opinions on it. We can identify three distinct approaches.

Firstly, it is pointed out that Smith's reasons in support of a policy of laissez-faire should be found in his perception of the failure of government to perform competently and efficiently even in respect of small projects.[97] In a similar context, it is claimed that Smith's case for laissez-faire emerges not merely from his observation that the British government of his day was vastly inefficient and corrupt, but from his firm conviction that government interventionism generated further possibilities for private enrichment at the expense of social enrichment by way of offering some groups special treatment and privileges.[98] That fact is amply disclosed in his polemic against the monopolizing spirit of businessmen and mercantilism[99]; his observation of the inefficiency of governmen-t[100]; his critique of government interference in support of an established church,[101] and of educational establishments.[102] As Rosenberg concludes: 'It is impossible to appreciate fully the thrust of Adam Smith's arguments concerning laissez-faire until he is regarded as very much, and very self-consciously, a social critic of eighteenth-century society. As we have seen, Smith subjected most of the basic institutions of his day - the economy, the government, the church, the educational system - to searching and far reaching criticism'.[103]

Secondly, it is asserted that Smith's doctrine of laissez-faire is closely bound up with the thought that he considered the negative virtue of justice as one which ought to be treated as the most important in the political arena. For Smith, justice is the minimum condition for social existence and survival, without which 'civil society would become a scene of bloodshed and disorder, every man revenging himself at his own hand whenever he fancied he was injured'.[104] In this connection Smith finds the most important function of government to be the enforcement of justice and not in the inspiration of a civic-minded virtue: 'The wisdom of every state or commonwealth endeavours, as well as it can, to employ the force of the society to restrain those who are subject to its authority, from

hurting or disturbing the happiness of one another'.[105] Smith condemned, and demanded the removal of, many legal institutions which violated and sacrificed the principle of justice in terms of preference or restraint, consequently arguing for free trade. As Teichgraeber makes it clear:

> We have found in the Glasgow *Lectures* that the first weapons Smith used in arguing for free commerce were concepts drawn from a well-established tradition of legal humanism that dated back to Hugo Grotius. And those same weapons would be brought into battle again in the *Wealth of Nations*. ... Smith himself sometimes used the phrase "the system of natural liberty" as a short-hand description of the entire argument of the *Wealth of Nations*. By this he meant that, it all systems of economic preference or restraint could be removed, "every man, as long as he does not violate the laws of justice", could in fact be left "perfectly free to pursue his own interest his own way." Smith's argument for economic liberty, in short, were linked with an insistence on jurisprudence, and this for reasons any reader familiar with natural law jurisprudence might readily have understood.[106]

Meanwhile, a similar yet additional contention tends to suggest that the moral primacy of the negative virtue of justice, tied with the lack of contextual knowledge available to the state, is the basis for Smith's laissez-faire economic philosophy. According to Haakonssen, 'the combination of the distinction between the negative and the positive in morals with the distinction between the two kinds of knowledge which we traced above - contextual knowledge and system knowledge - ... determines the shape of Smith's *theory* of politics (as opposed to his policy proposals)'.[107] Since the state is never capable of the acquisition of the kind of knowledge that individuals have, Smith urges it to be mainly concerned to alleviate concrete evils, giving rise to pain and misery, and not to interfere in economic affairs concerning which individuals have superior knowledge. Haakonssen wrote:

> A piecemeal approach in politics which does not aim much higher than to remedy given evils will, by contrast, respect those individual situations to as high a degree as is possible or it will only be guided by those elements in the situations which are most 'pungency' felt and which are most 'universally' and 'distinctly' sympathized with, namely pain and misery. Whereas for the rest the individuals' own lights provide safer guidance.[108]

Thirdly and finally, Smith's argument for economic liberalism is seen as a result of his belief in a natural order or harmony of human interests.[109] In Smith's view God made society into a system where a harmonious order in nature prevailed. The economic system was therefore designed to further a social good when each man was left free to seek his own advantage. In this regard, for example, Eric Roll maintains: 'The consequences of this belief in the natural order are simple. Government can rarely be more effective than when it is negative. .. When Smith applies these rules of the natural order to economic matters he becomes a strong opponent of all forms of state interference with the ordinary business of industry and commerce'.[110]

These are three strands of interpretation offered in association with the source of Smith's advocacy of laissez-faire. To start with it should be admitted that my position with respect to this question is in line with the third outlook. But I recognize this only in terms of general direction, and not in detail. As I see it, the third line of interpretation is, as a matter of fact, defective in some respects. Firstly, commentators in this line are inclined, as a rule, to find that Smith logically deduces his argument for economic liberalism from his *a priori* presupposition as regards a harmonious order in nature. The remark of T.E.Cliffe Leslie, a forerunner of this line of interpretation, duly reveals this feature.

> the classical conception of Nature supposed simplicity, harmony, order, and equality in the moral as in the physical world, in Adam Smith's philosophy it becomes associated with divine equity and equal benevolence towards all mankind, and by consequence with a substantially equal distribution of wealth, as the means of material happiness. Nothing, therefore, is needed from human legislation ... beyond the maintenance of equal justice and security for every man to pursue his own interest in his own way.[111]

Secondly, to the extent to which this kind of interpretation sees Smith's practical thought as a logical deduction from his presupposition, it tends to neglect the relationship between metaphysics and science, and between theoretical description and prescription. In what follows we shall first clarify this, and then proceed to comment on the first two lines of interpretation.

CHAPTER 7

As we have observed, Smith believed in the harmonious order in nature. His lectures on natural theology focused attention on this theme. Smith's belief in progress is metatheoretical in the sense that it was presupposed prior to and guided theorizing. His metatheoretical principle of progress finds expression in a clear-cut statement with regard to opulence that self-interest is thought to involve: 'The uniform, constant, and uninterrupted effort of every man to better his condition, the principle from which publick and national, as well as private opulence is originally derived, is frequently powerful enough to maintain the natural progress of things toward improvement'.[112] It is significant to be aware that despite his observation of such countries as China and Bengal which were in the stationary and decaying states, Smith believed in and lay stress on the possibility of progress. As pointed out in the last chapter, the proposition of progress played a conclusive part in shaping the frame of his theory of economic growth. It is worthwhile to perceive, in a similar vein, that in the event Smith's firm conviction of progress enabled him to be critical of the Physiocratic system which suggested that an economy 'would thrive and prosper only under a certain precise regimen, the exact regimen of perfect liberty and perfect justice'. According to Smith the fact is that the bad effects of a political economy which involved errors of administration and extravagance can be offset.

