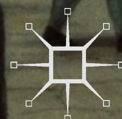
AN AUTHENTIC ACCOUNT OF ADAM SMITH

Gavin Kennedy



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For Archie Morrice and Alexander Rolland

Exhibits List

Chapter "Adam Smith on Metaphors"
Exhibit no 1: Adam Smith's Figures of Speech and Metaphors in *The Theory of Moral Sentiments* (6th edition: 1790)
Exhibit no 2: Adam Smith's use of Figures of Speech and Metaphors in the *Wealth of Nations*

Chapter "Adam Smith and the 'Invisible Hand'"
Exhibit 3: Some General Theological References to 'an Invisible Hand', from Ancient Times to the eighteenth-century
Exhibit 4: Early Post-Smithian References to the 'Invisible Hand' 1857–1899
Exhibit 5: Some of Smith's Examples of Entrepreneurial Actions that Detrimentally Affected The Public Good

Chapter "Smith's Alleged Religiosity"
Exhibit 6 Theology References in Wealth of Nations
Exhibit 7 Theology References in TMS

Preface

Academic authors owe much to their peers and predecessors. My first conversation on Adam Smith was with the late Professor Andrew Skinner of Glasgow University, whom I met when we both happened to visit the department of economics at Strathclyde University, where I had been an undergraduate and postgraduate student in the 1960s. I was then a lecturer in economics at Brunel University in West London. We fell into conversation and I mentioned my preparatory work on a series of lectures on the economics of defence for UK senior Army officers, at The National Defence College, Latimer, having been assigned by my then head of department, Professor John Vaizey, to stand in at short notice because the regular lecturer was seriously ill. Andrew recommended opening with Adam Smith's statements on defence in *Wealth of Nations* as the '*first duty of the sovereign that of protecting the society* from *the violence and invasion of other independent societies*, *by means of military force*'. [WN V.1.a.1 p 689].

I took Andrew's advice and read the relevant chapter in *Wealth of Nations*. This eventually led to my abiding interest in the life and Works of Adam Smith. When Andrew and I met over the following decades at seminars and conferences on the history of economic thought, or when

we conversed by telephone, we discussed aspects of Adam Smith's life and Works, of which Andrew was the leading authority. I owe much in the approach that follows herein to Andrew's insight and advice, and to his many publications, though I exculpate him completely for any errors or omissions that may have crept into what follows.

I also developed a close academic relationship with the late Professor Ian Simpson Ross, whose *The Life of Adam Smith* (2005) is the definitive biography of Adam Smith. I had the pleasure of occasional face-to-face discussions with Ian when he visited his native country of Scotland from his home in Vancouver, Canada, his lovely soft Dundonian Scot's accent as clear as if he had never left Dundee. We also exchanged correspondence on Adam Smith, for which help and insights, I was both grateful and encouraged.

Another influence on my thinking came from a talk I gave in Edinburgh on Adam Smith, after which I was approached by Norman Butcher, a geologist and tutor at the Open University, whose interest was in James Hutton, the early geologist and Enlightenment colleague of Adam Smith. For many years afterwards Norman became a significant element in my unfolding interests in the Enlightenment. I accompanied Norman on several field visits to important geological sites at Edinburgh's extinct volcano where Hutton's excavations can still be seen and down the coast to Siccar Point, where sea erosion had exposed the powerful effects of geological forces on molten rock formations in very ancient times, known as 'Hutton's unconformity'. Norman and I regularly conversed, and his enthusiasm for knowledge about Hutton matched mine for Smith. He provided insights into how the Enlightenment was a cooperative effort by a unique group of Edinburgh's finest eighteenth-century scholars.

Other scholarly influences, to whom I owe much for their insights and opinions, and, indeed, also for their criticism of my interpretations, include Dr. Craig Smith, Profs. Christopher Berry, Keith Lumsden, Alec Scott, Ryan Hanley, Sandra Peart, Mark Blaug, Paul Walker, Brandon Dupont, Daniel B. Klein, Paul Oslington, and Sir Alan Peacock, though these conversations revealed many scholarly differences in our approaches to Adam Smith and his Works. However, I

must record that despite our occasional differences of interpretation, I benefitted from their insights, challenges and perspectives.

Of course, authors must be aware of how much they owe to the professional expertise of a publisher's staff. Palgrave is no exception. This is my third book with Palgrave and as with the first two, writing it has been a pleasurable experience.

Edinburgh, UK Gavin Kennedy

Acknowledgements

The prime source to Adam Smith is the Glasgow Edition of the the Works and Correspondence of Adam Smith (©), Oxford University Press, reproduced with the permission of Oxford University Press.

CORR *Correspondence of Adam Smith* 1987 ed. E. C. Mossner, Ian Simpson Ross, 2nd edition.

ED *Early Draft of Wealth of Nations* 1763 included in *Lectures on Jurisprudence.*

EPS *Essays on Philosophical Subjects* 1795 (posthumous) ed. W. D. Wightman J. C. Bryce.

LJ *Lectures on Jurisprudence,* 1983, ed. R. L. Meek, D.D. Raphael, P.G.Stein.

LRBL *Lectures on Rhetoric and Belles Lettres* 1983, ed. J. C. Bryce Includes *Considerations Concerning the First Formation of original and compound Languages* [1761]

TMS *The Theory of Moral Sentiments* (1759) 1976. D. D, Raphael, A. L. Macfie.

WN *An Inquiry into the Nature and Causes of the Wealth of Nations* [1776] 1976, ed. R. H. Campbell, A. S. Skinner, W. B. Todd

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Introduction

This *Authentic Account of Adam Smith* may surprise those readers whose knowledge of a rightly venerated, eighteenth-century scholar is based solely on modern accounts of his life and scholarship. Typical of the myths repeated daily is that Adam Smith 'coined' the idea of an 'Invisible Hand', that he believed in 'laissez-faire', supported absolutely minimal government, and that theologically he was a Christian believer. Other quite erroneous ideas of his role that continue to circulate include honorary titles that he was the 'father' of capitalism, a wholly nineteenth-century phenomenon that developed after he had died in 1790 and which has significantly metamorphosed qualitatively and in global influence in the twentieth and twenty-first centuries.

Knowledge of the authentic Adam Smith, born in Kirkcaldy, Fife, Scotland in 1723 and who died in Edinburgh, Scotland's capital, in 1790, can be enlightening. The authentic Adam Smith was a much more interesting scholar than his several fictional counterparts.

This is not a new biography of Adam Smith, whose life is well-served with five major biographies since 1793 (Stewart 1793; Rae 1895; Scott 1937; Phillipson 2010; Ross 2010). There are other well-written, though wholly derivative, shorter contributions, published in the nineteenth and twentieth centuries (Haldane 1887; Hirst 1904).

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With a plethora of biographical sources available, plus all of Smith's known scholarly publications, it may be asked legitimately, if there is room for another study of Adam Smith's place in the disciplines most closely associated with him. I offer two main reasons for my *Authentic Account of Adam Smith.*

The actual Adam Smith of popular celebration was born in Kirkcaldy, lived and died in Scotland, with relatively short episodes outside Scotland, mainly in England, and for a short period in France and Switzerland. Both modern, politically Left and Right authors claim Adam Smith as their own, whilst 'exposing' the Adam Smith cast in the other's image (Winch 1978). Also, according to some authors' assertions, Smith was possessed of the theological certainties of Christian Calvinist Protestantism, or was empathetic to some sort of 'Deism' or 'Providentialism', both schisms carried over from a distant past. Clarifying these political and theological confusions is an inevitable part of revealing the authentic Adam Smith though I am loath to take sides in such ancient theological disputes, which are of little modern relevance, though they were taken very seriously during Smith's life time by those engaged in enforcing their own versions of the truth.

If popular images of Adam Smith are found wanting, what corrective evidence can we assemble to reveal the authentic Adam Smith, who walked, wrote and spoke in the eighteenth century? Quite a lot actually. I try to give an accurate, albeit brief, account of what is still controversial over 200 years since the original players lived out their lives in a world that was so different to ours in so many ways.

An Authentic Account of Adam Smith draws on the historical evidence from the times when he was alive and discounts with counter-evidence many of the assertions, inventions and folk beliefs that have circulated since the mid-twentieth century, and which has also produced several fantasy 'Adam Smiths'. I use the available historical data, of which there is much in abundance, and I interrogate the extant evidence, primarily of his ideas and the facts that are included in those top five major, scholarly biographies that can claim high degrees of reliability.

An alternative agenda would be to accept the modern folklore of an Adam Smith who, for example, supposedly 'coined' the notion of 'an Invisible Hand', its wonders to perform. This assertion is regularly claimed today, in the world's popular media and, sadly, in academe too, amongst those who should know better. Such erroneous assertions persist despite Smith's explicit teachings on the appropriate role and value of metaphors in the English language, which featured in his longest-running lecture course on *Rhetoric and Belles Lettres,* delivered annually from 1748 through to 1763. Smith also demonstrated the proper use of metaphors, of which there are many examples, in *The Theory of Moral Sentiments* (1759), and, similarly, in his *Inquiry into the Nature and Causes of the Wealth of Nations* (1776). His general writings are well-served with metaphors.

I also introduce the various lists on certain topics that appear throughout some of the chapters. They are called EXHIBITS and cover a variety of topics relevant to Smith's Works. Rather than present them in text form, I have chosen to present them as collections of examples of Smith's fairly common use of, say, metaphors, or figures of speech, and such like that appear throughout his books. When they are dispersed across his chapters, their commonalties are less recognisable and, perhaps, their significance may be disregarded. Collecting them as Exhibits enhances their authentic relevance. A schedule of the Exhibits is provided on the Contents page.

Most students who learned their economic theory from the most prominent authorities in political economy, such as from Alfred Marshall in the late nineteenth century, through to the brilliant Paul Samuelson in the late twentieth century, and a plethora of modern applied mathematicians, who now dominate the discipline, have produced a triumph of the imagination against the untidy realities of actual, messy, diverse human behaviours. Actual human behaviours do not fit the assumed rational imperatives of the models summarised or projected in equations. This can be seen in the regular revisions in the reigning mathematical models as the current real world keeps intruding on their near perfections of whatever is the most recent dominant model (Warsh 2006). The transfer of departments of economics into

established university departments of applied mathematics no longer is a surprise, though perhaps a disappointment.

