

The Secret, Natural Theological Foundation of Adam Smith's Work*

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This article will discuss the theological foundation of Adam Smith's writings. Teleology, final causes, and divine design were initially seen as central to understanding Smith's writings. Over time, this view fell out of fashion. In the period after World War II, with the rise of positivism, commentators tended to overlook or downplay this interpretation. In the last decade or so, a "new theistic view" of Smith has emerged; in at least these interpretations, teleology has been restored to its former position as an essential element in understanding Smith. After sketching Smith's teleology and his view of final causes, divine design, and the ends of nature, we explain the Panglossian nature of some of the new-view interpretations of Smith. While our view differs somewhat, we agree with the essence of the new-view claim: A theological view exists in Smith and this underpins his moral and economic theories.

Introduction

Jacob Viner once wrote¹ that in the *Theory of Moral Sentiments* (*TMS* hereafter)² there "is an unqualified doctrine of a harmonious order of nature, under divine guidance, which promotes the welfare of man through the operation of his individual propensities"; further, he speculated that this doctrine may have been "the *secret* basis of Smith's conclusions" in the *Wealth of Nations* (*WN* hereafter).³ Viner's reference to the secret foundation of Smith's conclusions is reflected in the title of this article, and it is justified by the recent, explicit revival of Viner's view. In what follows, we will reexamine the importance of teleology and theology in Smith's work with Viner's suggestion in the background.⁴

Adam Smith wrote from around 1755 to 1790, yet he remains an important figure in the history of economics. Today, the reader has a number of hermeneutic difficulties in an encounter with Smith. Even if one rejects postmodernism,⁵ and accepts that one ought at least to try to understand the author's intention, there is the difficulty of actually undertaking the task. As Viner pointed out, contemporary social (and natural) science is secular, and many social scientists have viewed older works through secular lenses; the consequence is that many readers entirely overlook, or discount the relevance of, Smith's teleological view of human nature and the associated theology.⁶ Modern readers, he adds, have two methods of dealing with "the religious ingredients of Smith's thought": Either they "put on mental blinders which hide ... these aberrations of Smith's thought, or they treat them as ... *ornaments* to ... rational analysis."⁷ Allegedly, the removal of these ornaments will not harm Smith's argument. By contrast, Viner stated, "Adam Smith's system of thought, ... *is not intelligible if one disregards the role that he assigns in it to the teleological elements*, to the 'invisible hand.'"⁸ Viner's interpretation of Smith was not unique, but it was unfashionable. The fashionable interpretation has varied over time.

Over the past two hundred years, the commentators on Smith have held widely differing views on the role of teleology in Smith's work. Kleer presents a nice summary of the flow of these views over time.⁹ He argues that the initial commentators through to those of the latter half of the nineteenth century held that teleology played an important role in Smith's writings; early in the twentieth century a more secular view arose;¹⁰ and after World War II a *thoroughly* secular view developed. I would add that, in the last decade or so, a new theistic view has arisen that returns, in large part, to the view of the early commentators and Viner. The interpretations of those who adhere to the new view, have started to undermine the secular orthodoxy.¹¹

Let us now sketch what will be covered below. The second section discusses Smith's intellectual context. The third section turns to Adam Smith's teleology and the ends of nature that he claims exist. The fourth section discusses the meaning of these ends. The fifth section presents Smith's basic teleological model. The sixth section considers whether Smith's teleological ornaments can be removed without harming his argument. The seventh section discusses some extensions of the teleological approach that have been undertaken. The eighth section discusses what appear to be flaws in the natural harmony. The final section provides a brief conclusion. Let us begin with some background information on teleology.

Intellectual Context: Teleology, Final Causes, and Divine Design

This section discusses Smith's intellectual context. After explaining the term *teleology*, we discuss the nature, genesis, evolution, and orthodoxy of the teleological doctrine.

Teleology denotes final causes in nature; final cause, in turn, is derived from the Scholastic treatment of Aristotle's theory of causation. Only two of Aristotle's causes need concern us: the efficient cause (the agent immediately producing the change in the thing changed) and the final cause (the end or purpose of the thing changed or produced).¹² Aristotle's typology of causes was widely used in Smith's time and explicitly used by Smith himself.¹³

Second, let us discuss the nature of the teleological doctrine. If the parts of a thing fulfill the goal of the whole, *purpose* in the construction and an *intelligent contriver* can be implied.¹⁴ The arrangement of nature lends itself to teleological explanations. Evidence of design drawn from nature would then be used as the foundation for theorizing about God. While the specific arguments and analogies used varied over time, some key features of the design argument (and teleology) were its link to monotheistic religion, unalterable laws of nature, a general optimistic outlook, and the promotion of religious belief.

The genesis of the design argument goes back to the Socratics and especially to Aristotle; they opposed the pre-Socratics (the Atomists and their followers) who argued for a mechanical or chance foundation of nature.¹⁵ Next, the Stoics arose. They developed a sort of philosophical religion of nature based on the teleological foundation. Stoicism became virtually the official ideology of the Roman Empire. This represented an early peak in the teleological doctrine; subsequently, the popularity and orthodoxy of the teleological argument followed a cyclical pattern.¹⁶

Eventually, Stoicism came into conflict with Christian doctrine, and, after losing the battle, it disappeared from mainstream religious thinking. Augustine (354–430 A.D.), by his condemnation of Stoicism, was probably the main cause for its disappearance.¹⁷ It was only after Galileo's heresy trial (1633) precipitated changes in religious views that the teleological argument reemerged.¹⁸ Atomist and Stoic views were revived and modified in the scientific revolution.¹⁹

Another high point for teleology occurred in the work of Isaac Newton (his *Principia* was first published in 1687). Newtonianism, based on the design argument, secured the unity of science and religion—at least in Britain.²⁰

Scientists supported each new discovery with a revised design argument.²¹ Theologians tried to show the compatibility of their theology with the new science.²² By the eighteenth century, the teleological view was orthodox in Britain: It was the core of natural theology.²³

Although the design argument was attacked by some of Smith's contemporaries (Diderot, Voltaire, and Hume), they had little impact in Britain; indeed, support for it even *strengthened* subsequently.²⁴ Perhaps the turning point came in 1859 when Darwin proposed evolution (survival of the fittest) as an *alternative* explanation to Divine design.²⁵ So successful has been the Darwinian argument that these days little is heard of teleology, or the design argument. These trends have, of course, corresponded with the previously mentioned secularization of the natural and social sciences. The traditional design argument is now on life support.

In Smith's day, teleology was in vogue. It is no accident that the Stoic view played a large role in the Scottish Enlightenment. In eighteenth-century Scotland, natural theology (based on the design argument) came to be seen as a sort of preliminary to revealed theology. Smith himself taught natural theology at the University of Glasgow.²⁶ With this background in mind, let us now turn to Smith and his view of teleology.