> Such a political economy, though it no doubt retards more or less, is not always capable of stopping altogether the natural progress of a nation towards wealth and prosperity, and still less of making it go backwards. If a nation could not prosper without the enjoyment of perfect liberty and perfect justice, there is not in the world a nation which could ever have prospered. In the political body, however the wisdom of nature has fortunately made ample provision for remedying many of the bad effects of the folly and injustice of man; in the same manner as it has done in the natural body, for remedying those of his sloth and intemperance.[113]

However, the metatheoretical principle of progress only determines an outline of economic theory and does itself not provide information about the economic world. In other words, it suggests only the shape in accordance with which theories ought to be built up. A detailed analysis depends upon observations concerning the economic world, and

an analytical product of the real world reached in that way provides the basis for a practical argument. This is the ground on which Smith's analytical view of economic progress finds its place in conjunction with his argument for economic policy.

For Smith, natural forces when left without any constraint or preference determine the distribution of capital between the different employments in a way which suggests that agriculture is preferable to manufactures, and manufactures to foreign trade. As Smith contends: 'According to the natural course of things, ... the greater part of capital of every growing society is, first, directed to agriculture, afterwards to manufactures, and last of all to foreign commerce. This order of things is so very natural, that in every society that had any territory, it has always, I believe, been in some degree observed'.[114] The ground of this assertion lies in the point that if equal profits are ensured, agriculture is more secure than manufactures, and the latter than foreign trade.[115] As a result of the 'natural course of things', if man is left free to pursue his own interest, capital accumulation will proceed in a way that maximizes economic growth. For agriculture 'adds a much greater value to the annual produce of the land and labour of the country, to the real wealth and revenue of its inhabitants' in terms of hiring 'a greater quantity of productive labour than any equal capital employed in manufactures'.[116] The same applies to the preference of manufactures to foreign trade.[117] These circumstances, as noted in the last chapter, will let society move forward towards rapid development by virtue of the interaction between the basic forces of economic growth. Looking at things in this way, Smith claims:

> the great object of the political oeconomy of every country, is to encrease the riches and power of that country. It ought, therefore, to give no preference nor superior encouragement to the foreign trade of consumption above the home-trade, nor to the carrying trade above either of the two. It ought neither to force nor to allure into either of those two channels, a greater share of the capital of the country than what would naturally flow into them of its own accord.[118]

Hence, there is a good deal of truth in the statement that 'Smith's liberalism was a logical product of the theory of political economy

set out in the *Wealth of Nations*'.[119] In passing, it is of great importance to be aware that we fail to apprehend precisely the way in which Smith offers practical prescription, if we think that here Smith, as many modern economists actually do, does not 'derive' prescription from analytical description. The truth is that Smith is inclined to 'identify' the latter with the former.[120] As we observed before, this is a characteristic of the natural law tradition which is grounded on organismic philosophy. In any case, while Smith's formal analysis of economic growth acts as a basis for his enunciation in support of economic liberalism, at the same time we must not overlook the point that Smith's theological belief leads him to proclaim that drives and propensities implanted in human nature by a benevolent God are designed to bring about social well-being or prosperity. Seen in this perspective it is evident that Smith's metaphysics based on natural theology and his belief in progress associated with it become a source of his argument for economic liberty. Granted that this point is correct, it certainly makes up a case which shows that metaphysical doctrines may have political suggestiveness.

In what follows we shall finally be concerned to comment on the first two views above described. On the first line of interpretation Smith argued for the non-intervention of the state because he observed as a social critic mainly the incompetence and inefficiency of government, and the monopolizing spirit of businessmen to seek private interest at the expense of public interest. This interpretation tends to add that where government demonstrates its competence and efficiency Smith is quite prepared to approve of a wider role in economic affairs.[121] In my view, this sort of outlook has certainly a merit in that it enables us to perceive how intensive Smith's attempt is to denounce a bad system of incentive and instead replace it with a good one. Indeed Smith was eager to suggest good institutional means to counteract negative outcomes in human affairs. However, I think that as an interpretation of the inquiry into why he believed in and argued for economic liberalism this type of view mistakes a 'necessary condition' for a 'sufficient condition'. A bad set of institutions fails to direct 'the interest of every man to live as much at his ease as he can'[122] to more prudent and efficient activities, whereas a good one is likely to bring successful

consequences. One of institutional structures which Smith does have in mind is a competitive order in which 'the exertion of the greater part of those who exercise it, is always in proportion to the necessity they are under of making that exertion'.[123]

But, the competitive mechanism is a condition on which man can act. It tells us nothing about what happens in an economy and how it works. As a result, granted that a laissez-fair policy is recommended for the increase in wealth, it would not be enough to maintain that Smith's observation of inefficient institutional establishments supported by government let him argue for economic liberalism. In other words, Smith recommended a laissez-faire policy, not because he found an inefficient institutional structure, but because he was convinced of the most important conclusion of his formal economic analysis that under a competitive mechanism surrounded by other appropriate institutions a commercial society would go forward while making steady growth tied with the process of the efficient allocation of a given stock of resources.[124]

Meanwhile, a similar comment can be made with reference to the opinion that 'Smith's arguments for economic liberty, in short, were linked with an insistence on justice'. Indeed, in many places in his work Smith condemned legal institutions of his day.[125] It is also well-known that in the *Wealth of Nations* he criticized the 'laws of police' like laws imposing restrictions on manufacturers and farmers, apprenticeship laws and settlement laws.[126] The normative character of jurisprudence which Smith introduced provided the context for legal criticism : 'Jurisprudence is that science which inquires into the general principles which *ought to* be the foundation of the laws of all nations'.[127] The 'laws of police' of the above kind were denounced on the ground that they violated natural justice and liberty. This is well illustrated by Smith's strictures on the laws which were enacted to prevent the exportation of British wool; those laws 'which the clamour of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies'.[128] Those laws certainly hurt 'the interest of the growers of wool, for no other purpose than to promote that of the manufacturers', and consequently are evident violations of natural

justice: 'To hurt in any degree the interest of any one order of citizens, for no other purpose but to promote that of some other, is evidently contrary to that justice and equality of treatment which the sovereign owes to all the different orders of his subjects'.[129] The same spirit finds expression in Smith's demand for free mobility of labour:

