Defence is of Much More Importance than Opulence—Adam Smith on the Political Economy of War

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1 Introduction

There are few people, I surmise, possessed of a better knowledge of Niccolò di Bernardo dei Machiavelli's works, especially his *Il Principe* and his *Discorsi* (see Marchand, 2006 et seq.), than Manfred Holler. He has repeatedly published on Machiavelli's path-breaking contributions to political science (see, inter alia, Holler (2009, 2011)) and has significantly furthered our understanding of them by elaborating on ideas contained therein, using modern analytical tools.

This short paper pays tribute to Manfred, a close friend and esteemed colleague. My focus of attention will, however, not be on Machiavelli, but on Adam Smith. Both authors had the most interesting things to say about war as an option in conflicts among nations or political entities in search of territorial, economic and other forms of power and dominance. The philosopher, historian and social scientist David Hume was full of praise for some of Machiavelli's propositions and wrote that the latter's observations "with regard to the conquest of Alexander the Great … may be regarded as one of those eternal political truths, which no time nor accidents can vary." The reference is to the fact "that such sudden conquests, as those of Alexander, should be possessed so peaceably by his successors, and that the Persians, during all the confusions and civil wars among the Greeks, never made the smallest effort towards the recovery of their former independent government" (Hume, [1777] 1987: 21). The explanation of this surprising fact, Hume surmises, is the kind of government established after the conquest—whether it will follow more "the maxims of the eastern princes" or that of the "western princes". While an eastern prince will "leave no distinction of rank among his subjects, but what proceeds immediately from himself", a western prince, exerting his power "after a milder manner", will instead

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M. A. Leroch and F. Rupp (eds.), *Power and Responsibility*,
https://doi.org/10.1007/978-3-031-23015-8_3

leave "other sources of honour, besides his smile and favour" (ibid: 22). In the former species of government, Hume concludes, "it is impossible ever to shake off the yoke", whereas in the latter, "the least misfortune, or discord among the victors, will encourage the vanquished to take arms" and revolt against the conquerors (ibid: 22).

While Hume called Machiavelli "a great genius", he was no unstinted admirer of his respective studies. These, he objected, were confined to "the furious and tyrannical governments of ancient times, or to the little disorderly principalities of Italy", whereas his observations especially upon monarchical government "have been found extremely defective; and there scarcely is any maxim in his *prince*, which subsequent experience has not entirely refuted" (ibid: 88). Using modern parlance, one might say that Machiavelli has been denied the grace of late birth, or, in Hume's words: he "lived in too early an age of the world, to be a good judge of political truth" (ibid).

Smith, who lived some two and a half centuries later, was lucky in this regard and left to us a multi-layered political economy of war, covering the four stages into which he subdivided the process of socioeconomic civilization up until his time. (This included also remarks on monarchical governments.) Since Smith's political economy of war is not only to be found in Book V of his *Wealth of Nations* (1776), but is spread out over large parts of his oeuvre, one has to pin together the relevant passages in order to get a clear picture of his views on the matter as they developed over time. Hume's objection to Machiavelli that his study is historically contingent, applies, of course, also to Smith. The invention of the atomic bomb and the repeated threat by one of the nuclear powers, the Russian Federation, to use nuclear weapons after Hiroshima and Nagasaki have dramatically changed the situation. As the brutal war waged by the Russian Federation against the Ukraine shows, the danger of a Third World War is real. This no statesman, or student of politics, or taxpayer, can ignore. With a view to World War I that had then just begun, the British journalist Francis Wrigley Hirst, editor of *The Economist*, wrote in his book *The Political Economy of War*, published in 1915: "the fate of civilisation" is at stake (Hirst, 1915: ix). In the nuclear age, in which one side, possessed of a huge arsenal of weapons, has recently repeatedly, and credibly, threatened to use it, what is at stake is no longer the fate of civilization, but that of humankind. This was not so at the time of Adam Smith, which will have to be kept in mind in the following. However, we can nevertheless still learn from the Scotsman today, as this paper argues.