Smith's Teleology and the Ends of Nature

The starting point for investigating Smith's views on teleology is his understanding of nature, primarily presented in the *TMS*. This section addresses several questions. If there is design, at what does it aim? What are the ends of nature? Do the ends of *human* nature accord with the rest of nature? How are the ends of human nature to be achieved?

Let us begin by turning to Smith's statement, "In every part of the universe we observe means adjusted with the nicest artifice to the ends which they are intended to produce." Here he refers specifically to "the *two great purposes of nature*, the *support of the individual* [self-preservation] and the *propagation of the species*."²⁷ Two points can be noted here. First, this exemplifies the teleological argument *to* design.²⁸ Second, due to such statements by Smith, some have claimed that, *if* nature has any ends, it is only preservation.²⁹ Next, the advancement of enlightened ends, the *final causes*, we imagine is due to human wisdom, but Smith says it is actually due to "the *wisdom of God*."³⁰ If the last two quotations are put together, we can infer that God's wisdom is demonstrated *throughout the universe*, the means being nicely adjusted to produce

the ends of preservation and procreation. Smith confirms that the *human* constitution also follows this design pattern.³¹ The *uniformity* of the design suggests that there was a single designer who drew up a grand blueprint of the universe before creating it in accordance with the plan.

Not only has nature determined the human ends, but it has endowed humans “*with an appetite for the means*” by which these ends can be realized.³² The means are drinking, eating, having sex, and so on.³³ “Hunger, thirst, the passion which unites the sexes, the love of pleasure, and the dread of pain,” drive us to adopt the appropriate means “without any consideration of their tendency to those beneficent ends, which the Director of nature [God] intended to produce by them.”³⁴ Three points should be noted from what we have learned so far. First, Smith stresses the providential role of nature in the provision of instincts for man; the *efficient cause* of human action is instinct.³⁵ Second, as a counterpart to this, human reason is downplayed.³⁶ Third, Smith links his teleological views to the “Director of nature”: Teleology is one foundation for his theology.

While human reason does not drive human action, the ends of preservation and procreation are eminently rational. According to Smith, subrational desires lead us to the means that deliver these ends. As the instinctual means are nicely adjusted in us to produce rational ends, and humans had no control in constructing these instincts, it seems that nature was wisely created by the Director of nature, God, to achieve these ends. There is teleology immanent in the human constitution. Unlike Hume, Smith supports final causal explanations.³⁷

This does not complete Smith's account of the human ends. He explicitly refers to three other ends: Nature promotes “the *order of the world*, and the *perfection and happiness of human nature*.”³⁸ In addition to the five explicit ends, freedom is an implicit goal that has almost the rank of an end of nature; recall the title of his ideal, “the system of natural liberty.”³⁹

Taken together, the ends provide what I call “human flourishing.”⁴⁰ The ends are rational, as are the means; but frequently, instincts, not human rationality, are responsible for humans' adopting the appropriate means. Further, Smith suggests that there is a coherence to the instincts: The “ultimate objects” of our desires are “ease and tranquillity.”⁴¹ The coherence and uniformity of nature suggest purposeful design by an “Author of nature”; the arrangement of the whole system of nature suggests “the wisdom of God.”⁴² Smith's account of nature is clearly teleological.

The Meaning, or Nature, of the Ends

In this section, we develop further our initial discussion of Smith's teleology. Let us briefly elaborate upon the meaning of each of the ends of nature.

For Smith, preservation seems to mean comfortable preservation.⁴³ Similarly, procreation seems to mean more than just maintaining the global species population.⁴⁴ These two ends are not only ends in themselves, they are the low but sure foundation of other ends.

The third end is order. It also serves as an end in itself and a means to other ends. There are essentially three components of order: external security, internal security, and a class system. The first component needs no comment. The second component—internal order, or a system of justice—derives from Smith's system of morality; these days it is often expressed as law and order. The third component of order is the establishment and maintenance of a class system, which protects the distinction of ranks within society.⁴⁵

Freedom, as a goal, seems to be familiar to us, although Smith's concept is complex and contains several components. In one sense, liberty is a psychological sense of security that results from the good administration of internal justice, of the rule of law.⁴⁶ Like other ends, freedom is an end in itself and a means to higher ends. Further, Smith's notion of freedom goes beyond the notion of negative liberty so beloved by many economists; his system of natural liberty included political, religious, and economic components of freedom.⁴⁷

Next, Smith has a complex view of happiness; it transcends the utilitarian and materialistic versions, which underpin economics textbooks.⁴⁸ For Smith, happiness consists in tranquillity and enjoyment.⁴⁹ As more will be said about the former shortly, let us focus here on the latter. Enjoyment requires "personal liberty"⁵⁰ and some material goods. To adequately supply the latter, happiness (understood in utilitarian terms) probably requires redistribution of such goods. On the one hand, Smith's compassion for the great bulk of population led him somewhat toward that position. On the other hand, he viewed order (including the maintenance of a stable class system) as pivotal to the survival of society; his support for a stable class system meant that any redistributions based on utilitarian concerns had to be moderated.⁵¹ Further complicating matters is Smith's view that deferred happiness, the object of acquisitiveness, is often illusory.⁵²

Perfection in Smith's account is complex; it includes both moral and intellectual virtues. He presents a wide range of attributes, which demonstrate perfection; these can be ranked hierarchically from the moral peak of benevo-

lence down to the bourgeois virtues.⁵³ Smith provides a number of examples of human excellence, including unexpected figures such as the great general, the statesman, and the legislator but *not* the business tycoon.⁵⁴

Ease and tranquillity, we saw earlier, comprise a sort of summary of the ends. They are a pair, meaning ease of body and ease of mind. Bodily ease is unlikely to occur either where the provision of necessities is arduous or where the individual works frantically for nonnecessities, seeking some illusory future happiness. Tranquillity is a complex psychological notion: It is the “foundation of all real and satisfactory enjoyment.”⁵⁵ Many things can disturb tranquillity, including “wonder”; the latter is induced by “jarring and discordant appearances,” or phenomena, in nature.⁵⁶ Philosophy is the means to supply explanations by creating systems of thought that connect up the appearances of nature in a psychologically persuasive manner.⁵⁷ Hence, as a means to “soothe the imagination” of the mind disturbed by “jarring ... appearances,” various systems of natural philosophy arise, such as astronomy.⁵⁸ Smith’s own systems of morality and political economy may have arisen from a need to soothe his own imagination.

The Basic Model: Immanent Teleology (Human Instinct)

As we have seen, Smith places stress on the role of instinct. He is well known for his harmony theory (by following their passions, individuals promote both their private good and the public good). In addition, Smith also has a deception theory (by following their passions, individuals unwittingly sacrifice their own good for the good of the community). This section focuses on the various ways in which the instincts show design toward the achievement of several natural ends.⁵⁹

Let us begin with an obvious example. Smith says that humans must live in society to survive.⁶⁰ Contrary to social contract theorists, Smith holds that this means of survival was not discovered by human reasoning.⁶¹ We are always in society rather than entering it out of rational calculation after living dispersed. This historical fact is due to the construction of nature. Smith says that, as the means to the end of preservation, nature programmed (or hardwired) human nature to have various *social* desires: “The desire of being believed, the desire of persuading, of leading and directing other people,” is perhaps “the strongest of all our natural desires,” and it may be “the *instinct* upon which is founded the faculty of speech, the characteristic faculty of human nature.”⁶² Humans

need to live in society and nature hardwires gregariousness into them; the *final cause* is preservation and the *efficient cause* is instinct.