> Let the same natural liberty of exercising what species of industry they please be restored to all his majesty's subjects, in the same manner as to soldiers and seamen; that is, break down the exclusive privileges of corporations, and repeal the statute of apprenticeship, both which are real encroachments upon natural liberty, and add to these the repeal of the law of settlements, so that a poor workman, when thrown out of employment either in one trade or in one place, may seek for it in another trade or in another place, without the fear either of a prosecution or of a removal, and neither the publick nor the individuals will suffer much more from the occasional disbanding some particular classes of manufacturers, than from that of soldiers.[130]

In the same context Smith concludes: 'All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord'.[131]

Put in this way Smith's insistence on justice linked with the moral primacy of the negative virtue appears to pave the way for his pronouncement of economic laissez-faire. At this stage it is important to remember that for Smith the main object of a laissez-faire policy is to promote economic growth. If, on account of his concern with justice, Smith demanded the repeal of the contemporary diverse'laws of police' and supported a laissez-faire policy, there is no reason to expect that such a liberal policy will serve to back up the economic progress of a nation. Without reference to the formal analysis of the economic system (which is performed on the assumption of perfect liberty and justice) it would be difficult to point out what is wrong, for the objective of economic progress, with the specific institutions established with specific purposes by the 'laws of police'. In fact, this is the ground on which Smith could claim that every system of restraint or preference 'is in reality subversive of the great purpose which it means to promote'. Its

main ground does not so much consist in justice, but in economic reasoning. As Smith goes on to say: 'It retards, instead of accelerating, the progress of the society towards real wealth and greatness; and diminishes, instead of increasing, the real value of the annual produce of its land and labour'.[132]

On the other hand, it was also found that on Haakonssen's argument the lack of local information available to the state made it possible for Smith to advance a laissez-faire position. That is, whilst government should be concerned to alleviate injustice owing to the moral primacy of the negative virtue, it is advised not to intervene where individuals have better situational knowledge. For example, where it is stated that when a capitalist acts according to his own interest, by 'an invisible hand' he often 'promotes that of the society more effectually than when he really intends to promote it',[133] Smith adds that for the politicians who have inferior local information to interfere in economic affairs is impolitic and presumptuous:

> What is the species of domestick industry which his capital can employ, and of which the produce is likely to be of the greatest value, every individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him. The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.[134]

It appears as if the state should not intervene because it is impossible to have sufficient contextual knowledge. But it is evident that this view also overlooks both the relationship which formal economic analysis has with Smith's doctrine of economic laissez-faire and that it is a 'theory' or 'general principle' of economic policy which is predicated to be real for the advance in wealth and welfare independent of whether or not the state has particular situational knowledge. Meanwhile, because his doctrine of laissez-faire is a general principle of economic policy Smith reminds

us that a peculiar circumstance and the constraints associated with it should be considered on its practical application, as above noted.

A conclusion is in order. In this section I have so far attempted to show that Smith's political attitude in economic affairs, namely, a laissez-faire position, is linked with a metaphysical doctrine drawn from his study of natural theology. I initially accepted fully some significant conclusions of recent studies according to which Smith ought not to be regarded as a representative exponent who can be characterized by Carlyle's phrase, 'Anarchy plus the constable', and furthermore that not only his politics finds an autonomous place in his scheme of moral philosophy, but also his politics in a broad sense is essential to an understanding of the *Wealth of Nations*. Nonetheless, since it was recognized by nearly all commentators that there is a general presumption against government intervention in the economic field, I tried to make these clearer in connection with my stated aim. It was pointed out that economic questions to be handled by the state just constituted only a part of the arena of public policy and that a laissez-faire policy was recommended for the specific purpose of increasing wealth or promoting economic development. But what is important was that his formal economic analysis provided a 'sufficient' basis for his support of free trade, and that without the former it would be impossible to make a strong case for the latter; that his argument for economic liberty became what may be called a 'theory' of economic policy. Granted this view and since, as we have seen, for Smith the outline of economic theory was determined by his belief in progress, i.e., one of his metatheoretical doctrines, there may be little doubt that Smith's study of natural theology played a most important role in forming his political stance about economic affairs. Seen in this perspective other views offered to account for why Smith believed in and pleaded for economic liberalism remain less convincing. I suppose that they deal with what may be called a necessary condition for it, or that one of them ignores that his doctrine of the kind is a theory or general principle of economic policy, which is declared to be right as a guide of economic policy and yet can be practically applied, in his view, with modifications in the consideration of circumstances and constraints.