The composition of the essay is the following.[1] Section 2 provides a brief account of the ways in which according to Smith the wealth of a nation (or of groups or single members of it) can be increased, and the role these played in different stages of civilization. Section 3 provides a summary account of the history of warfare, as seen by Smith, in the different stages. The process of civilization is characterized by a self-transformation of society that unleashes forces and tendencies that endanger the continuation of the process from within and renders rich nations susceptible

[1] In this essay I draw freely on a paper in German I wrote on the occasion of the "First Iraq War" (also known as "(Second) Gulf War"), which began with the Iraqi invasion of Kuwait in August 1990; see Kurz (1991); see also Kurz (2022).

to being attacked by "barbarian" nations. Section 4 turns to what Smith calls the "wisdom of the state", without which the process of civilization is doomed to failure. This wisdom Smith then specifies in terms of a number of measures to be taken in order to increase the defence capabilities of a nation. These include, in particular, the instalment of a standing army, which was much debated at Smith's time. Its critics feared that such an army could involve a threat to liberty and freedom. Interestingly, Smith opted in favour of both a standing army and a militia. Section 5 discusses Smith's conviction that wars swiftly tend to corrupt the moral sentiments of people by replacing the "impartial spectator" with a partial one, and the dangers this entails. Section 6 contains some concluding observations.

2 Stages of Civilization and Ways of Accumulating Wealth

In Book V of the *Wealth of Nations* (henceforth *The Wealth* or, simply, WN), Smith defines the duties of the sovereign to consist of the following:

> The first duty of the sovereign, that of protecting the society from the violence and invasion of other independent societies, can be performed only by means of a military force. But the expence both of preparing this military force in times of peace, and of employing it in time of war, is very different in the different states of society, in the different periods of improvement. (WN V.i.a.1)

In the notes taken by a student attending Smith's lectures on jurisprudence in 1762–63, we read: "There are four distinct states which mankind passes thro:—1st, the Age of Hunters; 2dly, the Age of Shepherds; 3dly, the Age of Agriculture; and 4thly, the Age of Commerce" (LJ (A) i.27). This subdivision of the history of human civilisation in four stages recurs in the notes taken on the occasion of the lectures Smith gave in 1766 (see LJ (B) 149) and then in *The Wealth*. In the latter, he provides a brief outline of the history of warfare against the background of the four stages and insists that the process of civilization engenders contradictory tendencies as to the "martial spirit" and military power of a society. The uncertainty about which of these tendencies will prevail in the long run prompts Smith to call on the "wisdom of the state" to muster the necessary defence efforts in order to safeguard society, which necessitates the upkeep and continuous modernization of a sufficiently large and well equipped standing army. Smith follows in this regard a maxim he had put forward in Book IV of *The Wealth*: "defence … is of much more importance than opulence" (WN IV.ii.30). This may be said to be one of the most important maxims in his entire work.

In the Introduction of Book IV of *The Wealth*, "Of Systems of Political Oeconomy", Smith defines the objects of political economy:

> Political economy, considered as a branch of the sciences of a statesman or legislator, proposes two distinct objects; first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign. (WN IV.1)

He sees essentially three ways to meet these objectives for a nation as a whole:

- By the conquest of other countries or regions, robbery and tribute payments by subjugated peoples.
- By trade and advantageous exchange according to the mercantilist motto: "buy cheap and sell dear".
- By domestic production via the use of the industry and diligence of people and technical and organizational improvements, and trading parts of the produce with that from other nations.

The first way plays a particularly prominent role in an early phase of socioeconomic development, that is, the first two stages of civilization. It remains important in the mercantile period, in which, however, with the discovery of other continents the second way of enrichment swiftly gains momentum. The third way is the characteristic feature of the age of commerce, in which agriculture and industry are developed, labour productivity is high and rising, and the globalization of the social division of labour is reflected in a growing world market. Provided things go well, Smith is convinced, the process of civilization favours "equality, liberty and justice" (WN IV.ix.3) in society and is accompanied by a sustained improvement of the material provision of people—a rising real income per capita.[2] However, as Smith knows from overwhelming historical evidence, there is no guarantee that the process will go well. There would be no need of a scientific subject called political economy if things were otherwise, that is, if the system, left to its own devices, would consistently generate results that are individually and collectively desirable.[3] The whole purpose of the scientific subject is to elaborate sound economic principles, which, if enacted into law by legislators and implemented by statesmen in terms of economic and social policy, would support the process of civilization and "enrich both the people and the state". The relatively new science of the statesman and legislator has the important task of showing how to contain the forces that endanger the process and strengthen the forces that promote it.