According to Smith, human society (the proximate means to preservation) “seems . . . to have been the peculiar and darling care of Nature.”⁶³ With almost “parental tenderness,” Nature strives to preserve human society.⁶⁴ Nature wants society to endure; hence, it wants society properly ordered. To assist in achieving the end of order, nature provides two instincts as means. First, internal order rests on a system of justice (by justice Smith usually means commutative justice), which is as perfect as possible. The natural sense of justice arises from resentment, and Smith’s moral theory provides an explanation of how this natural sense is perfected and instituted into a system of jurisprudence.⁶⁵ As Hill says, the innate arrangement of the human constitution “generates a kind of spontaneous moral system.”⁶⁶ Second, contrary to a contractarian or utilitarian foundation of a class-structured society, the doctrine of nature instills a strong *natural deference* to authority.⁶⁷ Hence, the *final causes* of preservation, procreation, and order are all supported by instinctive *efficient causes*.

At this point, various commentators on Smith may object, claiming that these views may be relevant to the *TMS* but not to the *WN*. Perhaps Smith changed his mind after writing the former and his more mature view is found in the latter. This is the foundation for what became known as *Das Adam Smith Problem*.⁶⁸ In this newer version of *Das Adam Smith Problem*, teleology may be relevant to the *TMS* but not to the *WN*.⁶⁹

So let us turn to the *WN*. Kleer gives the best presentation of this book from the teleological perspective.⁷⁰ Let us merely sketch some of Kleer’s presentation here, focussing on economic growth. Growth helps to satisfy several of the ends of nature, including self-preservation, procreation, and happiness;⁷¹ it is a proximate means to several final ends. So how do we secure the operation of this means? It is *not* through mercantilist-style government manipulation of the growth process.⁷² There is a “natural progress of opulence” that obviates the need for such approaches.⁷³ So our task is to understand the foundation of the natural progress of opulence.

The starting point for Smith’s approach to economic growth is his view that the forces of nature tend to produce economic growth spontaneously; the underlying system of natural liberty needs certain prerequisites to produce the maximum sustainable rate of growth, but attempts to improve on this rate (such as mercantilism) can only do harm.⁷⁴ In Smith’s presentation, there are at least four factors responsible for growth: the division of labor, capital accumulation, order and good government, and discretion for capital owners to invest wher-

ever they choose.⁷⁵ Kleer treats these in turn, tracing them back to human instincts. Here we discuss the first three.

The division of labor seems to be a product of human calculation of social utility. A skim through the *WN* may suggest this.⁷⁶ Nevertheless, Smith indicates that the many advantages of specialization, including “that general opulence to which it gives occasion,” is “not originally the effect of any human wisdom”; the *origins* of the division of labor are to be found in the unique human “propensity to truck, barter, and exchange.”⁷⁷ In the *Lectures on Jurisprudence* (hereafter *LJ*)⁷⁸ he expanded on his thinking. This propensity arose from the previously mentioned, more-fundamental desire to persuade.⁷⁹ This inclination would manifest itself in the earliest human societies when occasional surpluses arose for the independent, *self-sufficient* families; in such a situation, gift-giving arises as a means of persuading other, neighboring households that goodwill exists toward them. After gift-giving is well-established, barter between *friendly* households can begin; gradually the division of labor emerged and was promoted by human calculation. Without the initial, spontaneous period, the subsequent, more-contrived division of labor⁸⁰ may have remained an optimistic possibility, which could not be actualized.

Capital accumulation depends on savings in Smith's account. It is normally held that we save due to rational calculation. Smith holds that it arises out of a “desire to better our condition,” a passion that normally manifests itself in material acquisitiveness.⁸¹ So, is the passion just a code for rational calculation? No. The negative explanation from the *TMS* is that, beyond some level, material possessions actually add little to our *real* happiness; despite this, people usually continue passionately acquiring.⁸² The positive explanation for acquisitiveness rests on various instinctive aspects spelled out in the *TMS*, including vanity and the fascination with well-crafted devices.⁸³

Order and good government serve as immediate prerequisites for “the liberty and security of individuals” and ultimately as prerequisites for capital accumulation.⁸⁴ These conditions existed in the Roman Empire but were lost after the fall of Rome. Feuding feudal lords came to control much of Europe; in various ways they destroyed order. In book 3 of the *WN*, Smith tells how the lords lost their power due to excessive purchasing of well-crafted “trinkets and baubles.”⁸⁵ The demise of the lords allowed the central government to regain authority and restore order. Thus, liberty and security were gradually restored in Europe, *not* by human calculation but as the unintended consequence of human actions driven by certain passions.⁸⁶

As we have seen, good outcomes are brought about in various ways, some are consistent with a harmony theory and some with a deception theory. In the

TMS and the *WN*, providential outcomes result from harmonious and deceptive arrangements of the human constitution. In the former, there is an obvious teleological view; in the latter it is implicit.⁸⁷ Nevertheless, we have suggested above that Smith's main economic theme, economic growth, supports the satisfaction of the natural ends. Yet, Smith's theory of economic growth cannot stand on rational calculation alone. Economic growth, like human society itself, is a proximate means to several *final causes*. As the *efficient causes* of growth are a series of natural propensities or instincts, speaking somewhat imprecisely, one can say that the instincts are the secret, *efficient causes* (actually they are one step removed from the efficient causes) of several ends of human nature. Underlying Smith's economics is a set of instincts. As the *WN* is more about the application of the principles of human nature than the investigation into such principles, a fuller explanation of Smith's thinking about these propensities has to be traced back to his other works.⁸⁸ Nevertheless, there is enough in the *WN* to suggest that there is a secret basis to his political economy. Why is the most beneficial result achieved without human manipulation? Divine design is the answer.

Can Teleology Be Removed Without Affecting the Analysis?

From the presentation above, it appears that teleology is central to Smith's argument; others disagree, as seen earlier in Viner's comments. If the commentators concede that there are teleological passages in Smith, while still adopting a secular interpretation, most of them suggest that such passages *can be removed without affecting the analysis*.⁸⁹ This leads us to ask: *How*, and *why*, do good results come about?

Let us start with the *how* question. The most obvious means of producing a good result is *human* reason. Smith actually goes to some lengths to deny that this is responsible in many of the cases mentioned above (social order in particular). Some role for reason remains in Smith's account; nevertheless, it is a considerable distortion of his guiding principles to make this the *primary* explanation for the beneficial results that Smith remarks upon.