Notes to Chapter 7

1) See J.W.N. Watkins, 'Confirmable and Influential Metaphysics', *Mind, N.S.*, Vol.67(1958), pp.344-345.
2) TMS, II.i.5.8.
3) Cf. A.Lowe, 'Adam Smith's System of Equilibrium Growth', in A.S. Skinner and T.Wilson(eds.), *Essays on Adam Smith*(1975), p.424.
4) See Watkins, op.cit., pp.345 and 357-59.
5) WN, IV.ix.51.
6) WN, IV.v.b.43.
7) W. Bagehot, 'Adam Smith as a Person', in *The Works and Life of Walter Bagehot*(edited by Mrs. Barrington; 1915), Vol.7, pp.29-30.
8) See R.D. Black, 'Smith's Contribution in Historical Perspective', in A.S. Skinner and T. Wilson(eds.), *The Market and the State*(1976), pp.49-51.
9) See, e.g., P. Samuelson, *Economics*(1980), p.39; W. Baumol and A.S. Blinder, *Economics: Principles and Policy*(1979), pp.592-93; D. Begg, S. Fisher and R. Dornbusch, *Economics*(1991), pp.9 and 50; cf. also some books of the history of economic thought such as R. Lekachman, *A History of Economic Ideas*(1959), pp.33,89 and 99, and R. Ekelund and R.F. Hebert, *A History of Economic Theory and Method*(1975), pp.58, 60 and 76.
10) S.S. Wolin, *Politics and Vision*(1961), p.290; quoted in A.S. Skinner, *A System of Social Science*(1979), p.209.
11) See for example J.K. Ingram, *A History of Political Economy*(1915), pp.100-101; A. Gray, *The Development of Economic Doctrine*(1931), pp.125 and 148.
12) Cf. Gide and Rist, *A History of Economic Doctrines*(1915), pp.109-113.
13) Cf. J. Viner, 'Adam Smith and Laissez Faire', in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol.1, pp.155-165.
14) Ibid., p.156.
15) See A.S. Skinner, *Adam Smith and the Role of the State*(1974). In a number of subsequent papers the same theme reappears: 'The Functions of Government', chapter 9, *A System of Social Science*(1979); 'Adam Smith and Economic Liberalism', in D. Mair(ed.), *The Scottish Contribution to Modern Economic Thought*(1990), pp.135-154; 'Adam Smith: Liberalism and Education', *Glasgow University Discussion Papers in Economics*, 9002, pp.1-35; 'Adam Smith: Education as a Public Service', *Glasgow University Discussion Papers in Economics*, 9117, pp.1-26.
16) See D. Winch, *Adam Smith's Politics*(1978), p.14. In the introduction of his book Winch reviewed the writings of the authors to take issue with, of liberals and radicals who approached Smith's work from the liberal capitalist framework: W. Grampp, *Economic Liberalism*(1965); J. Cropsey, *Polity and Economy*(1957), etc.; C.B. Macpherson, *The Political Theory of Possessive Individualism*(1962), etc.; R.L. Meek, *Social Science and the Ignoble Savage*(1976), etc.; S. Wolin, op.cit., ; R.D. Cumming, *Human Nature and History*(1969). And in numerous essays ensuing, Winch also emphasized the significance of Smith's attempt to advance the science of a legislator in establishing his overall scheme of moral philosophy: 'Science and the Legislator: Adam Smith and After', *The Economic Journal*, Vol.93(1983), pp.501-520; 'Adam Smith's 'enduring particular result': A Political and Cosmopolitan Perspective', in I.Hont and M.Ignatieff(eds.), *Wealth and Virtue*(1983), pp.253-270; 'Adam Smith and the Liberal Tradition', in

K. Haakonssen(ed.), *Traditions of Liberalism*(1988), pp. 83-104; 'Adam Smith: Scottish Moral Philosopher as Political Economist', *The Historical Journal*, Vol. 35(1991), pp. 91-113.

17) Cf. J. G. A. Pocock, *The Machiavellian Moment*(1975).

18) Duncan Forbes is the first to clarify the conception of what is referred to as 'Scientific Whiggism'; see his papers, ' 'Scientific Whiggism: Adam Smith and John Millar', in J.C. Wood(ed.), *Adam Smith: Critical Assessments*(1984), Vol. 1, p. 286ff. and 'Sceptical Whiggism, Commerce, and Liberty', in A.S. Skinner and T. Wilson(eds.), *Essays on Adam Smith*(1975), pp. 179-201.

19) R. Teichgraeber III, 'Rethinking *Das Adam Smith Problem*', *Journal of British Studies*, Vol. 20(1981), p. 112.

20) See especially D. Winch, *Adam Smith's Politics*, p. 13.

21) See K. Haakonssen, *The Science of a Legislator*(1981) and his subsequent papers, 'What Might Properly Be Called Natural Jurisprudence', in R.H. Campbell and A.S. Skinner(eds.), *The Origin and Nature of the Scottish Enlightenment*(1982), pp. 205-225; 'Jurisprudence and Politics in Adam Smith', in Haakonssen(ed.), *Traditions of Liberalism*(1988), pp. 107-115.

22) Ibid., p. 112.

23) See, for instance, D. McNally, *Political Economy and the Rise of Capitalism*(1988), pp. 250-56; J. Evensky, 'The Evolution of Adam Smith's Views on Political Economy', *History of Political Economy*, Vol. 21(1989), pp. 123-145; P.A. Werhane, *Adam Smith and His Legacy for Modern Capitalism*(1991), pp. 165-68; J.Z. Muller, *Adam Smith in His Time and Ours*(1993), pp. 140-153 and passim.

24) N. Rosenberg, 'Some Institutional Aspects of the *Wealth of Nations*', in J.C. Wood(ed.), op. cit., Vol. 2, pp. 105-120.

25) Prior to Rosenberg several authors touched, in Smith's work, on the problem of the social control or socialization of the individuals in connection with a wider sense of institutions including moral and legal rules. See, e.g., G.R. Morrow, *The Ethical and Economic Theories of Adam Smith*(1923), chapters 2 and 3; idem, 'Adam Smith: Moralist and Philosopher', in J.C. Wood(ed.), op. cit., Vol. 1, pp. 177-81; G. Bryson, *Man and Society*(1945), pp. 160-161; A. Macfie, 'Adam Smith's 'Moral Sentiments' as Foundation for His 'Wealth of Nations'', *Oxford Economic Papers*, Vol. 11(1959), in *The Individual in Society*(1967), pp. 59-81. After Rosenberg there have also been some who deal with the similar aspects. See, for example, W.J. Samuels, 'The Classical Theory of Economic Policy', *Southern Economic Journal*, Vol. 31(1964), pp. 1-20 and 87-100; idem, 'The Political Economy of Adam Smith', in J.C. Wood(ed.), op. cit., Vol. 1, pp. 698-714; R. Heilbroner, 'The Socialization of the Individual in Adam Smith', *History of Political Economy*, Vol. 14(1982), pp. 427-439; J.Z. Muller, op. cit., pp. 77-82, 100-112 and passim.

26) N. Rosenberg, op. cit., pp. 117.

27) Ibid., p. 107.