There was a short flurry of interest in the 'Invisible Hand' in the 1870s amongst a few academics, primarily in Cambridge University in England, but it petered out fairly quickly into isolated occasional references until the appearance of Paul Samuelson's (1948) Econ 101 textbook, *Economics, an introductory analysis* McGraw-Hill (Samuelson 1948). Sadly, millions of graduates from these degree programmes became seriously misinformed by Samuelson about Adam Smith's use of the 'Invisible Hand' metaphor, allied to Samuelson's misreading of 'self-interest' as a 'selfish' motivation, which supposedly led to 'public benefits', became the new dogma.

The result is now vividly demonstrated by the daily repetition of the so-called Invisible Hand of the market, or a selection of other applications and extensions, such as the 'Invisible Hand' of 'supply and demand', of economic 'equilibrium', of the 'first and second Welfare Theorems', 'of capitalism' and of a plethora of others. These misreadings have spread across academe and the world's public media, to seriously misinform the wider public. A scan of the daily '*Google Alerts*' service provides a flavour of the continuing popularisation of Paul Samuelson's basic literary error as stated in his famous textbook. Samuelson's book was the set course text, plus a workbook, when I was a first-year undergraduate. My criticisms are presented neither with malice nor disrespect for those whose ideas I challenge.

In the main, I believe that the profession lost touch with the historical Adam Smith by the mid-twentieth century. Mainstream economists accepted 'Adam Smith' as the 'father' of the discipline, but tended to be unacquainted with the authentic Adam Smith, despite the wide availability of the evidence in his books, lectures and his correspondence.

Smith certainly had an enormous influence on the study of the political economy of British and European history and deserves plaudits a plenty for what he contributed to our knowledge. That is why *An Authentic Account of Adam Smith* should be read by modern economists. However, we also need to be aware of what Smith did not do, as attributed to him by many modern scholars, who have accepted such ideas uncritically from their respected peers.

I should make clear here what may be taken by some readers as an absence of criticism of some of Adam Smith's ideas which we may regard as erroneous both in his times and most certainly in ours. To take one prominent example, I have not elaborated on Smith's errors in his use of the Labour Theory of Value (LTV), common to his times and much earlier, and most certainly through into the late nineteenth century in Karl Marx. Nor have I commented on Smith's criticism of what he regarded as major inherent defects in the probity of Joint Stock Companies, with the East India Company as a prominent example. The absence of such criticism in my Authentic Account is deliberate. To deal with these topics—and several others too—would divert attention from what I regard as the very essence of the authentic Adam Smith—those ideas in which he had a lasting positive influence on political economy. Errors in his thinking—of which there is much evidence—require a far longer volume than was contemplated when my Authentic Account was written.

As an author, I have melded singular aspects of Adam Smith's life with my interpretations of some of his published ideas and the accounts of his main biographers, but I make no claims that there needs to be major rewritings of his biographical details, especially by those biographers acknowledged above. Such rewriting of Smith's actual ideas as may be necessary, I hope would be undertaken across the academic community, hopefully by those young enough to benefit from their discoveries—'*if youth but knew and age but could*'.

Chapter 2 discusses Adam Smith's torrid time as a student at Balliol College, Oxford University, during which he became alienated from those responsible for the academic neglect of Balliol students. He was so disappointed by his prospects if he stayed to the end of his Exhibition's 10-year tenure that he spent two years trying to find a way to leave without damaging his future career prospects. These experiences introduced him to the very human process of bargaining in which he brilliantly grasped its essentials in Wealth of Nations.

Chapter 3 discusses Adam Smith's neglected *Lectures on Rhetoric and Belles Lettres,* in pursuit of his all important quest for perspicuity in everything he wrote, and which habits he recommended to his students.

Chapter 4 introduces Adam Smith's use of metaphors throughout his two main Works, *Moral Sentiments* and *Wealth of Nations,* and discusses his use of figures of speech in both books and their importance as literary learning devices.

Chapter 5 discusses Smith's meaning of the most famous metaphor associated with his name, specifically his use of 'an *Invisible Hand*'. It challenges common assertions, particularly those of Paul Samuelson whose misunderstanding of 'self-interest' as 'selfishness' spread an entirely false meaning that now dominates the modern discipline. The myth of Smith's support for 'laissez-faire' is also exposed.

Chapter 6 introduces ideas from Smith's third, but unfinished book, on *Jurisprudence*, using student notes of his *Jurisprudence* Lectures. It introduces Smith's social evolutionary ideas that played such an important role in preparing the way for his conceiving and writing *Wealth of Nations.*

Chapter 7 discusses aspects of Smith's *Wealth of Nations*, both in his analysis of the pre-mercantile economies, and his criticism of Mercantile economics mitigated perhaps by his singular prediction of the likely potential economic success of the rebellion of the North American former colonies which would become the richest country in the world in 100 years (1876). This was a singular prediction of the future by Adam Smith in *Wealth of Nations*.

Chapter 8 examines Smith's hidden non-religious views over his life time and the role that his mother played in determining his public face on religion.

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How Adam Smith Learned to Bargain

Whilst this *Authentic Account* opens with a consideration of some early biographical material, it is not a biography of Adam Smith. However, some biographical material is central to the forming of Adam Smith's personal character that played such an important role in his contributions to the Scottish Enlightenment. Absent such knowledge of Adam Smith's background, much that is really important to our understanding of the man and his scholarship would be, and often is, missed. Mistaken modern commentaries and assessments of his life's work, as well as many monumental errors of attribution, persist even in public pronouncements about Adam Smith in both today's multimedia and, sadly, also in scholarly discourse.

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Many readers disregard the paragraphs on bargaining in Adam Smith's *Wealth of Nations*, judging by the almost total absence of comments about them in the academic literature and in those lectures that I have attended, and on relevant websites and blogs that I read. I shall address here the very first ideas that Smith expressed on '*truck, barter*

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and exchange' in *Wealth of Nations*, which behaviours are unique to the Human species.[1] Bargaining is not just a modern management technique; it has long been the essence of all inter-human contact; it is what made us Human and distinguishes us from all other species. Hence, Smith opens his major Work with bargaining as *the* subject, because all Humans were and are bargainers!

The fact is that young Adam Smith, because of his unique circumstances, had to learn how to bargain, when only four years into his nine-year Snell scholarship at Balliol. Those negotiations enabled him to leave Oxford physically in 1746, and then, later, to leave his Snell contractual obligations in 1748.

Towards the end of his Glasgow Professorship, his views on bargaining had matured from considerable practice as a professor whilst negotiating to facilitate his bargain with Charles Townsend to tutor his stepson, the Duke of Buccleugh, for three years for a life pension of £300 a year. This was a considerable sum at the time, though probably small change for the Duke, and enabled Smith the time and space to research and write the *Wealth of Nations*, between 1763 and 1776, and, in consequence, to enjoy relative affluence for life. Reportedly, he also gave much of his enhanced income away in charitable acts.

In *Wealth of Nations*, Smith elaborated on the consequences of the most profound and main creative differences between Humans and all other animals, namely the Human powers of reasoning and speech. It is with these faculties that Humans were able to '*truck, barter and exchange*', commonly described today as bargaining and by using these faculties, Humans achieved a far higher degree of co-ordinated actions that led eventually to the dominance of the Human species over all other animals.

Putting all this in the context of humanity's deep experience as a distinct species, we can see that which Smith had realised from his conjectural history, as Dugald Stewart described in his eulogy to Smith in his address to the Royal Society of Edinburgh in January and March 1793. The overarching fact in civilised societies is that Humans stand at all times in need of the co-operative assistance of 'great multitudes', even

though they only know of a comparatively few persons throughout their entire lives. It necessarily follows that bargaining exchanges are practised where people believe they can co-operate in mutually beneficial activity. This confirms that the universal Human exchange behaviour is of distinctive and crucial significance and is equally applicable if circumstances for exchange are present between complete strangers, who are not well-known to each other and, also of course, between neighbours who know each other quite, even too, well. The exchange propensity is uniquely Human. Smith mentioned these and associated assertions in *Wealth of Nations*.

Bargaining is what makes us distinctly Human. Hence, Smith's early concentration on the consequences of the Human ability to bargain at the very start of *Wealth of Nations* also played an important role in the first real test of his character whilst a student at Balliol. His direct bargaining experiences are reflected at the start of his account of Human behaviours in all five editions of his *Wealth of Nations*. Unfortunately, his larger unfinished manuscript of his intended third major book, *Jurisprudence*, was burned by his orders, just before he died in 1790. Thankfully, we have detailed student notes of his last *Lectures on Jurisprudence* delivered just before he resigned his Professorship.

On the basis of these circumstances, we are able to reconstruct Adam Smith's introduction to the realities of Human bargaining as a young student at Balliol, when he was bereft of any formal power to dictate what was most convenient to his interests in respect of the required obligatory consent of his academic and social superiors. That he chose to attempt to persuade senior members of Balliol's academic fraternity, whilst he was socially a mere junior scholar was, perhaps, foolhardy and overly ambitious on his part, to say the least. That he persisted and eventually achieved a measurable degree of success says much for his maturing character. That he generalised from his experiences of bargaining and included it in the opening chapters in *Wealth of Nations* is worthy of more notice than has traditionally been given to it by modern scholars.

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When Adam Smith, aged 17, was a third-year undergraduate student at Glasgow University, he was nominated (4 March 1740) for a 'Snell Exhibition', which provided scholarships for up to 10 years, tenable at Balliol College, Oxford University.[2] Smith's nomination was supported by the Glasgow Faculty led by '*the never to be forgotten*', Prof. Francis Hutcheson, whose large signature dominates the centre of the memo, with his colleagues' signatures squeezed in around it. Smith's academic sponsors were confident that he would do well academically.

At the time, his widowed mother, Margaret Douglas Smith, must have been very pleased that her son had been nominated for a coveted £40 per year, Snell Exhibition, which would pay Adam's college accommodation, its associated domestic services and his daily, though somewhat basic, (oatmeal) subsistence, as supplied and charged for by the College. Her son's future surely was assured. Margaret Smith was widowed when Adam's father (also named Adam), a legal figure in Scottish public life during the negotiations to merge the formerly separate Scottish and English parliaments in 1707, had died three months into her pregnancy. Her husband left her comfortably well off. Her own family, mainly wealthy farmers, lived a few miles away at Strathendry in Fife. Her husband also left a sickly son by his first wife, who had pre deceased him. Margaret Douglas brought up Adam and her stepson as Protestant Christians.

Adam doted on his mother all his life and his love was returned fully, as several close family observers noted.

Adam never married, though reportedly he had a liaison from which nothing materialised.