Once human reasoning is rejected, the *how* question is answered: Human instinct or passion is the cause. So, where does that leave the secular commentators? For them, there are efficient causes (passions, instincts, and so on) but no final causes.⁹⁰ This is not sufficient, however. In removing teleology, they have to suggest *why* the good results that Smith mentions come about. If human

reasoning is rejected, the task for the secular commentator becomes more difficult, especially when Smith has repeatedly offered the explanation that the human constitution was benevolently designed by God in order to achieve beneficial results. Secular commentators who persist in attributing their own view to Smith, tend to promote a dual response. First, there is a negative task of suggesting why his references to God, the Author of nature, and so on, should be dismissed as irrelevant. In this vein is the claim that these utterances were deceptive⁹¹ or added for rhetorical effect. Second, there is the positive task of providing a viable alternative explanation. The usual alternative offered is some variation on the Darwinian thesis of natural selection.⁹²

Teleology as a rhetorical device is worth pursuing. There are various components of this explanation: conformity to the conventions of the time, the origin of the *TMS* in lectures to young students (many of whom were training for the ministry) in a setting closely supervised for orthodoxy; some limited biographical information, and the evidence available in the revisions to the *TMS* after Smith left the university.⁹³ An obvious difficulty here is the depth of the teleological argument underlying his discussion of the providential outcomes.⁹⁴ More is required than to claim that, for his time, in Presbyterian Scotland, Smith was an unorthodox Christian.⁹⁵ What is needed is to prove that he disbelieved even in a trimmed-down version of natural theology (where a benevolent God exists). Consider in this regard Smith's fascination with Stoicism, which is consistent with teleology and natural religion.⁹⁶ We would argue, on the one hand, that it is extremely difficult to *prove* that he was an agnostic or an atheist;⁹⁷ on the other hand, there is vast textual evidence supporting the view that he believed in natural theology. Why propose a conspiracy when one need not?

Now let us turn to the second point: the alternative explanations to divine design. These are also worth exploring; nevertheless, they are problematic. First, Smith seems to reject the evolution of human nature.⁹⁸ Second, he saw human passions producing *more* than just survival. In what way can happiness and perfection be incorporated into some spontaneous adaptation process?⁹⁹ Perhaps some sublime adaptation process can be *imagined* but why should evolution follow this path when a simple path can be followed: survival.¹⁰⁰ The more complex the adaptation process, the more likely it is that Smith imagined that God designed the entire system of nature.

This does not settle the matter, but it suggests that the teleological explanation is the most probable and that the removal of the theological and or teleological passages in Smith's writings is not a simple matter.

Some Extensions of the Teleological Approach

In Smith's basic model, his focus is on teleology immanent in the human passions, or instincts. Several extensions of the teleological model can be made. First, we can extend his teleological framework into a theory of history. Second, we can use the ends of nature to flesh out what he has in mind as his best regime or utopia where all of the natural ends are satisfied simultaneously. Third, we can use the ends as a means of ranking societies that fall short of this ideal.

First, let us extend the time horizon for the spontaneous operations of the basic model. A teleological interpretation of history is explicit in Evensky and Hill and implicit in Kleer.¹⁰¹ As a starting point, consider the general, linear structure of Smith's four-stage theory of history.¹⁰² Next, consider two of his historical case studies (the deception theory is prominent in both of these): the restoration of order and good government after the fall of Rome (mentioned previously), which came about by the unintentional self-destruction of the secular lords, and the parallel self-destruction of the obstructive, Feudal clergy.¹⁰³ The positive outcomes in these teleological stories arose not from human rationality but from the workings of human instincts over a long period.

The second extension uses the ends of nature in the basic model to sketch Smith's utopian society. A number of commentators have shown interest in Smith's ideal society in recent years. As a result, an elevated and complex vision emerges.¹⁰⁴ Similar conclusions can be reached by viewing the topic through the lens of the ends of nature.¹⁰⁵ In sketching the outlines of this society, we have to go beyond the three duties of government discussed in the *WN* to take into account the duties of government discussed in the *TMS*.¹⁰⁶ Consideration must also be given to the various constitutional and other measures that Smith recommends.

The third extension of the basic model arises out of the second: the classification of societies. Through a consideration of each society's satisfaction of the ends of nature, a ranking of societies can be established.¹⁰⁷ This scheme would synthesize traditional political classification schemes, the stages of economic development, and some extra elements.

Hence, already three extensions of Smith's teleology have been undertaken. There may be others. More work can be done on these applications.

Flaws in the Natural Order

In this section we address several questions. Was Smith an *a priorist* or an empiricist? Is the harmony view that we have found in his writings an *a priori* assertion? What is the role of empirical evidence? Is Smith a sort of Panglossian? What is the role of human reason when humans perceive imperfections in the natural harmony?

Smith says that his moral theory is an empirical account.¹⁰⁸ The same seems to be the case in his system of political economy. Hence, he seems to be an empirical theorist and most commentators view him that way.¹⁰⁹

Yet, in the discussion above, we have also seen Smith's reliance on metaphysics: Everything appears to be designed to bring about providential results. This is true regardless of whether the means are harmonious or deceptive. This leads Denis to conclude that, from the divine (God's eye) perspective of the universe, everything is harmonious; harmony in Smith is an *a priori* assertion.¹¹⁰ Hence, there is a natural harmony, even if we humans struggle to see it: In this view, Smith is a sort of Panglossian.¹¹¹ This view seems to be at odds with the interpretation of Smith as an empirical theorist.

Normally one would say that Smith is *either* an empiricist *or* an *a priori* theorist.¹¹² We agree with Tanaka's view that Smith seems to have adopted a dual system.¹¹³ Consider in this light, Smith's discussion of the end of happiness; he says: "No other end seems worthy of that supreme wisdom and divine benignity which we necessarily ascribe to him [God]; and this opinion, which we are led to by the abstract consideration of his infinite perfections, *is still more confirmed by the examination of the works of nature.*"¹¹⁴

So, happiness, as an end of nature, is justified on two grounds. First, at the beginning of the sentence quoted above, there is the abstract contemplation of the perfections of God, which suggests an *a priori* explanation. Second, at the end of the sentence, Smith adds the empirical explanation. His wording here, "confirmed by the examination of the works of nature," imitates the usage by the natural scientists of the age in their natural theological discussions.

Thus, there is a natural order that is harmonious; some of that harmony is obvious (empirical evidence is used in support); the remainder is also harmonious, even if we humans struggle to find it (the *a priori* view).¹¹⁵ Some of those *apparent* flaws, upon closer inspection, turn out to be consistent with a grander harmony; what appear to be imperfections, serve to fulfill the various ends of nature.¹¹⁶ Presumably, the remaining, apparent disharmonies can also be explained as our knowledge of philosophy, of "the invisible chains" that connect up the "appearances" of nature, advances.¹¹⁷ This Panglossian

interpretation seems to be the final view of Denis, Clarke, and Hill: Even the apparent defects in human nature show wise design.¹¹⁸

We remain to be convinced about this view. Indeed, many commentators are dissatisfied with it. In his early work, Viner indicated that numerous disharmonies existed in Smith's *WN*; the natural order was not fully harmonious.¹¹⁹ What is more important, Smith also seems dissatisfied with the Panglossian view.