28) It is noted that an essential characteristic of institutions is that deviation from the rule they prescribe is subordinate to a negative sanction which will render the individuals worse off than otherwise if they do not conform to the rule(see W. Elsner, 'Adam Smith's Model of the Origins and Emergence of Institutions', *Journal of Economic Issues*, Vol. 23(1989), p. 191.

29) Cf. J. Dickinson, 'Social Order and Political Authority', *American Political Science Review*, Vol. 23(1929), pp. 293-328.

30) Whether or not the *Wealth of Nations* has a moral dimension has been a controversial matter, at least since the 'Adam Smith Problem'

was originally put. Nathan Rosenberg simply discarded a view that his later book should be read in conjunction with his earlier book or that in the former 'the prudent man was believed to be anxious to improve himself only in fair ways, i.e., without doing injustice to others', while arguing that 'such an interpretation is not only totally incorrect but does a considerable injustice to the subtlety and sophistication of Smith's argument'(see Rosenberg, op.cit., p.107). It is obvious that few insist that the *Theory of Moral Sentiments* is *in all aspects* the basis for the interpretation of the *Wealth of Nations*. However, it is important to note that nowadays a number of commentators agree that the individual actions in the pursuit of his own interests are subject, Smith assumed, to a moral scrutiny so that he ought to act in a way that also respects the interests of others; the *Wealth of Nations* has therefore a moral dimension. For this type of argument see note 28 of 6.3.2. and R.L. Heilbroner, op.cit.; D.D. Raphael, *Adam Smith*(1985), pp.93-94; J.T. Young, 'The Impartial Spectator and Natural Jurisprudence', *History of Political Economy*, Vol.18(1986), pp.365-82; P.A. Werhane, op.cit., p.96ff.

31) Cf. TMS, III.4.
32) TMS, III.4.5.
33) TMS, III.4.6.
34) TMS, III.4.11-12.
35) TMS, III.5.6.
36) TMS, III.5.8.
37) TMS, IV.2.1.
38) Cf. WN, I.viii.11-13; I.x.c.61.
39) WN, I.viii.17.
40) WN, I.x.c.27.
41) WN, I.x.c.30.
42) WN, V.i.f.4.
43) TMS, IV.2.1.
44) Some striking cases appear in Smith's discussion of what should be the proper level of the legal rate of interest (WN, II.iv.15) and in his criticism of the legal prohibition of the export of British wool(WN, IV.viii.30).
45) D. Winch, 'Science and the Legislator', op.cit. p.502; original italics.
46) Cf. *Adam Smith's Politics*, chapters 4,5,6 and 7.
47) Cf.'Science and the Legislator', op.cit., pp.505-11.
48) See for example R.L. Crouch, 'Laissez-faire in Nineteenth Century Britain: Myth or Reality ?', *Manchester School of Economic and Social Studies*, Vol.35(1967), pp.199-215; M. Friedman, 'Adam Smith's Relevance for 1976', in F.R. Glahe(ed.), *Adam Smith and Wealth of Nations, 1776-1976 Bicentennial Essays*, pp.7-20; W. Letwin, 'Was Adam Smith a Liberal?', in K. Haakonssen(ed.), op.cit., pp.65-80.
49) J. Viner, op.cit., p.157.
50) A.S. Skinner, *A System of Social Science*, chapter, 9 and especially pp.228 and 236.
51) Smith stated explicitly, for example, that 'We may observe that the government in a civilized country is much more expensive than in a barbarous one; and when we say that one government is more expensive than another, it is the same as if we said that the one country is farther advanced in improvement than another. ... Armies, fleets, fortified places and public buildings, judges and officers of the revenue must be supported, and if they be neglected disorder will ensue' (LJ(B), 309-310).

52) D. Winch, 'Adam Smith and the Liberal Tradition', K. Haakonssen(ed.), op. cit., pp. 96-97; cf. also *Adam Smith's Politics*, p. 97
53) Cf. Stewart, I. 18-20.
54) TMS, VII. iv. 37.
55) LJ (B), 5 and 205.
56) WN, IV. intro. 1.
57) WN, II. v. 31.
58) Cf. Stewart, I. 20 and IV. 7. Haakonssen has dealt with a question of what is the relationship between justice and utility in Smith's system of jurisprudence. It is claimed that Smith never supplies a general theory of utility as a normative basis to support the 'laws of police' in the same manner as he does give a theory of natural justice penetrated by the impartial spectator theory to back up the laws of justice. In this regard it is said that 'the laws of police, revenue, and arms serve as supports for the laws of justice' (see *The Science of a Legislator*, pp. 94-97 and 135-136; 'What Might Properly Be Called Natural Jurisprudence', op. cit., pp. 208-209). Haakonssen's study of the kind is intended as a criticism of T. D. Campbell who regards Smith as a utilitarian at the contemplative level (see *Adam Smith's Science of Morals*(1971), pp. 205-220).
59) TMS, II. ii. 1. 8.
60) Smith thinks that the quality of system ought to be 'just' and 'reasonable' as well as 'practicable' (see TMS, IV. 1. 11).
61) See WN, IV. ix. 49-50; cf. in the same context, WN, I. xi. p. 10; IV. ii. 39; IV. ii. 44; IV. vii. c. 43-44.
62) TMS, VI. ii. 2. 18.
63) WN, IV. ii. 39 and 44.
64) TMS, IV. i. 11.
65) Haakonssen distinguished between system and contextual knowledge in Smith's work. According to him, the former is the basis for science, making no necessary reference to time-sequences (see *The Science of a Legislator*, pp. 79-82; 'What Might Properly Be Called Natural Jurisprudence', op. cit., pp. 209-11.
66) WN, IV. intro. 1.
67) Cf. WN, IV. ix. 38 and e. g., J. Spengler, 'Adam Smith's Theory of Economic Growth', in J. C. Wood(ed.), op. cit., Vol. 3, p. 110; A. Lowe, 'Adam Smith's System of Equilibrium Growth', in A. S. Skinner and T. Wilson(eds.), op. cit., p. 423.
68) WN, IV. ix. 51.
69) WN, IV. ii. 3.
70) Cf. WN, II. v. and III. i.
71) WN, IV. ix. 50.
72) Smith's system of jurisprudence encompasses five areas of law: the laws of justice, police, revenue, arms, and nations.
73) Smith says that 'No society can surely be flourishing and happy of which the far greater part of the members are poor and miserable' (WN, I. viii. 36). He also notes that commerce brings independence and improvement in manner among the individuals (LJ (B), 204-205); order, good government, liberty and security within a national territory (WN, III. iv. 4; LRBL, ii. 203); union and friendship among nations (WN, IV. iii. c. 9).
74) LJ (A), i. 4.
75) WN, IV. ii. 30.
76) Cf. WN, IV. v. a. 27 and 36.
77) LJ (A), i. 9.
78) TMS, II. ii. 3. 3-4.