The original Snell bequest required its beneficiaries at the end of their Exhibition to be Ordained into the Church of England and then to return to Scotland to serve in the Episcopalian Church of Scotland. On the basis of their solemn promise to do so, they faced a ludicrously high £500 fine if they did not fulfil their promise. This long-standing condition had been under challenge in the Courts for many years and had recently had been struck down. It was not applied by the time Smith left Balliol.[3]

So What Could Possibly Go Wrong?

The Balliol experience revealed aspects of Smith's maturing character that shaped his life thereafter. Balliol at the time was in a sorry state academically and financially. Its regrettable intellectual decline contrasted sharply with the flourishing success story that was Glasgow University, where Adam Smith had been an exceptional student from 1737 to 1740. The contrast between the two institutions in Smith's time at Balliol could not have been starker, and the consequences of Smith's exposure to these contrasting academic experiences and what he learned and eventually did about them are the central theme of this opening chapter. What Adam did was reported indirectly at the beginning of *Wealth of Nations*, though the significance of his account has been missed by most scholars even through to the twenty-first century.

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When Smith was three years into his 10-year Snell Exhibition at Balliol College (1740–1743), he hints at his suffering periods of stress, usually presented by biographers as a form of mental illness, allegedly similar to the mental stress reported to have been suffered by David Hume at a similar age, 11 years before him. Mossner notes that David Hume '*for the first time in his life he now became acutely conscious of the precarious state of his health*' and when he consulted a physician he reported that '*he laughed at me & told me that I had fairly got the Disease of the Learned*'.[4] Hume considered that his disease was a '*cruel Incumbrance*' that constituted a great disappointment during one of the most creative intellectual periods in his life whilst he wrote his pathbreaking, *A Treatise of Human Nature* (1739–1740), which is still in print and studied today.

Ian Ross, Smith's most authoritative biographer, noted that Smith's illness showed a resemblance to Hume's stress. However, from the evidence and the circumstances, I do not consider the experiences of the two men to be other than coincidental.[5] Smith was not yet working on anything resembling the intensity of mental effort required by Hume

whilst writing his *Treatise* and working well beyond the existing frontiers of philosophy. Smith was still studying as an albeit experienced undergraduate, which was well within the boundaries of his academic competence.

Smith, like Hume, seems to have spent much time reading books, both those he purchased from nearby bookshops, or were sent to him from Edinburgh booksellers, and those he read in the few Balliol libraries to which he had limited access. Admission to the main Oxford University Libraries was restricted to senior scholars only. True, he also admitted, like David Hume, to be undertaking insufficient regular exercise, but it is all too easy to draw an unwarranted conclusion that he was afflicted by something similar to Hume's self-reported severe mental stress, sometimes described as a form of mental illness.

Smith's stress was not predominantly from an unfit mental affliction. It arose from the personal predicament when he found himself effectively marooned in Oxford, away from the supportive academic structures of Glasgow University and also from his mother in Kirkcaldy. In addition, he was fearful of not realising his ambitions for academic excellence, which were unlikely to be fulfilled if he stayed for the full ten years at Balliol, given his experience of his first four years. In short, his experience of quality teaching and invigorating learning at Glasgow from two-way contact with talented Faculty compared starkly to his sham academic experience at Balliol, where academic contact was minimal, except at prayers, and amounted to a serious sense of wasting his time.

What were the concerns causing him severe stress? Initially, they were in respect of his mother, of whom he hoped to prevent her learning of an unpleasant incident, in which he had been caught (perhaps from information the local Faculty had received from Smith's fellow students) by two Faculty members whilst he was reading David Hume's *Treatise*, then considered to be 'atheistic' and totally unsuitable when such reading was unsupervised by orthodox Christian Faculty. I suggest that worries over the possible consequences of that incident were a sufficient cause of Adam's early stress. His instinct was to protect his mother (a devout Christian) from any unsettling news that implied that he had religious doubts. The entire episode still rankled with young Adam for

some considerable time afterwards, as can be seen in his sharp criticism of Balliol in *Wealth of Nations*, published 30 years later. He certainly kept his religious doubts to himself and probably only shared them with trusted others in the last years of his life after his mother had died.

Whilst Glasgow students attended regular lectures and had direct contact with Faculty across their specialist subjects, Balliol students, in sharp contrast, were offered two nominal 'lectures' a week, which were a waste of time, and were left to private reading and the composing of essays that nobody read nor critiqued. Smith reported that Balliol's so-called lectures consisted of sitting in silence in a classroom with an occasional question from a professor, who might be in attendance, but usually wasn't. Alternatively, the professor would tell a student to read aloud to the class from a set book or, as commonly, say and do nothing at all.

Smith's academic problem could have been resolved if Balliol Faculty had listened to students sharing their current reading or discussed the essays that students wrote, offering critical feedback and encouragement. It is interesting to consider what the Balliol Faculty might have made of Smith's *History of Astronomy*, written mainly at Balliol, and which he kept locked in his bedroom until 1790. It was published after his death. Its quality testifies to what Balliol missed in virtually ignoring Smith as a student.

Were these experiences sufficient to cause the stress that he endured at Balliol? Looking at the scanty evidence, there may have been other contributory causes in Smith's case, quite different to the experiences of David Hume when he had been an undergraduate student at Edinburgh University, a short horse ride to his home in the Scottish borders, where his elder brother lived with his widowed mother on the family's estate.

Smith had deep concerns for his widowed mother, living alone in far-off Kirkcaldy, whom he had not seen since he arrived in Oxford in 1740. Moreover, because the journey to and from Kirkcaldy could not be completed within Balliol's two weeks annual holidays, this added to his anxieties. Balliol's attendance records, based on the always reliable data of when students drew their daily 'Battell's' subsistence, show Smith to have been absent only twice from Balliol within the

official annual two-week August holidays: once when he visited nearby Adderbury and once when he visited London. On both occasions, he had been escorted by his cousin, William Smith, who had also escorted him during his horse ride to enrol at Balliol in 1740. William was employed by the Duke of Argyle and had access to the Duke's properties in Adderbury and London. Smith was present in Balliol at all other holiday times during 1740–1746.

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His letters home describe the consequences of his symptoms but not their causes. Young Smith still faced his quandary about what to tell his mother if news of his reading Hume's Treatise and its lasting affects on his thinking reached her. Had Hume's book unsettled or confirmed Smith's independent views about revealed religion? Clearly, Smith's stress was not necessarily associated with his over-studying—surely a problem for all diligent students, then and now?

Scott suggests that Smith had an additional worry over a long-standing court case challenging John Snell's Will that imposed on Exhibitioners the obligation to pay a ludicrously high £500 bond if on completion of their Exhibition they did not present themselves for Ordination into the Church of England. However, that liability had been successfully challenged legally and thereby was unenforceable, except morally, though the slow legal process probably meant its implications were not yet widely shared whilst Smith was at Balliol.[6]

At some point, Smith decided to avoid any hints of a decline in his religious faith which would have caused his mother untold but unavoidable grief by revealing to her any doubts he had about revealed biblical Christianity. Given his love for his mother, the thought of directly misleading her on such matters would have stressed him. Later on though, in his *Lectures on Jurisprudence* at Glasgow, he deliberately omitted the usual references to revealed theology, which some sharp-minded Christian students picked up on but apparently, nothing was done publically about any complaints they may have made to the authorities. The three previous professors of Philosophy to Smith at Glasgow

had been chastised by the overbearing Calvinist religious authorities, but the, by-then, Prof. Smith escaped both their notice and apparently their formal chastisements. All Smith's biographers noted his emotional stress at Oxford though they apportion its causes differently. John Rae reports that Smith's life at Oxford seemed '*not to have been a happy one*', asserting that '*he was in poor health and spirits a considerable part of the time*'.[7] Rae concluded, more realistically, that '*low health was one of the miseries of* [Smith's] *estate at Oxford*'. He links Smith's disorders to the '*unfair and discriminating harshness of the College authorities themselves*' and reports that of '*the hundred students then residing at Balliol, eight at least were Scotch, four on the Snell foundation and four on the £8 Warner*'. Smith was on both bequests, adding that '*The Scotch eight seem to have been always treated as an alien and intrusive faction*'.

Not surprisingly, the Snell Exhibitioners were continually complaining to the Glasgow Senatus on the subject. In 1744, for example, '*when Smith was still a Balliol student, the Snell Exhibitioners wrote an account of their grievances to the Glasgow Senatus, and stated what they wanted to be done towards making their residence more easy and advantageous*'.[8]

Such evident Scottish student unrest at Balliol, unless it could be contained by Faculty, threatened a significant loss of annual income for the college at a time when it was struggling financially. Events moved to a confrontation between Smith's academic aspirations and his Snell obligations. Such was the lasting effect of his experiences at Oxford that thirty-two years later in *Wealth of Nations*, he still severely criticised what he regarded as the morally corrupt Balliol regime, which he alleged was not an uncommon experience in English universities.

To his stresses over his alleged religious doubts were added his concerns for his mother's physical safety during 1745–1746, particularly as there were no obvious early means of relief from them. Charles Edward Stewart, the son of the deposed Jacobite 'king', raised his standard at Glenfinnan in Scotland on 19 August 1745 to recruit an army, with the (overly?) ambitious goal of overthrowing the 'Hanoverian usurpers' of the throne of the United Kingdom of England and Scotland. Charles Stewart's venture was not about restoring Scotland's independence by, for example, recalling Scotland's parliament; it was and remained a violent contest for the British throne and all that went with it, including

its colonies and the Royal Navy that protected them and their trading relationships.

The events of 1745–1746 had direct repercussions on Smith's concerns for his mother, living alone in Kirkcaldy. This became seriously unsettling, especially after the news that rebel troops had entered Kirkcaldy in 1745 and demanded payment of the fines they had imposed on it. His concern about these events reopened Smith's doubts about his remaining at Balliol 300 miles away in England. Thirty years later, Smith's attitude towards the Jacobite armies had lost none of its sharpness. He was dismissive of the military prowess of Highland Scottish Jacobite clans when faced by a professional army, recently returned from large-scale modern battles in Europe involving battle scarred infantry, disciplined cavalry and accurate artillery.[9]

The Jacobite uprising and its bloody aftermath made it unsafe for a lone, young Scotsman travelling across England's countryside, close to local populations, who were not necessarily of a friendly disposition towards Scotch travellers in general. Prudently, Smith awaited calmer times before he set off for Kirkcaldy. Most importantly, he also had to settle the terms of his absence from Balliol, of which his private agenda probably included the possibility that he would resign his Exhibition in due course. This was the central issue that he had to resolve with the College before he could leave, and whether or when he should notify Oxford and Glasgow universities of his resignation from his Snell Exhibition. Balliol also had interests too, including finding a credible means of continuing to receive Smith's annual Exhibition for as long as possible, in view of the College's parlous finances, which objective was compatible in principle with Smith's.