Smith seems to say that some disharmonies are *real*; what he sometimes calls "feeble" human reasoning has to be deployed to overcome them.¹²⁰ As Griswold says, "nature must be helped."¹²¹ A role for human reason is quietly added as another efficient cause.¹²² Some commentators have gone so far as to suggest that, during his lifetime, Smith became less convinced about the Providence of nature and more pessimistic about the path of the future.¹²³ In support of such a view, reference is made to Smith's praise of the legislator and his alleged shift toward an active role for political leadership.¹²⁴

Regardless of this alleged change of mind, Smith's dissatisfaction with the natural order raises important questions about the tension between nature and human reason. At more mundane levels, other problems arise. Of particular interest for us is the role of human reasoning in political economy and political interventionism within a harmonious framework.

The starting point for resolving the problems indicated above is the recognition that *human* intellect can cooperate with, or interfere in, the operation of nature.¹²⁵ Mercantilism, and other human systems, had undermined the system of natural liberty and thwarted, or at least retarded, the natural progress of opulence.¹²⁶ The fact that feudalism was undermined suggests that the forces of nature do tend to win out eventually against bad human reasoning. The limited role of human rationality seems to be something like the following. First, we humans have to understand the workings and the goals of nature; Smith's two books assist in this regard. Second, political economy serves a modest goal, catering to the lower ends. In securing these ends, it can play a small part in achieving the higher ends. Nevertheless, the goal of a continual increase of the species in a comfortable condition, and hence continual economic growth (as his ends of procreation and preservation seem to require), is a significant task.¹²⁷ Third, despite the large role of instinct, Smith smuggles in human reason. Hence, the choice of the correct (that is the "Smithian," free trade) system of political economy is important. Fourth, as he showed in various places, human reason has to be able to discern the dangers of systems: dogmatic ideologists.¹²⁸ Smith, on the one hand, may well have thought that his system overcame the danger of systems,¹²⁹ as it was based on minimal

government intervention in the economy. On the other hand, he indicates cases where good political economy has to give way to other considerations.¹³⁰ In short, the goal of human reasoning, as manifest in political economy, is to cooperate with, not to overcome, nature.

Conclusion

Adam Smith seems to accept that there is a divine design to the universe. Consistent with this, he uses teleological and final-causal explanations in his presentation of nature. This understanding leads to his view that there are ends of nature and, in the case of human beings, he posits an elevated and complex set of natural ends. Smith's secret theological framework impacts on his moral philosophy *and* his political economy. The new view of Smith is correct to point this out. We differ from at least those adherents of the new view who adopt a Panglossian view of Smith; this interpretation seems to understate Smith's perception of the flaws in nature and, consequently, the role that he sees for human reasoning. Nevertheless, the essence of the new view is correct and must form the basis of the attempt to recover Smith's true view.

Notes

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1. Jacob Viner, "Adam Smith and Laissez-Faire," *Journal of Political Economy* 35 (1927): 206, 210, emphasis added.
 2. Adam Smith, *The Theory of Moral Sentiments*, ed. D. D. Raphael and A. L. Macfie (Oxford: Oxford University Press, 1976). Textual references to Smith include the page number and the citations used by the editors of *The Glasgow Edition of the Works and Correspondence of Adam Smith*; they cite the relevant book, chapter, section, and paragraph (i.e., I.x.b.3 = bk. 1, chap. 10, sec. b, par. 3). References to Smith and other philosophers usually follow this pattern.

3. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols., ed. R. H. Campbell and A. S. Skinner (Oxford: Oxford University Press, 1979).
4. On the “new view,” see Richard A. Kleer, “The ‘Author of Nature’: Adam Smith and Teleology” (Ph.D. diss., University of Toronto, 1992); Richard A. Kleer, “Final Causes in Adam Smith’s *Theory of Moral Sentiments*,” *Journal of the History of Philosophy* 33 (1995): 275–300; Richard A. Kleer, “The Role of Teleology in Adam Smith’s *Wealth of Nations*,” *History of Economics Review* 31 (2000): 14–29; Peter H. Clarke, “Adam Smith, Stoicism, and Religion in the Eighteenth Century,” *History of the Human Sciences* 13(4) (2000): 49–72; Lisa Hill, “The Hidden Theology of Adam Smith,” *European Journal of the History of Economic Thought* 8 (2001): 1–29; Peter H. Clarke, “Unity in the Influences on Adam Smith,” *History of Economics Review* 36 (2002): 10–25; A. M. C. Waterman, “Economics as Theology,” *Southern Economic Journal* 68 (2002): 907–21; Shoji, Tanaka, “The Main Themes and Structure of Moral Philosophy and the Formation of Political Economy in Adam Smith,” in *The Rise of Political Economy in the Scottish Enlightenment*, ed. T. Sakamoto and H. Tanaka (London: Routledge, 2003).
5. The postmodern approach asserts that the intention of an author can never be known and that we impose meanings on the written words. Reading and interpretation become “creative” acts on the reader’s part. To search for the author’s true meaning is a doomed project. Brown and Shapiro have written books on Smith from the “postmodern” perspective. See Michael J. Shapiro, *Reading “Adam Smith”* (Newbury Park: Sage, 1993); Vivienne Brown, *Adam Smith’s Discourse* (London: Routledge, 1994); cf., James E. Alvey, “Postmodern ‘Readings’ of Adam Smith’s ‘Discourse,’” *History of Economics Review* 26 (1997): 155–66.
6. Jacob Viner, *The Role of Providence in the Social Order* (Philadelphia: American Philosophical Society, 1972), 81.
7. *Ibid.*, 81–82, emphasis added.
8. *Ibid.*, 82, emphasis added. The invisible hand is not treated in detail below. For a discussion see Alvey, *Adam Smith: Optimist or Pessimist?* 125–29.
9. Kleer, “The Role of Teleology.”
10. The view tended to be either that (1) Smith held a teleological view in the *TMS* but dropped it in the *WN*, or (2) Smith’s references to teleology could be removed without damage to his argument.
11. Many commentators retain the secular interpretation of Smith. See Knud Haakonssen, *The Science of a Legislator* (Cambridge: Cambridge University Press, 1981); Knud Haakonssen, “What Might Properly Be Called Natural Jurisprudence,” in *The Origins and Nature of the Scottish Enlightenment*, ed.