According to Smith, wars waged by less developed nations, possessed of a strong "martial spirit" and envious of the riches of developed nations, which, while possessed of a strong commercial spirit have only a weak martial one, is perhaps the most important external threat to the continuation of the process of civilization.[4] While in the past, wars were mostly fought over natural resources and the fruits of the diligence of a people by nations of similar levels of development, in modern times they concern "barbarian" nations on the one hand and "civilized" ones on the

[2] By "equality" he does not mean equal real incomes, but equal opportunities across all members of society, but he is, of course, aware that this is an ideal that can only be approximated, but not reached.

[3] As will be shown in the sequel, the widespread view that "Adam Smith claimed that nothing more than selfishness is necessary for society to achieve optimal social outcomes" (Schotter, 1985: 2) involves a huge travesty of facts.

[4] There are also forces at work from within society and especially what Smith called the "wretched spirit of monopoly" (WN IV.ii.21), that endanger the system of natural liberty. In this essay they are put on the side; see therefore Kurz (2016).

other. The latter, while materially rich, typically lack sufficient defence capability. As Smith stressed in the *Lectures on Jurisprudence*: "When a country arrives at a certain degree of refinement it becomes less fit for war" (LJ (B) 38). Barbarian countries are, on the contrary, typically relatively poor, but their populations are rich with soldierly virtues. Wealthy nations are therefore in constant fear of assaults from their poorer neighbours. The wealth of a rich nation, Smith stresses, always

> provokes the invasion of all their neighbours. An industrious, and upon that account a wealthy nation, is of all nations the most likely to be attacked; *and unless the state takes some new measures for the public defence, the natural habits of the people render them altogether incapable of defending themselves.* (WN V.i.a.15; emphasis added)

Smith thus attributes a central role to the state for the continuation of the process of civilization: the "wisdom of the state" is needed! In case civilized nations fail to increase sufficiently their military power in order to deter potential invaders, or keep the upper hand in case of military conflict, this process would come to an end and get reversed. The "system of natural liberty" is in danger of becoming the victim of tendencies generated by itself, endogenously. The process of civilization is in jeopardy from within. Smith sees the danger, and while he expresses the hope that it can be contained, he is by no means sure about it. A brief account of his four stages of development and the role of warfare in each of them follows. In it, he draws inter alia on the works of historians from Thucydides and Homer to David Hume. The main reference for the following is Chapter 1 of Book V of *The Wealth.*

3 A Short History of Warfare and the Process of Civilization

In a nation of hunters, Smith insists, the "power of making peace and war … [is] lodged in the whole body of the people" (LJ (B) 26), since "every man is a warrior as well as a hunter" (WN V.i.a.2). While the proportion of people fit for war is large, the actual size of the army is relatively small because of the precarious provision of its members. Hence, while such nations are highly fit for war, they represent no danger for more developed nations. With a view to the situation in the new English colonies, Smith adds: "Nothing can be more contemptible than an Indian war in North America" (WN V.i.a.5). The English and French troops are by far superior to the native Indians and cause harm and bloodshed beyond all measure.

More dangerous for civilized nations are nations of shepherds. They are similarly fit for war as nations of hunters, but they can put up larger armies for basically two reasons: First, "The whole nation, besides being accustomed to a wandering life, even in time of peace, easily takes the field in time of war"; this often includes women, who for example among the Tartars "have been frequently known to engage in battle" (WN V.i.a.3). Secondly, nomads carry with them the main source of their provision, their herds, also in times of war. Compared to hunters, shepherds are possessed of a larger room for manoeuvre and they are also more persevering. Both their economic

activities and the ways of passing their leisure time (running, wrestling, javelin, archery and so on) reflect "the images of war" (WN V.i.a.4). Very much like hunters, they do not need extensive preparation when going to war or a substantial increase in weaponry and sophisticated command structures. State and government play a very modest role and public debt to finance wars is virtually absent.