79) WN, V.iii.7.
80) On the ground of a violation of natural liberty and justice Smith apparently criticizes many economic laws and regulations imposing restrictions such as regulations of corporations and apprenticeship, laws of settlement (WN, I.x.c; especially WN, I.x.c.12 and 59; IV.ii.42), regulations created by the 'mercantile system' (WN, IV.v.b.16; IV.v.b.39; IV.viii.30; IV.viii.47). But it is also important to perceive that another yet more emphatic reason for such attack consists in the fact that they lessen public utility, mainly in the way which distorts market mechanism so that the advance in wealth and economic welfare is eventually disturbed.
81) WN, II.ii.94.
82) See WN, II.ii.90.
83) WN, IV.ix.51.
84) WN, V.i.d.1.
85) WN, V.i.e.30; cf. also WN, V.i.e.5; LJ(A), ii.31-3.
86) WN. V.i.f.50
87) WN, V.i.f.49.
88) Cf. WN, V.i.f.61.
89) WN, V.i.f.57.
90) TMS, VI.ii.18.
91) For comment see D. Winch, *Adam Smith's Politics*, p.173; idem, 'Science and the Legislator', op.cit., p.510; A.S. Skinner, *A System of Social Science*, pp.228-237; K.Haakonssen, *The Science of a Legislator*, pp.89-93.
92) TMS, VI.ii.2.16; cf. also TMS, II.ii.1.8; WN, IV.ii.10; IV.v.b.40; IV.v.b.53.
93) WN, IV.vii.c.44; cf.also WN, IV.ii.44.
94) WN, IV.ii.43.
95) In this connection it was pointed out that Smith and Keynes would have common ground in the light of the principles which they employed in justifying government intervention. For this argument see L.Robbins, *The Theory of Economic Policy*(1952), pp.37-38; E.Roll, *'The Wealth of Nations* 1776-1976', in J.C.Wood(ed.), op.cit., Vol.2, p.154; A.S. Skinner, 'Adam Smith: Liberalism and Education', op.cit., pp.24-25.
96) Stewart, IV.25.
97) See, e.g., J.Viner, op.cit., pp.161 and 164; M.Ricketts, 'Adam Smith on Politics and Bureaucracy', in *The Economics of Politics*(1978), The Institute of Economic Affairs, p.178ff.
98) See N.Rosenberg, 'Adam Smith and Laissez-faire Revisited', in G.P. O'Driscoll(ed.), *Adam Smith and Modern Political Economy*(1979), pp.19-34.
99) See, e.g., WN, I.viii.13; I.x.c.61; I.xi.p.10; IV.ii.43; IV.iii.c.9-10; IV.viii.17; V.i.e.4.
100) See, e.g., WN, II.iii.31 and 36; V.ii.a.4; V.iii.8 and 49.
101) Cf. WN, V.i.g.8.
102) Cf. WN, V.i.f.7-15 and 34.
103) N.Rosenberg, op.cit., p.34.
104) TMS, VI.iv.36.
105) TMS, VI.ii.intro.2.
106) R.F. Teichgraeber, III, *'Free Trade' and Moral Philosophy*(1986), p.156.
107) K.Haakonssen, op.cit., p.89; original italics.
108) Ibid., p.91.
109) See, for instance, J.K. Ingram, *'A History of Political Economy*(1915), p.106; Gide and Rist, op.cit., p.109; A.Gray, *The*

Development of Economic Doctrine(1931), pp. 124–25; E. Halevy, *The Growth of Philosophy Radicalism*(1928), p. 202; G. Myrdal, *The Political Element in the Development of Economic Theory*(1953), pp. 106–7; E. Roll, *A History of Economic Thought*(1955), pp. 147 and 152.
110) E. Roll, op. cit., p. 147.
111) T. E. Cliffe Leslie, 'The Political Economy of Adam Smith', *Essays in Political Economy*(1888), p. 27.
112) WN, II. iii. 31; cf. also LJ(A), iv. 19. where 'natural progress which men make in society' is mentioned.
113) WN, IV. ix. 28.
114) WN, III. i. 8.
115) See WN, III. i. 3 and 7; also IV. ii. 9.
116) WN, II. v. 12.
117) See WN, II. v. 11.
118) WN, II. v. 31.
119) G. S. L. Tucker, *Progress and Profits in British Economic Thought 1650–1850*(1960), p. 71. O. H. Taylor also argues that Smith's preaching of economic freedom and his scientific theory are interdependent, and yet mistakenly finds that the former is originally based on a joint result of his ethics and economics(*A History of Economic Thought*(1960), pp. 78–80).
120) See G. Myrdal, *The Political Element in the Development of Economic Theory*(1953), pp. 1–22; cf. also above, chapters 2 and 5.
121) Cf. J. Viner, op. cit., p. 164; N. Rosenberg, op. cit., p. 26.
122) WN, V. i. f. 7.
123) WN, V. i. f. 4; also V. i. b. 20.
124) A. Lowe described this feature of Smith's conceptual system as a mechanism of 'stationary and dynamic feedbacks in joint operation' (see 'Adam Smith's System of Equilibrium Growth', in A. S. Skinner and T. Wilson(eds.), p. 421).
125) For detail see K. Haakonssen, op. cit., chapter 6.
126) See above, note 72.
127) LJ(B), 1; italics added.
128) WN, IV. viii. 17.
129) WN, IV. viii. 30.
130) WN, IV. ii. 42.
131) WN, IV. ix. 51.
132) WN, IV. ix. 50.
133) WN, IV. ii. 9.
134) WN, IV. iii. 10.