Smith wished to return to Kirkcaldy to comfort his mother in the context of the violent rebellion, and such circumstances may have had high moral credibility with some of Balliol's Faculty at that time, especially if they genuinely expected that Smith would return in the near future and then continue his Exhibition. These considerations created a potential bargaining opportunity that could meet the main interests of both sides, if they both realised that they could and should co-operate over his departure. Given the wide gap in the felt status of the Faculty and that of a mere student only, the realisation on both sides that they

could benefit from such an arrangement was a necessary pre-condition for an agreement to be reached. Such agreements are not always easy whilst either or both sides remain unconvinced of the need to find a workable solution. In the initial discussions, each party could make intemperate judgements and threats of doom if either party 'walked away'. Smith's academic future was at stake; Balliol's financial stress loomed in the minds of some of the more conciliatory Faculty.

I contend that by the conclusion of his agreed departure in 1746, he had also formed a clearer understanding of the practical nature and widespread practise of bargaining exchanges from his participation in the prolonged and difficult negotiations with Balliol's high-minded Faculty over his compassionate leave. Bargainers who realise the mutual compatibility of their differing interests are well on the way towards reaching an agreement.

Apart from occasional and mandatory references by Smithian scholars to '*truck, barter, and exchange*', the significance of these paragraphs has not been widely discussed amongst modern readers.

Smith's thoughts on the central significance of exchange in Human relationships remain valid in the twenty-first century. Some modern economists, however, favour purely mathematical presentations of the so-called economics of bargaining, which unfortunately are also largely quite redundant with near zero relevance as guides to actual bargaining.[10] There are, of course, several welcome exceptions to this assessment amongst some modern economists and the new behavioural sciences generally.

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Smith's Bargaining Experiences at Balliol (1744–1746)

Adam Smith, lecturing on Jurisprudence at Glasgow from 1753 to 1763 some 7 years after Ballliol, clearly stated the format of the bargaining proposition [featured in Chap. 1 of Wealth of Nations (1776).] as a long-standing disposition amongst and between Humans: '*give me what*

I want and you shall have this this what you want'; see also *Wealth of Nations*. Most readers, including academic writers on bargaining behaviours in modern times, ignore the significance of Adam Smith's clear and early statements of the bargainer's 'IF-THEN' conditional proposition, still widely used when bargaining in modern times: 'IF you give me this that I want, THEN I shall give you that which you want'.[11]

It is from Smith's clear statement of the bargainer's conditional proposition that I shall discuss bargaining behaviour by referring to Smith's problems as a Balliol student that illustrate how he discovered that a bargained exchange made it possible for him to obtain, if not all, at least sufficient of what he wanted, and which he clearly stated as the essence of promoting the bargaining exchange when negotiating. Voluntary exchange certainly can resolve some of the initial difficulties experienced by the parties searching for resolving a bargaining problem. Smith's experiences constituted a life class in those bargaining processes that enable Humans to manage their mutual dependencies upon each other through exchanging sufficient of what they each wanted from the other to produce and sustain what today is an ever more complex production and consumption market system for maintaining and improving Human living standards.

For clarity, I shall divide Smith's education in the practice of behaviour into three sections, starting with his clash with Faculty over his earlier choice of reading matter.

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When the angry Faculty, acting perhaps on information received from other students, intruded into Smith's room at Balliol and seized his copy of David Hume's *Treatise of Human Nature*, Smith was left bereft of an effective response.

The Faculty chastised him for what he was reading, to which Smith could say and do nothing that could modify the indignant true believers in religious superstition, who angrily chastised him, in the confident belief that they were doing the Lord's work. Any answers that Smith offered most likely fell on deaf ears and provoked further recriminations and punishment threats in this and the next world, disgraceful as their

conduct may be regarded today. Having confiscated his copy of Hume's *Treatise* they left, no doubt feeling morally triumphant.

Dreadful precedents for the actions of the angry Balliol Faculty abound in the bloody history of Christianity, including those between Catholics and Protestants (similarly within Islam and its schisms). Two major systems of Christian religious observance have angrily coexisted amongst their followers. One, represented by Adam Smith's mother, was the Christ of love, gentle in every way and forgiving; the other was the Christ of anger, harsh and unforgiving, as, for example, Christ angrily driving the money changers from the Temple's forecourts. The Faculty who chastised Adam were of the latter kind, mocking Hume's presumptions to know more than God and an imaginary world that only faith said that existed. Unbeknown to them, apparently, this was one of the assertions laid against contemporary philosophy in Hume's *Treatise* about Human understanding of reality being products of the Human imagination.

Smith must have been saddened, to say the least, if not quite angry at being chastised for actually reading a book whilst reading for his degree as a student in a university. This illustrates the problem everybody has when accused of an offence that is not counter-balanced by the power of the chastised to resist whatever sanctions others design to impose on them. In such circumstances, there was no prospect of any negotiation to abate their anger. Smith, aged 17, therefore, had to submit to the will of the bullying Faculty members. He also had the additional concern that the College might notify Glasgow of their displeasure, from which, indirectly, the news may leak of their actions and their reasons for them, to his very religious mother. Beyond fuming in private, Smith could do nothing, except review the merits of remaining on his Exhibition. Well, remain he did, albeit temporally. His lack of leverage with the College also remained evident for him to think about as a general problem in all one-sided power relationships.

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His first major bargaining opportunity came over the vexed question of his changing from the Ordination path to graduation via a subject more

relevant to his interests and his academic future. His discussions with Faculty made clear their concerns if he reflected calmly on what they said. This latter requirement to listen plays an essential role in pre-bargaining discussions. Not listening and only talking is a common mistake by would-be negotiators.

If Smith merely demanded to switch his courses, he would have to resign his Exhibition and personally fund the £40 a year sent from the Snell administrators of the Exhibition. However, if he refrained from resigning his Exhibition, and could transfer from Ordination to another subject, his £40 a year could continue to pay his University fees. Hence, he had to persuade Faculty to agree to his proposal. And because Faculty preferred him to stay at Balliol and collect the Snell £40, they would be more inclined to go along with it than lose it altogether. This is what gave Adam a slight room for some sort of positive outcome that he did not have when he had been severely chastised over his reading Hume's *Treatise*, but only if he realised the advisability of listening, and not just shouting at Faculty.

In his discussions, Smith had his first glimpse of how bargaining processes were structured by Human parties. Balliol Faculty saw Adam Smith as a supplicant student, who should know, or be taught, his proper low place in the pecking order. However, his low place also involved his Exhibition fees that contributed to the cash-strapped College. Some Faculty members would likely caution their more aggressive colleagues against jeopardising the College's interests. Hence, both parties could engage in conversations commonly associated with the opening phases of most bargaining processes, including the making of initial high demands matched by firm rejections of each other's opening responses. There would have been not a little argument, with early dismissals of whatever Smith framed as his opening goal, if only to diminish his expectations, and probably also not a little sign of Smith's youthful impatience.

Transfers between courses are seldom an automatic process but where there were precedents, no doubt known to older students, Smith would have been advised to consult older hands to look for and listen for relevant historical precedents. The University had to agree to a formal transfer between its courses but Faculty would have been indifferent to

any possible consequences for Smith from his quitting the Ordination course. Smith, not the College, would have been liable to pay any bond, if it had still remained applicable. As ever, because legal processes moved slowly, so did news of recent court decisions, which were subject as ever, to slow moving appeals by litigants. In the event, the £500 bond ceased to be legally enforceable.

The opening discussions alerted Smith to Balliol's specific interests in his remaining enrolled as a fee-paying student, which knowledge gave him some limited degree of leverage. Realising that a compromise option was beneficial to both parties constituted, albeit for different reasons, the basis for the discussions moving towards an eventual bargain. It also demonstrated to Smith how bargained exchange processes enabled Humans to resolve differences in place of bad-tempered deadlocks, and the usual resultant sometimes bloody mayhem.

Balliol eventually agreed to his request for a transfer from Ordination to *'jurista'* (civil law) on 18 January 1744, six months short of his twenty-first birthday. Simon Bailey, Keeper of the Balliol Archives, supplied copies of the relevant college documents and commented upon them at an exhibition at an international week of seminars on Adam Smith that I attended at Balliol College in 2009.[12] Simon Bailey papers Balliol College Archives:

> This entry is of particular interest as it seems to have been missed by his many biographers, who have been puzzled by his status at Oxford (1744–1746) and some of whom have conjectured that he took the BA, which he could have done. He never took any degree at Oxford, but men of his standing in Balliol were given the courtesy title of a 'BA, Dominus', and placed in Ballliol's social hierarchy as if they had graduated BA. The term Jurista indicates that he [became] a student of civil law: Adam Smith e Collegio Ball' Commensalis admissus fuit in facultate Juris Civilis, Licentia sub Chirographo Praefecti Collegii sui prius significata.

He paid the same College fee in 1744 as those graduating BA, and from this time he appears in all College lists as 'Ds Smith' without distinction from those who were BA.

Simon Bailey also offered his thoughts on what was agreed by Smith and Balliol:

> This may be an indicator of what he was studying; or it may have been a device to evade being drawn along the path towards Ordination; or he may have quibbled at the Oath of Allegiance required on graduating BA. On the side it was no doubt a matter of not allowing any potential fee-payer to escape.

The transfer indicates an apparent flexibility amongst the Balliol Faculty, driven mainly by considering the College's financial interests and, possibly, also a matching flexibility from Adam Smith, driven by his avoidance of resigning too abruptly without having a credible explanation and an alternative that may be needed to satisfy other institutions in future, let alone the overseers of the Snell bequest at Glasgow University.

Smith probably noticed from disputes of others and ordinary gossip that the eventual outcomes were either indecisive without agreement or they were resolved by some form of compromise. Such compromises when they occurred were commonly affected through each party exchanging mutual movement from their initial entrenched positions by exploring mutually acceptable alternatives. Ironically, the more trenchant another party is about why they cannot compromise, the more clues they inadvertently supply of the possibility of the potential content of an eventual resolution. For would-be bargainers, listening is often more productive than always talking. Smith had considerable leverage when calmly proposing specific changes, rather than merely shouting at Faculty, particularly if he listened closely to what they said in their replies. Listening is always a more productive bargaining activity than shouting.

The 1743–1744 *Juris* compromise agreement kept Smith physically at Balliol for another two years (1746) and his Exhibition running for a further two years (1748) beyond that, during which he was on compassionate leave, and Balliol continued to receive and thereby benefit from the annual £40 payments. Balliol College made a better deal than they might have expected and Smith likewise did much better than he had cause to expect in 1744.