- R. H. Campbell and A. S. Skinner (Edinburgh: John Donald Publishers, 1982); Peter Minowitz, *Profits, Priests, and Princes* (Stanford: Stanford University Press, 1993); Charles L. Griswold Jr., *Adam Smith and the Virtues of the Enlightenment* (Cambridge: Cambridge University Press, 1999).
12. See Aristotle, *The Works of Aristotle*, trans. under the editorship of Sir David Ross, 12 vols. (Oxford: Clarendon Press, 1908–1952) vol. 2 (page nos. blank throughout) (*Physics* 194b16-195b30); Sir David Ross, *Aristotle*, 5th ed. (London: Methuen, 1949), 71–75, 155; Richard Sorabji, *Necessity, Cause, and Blame: Perspectives on Aristotle's Theory* (London: Duckworth, 1980).
 13. Smith, *Theory of Moral Sentiments*, 87, 104 (II.ii.3.5; II.iii.3 title).
 14. Robert H. Hurlbutt, *Hume, Newton, and the Design Argument*, rev. ed. (Lincoln: University of Nebraska Press, 1985), 8.
 15. *Ibid.*, 97–98.
 16. See Clarke, “Adam Smith”; Clarke, “Unity in the Influences”; Athol Fitzgibbons, “Adam Smith’s Theory of Human Nature,” in *Evolutionary Economics and Human Nature*, ed. J. Laurent (Cheltenham: Edward Elgar, 2003), 73.
 17. Clarke, “Unity in the Influences,” 13–14.
 18. *Ibid.*
 19. The scientific revolution is often held to have begun in 1543 with the publication of important works by Copernicus and Vesalius.
 20. Bacon, Boyle, Ray, and many others united science and theology in the age of the scientific revolution (see John H. Brooke, *Science and Religion* [Cambridge: Cambridge University Press, 1991], 18, 134).
 21. Among the many scientists who used the design argument were Maclaurin, Ray, Boyle, and Clarke (Hurlbutt, *Hume, Newton and the Design Argument*, 27–42).
 22. See *ibid.*, 79, 84; Ernest C. Mossner, *Bishop Butler and the Age of Reason* (New York: Macmillan, 1936), 35, 81, 109, 129.
 23. Hurlbutt, *Hume, Newton, and the Design Argument*, 188.
 24. See *ibid.*, 170, 177; Brooke, *Science and Religion*, 173–75, 220; A. M. C. Waterman, *Revolution, Economics and Religion* (Cambridge: Cambridge University Press, 1991), 69–70.
 25. Brooke, *Science and Religion*, 197.
 26. See Dugald Stewart, “An Account of the Life and Writings of Adam Smith, LL.D.,” in *Essays on Philosophical Subjects*, by Adam Smith, ed. W. P. D. Wightman and J. C. Bryce (Oxford: Oxford University Press, 1980), 274.

27. Smith, *Theory of Moral Sentiments*, 87 (II.ii.3.5), emphasis added; see also Adam Smith, “Early Draft of Part of the *Wealth of Nations*,” in *Lectures on Jurisprudence*, by Adam Smith, ed. R. L. Meek, D. D. Raphael, and P. G. Stein (Oxford: Oxford University Press, 1978), 571 (ii.23).
28. The purposive relationships among the parts of the universe imply a contriver-designer (see Hurlbutt, *Hume, Newton, and the Design Argument*, 8–13).
29. See R. H. Coase, “Adam Smith’s View of Man,” *Journal of Law and Economics* 19 (1976): 529–46; Joseph Cropsey, *Polity and Economy*, 2d ed. (South Bend: St. Augustine’s Press, 2001), 38; cf. Minowitz, *Profits, Priests, and Princes*, 115; Kleer, “The ‘Author of Nature.’”
30. Smith, *Theory of Moral Sentiments*, 87 (II.ii.3.5), emphasis added.
31. *Ibid.*, 77 (II.i.5.10).
32. *Ibid.*, emphasis added.
33. The discovery of the appropriate means, however, could be either by reason or instinct. Smith argues that nature solves our problem by providing us with several instincts.
34. Smith, *Theory of Moral Sentiments*, 78 (II.i.5.10).
35. See also Cropsey, *Polity and Economy*, 124; Adam Smith, “Of the External Senses,” in *Essays on Philosophical Subjects*, 150, 156 (pars. 49, 60).
36. See Smith, *WN*, 802–3 (V.i.g.24); see also Smith, *Theory of Moral Sentiments*, 226, 293 (VI.ii.1.20; VII.ii.1.47).
37. See Hill, “The Hidden Theology,” 7–11.
38. Smith, *Theory of Moral Sentiments*, 168 (III.5.9), emphasis added; see also *ibid.*, 105, 166 (II.iii.3.2; III.5.7).
39. Smith, *WN*, 687 (IV.ix.51).
40. Alvey, *Adam Smith: Optimist or Pessimist?* 2; see also Hill, “The Hidden Theology,” 11.
41. Smith, *Theory of Moral Sentiments*, 297 (VII.ii.2.11); see also Adam Smith, “History of Astronomy,” in his *Essays on Philosophical Subjects*, 45–46 (II.12).
42. Smith, *Theory of Moral Sentiments*, 77, 87 (II.i.5.10; II.ii.3.5); see 106 (II.iii.3.2).
43. See Smith, *WN*, 342–43, 345, 405 (II.iii.31,36; III.iii.12); Adam Smith, “History of the Ancient Physics,” in *Essays on Philosophical Subjects*, 113 (par. 9); cf. John Locke, *Two Treatises on Government*, ed. P. Laslett (Cambridge: Cambridge University Press, 1963), 327–44 (*Second Treatise*, chap. 5).
44. See Smith, *WN*, 87–88 (I.viii.23).

45. Ibid., 710 (V.i.b.3); Smith, "History of Astronomy," in *Essays on Philosophical Subjects*, 51 (III.5). Today, this view seems thoroughly anachronistic, but it was seen as essential by Smith (ibid).
46. Smith, *WN*, 722–23 (V.i.b.25); see Charles Louis Montesquieu, *The Spirit of the Laws*, trans. and ed. Anne Cohler, Basia Miller, and Harold Stone (Cambridge: Cambridge University Press, 1989), 157 (XI.6. par. 3).
47. Smith, *WN*, 687 (IV.ix.51); Alvey, *Adam Smith: Optimist or Pessimist?* 118–19; see Berlin quoted in Stewart Justman, *The Autonomous Male of Adam Smith* (Norman: University of Oklahoma, 1993), 24. Economists quickly assume that they understand Smith's idea when he stresses freedom of mobility, occupational freedom, and so on (Smith, *WN*, 73, 116, 138, 530–31 [I.vii.6; I.x.a.1; I.x.c.12; IV.v.b.16]). This part of Smith's notion of freedom we can call economic freedom.
48. This view surfaces in economics textbooks in welfare economics.
49. Smith, *Theory of Moral Sentiments*, 150 (III.3.31).
50. Ibid.
51. Smith does recommend some redistributive policies (see Jeffrey T. Young, *Economics as a Moral Science* (Cheltenham: Edward Elgar, 1997), 129–55; Alvey, *Adam Smith: Optimist or Pessimist?* 130).
52. Smith, *Theory of Moral Sentiments*, 181–83 (IV.i.8).
53. Prudence, industry, and frugality are called virtues by Smith (see ibid., 213, 242 [VI.i.5; VI.iii.13]).
54. Ibid., 216 (VI.i.15).
55. Ibid., 150 (III.3.31).
56. Smith, "History of Astronomy," in *Essays on Philosophical Subjects*, 38–46 (II.3–12).
57. Ibid., 45–47 (II.11–2).
58. Ibid., 45–46 (II.12).
59. See Kleer, "The 'Author of Nature'"; Kleer, "Final Causes"; Kleer, "The Role of Teleology"; Alvey, *Adam Smith: Optimist or Pessimist?* 31–77.
60. Smith, *Theory of Moral Sentiments*, 85 (II.ii.3.1).
61. Smith, *Lectures on Jurisprudence*, 398 (*LJ* (B) 3).
62. Smith, *Theory of Moral Sentiments*, 336 (VII.iv.25) emphasis added; cf. Aristotle, *The Works of Aristotle*, vol. 10 (page nos. blank throughout) (*Politics* 1253a9–18).
63. Smith, *Theory of Moral Sentiments*, 86 (II.ii.3.4).