In nations of farmers in which commerce, handicraft and foreign trade are only poorly developed, people by way of the hardship of their profession are well prepared for the "fatigues of war". However, because of their limited time for leisure, they are less able to train their martial capabilities in a playful way: "They are soldiers, but soldiers not quite so much masters of their exercise" (WN V.i.a.6). There is also the fact that agriculture presupposes a settlement that cannot easily be abandoned by adult men in times of seed and harvest, with the cultivation of the land left entirely to women, the elderly and children. However, military service still does not require much financial support from the government. The military budget of such nations is therefore modest. This was the situation in Ancient Greece, the Roman Empire until the beginnings of the first republic and the European monarchies in feudal times.

Two facts are responsible for a considerable change of affairs in more advanced stages of society. First, with the rise of the manufacturing sector, in which production is continuous, not like in agriculture where it is subject to a rhythm dictated by nature, if men go to war, industrial production as a whole comes to a standstill and so does the stream of income it generates. The implication of this is: "When he [the artisan] takes the field, in defence of the public, as he has no revenue to maintain himself, he must necessarily be maintained by the public" (WN V.i.a.9; see also LJ (A) iv.79).

Secondly, with the rise of manufactures and the money that can be earned and the wealth that can be accumulated in this sector, a new and highly attractive option becomes available to the upper strata of society. While in the past, honour and social reputation could be gained first and foremost by heroic behaviour on the battlefield, and military service, therefore, was one of the noblest duties of the offspring of nobility, now the successful activities of a businessman offers an excellent alternative. Accordingly, Smith opines, "it became inconvenient for the rich to go out to war, from a *principle of avarice* … The merchant who can make 2 or 3000£ at home will not incline to go out to war. But it was an amusement to an ancient knight who had nothing else ado." He goes on: "When the improvement of arts and manufactures was thought an object deserving the attention of the higher ranks, the defence of the state naturally became the province of the lower, because the rich can never be forced to do anything but what they please. … When arts and commerce … begin to be very lucrative, it falls to the meanest to defend the state. This is our present condition in Great Britain" (LJ (B) 335–6; emphasis added). According to Smith this change in the higher ranks' aspirations and lifestyle, and the attempts of the lower ranks to imitate them, is of the utmost importance with regard to the declining capability of civilized nations to defend themselves unless the state takes precautions to prevent this from happening.

The second fact Smith mentions reinforces the first: "the art of war has gradually grown up to be a very intricate and complicated science" (WN V.i.a.10). Military strategy, tactics and weaponry have been developed over time and the average length

of wars has increased. From this follows: "it becomes universally necessary that the publick should maintain those who serve the publick in war, at least while they are employed in that service", since "so very tedious and expensive a service would otherwise be by far too heavy a burden upon them" (WN V.i.a.10). A growing share of public expenses will therefore have to be allocated to national defence.

Smith's view of the impact of the process of civilization on the military fitness of a nation may be summarized in the following way. An increasing social division of labour leads on the one hand to a growing income per capita and an improving material provision of the population. The type of sectors of the economy that gain absolutely and relatively in importance imply, however, that a growing proportion of the people are bound to continuously work in their occupations even in times of war and support the entire nation and the military forces (see WN V.i.a.11; see also LJ (A) iv.79–81 and LJ (B) 37–8). The situation is further aggravated by the fact that in the occupations under consideration military exercises "come to be as much neglected by the inhabitants of the country as by those of the town", with the consequence that "the great body of the people becomes altogether unwarlike" (WN V.i.a.15).

Yet the process of civilization has further detrimental effects on the military spirit and soldierly virtues. It diminishes, Smith opines, "military courage" and, perhaps most importantly, it spreads hedonism: "By having their minds constantly employed on the arts of luxury, [people] grow effeminate and dastardly" (LJ (B) 331).