One factor in Smith's favour in his request to switch to Jurisprudence was his acknowledged competence in Latin. When he first joined

Glasgow University as a 14-year-old school–boy, his Latin was good enough for him to go straight to the third-level (final) Latin class, unlike other new entrants who had to first go through and pass Glasgow's levels 1 and 2.

Jurisprudence as a subject required fluency in Latin, as can be seen in the surviving student notes of his *Lectures in Jurisprudence* (1762–1763), many pages of which are sprinkled with Latin phrases, names and legal terms. It was from something like these notes that Smith, long after his teaching career ended, began to compose what would have been his third major book, *Jurisprudence.* Many verbatim extracts from his *Lectures* reappear in his *Wealth of Nations*, enhancing our confidence in the accuracy of the students' notes.

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What then were the possible terms of the University's eventual bargain negotiated with Adam Smith for his leave to return to Kirkcaldy on 'temporary' compassionate grounds? In the event, of course, his temporary departure became permanent. The circumstances to allow him compassionate leave and eventual withdrawal have not been explored by his biographers. We must rely on various clues in their accounts for what most probably happened.

Scott reports that Smith told Callander of Craigforth that 'he did not like Balliol and left in disgust'.[13] Scott comes close to the likely truth of what happened by asserting that '*Something more than becoming weary with the place and the conditions is required to account for breaking away from such prospects other than the Church, as Oxford might have offered him, and also the possible sacrifice of the remainder of his exhibition*'.

The exact order by which the negotiations for compassionate leave were conducted remains speculative. Neither the Balliol authorities nor Adam Smith had any reason to disclose to third parties what they had agreed and both had their reasons for silence. Therefore, we must judge what they agreed by what they did.

Smith's approach was more realistic in a practical sense. From my own studies and the practice of negotiation behaviours and processes whilst a professor at Heriot-Watt's Edinburgh Business School

(1985–2005), I recognise the special validity of what Smith wrote (briefly) about bargaining in *Wealth of Nations*, and I believe we can fill in the gaps, and also learn of his early bargaining experience and of the originality of his thinking.

Unforeseen circumstances, however, had intruded in 1745 that potentially had serious consequences for Adam Smith and his relations with Balliol. Briefly, events in Scotland unfolded in the violent form in the 1745–1746 Scottish Jacobite rebellion of some of the Highland clans. Despite the initial success of the rebellion—the rebel 'army' captured Edinburgh by a ruse and invaded England and got as far south as Derby—the Jacobites were mercilessly crushed by battle-hardened Hanoverian troops at Culloden, recently returned from a serious continental war between professional armies to face the rapidly assembled, part-time, less-disciplined 'soldiers' from some of the Highland clans, who had rallied behind the Pretender's standard. The Hanoverian army with its field artillery and discipline decisively won the battle and followed up with a ruthless and bloody suppression of suspected Jacobites amongst the Scottish population throughout 1746, which bloodily purged the Highlands politically of Jacobites for generations to come.

Balliol expected the Scotch students to knuckle down and get on with their unsupervised studies, such as they were; Smith, on the other hand, had pressing personal reasons to persuade Balliol to agree to his compassionate leave. Faculty also knew that if Smith chose unilaterally to resign his Exhibition, it would be at some financial cost to Balliol, though I doubt they regarded Smith as a serious loss academically. This possibility may have strained inter-faculty relationships over an avoidable consequential loss of Snell fee income if too extreme a reaction was taken to Smith's request. This opened the road to thinking about the avoidable risks of him quitting in frustration and causing a divided Faculty to search for a response that minimised the risks of their internal disagreements getting out of hand, and, of course, the college suffering an otherwise avoidable financial loss.

Smith and Faculty no doubt still made speeches, outlining their initial demands and dismissing each other's arguments through emphatically restating their own. I once heard these episodes in bargaining described as 'dialogues of the deaf'. In short, both parties *argued/*

discussed whilst debating the merits, or lack thereof, in each other's arguments. Such behaviour is fairly typical of the opening phases of difficult negotiations, especially between inexperienced participants.

As time went by in multiple sessions, each side could have asked questions, summarised their demands, made tentative offers, repeated important objections, sought clarifications and suggested possible further amendments. Most probably, these exchanges were poorly conducted with too many arguments, traded accusations and general hostility. Whilst there are a host of *signalling* behaviours possible in these *argumentative* exchanges, if the negotiators are looking for signs of bad faith, they will miss opportunities for amending old *proposals or* even for submitting completely new proposals. In *bargaining* terms, the parties need to ask questions not simply repeat their current positions. Some things may have been attractive to the other party whilst other things may have remained abhorrent. This is the crucial stage in a negotiation, portending moves towards a *joint* decision to settle on final terms. We may conclude that Smith learned that bargaining was an often messy, multistep process (Kennedy 1998). It is most significant that Smith identified in *Wealth of Nations* that the defining characteristic of bargaining exchanges can be summarised by what is called appropriately the golden rule of negotiating an exchange by using the IF-THEN *conditional propositions:*

> **IF** you give me this which I want, **THEN** I shall give you that which you want.

Smith presents the **'IF-THEN'** conditional proposition in recognisable form:

> Give me that which I want, and you shall have this which you want.

The clarity of his understanding of bargained exchanges from his using the conditional proposition format, which he learned from direct experience, is quite remarkable. He recognised independently the significance of the conditional proposition from his negotiation experiences around the youthful age of 23, and with no practical experience of serious bargaining in the wider commercial world.

Perhaps Smith presented his conditional offer in the form:

> If the College authorities allow me to return to Kirkcaldy on compassionate leave, Then I shall continue on my Snell Exhibition.

This could lead to Balliol responding with their version of the conditional proposition:

> If you remain as a Snell Exhibitioner and a Warner student, Then Balliol will grant you compassionate leave from the College until further notice.

In all versions of the conditional proposition, the details of what is to be exchanged are specified. The parties see what they are going to have to give to get what they want in exchange. Negotiations beyond this stage may continue as the parties introduce related 'If-Then' amended propositions.

Of course, there can be a fair amount of mutual verbal grief inflicted on each other by often angry participants before they turn to plausibly acceptable conditional bargaining propositions. No doubt, young Smith was occasionally disrespectful of the older, more self-confident, Faculty, who could be irritatingly off-hand both as self-confident worldly adults with long experience of coping with irritatingly bright students, who had less than worldly experience. But because both parties needed to receive enough of what they wanted in exchange for agreeing to enough of what the other party wants and stood in need of the other, they both had to move perceptively. Both parties had to accommodate to some extent to what the other wanted and to accept that what they currently demanded was not likely to be agreed in full. This may have taken more than one short-tempered meeting when, in the intervals between meetings, each side reflected on what is really at stake for themselves modified what was realistically possible in the circumstances.

Balliol's interests largely were about maintaining their basic solidarity with the High Church of England and the governance of England and Scotland as favoured by their politics, neither of which Adam Smith actually threatened. In the background, there remained, of course, the income stream from their eight Scottish students who

were Snell Exhibitions, plus some £8 a year 'Warners', which together were and remained a major concern for the Faculty in Balliol's recently strained financial circumstances. Young Smith wanted to leave Oxford to comfort his mother and attend to her circumstances as a young adult of 22–23. It is not known and is now unknowable, if his private agenda already included his intention never to return to Balliol. When he finally resigned his Snell Exhibition in 1748, he was an adult approaching 25 and had been under the influence and protection of his appointed legal Guardians for two years in Kirkcaldy. Once he was 300 miles away in Scotland, he could initiate his private quest via his socially prominent Guardians for his academic future, knowing that his Snell Exhibition in this mix was potentially a powerful trump card to get what he wanted from Balliol, but only if he played this sensitive card skilfully. Smith had already been allowed to leave the normal Ordination course, apparently without needing to inform the Snell administrators in Glasgow.

Once again, the parties eventually came to a settlement, despite the overlays of mutual distrust and their recent experience of their negotiations to change Smith's course to Jurisprudence. Both parties were probably at least resigned to the inevitable, judging by subsequent events. Because Snell Exhibitions were paid directly to the College, and not directly to the student, the total remittance mainly benefitted Balliol in Smith's absence, and thereby excluded the possibility of any financial impropriety on Smith's part. Smith's actions during the late summer–early winter of 1745–1746 showed him practising what he published on bargaining 30 years later in *Wealth of Nations* in 1776. In practice, the exchange propensity is not universally adopted on all occasions even where it could prove viable, including when a party expresses an interest in negotiating and the other party may consider it not to be appropriate to do so. In bargaining, it takes two to tango. Indeed, the use of violent force, theft and deceit have also been (and remain) common features of discordant Human relationships since time immemorial.

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Putting all this in the context of humanity's deep experience as a distinct species, we can see what Smith had realised from his conjectural history, as Dugald Stewart described in his eulogy to Smith in his address to the Royal Society of Edinburgh in 1793.[14] The overarching fact in civilised societies is that Humans stand at all times in need of the co-operative assistance of multitudes of other people, most of whom have no direct knowledge of other people in the connecting chains that link them together, let alone engage them in friendship. It necessarily follows that bargaining exchanges are practised where people believe they can arrange to co-operate in beneficial activity for their mutual benefit. This confirms that the universal Human exchange behaviour is of distinctive and crucial significance and can be equally applicable if circumstances for exchange are present between complete strangers, who are not well-known to each other and, also of course, between neighbours who know each other quite, even too, well.

The exchange propensity, noted Smith, is a uniquely Human experience, and in Smith's considered opinion, an inevitable consequence of their capacities for reasoning and speech not found in any other animal.

Bargaining is what makes us Human. Hence, Smith's early concentration on the consequences of the Human ability to bargain at the very start of his *Wealth of Nations* and the role it played in his first real test of his character, whilst a student at Balliol, of which direct bargaining experiences he reflected at the start of his account of Human behaviours in all editions of *Wealth of Nations.*

On the basis of these circumstances, we were able to reconstruct Adam Smith's introduction to the realities of Human bargaining as a young student at Balliol, bereft of any formal power to dictate what was most convenient to his interests in respect of the required obligatory consent of his academic and social superiors to allow what he required of them. That he chose to attempt to persuade senior members of Balliol's academic fraternity, whilst a mere junior scholar was, perhaps, foolhardy and ambitious on his part, to say the least. That he persisted and eventually achieved a measurable degree of success says much for his maturing character. That he generalised from his experiences of bargaining and included it in the opening chapters in *Wealth of Nations* is

remarkable and worthy of more notice than has traditionally been given to it by modern scholars.