Chapter 8: Conclusion

In modern times, few among the social scientists will agree that theology has to be a starting point of scientific inquiry. But it is very important to realize that the 'conscious' separation of science from theology (or philosophy) is quite modern. It is no wonder, in this connection, that Smith's lectures on moral philosophy began with natural theology. Although the linking chain between philosophy and science had by degrees become broken since the seventeenth century, until the eighteenth century scientific activities were not considered to be strictly independent of philosophical speculations in a narrower sense that we think of today. As an example I cited the statement of Robert Boyle, a great pioneer chemist, to the effect that Harvey's metaphysical speculation led him to make the scientific discovery of the circulation of blood (Chapter 2). It is likewise remarkable that for Sir Isaac Newton, who gave the Enlightenment a model to follow in a similar sort of activity, a starting point of science was his faith in a divine order established by a benevolent God.[1]

We are reminded, of course, that to say that a starting point for Smith is his religious belief in a divine order does not imply that he 'logically' deduces from that presupposition the explanation of the operations of the social world. Smith is a realist, which also means that he stands in a broadly empiricist philosophical tradition (Chapter 4). Smith concentrates exclusively on efficient causes when he engages in accounting for the workings of man and society, just as Newton and his method, (as distinguished from that of Descartes), demanded both to avoid the 'direct' deduction of the general laws of nature from philosophical speculations, and to base scientific investigation on observation and experiment.

Modern minds, even when they are well aware of this fact, are inclined to think that whilst Smith's natural theology and his belief in a benevolent God is a part of, and even an important presupposition of, his system of thought, they yet play no role in relation to his scientific inquiry. It is well-known that Smith offers a causal

explanation in his study of man in society. Accordingly it is scarcely believed that his theological outlook is influential in his science of society. Rather, Smith's theology can be regarded as a consequence of his study of nature and society. This is today a conventional view with respect to the place and role of Smith's natural theology and his belief in a benevolent God, which I feel to be not true. It is noteworthy that this popular account of Smith's theological view may have a difficulty in the face of an argument which rejects the usually accepted opinion that Smith, like many of his contemporaries, subscribed to deism, on the ground that he found, as a matter of fact, a large number of evils which were present in society (Chapter 2).

In fact, it is impossible to find a linkage between Smith's theological outlook and his scientific study, namely, a part which the former plays in the latter, using the restricted language of logical positivism. Since logical positivism assumes the 'analytic/empirical' dichotomy, there is no room for any other statement, except for both tautological or necessarily true, and synthetic or factual statements. On that assumption Smith's theological view is meaningless in respect of scientific inquiry. I suppose that such a premiss was the background knowledge with which many commentators worked in support of the popular view above noted. But it is of critical importance to be aware that there is another statement which cannot be understood with the 'analytic/empirical' dichotomy, yet tells us something about the factual world. That is called a synthetic *a priori* proposition. The characteristic of the synthetic *a priori* proposition is that it describes the real world while at the same time its truth or falsity is independent of experience. Metaphysical propositions, which make claims about the intrinsic nature of the universe while providing speculative world views that are not as subject to criticism as scientific theories, belong to the synthetic *a priori* statements. Undoubtedly Smith's theological outlook can be considered to be a metaphysical proposition in this respect; his belief in a benevolent Deity is inconclusively confirmable and yet irrefutable. Metaphysical doctrines are influential in scientific projects. Metaphysical doctrines are said to be methodologically suggestive in that they provide the vision which shows ways of exploring data in the world,

and come to limit, or rule out a certain range of theoretical possibilities. It is also claimed that they have moral or political suggestiveness as well (Chapter 2).

Against this background, in the present study I have mainly attempted to provide a more coherent interpretation with regard to an intimate relationship between natural theology and the science of man in society within Smith's scheme of moral philosophy. As we are aware, many authors have recently shown a systematic unity between ethics, jurisprudence or politics, and political economy in Smith's plan of moral philosophy. The primary aim of the present work was to argue for a systematic unity between Smith's theological view and the scientific study of society. For that purpose I have endeavoured to answer two types of questions, which can be, though related, distinguished; firstly, a problem with regard to whether or not there is an inextricable relation between Smith's theological view, and his science of morals and theoretical economics; secondly, another problem concerning how the dark side of human life which finds expression in Smith's two major books has to be understood and resolved, granted that Smith presupposes his religious faith in a benevolent God for the scientific analysis of man and society.

In connection with the first question, which ought to be positively answered if there is indeed the systematic linkage between Smith's theology and his science of man in the sense that we describe, I have identified his metatheoretical principles which are inextricably bound up with, and supported by, his theological view with respect to God's benevolence (Chapter 3). First, we have seen that Smith presupposes the idea of 'the law of the heterogeneity of purposes', which implies that while man acts largely for his private ends following natural desires, such blind actions of individuals manifest themselves in the way that serves to bring benevolent social purposes. This idea is well-known due to its conjunction with the 'invisible hand passage', so that in Chapter 3 I outlined its methodological implication without giving further treatment in subsequent chapters. But we are reminded that I consider the idea to be an organizing principle for theorizing, rather than a teleological framework which ensues from prior causal analysis as some commentators have noted.

Secondly, the doctrine of the supposition of harmony, or the ruling-out of conflict at the 'analytical' level was regarded as one of Smith's metatheoretical principles (Chapter 3). We noted that the conception of divine goodness produced the idea of the best possible world which revealed harmonious movements in its 'original array'. An important reminder in identifying this principle was that Smith did not believe social harmony to prevail in society whilst at the same time ignoring the apparent facts of social conflict. It is to be kept in mind that from the 'abstract and philosophical' perspective social harmony was declared. In this regard we once again have to perceive a connection of Smith's theological idea with his organismic philosophy. For the form of normative organicism, a metaphysical doctrine, does not declare that the 'natural' state of things is entirely realized in actuality; and it nevertheless claims that in the course of a movement towards completion its partial realization can be observed. It is likely to be easy to make this out, if we are reminded that the concept of 'nature' and its related idea of 'natural law' which Smith uses illustrate three sorts of philosophical tradition which are interdependent of each other (Chapter 2). At all events, I have tried to demonstrate my theme in subsequent chapters (Chapters 5 and 6). It was shown that Smith's moral theory which works on the key principles of sympathy and the impartial spectator rules out the possibilities of conflict in moral discourse; and that in the 'analytic' treatment of value and distribution of an exchange economy he found no inverse relations in which one class cannot be better off without another class being worse off, which, in the end, means that he saw no class antagonism or conflict in association with the distribution of the social product.