Smith's deep-seated fear of civilization giving rise to "defects" of the character and leading to effeminacy and dastardliness is huge. The question is: By whom and how can the "disadvantages of a commercial spirit" be contained and the process of civilization salvaged? To Smith, the "wisdom of the state" (WN V.i.a.14) is badly needed; without this wisdom the system of natural liberty would be doomed to failure. Smith's respective reasoning may be subsumed under the heading: *Defence is of much more importance than opulence* (see WN IV.ii.30).

4 On the "Wisdom of the State"

The gradual replacement of the martial by a commercial spirit and the rise to dominance of the *principle of avarice* involves a threat to civilized society that ought to be warded off, but how? What is at stake is a collective good—the integrity and sovereignty of a nation and its inhabitants—and since single individuals are neither willing nor capable of defending this collective good, the community as a whole and its representatives have to step in. Contrary to the civilian sphere in which the division of labour is the result of the working of an "invisible hand" that makes use of the judgement, prudence and self-interest of individuals, in the military sphere, the visible hand of the state is needed. Smith expounds:

> Into other arts the division of labour is naturally introduced by the prudence of individuals, who find that they promote their private interest better by confining themselves to a particular trade, than by exercising a great number. But it is the wisdom of the state only which can render the trade of a soldier a particular trade separate and distinct from all others.

He continues:

> A private citizen who, in time of profound peace, and without any particular encouragement from the publick, should spend the greater part of his time in military exercises, might, no doubt, both improve himself very much in them, and amuse himself very well; but he certainly would not promote his own interest. It is the wisdom of the state only which can render it for his interest to give up the greater part of his time to this peculiar occupation: and states have not always had this wisdom, even when their circumstances had become such, that the preservation of their existence required that they should have it. (WN V.i.a.14)

Smith's above argument alludes already to the first and arguably most important measure to be taken by the state: the establishment of a professional army and its preservation also in times of peace. This is also suggested by the progress in weapons technology due to the deepening of the social division of labour.

> The art of war …, as it is certainly the noblest of all arts, so in the progress of improvement it necessarily becomes one of the most complicated among them. The state of the mechanical, as well as of some other arts, with which it is necessarily connected, determines the degree of perfection to which it is capable of being carried at any particular time. But in order to carry it to this degree of perfection, it is necessary that it should become the sole or principal occupation of a particular class of citizens, and the division of labour is as necessary for the improvement of this, as of every other art. (WN V.i.a.14)

According to Smith, there can be no doubt regarding the "irresistible superiority which a well-regulated standing army has over a militia" (WN V.i.a.28). He is, therefore, convinced that "it is only by means of a standing army, therefore, that the civilization of any country can be perpetuated or even preserved for any considerable time" (WN V.i.a.39). He is also convinced that a standing army is superior to employing mercenaries.

The introduction of a standing army is also suggested by the following fact. Since the offspring of the educated elite is inclined to turn his back to the military service, essentially only members of the lower strata of society become soldiers, who, however, are often unable to read, understand commands and operate sophisticated weaponry. Therefore, the combat efficiency of the army is at risk. A professional army that properly trains its personnel will make a difference. Its instalment implies, of course, a social division of virtues—martial virtues on the one hand and civilian virtues on the other.

However, there is seldom an advantage that does not also carry with it some disadvantage: a standing army poses a potential risk for the polity, as numerous military coups in history show. The risk depends, of course, on a number of factors including the selection mechanism by means of which the people commanding the army are chosen. Institutional arrangements can be installed that minimize the risk. Smith proposes inter alia to complement a standing army with a militia formed by citizens whose main occupations remain their civilian professions. The members of the militia can be expected to care for the protection of the polity including their own private professional interest and thereby deter military encroachments. A militia, Smith adds, has a further advantage: it exposes a large part of the population to regular

military exercises, which keep the martial spirit alive and improve the physical and cognitive strengths of the people.[5]

Smith also stresses that in the course of the development of martial arts, the traditional features of a good soldier change with conventional capabilities such as physical strength gradually losing importance. This is particularly so since the invention of firearms. Now "Regularity, order, and prompt obedience to command, are qualities which, in modern armies, are of more importance towards determining the fate of battles, than the dexterity and skill of the soldiers in the use of their arms" (WN V.i.a.22). The acquisition of these qualities requires troops that are exercised in huge bodies.