The bargaining propensity is universally tried by Humans on most occasions, even where it may difficult to do so. Indeed, the use of and even threats of violent force, theft and deceit also remain features of Human relationships since time immemorial, illustrated by the early voyages between European cultures and those between Europeans visiting previously unknown people in unknown cultures. For example, this was the case in the Pacific voyages of discovery by Captains James Cook, William Bligh, Vancouver and many others in the eighteenth century. Their reports to the Admiralty and their published accounts show many instances of the reliance of the Europeans and the various inhabitants of the Pacific islands they discovered, on forms of bargaining, as well as many unfortunate instances of both parties resorting to violence or theft (Kennedy 1978, 1989).

Smith went on to define how Humans used bargaining behaviour to obtain what they wanted from other Humans by linking what they offered to what they wanted in return. Remember that the vast majority of Humans do not have control over their fellows from whom they want what is in the power of such fellows to oblige them with for whatever they are offered in exchange. However, they cannot rely on the generosity of strangers, nor can strangers rely on the benevolence of foreign visitors to obtain what they need from them. This is not to argue that there is no role for benevolence, but no Human is so wealthy that she can feed and clothe the whole town every day of the year from her benevolence alone.

Smith demonstrated his understanding of the Human proclivity to practise exchange within and between societies. Far from the unrealistic folly of one-sided reliance on the permanent practise of one-sided benevolence, Humans instead can practise a two-sided reliance on each other. The bargainer, argued Smith in conversation with a potential partner, would be more likely to meet some of his own interests if he can convince them of what they could gain if they co-operated with him in a mutually beneficial exchange.

Such propositions constituted the universally offered bargain throughout Human history, and thereby each bargaining party in

Balliol enjoyed a two-way exchange: '*Give me that which I want and you shall have this which you want*'. This is the clearest statement by Adam Smith of what is involved in bargaining behaviour. Certainly, Smith's clear statement of the format of the bargaining proposition in the conditional proposition of 'If-Then' remains as true today as it was when he identified it in his eighteenth-century world. Untold generations before Smith practised the same search for bargained outcomes using essentially some form of conditional propositions.

Yet formal workshops and courses in negotiating only became prominent in the world's Business Schools and Colleges from the 1970s and are now part of many business degrees and diplomas. It is poignant to reflect that Adam Smith had faced and successfully grappled with his personal bargaining problem from scratch nearly three centuries ago, using insights and methods he learned independently from his experiences at Balliol College in 1746, which are now taught to bargainers everywhere. Though to be frank, I regularly receive from publishers manuscripts of new books on business negotiations that, to my surprise and disappointment, do not even mention the conditional proposition, as stated in *Wealth of Nations* in 1776, thus revealing that their authors have little experience of practical negotiation.

William Scott (1937) reports that '*Adam Smith left Balliol on or about the 15th of August 1746*'. He also reported that Smith *'left in disgust' and did not return*.[15] On 4 February 1748, Smith wrote to Dr. Theophililus Leigh, Balliol College, resigning '*all right and title to his Snell Exhibition*'.

By this action, Smith terminated his unhappy association with Balliol, though years later, ever polite, he graciously acknowledged a measure of satisfaction with his experiences of Balliol from 1740 to 1746. After all, it was at Balliol that he learned to bargain even in the least propitious of circumstances and no thanks to his academic tutors.

The Balliol authorities, who ignored what he was learning in his reading course (except for his reading of David Hume), also who refrained from engaging with him intellectually, such as by reading the early draft of his Astronomy Essay. Oxford finally woke up to the intellectual significance of the man from Kirkcaldy years later, and awarded him,

somewhat belatedly, his degree, thus claiming Adam Smith as one of their own, though they had ignored him whilst he was with them.

Notes

1. WN 1.ii. 1–5 pp. 25–27.
2. Addison, W. L. (1901). Smith's nomination, signed by the Glasgow Faculty, is held at Balliol College. Simon Bailey, Keeper of the Balliol Archives.
3. Ross (2010, pp. 73–74); Phillipson (2010, p. 25).
4. Mossner (2001, pp. 67–70); Scott, J. (1895, pp. 19–21).
5. Ross (2010, pp. 63–66, 70).
6. Ross (2010, p. 73).
7. Rae (1895, pp. 24–27).
8. Rae (1895, p. 26).
9. LJ (B), pp. 540–541.
10. Kennedy et al. (1980; 1982; 1988, p. 10); Kennedy, G. (2017, pp. 61–77).
11. Kennedy, Benson, Mcmillan, 1980, Managing Negotiations, Hutchinson Business Books.
12. Simon Bailey papers Balliol College Archives:
    University Archives ref. SP 70, 18 January 1743/4(1.a) Admissions and Degrees Book (*1686–1833*)*, Adam Smith's admission entry, 4 July 1740 (1.b) Smith's entry among graduation records, 5 May 1744: Com. Smith admissus est Jurista.*
13. Scott, p. 43.
14. Dugald Stewart: Account of the Life and Writings of Adam Smith LLD from the Transactions of the Royal Society of Edinburgh (Read by Mr Stewart, January 21 and March 18, 1793) in Adam Smith *Essays on Philosophical Subjects*. Editor I. S. Ross, Edited by D. D. Raphael and A. S. Skinner, Glasgow, Edition of the Works and Correspondence of Adam Smith, OUP 1980, pp. 265–351.
15. Scott (1937, p. 43).

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Adam Smith on Rhetoric and Perspicuity

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Returning home to Kirkcaldy, aged 23, Smith had been largely self-educated whilst at Balliol. His academic status was ambiguous. He had not formally graduated from either Glasgow University, because non-graduation was a specified condition of being awarded a Snell Exhibition, and nor did he graduate from Oxford University, because he had deliberately refrained from taking his intermediate bachelor degree in 1744.[1] He was also unemployed and had not yet formally resigned from Balliol. Moreover, his employment prospects and ambitions were vague and not at all assured.

His late father, a senior lawyer, as was the custom, had named several legal Guardians in his Will to supervise his unborn child's career prospects. Two of them, Henry Home (later the judge, Lord Kames) and James Oswald, a wealthy local farmer and Kirkcaldy's MP in the UK Parliament and also a long-standing friend, consulted Adam as to what he intended to do, having now perhaps jeopardised his career prospects by prematurely abandoning his undergraduate readership course at Balliol for the reasons discussed in Chap. 2.

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Realistically, by leaving Balliol four years before the end of his allotted 9-year Exhibition, Smith, if he did not return, had limited himself to the uncertain prospects of employment as a live-in tutor to the sons of prominent families for private fees, and, as things stood, he faced diminishing chances of securing the less likely, though much preferred, prospect of his joining a university faculty in Scotland. Therefore, he was in urgent need of good advice from his legal Guardians.

Adam Smith remains best known today for his work on the political economy through his weighty tome, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). He is somewhat less well-known for his first book, *The Theory of Moral Sentiments* (1759). He is even less well-known today for his *Lectures on Rhetoric and Belles Lettres* (1762–1763) and for his *Lectures on Jurisprudence* (1763), both of which contain important demonstrations of his early scholarship (Skinner 1996a, b), especially his early conjectural references to what we might regard today as demonstrating the relevance of evolutionary social processes.

Despite the availability of low-priced, modern editions of all of Smith's known Works, they are not at all widely read by modern economists, or by moral philosophers. A cynic might remark that Smith's Works when purchased, even in low-priced popular editions, are often bought mainly as presentation copies for college prizes, retirement gifts or for the decoration of bookshelves, but not in the expectation of their being read by their owners. Recently, a well-known American academic economist, with a tolerable reputation as a specialist on Adam Smith, candidly admitted to having purchased Smith's *Moral Sentiments,* which had then lain unread on his bookshelf for 35 years! When he did get round to reading Smith's lesser known title, he was so impressed with Smith's insights into personal and social moral conduct that he promptly wrote his own bestselling book about Smith's moral thinking! (Roberts 2014).

How then did Adam Smith find a credible route from the insecure prospect of casual employment to his lasting world fame, given his limited options, post-Balliol? How might he have demonstrated his prospective capabilities as a brilliant academic? Indirectly, to say the least, which is probably why his teachings on Rhetoric remain for many modern scholars an empty set, despite his early innovative ideas on the appropriate use of English Rhetoric in support of his personal drive

for 'perspicuity' in everything he wrote. Modern ignorance of Smith's radical contribution to fine writing—the '*belles lettres*' part of its title—remains a major factor in the mistaken reading of Smith's use of such metaphors as 'an *Invisible Hand*'?

In 1746, there were no obvious links from his Rhetoric Lectures to Smith's future academic career. However, his Guardians' endorsement of Rhetoric as the subject of his first series of public lectures was to prove highly pertinent. Fluency in speech and writing was a major attraction for law students and also for students from the local theological college seeking to become ministers in the Church of Scotland. Smith was encouraged to design and deliver a series of public lectures on the emerging relatively new field of English Rhetoric, to demonstrate his suitability for an academic appointment. It was a bold plan indeed, and it paid off handsomely. Smith created a course that attracted and held the attention of his audiences and also survived the inspection of visiting academic professors, whose judgements were likely to be objective enough to make or break Smith's bid to build a reputation for future academic employment. Smith wrote and delivered three lectures a week on Mondays, Wednesdays and Fridays from November through to February from 1748 to 1751. His lectures had to hold the attention of students, not all that much younger than himself, as well as adult members of the professions, including academe, the law and the general public.

His Guardians' support included initial financial and material assistance to secure suitable lecture rooms, believed to be those of the Philosophical Society in Edinburgh, and then, through their social contacts, to attract a private, fee-paying audience for Smith's series of public lectures on *Rhetoric and Belles Lettres*. However, recent claims that Adam Smith was employed as a lecturer by Edinburgh University are wholly erroneous.

Students preparing for careers in the professions had the greatest interest in Rhetoric for their future public advocacy or for their rhetorical fluency as preachers. The students who attended Smith's private lecture series did so as individuals in their own time, and they paid their fees like other members of the public.

Smith's immediate task was to prepare a thrice weekly series of 30 lectures to be delivered from November to February, suitable for a general audience of Edinburgh's adult literati, plus individual professors from Glasgow, St Andrews and Aberdeen, who travelled to Edinburgh as his reputation grew to hear him in action. Apparently, they reported positively on his performances to their colleagues—after all, he successfully applied for a Professorship at Glasgow University and won his first appointment largely on the strength of his Rhetoric Lectures. Public lectures were popular at that time in Edinburgh, and they attracted fee-paying private audiences on a wide variety of subjects in various venues across the city.