Thirdly, there is a metatheoretical principle which was identified in its connection with Smith's theological outlook about God's benevolence in the shape of the concept of progress. This has been one of many themes which are familiar to Smithian commentators. The perception of this concept of progress as a 'metatheoretical' proposition was of particular interest, because there were two claims, which have not received a proper reply; the first was that the idea of progress of society might not be the historical frame of the *Theory of Moral Sentiments*; the second was that the *Wealth of Nations* manifests

the duality of Smith's historical vision, optimistic and (yet eventually) pessimistic. It was demonstrated that Smith in the former book talks about the progress of moral values, just as he has the same idea concerning the progress of legal codes and of wealth; Smith's detailed description of the stationary state is no more than an empirical statement, for which he does not offer an analytic or theoretical treatment, and his formal analysis of social evolution discloses that he has in mind a type of economy marked by a steady growth.

As I mentioned above, the second question which I have endeavoured to address in the present study was about how the broad presence in both books of the flaws in the natural order has to be understood and resolved if we find that Smith sincerely believed in a harmonious order set up by a benevolent God. A number of authors have introduced the 'two Smiths' in order to account for this problem as we have seen. They are liable to see an irreconcilable conflict of beliefs in Smith. A conventional view on the duality of Smith's method of inquiry shares the same assumption. It was claimed by these authors that Smith's perspective is twofold owing to two different kinds of method of inquiry which he makes 'parallel' use of, namely, ideal and real, or abstract and empirical. Smith the theorist reaches optimistic conclusions on the basis of the premiss of perfect individual virtue, or abstract human propensities, whilst Smith the observer draws pessimistic pictures from the premiss of human frailty, or from observations of real social conditions. It is noteworthy that this view as to the duality of Smith's method is closely linked to, and lends support for, the duality of Smith's philosophic vision. However, if we are reminded that Newton's method of analysis and synthesis which Smith seems to employ requires both inductive and deductive stages, it is hard to assume why Smith entirely separates the two methods, abstract and empirical, and makes parallel use of them (Chapter 5).

It is agreed that Smith was a systematic thinker. A systematic thinker may seem to fail to be consistent in detail. However it seems difficult to suppose that he may also be so in the broad. The so-called inconsistency of belief and vision in Smith was present from

the outset in the *Theory of Moral Sentiments* to his final revision of the same book. This is also true of the *Wealth of Nations*. It was my view that Smith's theological outlook with reference to God's benevolence, which is inconclusively confirmable from the empirical study of nature and society, now becomes a metaphysical doctrine, a presupposition, which is irrefutable or almost independent of the empirical study of nature, when he indulges in the science of society. Smith's theological opinion can be regarded as the world view for him; the vision which suggests ways of exploring data in the world. Smith was too honest an observer. Smith was so level-headed an observer that he was well aware of diverse features of society, in both its bright and dark sides. It may therefore be said that he was well-balanced at the practical level. Yet what is of the highest importance at this stage is that his world view or vision does not allow him to see the negative facets of reality be appropriate material for theoretical analysis, since they are not believed to stem from a 'original arrangements' of nature. Rather they are regarded as the deviation from the original array of nature. Here it is noted that a form of normative organicism, Smith's metaphysical doctrine, constantly serves as a methodological principle in the background of his thought. As pointed out before, this is hardly surprising, because the concept of 'nature' and its associated notion of 'natural law' in Smith's thought incorporate those ideas which are grounded on the traditions of theology and organismic philosophy (as well as the doctrine of mechanistic determinism). This is the ground on which Smith both focusses exclusive attention on the happy side of society, and leaves its negative facets as empirical data alone. Though the fact that Smith leaves the negative aspects of human activities only as the honest description at the practical level is by no means undeserving, especially looked at in the context of politics (Chapter 7), certainly it will be mistaken if such facts lead us to conclude that Smith has two contrasting types of vision which are impossible of reconciliation, and that he makes parallel use of two distinctive methods. It should be remembered that in a similar context I have attempted to shed light on the contrast between Mandeville and Smith, and between Smith and Marx (Chapters 5 and 6). Many commentators have pointed out a similarity of thought between Smith and these writers, on the basis of a similarity of observed facts at the practical level.

In those places I intended to stress that the differences of metaphysics between them are basically responsible for the fundamental differences of their perception with respect to the 'true' operations of the social world, or to which side among various respects of reality represents the essence or nature of things and is therefore proper for 'theoretical' analysis. Those arguments were in part designed to reinforce my theme that metaphysics is influential in 'scientific' projects.

It was noted that metaphysics may have political suggestiveness (as well as methodological suggestiveness), although it does not entail particular policy proposals. In the final main chapter (Chapter 7) I have tried to examine the bearing of Smith's theological view and its associated principles on his political attitude in economic affairs. It was initially observed that Smith's formal analysis of economic growth acts as the 'sufficient' basis for his argument for economic liberty. The reason does not rest on the fact that Smith 'derives' practical conclusions from his formal analysis as modern economists think, but on the point that he does simply 'identify' the one with the other, just as he equates his science of morals with normative ethics (Chapters 2 and 5). It was noted that such identification of analytic description with prescription shows the influence of organismic philosophy which is common to the natural law tradition. But since the shape of Smith's formal analysis of growth is regulated by the notion of progress, one of Smith's metatheoretical principles, there is little difficulty in being conscious that his theological outlook plays the important part in affecting his political attitude in economic affairs.

Note to Chapter 8

1) Cf. R.H. Hurlbutt,III, *Hume, Newton, and the Design Argument*(1965); C.M.A. Clark, 'Natural Law Influences on Adam Smith', *Quaderni di Storia dell'Economia Politica*, Vol. 6(1988), pp.59-86.

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