Can these plus some other measures guarantee that the threat to the process of civilization can effectively be warded off? Unfortunately, this is not the case. However, "a mere accident" is taken to come to the rescue when the need is greatest. The invention of gunpowder and the "great revolution in the art of war" it caused, Smith is convinced, "is certainly favourable to the permanency and to the extension of the civilization" (WN V.i.a.43–44). He explains this in terms of the cost of such arms, which barbarian nations cannot afford. While this may well be true for some time, with technical progress and the reduction in costs of production, this will not be true forever.

Alas, Smith surprisingly refrains from discussing this possibility. As regards the martial supremacy of civilized nations, he expresses the hope and expectation that they will not use it to invade and conquer other countries, but focus attention on increasing their wealth by means of production and trade. Yet if war is a means to a given end, what would prevent them from using it?

We may at this juncture ask whether Smith's "mere accident" is actually a reification of what he in the *Theory of Moral Sentiments* called "the plan of Providence". There we read about this plan: "The happiness of mankind, as well as of all other rational creatures, seems to have been the original purpose intended by the Author of nature, when he brought them into existence" (TMS III.5.7). And in another passage Smith gives his deism a twist that sounds almost Spencerian: "Nature … seems … to have intended the happiness and perfection of the species" (TMS II.iii.3.2).[6] In case humankind should have reason to rely on "Nature" and its "Author", things would be fine and someone like Putin and his acolytes would be taught a lesson and prevented from making use of their nuclear arsenal. There is something about Smith's respective reasoning that reminds one of whistling in the dark in an attempt to dispel fear. Hopefully, Smith's optimism is justified. As with Wilkins Micawber in Charles Dickens' novel *David Copperfield*, what remains is the hope that "something will turn up".

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[5] Smith has been attacked in Scotland, where the topic of militia versus standing army gave rise to a heated debate, which involved also several of his friends and opponents (see Kurz, 1991: 116–120). His alleged opposition to a militia and plea for a standing army was criticized as contradicting republican principles. However, as we have just seen, this criticism was unfounded, because he recommended a combination of the two.

[6] Not without some justification, Ronald Coase (1976) therefore called Smith an early evolutionary social scientist.

5 Heroic Characters and the Demise of the "Impartial Spectator"

Smith is convinced that in order to improve the defence capability of a nation the social reputation of the members of the armed forces deserves to be kept high.[7] In the *Theory of Moral Sentiments*, the Stoic ethic he endorsed comes to the fore when he writes:

> The wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society. He is at all times willing, too, that the interest of this order or society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part. He should, therefore, be equally willing that all those inferior interests should be sacrificed to the greater interest of the universe, to the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director. (TMS VI.ii.3)

The requested "magnanimous resignation" to the "will of the great Director of the universe" (TMS VI.ii.4) is said to be fully compatible with human nature:

> Good soldiers, who both love and trust their general, frequently march with more gaiety and alacrity to the forlorn station, from which they never expect to return, than they would to one where there was neither difficulty nor danger…. [I]n marching to the former, they feel that they are making *the noblest exertion which it is possible for man to make.* They know that their general would not have ordered them upon this station, had it not been necessary for the safety of the army, for the success of the war. *They cheerfully sacrifice their own little systems to the prosperity of a greater system.* … No conductor of an army can deserve more unlimited trust, more ardent and zealous affection, than the great Conductor of the universe. … A wise man should surely be capable of doing what a good soldier holds himself at all times in readiness to do. (TMS VI.ii.4; emphases added)

Whoever is prepared to defend "liberty and justice, for the sake of humanity and the love of his country", deserves rightly to be admired by his fellow citizens. Smith concludes: "It is this habitual contempt of danger and death which ennobles the profession of the soldier, and bestows upon it, in the natural apprehension of mankind, a rank and dignity superior to that of any other profession" (TMS VI.iii.7).