64. *Ibid.*, 142 (III.3.13).
65. Alvey, *Adam Smith: Optimist or Pessimist?* 40–53.
66. Hill, “The Hidden Theology,” 17.
67. Smith, *Theory of Moral Sentiments*, 53 (I.iii.2.3); Smith, *Lectures on Jurisprudence*, 567 (*LJ* (B) 344); cf. Locke, *Two Treatises*, 455–56, 463–64, 467–68, 474 (*Second Treatise* §§212, 225, 232, 239).
68. For a recent variation, see Brown, *Adam Smith’s Discourse*, 46, 53–54; for discussion, see Alvey, “Postmodern Readings.”
69. Minowitz, *Profits, Priests, and Princes*, 2, 8–9; see the references quoted in Kleer, “The Role of Teleology,” 16.
70. See *ibid.*, throughout. See also Alvey, *Adam Smith: Optimist or Pessimist?*; Brown, *Adam Smith’s Discourse*, 166–91; Waterman, “Economics as Theology.”
71. Smith, *WN*, 22, 72, 87–88, 97–99 (I.i.10; I.vii.1; I.viii.22-3,39,42-4).
72. Mercantilism is based on import protectionism, export subsidies, and trading monopolies. This system was vigorously opposed by Smith (*ibid.*, 428–662 [IV.i-viii throughout]).
73. *Ibid.*, 376–78 (III.i.title; see also III.i.3-4).
74. *Ibid.*, 687 (IV.ix.50).
75. On the division of labor see *ibid.*, 14–36 (I.i-iii); on capital accumulation see *ibid.*, 330–49 (II.iii); on order and good government see *ibid.*, 381–427 (III.ii-iv); and on discretion for capital owners to invest wherever they choose see *ibid.*, 360–80 (II.v-III.1).
76. *Ibid.*, 27–28 (I.ii.3).
77. *Ibid.*, 25 (I.ii.1); see also Smith, *Lectures on Jurisprudence*, 492–93 (*LJ* (B) 218–21).
78. These are student notes based on Smith’s lectures (see R. L. Meek, D. D. Raphael, and P. G. Stein, introduction to *Lectures on Jurisprudence*, by Smith).
79. Smith, *Lectures on Jurisprudence*, 352, 493 (*LJ* (A) vi.56; *LJ* (B) 221); Smith, *Theory of Moral Sentiments*, 336 (VII.iv.25).
80. This was based on prudence (calculation with regard to long-term gain). See *ibid.*, 189 (IV.2.6).
81. Smith, *WN*, 341–42, 674 (II.iii.28,31; IV.ix.28); see Alvey, *Adam Smith: Optimist or Pessimist?* 56–63. The desire can also manifest itself in glory-seeking (or other alternatives) (see *ibid.*, 195–203).

82. Smith, *Theory of Moral Sentiments*, 180–83 (IV.i.6-8); Kleer, “The Role of Teleology,” 18–19. There is considerable ground for debating whether the quantity of goods required is a moderate or a minimal level (compare Smith, *WN*, 96 [I.viii.36] and Smith, *Theory of Moral Sentiments*, 51, 205 [I.iii.2.1; V.2.9] with *ibid.*, 179–85 [IV.i.1-10]).
83. *Ibid.*, 50–51, 179–83 (I.iii.2.1; IV.1.3-8); Kleer, “The Role of Teleology,” 18–19.
84. Smith, *WN*, 405 (III.iii.12).
85. *Ibid.*, 421 (III.iv.15).
86. Once again, a central role is given to the fascination with well-crafted devices (*ibid.*). An instinctive account of this fascination is given elsewhere (Smith, *Theory of Moral Sentiments*, 179–83 [IV.i.3-8]).
87. Waterman, “Economics as Theology,” 918; Alvey, *Adam Smith: Optimist or Pessimist?* 21.
88. Kleer, “The Role of Teleology.” On cross-reading of Smith’s texts, cf. Brown, *Adam Smith’s Discourse*, 4.
89. Schumpeter quoted in *ibid.*, 16. The following reject the view that Smith’s teleological passages can be removed without impairing Smith’s argument: Viner, *The Role of Providence*; Kleer, “Final Causes”; Kleer, “The Role of Teleology”; Hill, “The Hidden Theology,” 1; Tanaka, “The Main Themes.”
90. Haakonssen, *The Science of a Legislator*, 77–79; Haakonssen, “What Might Properly Be Called Natural Jurisprudence,” 211.
91. See Athol Fitzgibbons, *Adam Smith’s System of Liberty, Wealth, and Virtue* (Oxford: Clarendon Press, 1995), 90.
92. The alternative of spontaneous order offered by Hayek and his followers is also worth consideration (see Hill, “The Hidden Theology,” 1, 3, 8–11, 15, 17, 21–22; Kleer, “The Role of Teleology,” 23).
93. On conformity to convention, see Viner, *The Role of Providence*, 81. On his lectures to students destined for the church, see D. D. Raphael and A. L. Macfie, introduction to *The Theory of Moral Sentiments*, by Smith, 5. On the biographical information, see Adam Smith, *The Correspondence of Adam Smith*, ed. Ernst C. Mossner and Ian S. Ross, 2d ed. (Oxford: Oxford University Press, 1987), 211; Minowitz, *Profits, Priests, and Princes*, 8. On the evidence of changes in his texts over time, see Smith, *Theory of Moral Sentiments*, 91-2n (II.ii.3.12n). In some of these explanations there is an underlying assumption that Smith feared persecution for boldly stating his true views.
94. Cf. Minowitz, *Profits, Priests, and Princes*, with Kleer, “Final Causes,” and Waterman, “Economics as Theology.”