John Miller's praise of Smith's Rhetoric Lectures was reported in Dugald Stewart's eulogy to Smith, delivered at the Royal Society of Edinburgh in 1794.[2] Miller, later an outstanding Professor at Glasgow, attended Smith's Edinburgh lectures, first, as a member of the public in Edinburgh and then as a first-year student attending them again in Glasgow University. He described them as:

> The best method of explaining and illustrating the various powers of the human mind, the most useful part of metaphysics, arises from an examination of the several ways of communicating thought by speech and, from an attention to the principles of those literary compositions which contribute to persuasion or entertainment.[3]

James Wodrow, Glasgow University's librarian, praised Smith's Edinburgh Rhetoric Lectures, writing:

> Adam Smith delivered a set of admirable lectures on language (not as a grammarian but as a rhetorician) on the different kinds his remarks and rules given in the lectures I speak of, were the result of fine taste and sound judgement, well calculated to be exceedingly useful to young composers, so I have often regretted that some part of them has never been published.[4]

Smith's Edinburgh courses were successful academically and financially. He earned £100 a year in fees, comparable with the earnings of some

university professors. Later, their informal testimony proved decisive when Smith applied for a Professorship in Glasgow University in 1751. His Guardians' post-Balliol strategy of public lectures clearly worked; he was successful in his applications, first for Glasgow's vacant Chair of Logic in 1751 and then a year later, the real prize he sought, Glasgow's vacant Chair of Moral Philosophy in 1752. He held this chair until 1764. During his tenure at Glasgow, he authored his first major published Work, *The Theory of Moral Sentiments* in 1759.

Commentaries on Smith's perspicuous Rhetoric style are not often set in their context when evaluating his ideas, and, thereby, they significantly understate his overall quest for perspicuous Rhetoric in his writings and teaching. To meet his own high standards, he took the trouble to compose and recompose whatever he wrote, or dictated to a professional amanuensis. In later life, he apologised to his printer at delays in preparing his manuscripts: 'I am slow, very slow workman, who do and undo everything I write at least half a dozen times before I can be tolerably pleased with it'.[5] In this letter, Smith was anxious that his additions and corrections would be made in time before his illness took over. He sent his final corrections to Cadell in December 1789, and his last edition of TMS was published before he died in July 1790.

The only known extant student notes of Smith's Rhetoric Lectures, delivered in November–February 1762–1763, were discovered in an Aberdeen house library sale in 1961 and published by Nelson in 1963. They were re-edited by J. C. Bryce in 1983.[6] Readers of Smith's surviving lecture notes on Rhetoric by the two unknown students will appreciate his account of the appropriate role of Rhetoric in the English language. At root, a failure to read these lecture notes is the source of many modern misreadings, as to what Smith meant when he used, for example, '*an Invisible Hand*' as a metaphor, amongst the many other metaphors and figures of speech that he used in his published Works. For example, he used 76 different figures of speech from his *Moral Sentiments* and 105 from his *Wealth of Nations*[7] (Exhibits 1 and 2).

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Smith's Challenge to Classical Rhetoric

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Smith's contributions to modern Rhetoric were in the context of a debate between proponents of the new English language Rhetoric practice that emerged in the eighteenth century, in contradistinction to the long-established Classical Latin Rhetoric, as practised in English and Scottish grammar schools and the six active UK university colleges at the time: Aberdeen, St Andrews, Edinburgh, Glasgow, Oxford and Cambridge.

Smith regarded Classical Rhetoric unfavourably, especially when its exponents misused 'figures of speech' that lacked substance and promoted what he dismissed as the overuse of 'flowery language'. In contrast, Smith and others, such as his friend and Enlightenment colleague, Hugh Blair, demonstrated that the appropriate role of figures of speech and metaphors in the English language was to ensure in their writings, perspicuity, meaning clarity, devoid of obscurity but strong in lucidity. Smith's teachings on metaphors broadly criticised classical rhetorical theory and its practice in the eighteenth century. He was firm of the opinion that modern English Rhetoric should be aimed at communication, best supported by a plain, not flowery, style. He admired Jonathan Swift but disliked the '*outworn stylistic conventions*' *of* Lord Shaftesbury, who tried to obscure his relative ignorance by misusing allegorical and metaphorical '*flowers of speech*' that led *'a dungeon of metaphorical obscurity*' to the detriment of perspicuity amongst readers and listeners (Howell 1975; Skinner and Wilson 1975).[8]

Grammar school and university students in the sixteenth–eighteenth centuries were taught from textbooks that demonstrated classical Latin Rhetoric, with its five-part divisions of Ciceronian and ad Herennium's orations, incorporating a rigid sequence of beginning, narrative, confirmation, refutation and peroration. Smith regarded these rhetorical divisions as deficient, because they aimed solely to undermine an opponent's argument in, for example, courts of law and general discourse, rather than to seek the truth or justice.

As the general scientific revolution tentatively got underway across a broad front from the seventeenth century, it slowly and cumulatively

raised scientific standards for explaining phenomena and the important relationships between physical forces. Science sets higher, objective standards of judgement, in contrast to what was acceptable, indeed, widely praised, and highly paid for, in classical rhetorical orations, where verdicts of 'guilty' or 'not guilty' in court proceedings could turn on which orator was most eloquently devious in public discourse.

Smith was educated in classical Rhetoric, as were all seventeenth- and eighteenth-century student generations. It is no wonder that Smith's series of public lectures in Edinburgh on Rhetoric attracted the enthusiastic support of his legal Guardians, one a judge and the other a parliamentary legislator, as well as those members of the general public and students who attended them. Hence, by advancing a superior perspicuous rhetorical style that could help secure more balanced judgments and also raise the standards of scientific and rhetorical debate in general life, his lectures were welcomed by those who heard them.

Frequently, classical rhetoricians resorted to biased content when composing speeches as prosecutors or defenders. This is illustrated dramatically in various of William Shakespeare's sixteenth-century plays, as shown by Quentin Skinner, a modern classical scholar, who discusses Shakespeare's use of classical Rhetoric as taught by Cicero's *De inventione,* Quintilian and the anonymous *ad Herennium's* classical theories. Skinner identifies in several of Shakespeare's plays the use of classical oratorical conventions, for dramatic effect. For example, in *Romeo and Juliet; Merchant of Venice*; *Julius Caesar; Hamlet*; *Othello; Measure for Measure*; *All's Well that Ends Well*; *Henry V* and *VI; Troilus and Cressida* and *Richard II* (Skinner 2014).

Shakespeare's characters demonstrate versions of classical oratorical advocacy in their speeches, where the ultimate dramatic consequences were unfortunate for those judged innocent or guilty on the apparent quality of a specious Rhetoric, deliberately aimed at securing a particular outcome, irrespective of the truth or otherwise of a speaker's contentions. Such manipulations were appropriate in Shakespeare's dramatised, fictional theatrical confrontations but were not appropriate in judging the merits of scientific arguments or for making life or death decisions in real-life legal cases. Quentin Skinner's analyses of Shakespeare's use of the classical oratorical divisions for nefarious

purposes shed light on why the new-style eighteenth-century English and Scottish rhetoricians were increasingly hostile to classical Rhetoric, over which they eventually triumphed.

The spread of new print technologies from the seventeenth century onwards also produced numerous mass editions of less expensive printed school textbooks, in both standard, classic Latin and, importantly and increasingly, in everyday vernacular English. The latter language, whilst not yet standardised in its spelling, was more widely readable, memorable and, most importantly, comprehensible than prior fluency in classical Latin that reached its heyday towards the end of the seventeenth century and slowly declined thereafter.

A similar approach was followed later by Smith's Enlightenment colleague, Hugh Blair (1718–1800), who taught Rhetoric at Edinburgh University using the same title as Smith's lectures on Rhetoric in his 1748–1751 series of public Lectures. Blair's three-volume textbook reached its seventh edition in 1845.[9] By then, the new English Rhetoric, of which the unemployed young Adam Smith, aged 24, was one of its early pioneers, had triumphed across the English-speaking world. Blair's lecture series, *Rhetoric and Belles Lettres,* made an even more significant impact in the spread of the new English Rhetoric across contemporary generations in academe, the wider business world and the social life of the community.

Compared to Smith's earlier 200-page version of his *Lectures on Rhetoric and Belles Lettres*, Blair's three-volume account is fully comprehensive and still well worth reading today by students of modern English and by academic authors of mature age too. Blair also acknowledged Smith's 1761 essay on the origins of language.[10]

Pre-modern mysticisms of pusillanimous superstition and theological ignorance slowly gave way to objective scientific evidence, symbolised by the inventions of the telescope (Galileo), accurate measurement of rates of change (calculus), patient observation of natural phenomena and path-breaking physical experiments and calculations by Newton on gravity and light. The rapid spread of new print technologies from the mid-seventeenth century onwards produced numerous mass editions of less expensive school textbooks, in both standard classical Latin and, importantly and increasingly, in everyday vernacular English, which,

whilst not yet standardised in its spelling, was more widely readable by students unschooled in Latin. Classical Latin reached its heyday towards the end of the seventeenth century and declined thereafter as English Rhetoric took over the space the old classical scholars and others had formerly monopolised.

There is, of course, much more in Smith's Rhetoric Lectures than his account of the role of metaphors and whilst I shall briefly discuss some of these other interesting subjects, my focus necessarily is sharper. Also bear in mind that the sole copy we have of Smith's Rhetoric Lectures was compiled by anonymous students in their own words that may have varied from Smith's actual prose and spelling, none of which I have corrected. The copy text by students lay undetected in the detritus of an Aberdeen household until 1961.