However, as soon as war breaks out, the institution on which Smith relies most with regard to moral sentiments—the "impartial spectator" in us—gives way to the partial spectator. The result of this is that the "propriety of our moral sentiments is never so apt to be corrupted" (TMS III.3.41): noble sentiments become mean, the love of one's country turns into national prejudice and hatred against other countries, and so on. Smith expounds:

> When two nations are at variance, the citizen of each pays little regard to the sentiments which foreign nations may entertain concerning his conduct. His whole ambition is to obtain the approbation of his fellow-citizens; and as they are all animated by the same hostile passions which animate himself, he can never please them so much as by enraging and offending their enemies. … In war and negotiation, therefore, the laws of justice are very

[7] According to Macfie and Raphael (1976: 18), Smith "seems to have admired heroic characters most".

> seldom observed. Truth and fair dealing are almost totally disregarded. Treaties are violated; and the violation, if some advantage is gained by it, sheds scarce any dishonour upon the violator. (TMS III.3.42; see also LJ (B) 351)

The civilian population is protected least and suffers most: "their lands are laid waste, their houses are burnt, and they themselves, if they presume to make any resistance, are murdered or led into captivity" (TMS III.3.42).

Yet wars do not only have losers, they also have winners, for instance, those who equip the military forces and the producers of provisions whose prices tend to rise. Finally, there are also those who "enjoy, at their ease, the amusement of reading in the newspapers the exploits of their own fleets and armies." These people are commonly dissatisfied with the return of peace, because it puts an end to their amusement, "and to a thousand visionary hopes of conquest and national glory, from a longer continuance of the war" (WN V.iii.37). However, if things go badly for the own army, what was before considered "heroic magnanimity" is then chastised as "extravagant rashness and folly" (TMS VI.iii.28).

In short, wars turn peoples' heads and spoil their character. This can be exemplified in terms of heroes of the war. Because of the enormous amount of recognition and honour bestowed on them, they are inclined to grow their self-admiration immeasurably: "When crowned with success … this presumption has often betrayed them into a vanity that approached almost to insanity and folly" (TMS VI.iii.28). Yet the higher they climb, the harder they fall.

6 Concluding Remarks

In Immanuel Kant's *Idee zu einer allgemeinen Geschichte in weltbürgerlicher Absicht* (1784) we read: "Aus so krummem Holze, als woraus der Mensch gemacht ist, kann nichts ganz Gerades gezimmert werden" (Out of the crooked timber of humanity, no straight thing can ever be made). Kant, as is well known, was an admirer of Smith. In the latter's reflections referred to here, he turns around and rotates the crooked timber and identifies several sides of it that exist simultaneously and cannot be resolved into one another. Curvature and texture of the always newly sprouting timber remain largely the same as time goes by, but its position and cut do change. What was in the shadow, gets into the light, and what used to be brightly lit disappears into the dark. Formerly trimmed shoots are given free rein, while others are getting pruned. When Smith wrote, the Pre- and Early History of homo sapiens was still unknown. Smith's reflections and speculations about the evolution of human civilization revolve around the rise and fall of social institutions, not about the evolution of the human species. These are taken to be essentially unchangeable. What changes, are the relative importance and the specificity of the various human faculties vis-à-vis altering socioeconomic and environmental circumstances. The selfish and greedy individual that populates large (but by no means all) parts of *The Wealth* (see Book V, in particular), is no other person than the benevolent and devoted member of

the "Commonwealth of all rational beings" of *The Theory of Moral Sentiments*. Smith's political economy of war and peace documents the close connections that exist between his two main works. Without the care and nurturing of the *martial spirit*, the fruits of the *commercial spirit* of modern society are in danger of falling prey to envious neighbours. This danger may be banned or at least contained in an effective and cost-minimizing way by means of a standing army. However, the instalment of such an army does not only involve a division of labour between soldiers and non-soldiers, but also a division of virtues between martial and civilian virtues. This has potentially negative implications for the security of society from within and does not promote the character development of large parts of the male population. Smith, therefore, recommends in addition to a professional army the establishment of a militia that allows the state to achieve several goals at a single stroke. "Defence", Smith insists, "is of much more importance than opulence".

One may wonder whether Vladimir Putin, had he had the privilege of reading Smith's works, would have wished to join "that great society of all sensible and intelligent beings", the "Commonwealth of all rational beings", instead of becoming a criminal and mass murderer from a distance.

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