95. As Hill points out, “Smith may even have thought of himself as a sort of Christian” (Hill, “The Hidden Theology,” 3).
96. Smith, *Theory of Moral Sentiments*, 272–93 (VII.ii.1.15-47); see Raphael and Macfie, introduction to *Theory of Moral Sentiments*, 9–19; Fitzgibbons, *Adam Smith’s System*, v, 19, 29–33, 90, 197; Gloria Vivenza, *Adam Smith and the Classics* (Oxford: Oxford University Press, 2001), 191–212; Andy Denis, “Was Adam Smith an Individualist?” *History of the Human Sciences* 12(3) (1999): 73. Smith’s own, less-participatory, view of citizenship seems to fit with the later, rather than the early, Stoicism.
97. Cf. Minowitz, *Profits, Priests, and Princes*.
98. On the fixed human nature, see Smith, *WN*, 28–29 (I.ii.4); Smith, *Lectures on Jurisprudence*, 443 (*LJ* (B) 114); Adam Smith, “History of the Ancient Logics and Metaphysics,” in *Essays on Philosophical Subjects*, 121 (par. 2); Hill, “The Hidden Theology,” 15; Alvey, *Adam Smith: Optimist or Pessimist?* 70 n. 13. On the complicating role of culture, see Smith, *Theory of Moral Sentiments*, 194–211 (part 5); Alvey, *Adam Smith: Optimist or Pessimist?* 233.
99. On this point, see Kleer, “Final Causes,” 300; Hill, “The Hidden Theology,” 19.
100. Cf. the simplicity of Newton’s theory of gravitation (Smith, “History of Astronomy,” in *Essays on Philosophical Subjects*, 33–105 [throughout]).
101. Jerry Evensky, “The Evolution of Adam Smith’s Views on Political Economy,” *History of Political Economy* 21 (1989): 123–45; Jerry Evensky, “Adam Smith’s Moral Philosophy: An Evolutionary Story of Ethics, Institutions, Markets and the Human Prospect,” book manuscript, 2003; Hill, “The Hidden Theology,” 10–12, 17–20; Kleer, “The Role of Teleology,” 19–20.
102. The four stages are hunting, shepherding, farming, and commerce (Smith, *WN*, 689–94 (V.i.a.1-8); see Alvey, *Adam Smith: Optimist or Pessimist?* 81–93). On the linear structure of these stages, see Shapiro, *Reading “Adam Smith,”* 32–33, 48, 55, 58, 82.
103. On the former, see Smith, *WN*, 376–427 (bk. 3); on the latter, see *ibid.*, 788–814 (bk. 5). See Alvey, *Adam Smith: Optimist or Pessimist?* 96–107. Things turn out to be rather more complicated as shown in *ibid.*, 216–27.
104. Patricia H. Werhane, *Adam Smith and His Legacy for Modern Capitalism* (New York: Oxford University Press, 1991); J. Z. Muller, *Adam Smith in His Time and Ours*, rev. ed. (Princeton: Princeton University Press, 1995); Young, *Economics as a Moral Science*; Evensky, “Adam Smith’s Moral Philosophy.”
105. See James E. Alvey, “Adam Smith’s Utopia,” presented at the Komaba Forum, University of Tokyo, Komaba, Tokyo, Japan, April 18, 2001, (also presented at the

New Zealand Political Studies Association Conference, Palmerston North, New Zealand, 7–9 December 2001).

106. Smith, *WN*, 687–88 (IV.ix.51); Smith, *Theory of Moral Sentiments*, 81 (II.ii.1.8); James E. Alvey, “Adam Smith’s Higher Vision of Capitalism,” *Journal of Economic Issues* 32 (1998): 441–42.
107. See Alvey, “Adam Smith’s Utopia.”
108. Smith, *Theory of Moral Sentiments*, 77, 319 (II.i.5.10; VII.iii.2.6).
109. See Raphael and Macfie, introduction to *Theory of Moral Sentiments*, 22.
110. Denis, “Was Adam Smith an Individualist?”
111. *Ibid.*, 73.
112. See Winch’s comment reported in Tanaka, “The Main Themes,” 137.
113. *Ibid.*, 137; Alvey, *Adam Smith: Optimist or Pessimist?* 263.
114. Smith, *Theory of Moral Sentiments*, 166 (III.5.7), emphasis added.
115. Cf. Griswold, *Adam Smith and the Virtues*, 329.
116. Smith, *Theory of Moral Sentiments*, 94–108 (II.iii throughout); Alvey, *Adam Smith: Optimist or Pessimist?* 181–85.
117. Smith, “History of Astronomy,” in *Essays on Philosophical Subjects*, 45–46 (II.12).
118. See Denis, “Was Adam Smith an Individualist?”; Clarke, “Adam Smith”; Hill, “The Hidden Theology”; cf. Kleer, “The Role of Teleology,” 25.
119. Viner, “Adam Smith and Laissez-Faire”; see also Griswold, *Adam Smith and the Virtues*, 329.
120. Smith, *WN*, 803 (V.i.g.24); see Smith, *Theory of Moral Sentiments*, 77–78, 226, 293 (II.i.5.10; VI.ii.1.20; VII.ii.1.47); Griswold, *Adam Smith and the Virtues*, 326–29, 367.
121. *Ibid.*, 328–29.
122. See Smith, *Theory of Moral Sentiments*, 61–62, 319–20 (I.iii.3.1; VII.iii.2.6-9).
123. Tanaka, “The Main Themes,” 144–47; Evensky, “The Evolution of Adam Smith’s Views.” See also Hiroshi Mizuta, “Moral Philosophy and Civil Society,” in *Essays on Adam Smith*, ed. Andrew S. Skinner and Thomas Wilson (Oxford: Clarendon Press, 1975), 127–29.
124. Tanaka, “The Main Themes,” 146.

125. See Smith, *Theory of Moral Sentiments*, 166 (III.5.7). Despite Smith's apparent teleological view of history, there does not appear to be any necessity for mercantilism to be overthrown (see Alvey, *Adam Smith: Optimist or Pessimist?* 216–17).
126. Smith, *WN*, 687, 376 (IV.ix.51; III.i.title).
127. Recall that, in Keynes's vision of the future, economists may become like humble dentists: They would do important but dirty work (J. M. Keynes, *The Collected Writings of John Maynard Keynes*, 30 vols., ed. D. Moggridge [London: Macmillan for the Royal Economic Society, 1971–1989], 9:332). Smith's view of the termination of the growth process in a stationary state is an unresolved paradox (see Robert L. Heilbroner, "The Paradox of Progress: Decline and Decay in the *Wealth of Nations*," *Journal of the History of Ideas* 34 [1973]: 259; Waterman quoted in Bruce G. Webb, "A Conversation with Anthony Waterman," *Faith and Economics* 36 [2000]: 10–11).
128. Probably, he had in mind the leaders of the French Revolution but the same warning could have applied to dogmatic mercantilists or any number of others (see Smith, *Theory of Moral Sentiments*, 232–34 [VI.ii.2.15-8]).
129. Peter McNamara, *Political Economy and Statesmanship* (DeKalb: Northern Illinois University Press, 1998), 35.
130. See Smith, *WN*, 538–39, 542–43 (IV.v.b.39–40,53).

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