The opening sentence of Lecture 2 on 19 November 1762 says it all for Smith's mission as an author and teacher: '*Perspicuity of stile requires that the expressions we use should be free of ambiguity*' and in English.[11] For Smith, perspicuity was the gold standard in his teachings on Rhetoric and across all of his other Works. Other practical advice, in his pursuit of perspicuity, included recommending that prose should be free of parentheses and superfluous words.[12] In short, when ideas are clearly expressed and easy to understand, as in '*perspicuous prose*', an author writes better than when pursuing a muddle of styles. In contrast, Smith warned his listeners against the habits of those writers who employed that which he called, '*flowerly language*' that makes one's style '*dark and perplex'd'* and leads one into a *'dungeon of metaphorical obscurity*'.[13]

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Smith on Metaphors

Smith's teachings on metaphors supported the proposed reforms to popular Rhetoric theory underway in the eighteenth century. He identified two styles of discourse, specifically the '*Didactick*' and the '*Rhetoricall*'. A didactic discourse identified those arguments that present '*both sides*' of a question in a '*true light*' with a view to persuade on the merits of

their arguments, but no further. An academic introducing a fairly complex subject before turning to a critique of one side of an argument might very well put both sides of the argument didactically first, before proceeding to a rhetorical discourse in which she, primarily, attempts to persuade her listeners of the merits of her critique of one side, by magnifying '*all the arguments on the one side' and* diminishing *'those that might be brought'* against the side that she favoured.[14] It was in this context that Smith reacted negatively to overblown, contemporary Classical forms of metaphoric discourse, explaining that one's language should be perspicuous in expressing the sentiment that it inspires in you, preferably beautifully. The use of figures of speech should be measured rather than be exaggerated because clumsy metaphors sow confusion.

When you express '*perspicuously and neatly your meaning*' in support of the 'sentiment' that inspires you, then your 'sentiments' are 'more noble and beautiful' and 'your language … has all the beauty it can have' and 'figures of speech' may 'contribute towards it only so far as they happen to be just and natural forms of expressing that Sentiment'. Figures of speech '*neither add nor take from the beauty of the expression*'.[15] Here, Smith was referring directly to the 'overly ornate' practices of classical Rhetoric and specifically criticising both Cicero and Quintilian as leading exponents of the old Rhetoric, who carried immense, though declining, authority in the eighteenth century. He was not criticising the proper use of appropriate metaphors in English, as was made clear in his definitions of them.[16]

He certainly approved of the careful use of metaphors when appropriate, because it is beyond dispute that his Works are replete in metaphors. Therefore, it is important to distinguish between Smith's criticism of overly 'ornate' metaphoric speech forms that did not contribute to perspicuity from those that did. Readers should be wary of accepting assertions that Smith was suspicious of *all* uses of metaphors, or worse, the allegation that he did not comply with his own definition. In fact, Smith showed his positive regard for their use where they were conducive to perspicuous writing, as demonstrated below.

In sum, Smith was a very careful writer and not given to sloppiness in his written composition. Those metaphors that appear in his texts are meant to be there and his modern editors show in their footnotes how

much of what he wrote he 'did and redid', when he was revising new editions of his major Works. Samuel Fleischacker also commented on Smith's lifetime of fussiness in his composition: '*Even aside from his early interest in Rhetoric, therefore, we have good reason to think that Smith himself considered the proper literary presentation of his arguments to be essential to what he was doing*' (Fleischacker 2005).[17]

On those occasions when specific subjects did not lend themselves to his high standards of perspicuity, Smith made it clear that he recognised the problem and apologised for it, as he showed in *Wealth of Nations*, when discussing the vexed complications for first time readers, in regard to '*natural*' and '*market*' prices,[18] which include their unstable relationships. Smith apologetically sought for the indulgence of his readers:

> I shall endeavour to explain, as fully and distinctly as I can, those three subjects in the three following chapters, for which I must very earnestly entreat both the patience and attention of the reader: his patience, in order to examine a detail which may, perhaps, in some places, appear unnecessarily tedious; and his attention, in order to understand what may perhaps, after the fullest explication which I am capable of giving it, appear still in some degree obscure. I am always willing to run some hazard of being tedious, in order to be sure that I am perspicuous; and, after taking the utmost pains that I can to be perspicuous, some obscurity may still appear to remain upon a subject, in its own nature extremely abstracted.[19]

I suggest that Smith's intention was to contrast his own views on the role of metaphors with practitioners of the old Rhetoric by showing that the high self-praise and pride of classical orators for their extravagant declamations of figures of speech was misplaced. He emphasised that in '*every metaphor it is evident that there must be an allusion betwixt one object and another*',[20] and he set out the crucial relationship of a metaphor to its object:

> When the sentiment of the speaker is expressed in a neat, clear, plain and clever manner, and the passion or affection he is possessed of and intends, by sympathy, to communicate to his hearer, is plainly cleverly hit off, then and only then the expression has all the force and beauty

> that language can give it. It matters not the least whether the figures of speech are introduced or not. When your Language expresses perspicuosly and neatly your meaning and what you would express, together with the Sentiment or affection this matter inspires you with, and when Sentiment is nobler or more beautiful than such as are commonly met with, then your Language has all the beauty it can have, and the figures of speech contribute or can contribute towards it only in so far as they happen to be just and natural forms of Expressing that Sentiment. They neither add to nor take from the beauty of the expressions on their own. When they are more proper than the common forms of speaking then they are to used but not otherwise. They have no intrinsick worth of their own.[21]

It is clear that Smith did not believe that metaphors should be mere decoration but should always be appropriate to an author's or speaker's constant quest for perspicuity. And still less did he conceive of hiding major or central points of meaning in his use of metaphors, supposedly to challenge readers to find his hidden meaning at the cost of his central drive for perspicuity (Klein and Lucas 2011; Kennedy 2011).

Those who regularly lecture on subjects they know well will recognise Smith's problem as a teacher. Lectures, when delivered from notes or headings may take an hour or more to deliver, during which time the lecturer may immediately respond to querulous looks on the faces of listeners, or from their body language, by simply interrupting the flow and re-presenting difficult ideas, or by inviting questions, which may suggest at the very least, that there is a need for unplanned clarifications, and repeated or rephrased statements, plus by offering other relevant examples.

The anonymous students, who undertook the difficult task of writing down Smith's LRBL lectures to produce their version of them, deserve our gratitude, but as his modern readers, we must be cautious about the students' versions of his attributed text. Almost every page of LRBL carries multiple editorial marks, insertions and parentheses, sufficient to reveal the compiler's and the editors' necessary labours. Smith's lectures need to be carefully read to avoid unintentionally misreading the differences between what he says of the classical rhetorician's over-flowery use of metaphors and his own, clearly stated role of metaphors in LRBL.

Smith held clear views on the appropriate role of metaphors and uses them throughout his Works (see lists of Smith's metaphors in Exhibits 1 and 2). He expects others to use them too, adding that inappropriate metaphors '*must either carry us to bombast on the one hand or into burlesque on the other*'.[22] In other words, Smith's definition of a metaphor did not and could not exclude the possibility of their incorrect usage by others, but the distinction between classical and modern Rhetoric, identified by Smith, was absolutely clear as he demonstrated.

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Hugh Blair on Metaphors

Smith's friend and Enlightenment colleague, Hugh Blair (1718–1800), eventually took over Smith's fee-paying, private Rhetoric course in Edinburgh, which Blair had attended. He presented his own successful lectures on Rhetoric, using Smith's title, in Edinburgh University, becoming its first Professor of Rhetoric, where he presented his Rhetoric Lectures until he retired in 1783.[23] Blair described, in terms perfectly compatible with Smith's, the role of metaphors and in his popular, three-volume, textbook, coincidentally using Smith's title: *Lectures on Rhetoric and Belles Lettres.* It was published in several three-volume editions well into the nineteenth century.

Incidentally, there were some tensions between Adam Smith and Hugh Blair, who otherwise remained on good terms. Following Smiths private complaints to mutual friends that he felt that Blair had plagiarised much of Smiths own original work on Rhetoric, from notes either made by Blair when he attended Smith's Edinburgh lectures or obtained from other students notes circulating informally or offered for sale. Whilst this unhappy subject relates to a relative side issue for my *Authentic Account*, I simply note that Smith made several complaints against others besides Blair, of using his lecture materials without crediting them to him. Such conduct, where not credited, amounts to plagiarism of the another author's work. Popular lectures and student's notes

of them always leave academics open to such unpleasant charges, especially amongst friends or colleagues, whereas the appropriate conduct of polite acknowledgement promotes empathy and goodwill, hence the sage advice over the generations remains: '*publish*' (in your own name) *or 'perish*'.

Blair's *Preface* included this paragraph in the third person, which seems to be an indirect responsive deflection of Smith's low-key complaints, and not an admission of intentional plagiarism:

> The Author gives them to the world neither as a Work wholly original, nor as a Compilation from the writings of others. On every subject contained in them, he has thought for himself. He consulted his own ideas and reflections: and a great part of what will be found in these Lectures is entirely his own. At the same time, he availed himself of the ideas and reflections of others, as far as he thought them proper to be adopted. … In order to render his Work of greater service, he has generally referred to the Books which he consulted, as far as he remembers them; that Readers might be directed to any farther illustration which they afford. But, as such a length of time has elapsed since the first Composition of his Lectures, he may, perhaps, have adopted the sentiments of some Author into whose writings he had then looked, without now remembering whence he derived them.[24]

In so far as this is a sort of apology by explanation, the issue is best left there.

Blair, however, illustrated Smith's definitions of metaphors in a most perspicuous manner. For example:

> When I say of some great minister that he upholds the state, like a Pillar which supports the weight of a whole edifice. I fairly make a comparison; but when I say of such a minister that, he is the Pillar of the state, it is now become a Metaphor.[25]

The format of this example is perfectly clear: first '*like a pillar*', which mentions an explicit comparison, sometimes known as a simile, and secondly, '*he is the pillar*', which is a metaphor. Blair clearly demonstrates that the distinction between them is obvious. He continues:

> The comparison betwixt the Minister and a Pillar is made in the mind, but is expressed without any of the words that denote comparison. The comparison is only insinuated, not expressed: the one object is supposed to be so like the other, that, without formally drawing the comparison, the name of the one may be put in place of the other: 'The minister is the Pillar of the state'. This therefore, is a more lively and animated manner of expressing the resemblances which imagination traces among objects.

The beauty of an appropriate metaphoric speech is that it compares '*things together'* without being explicit about the comparison or their resemblances:

> There is nothing which delights the fancy more, than this act of comparing things together, discovering resemblances between them, and describing them by their likeness.

Blair concludes:

> The mind, thus employed, is exercised without being fatigued; and is gratified with the consciousness of its own ingenuity. We need not be surprised, therefore, at finding all Language tinctured strongly with Metaphor. It insinuates itself even into familiar conversation; and unsought, rises up of its own accord in the mind. The very words which I have casually employed in describing this, are a proof of what I say; 'tinctured', 'insinuates', 'rises up' are all of them metaphorical expressions, borrowed from some resemblance, which some fancy forms between sensible objects and the internal operations of the mind; and yet the terms are no less clear, and, perhaps, more expressive, than if words had been used, which were to be taken in the strict or literal sense.

Blair's exposition is particularly significant in that he shows the appropriate use of metaphors identical in meaning to that which Smith's delivered in his *Rhetoric Lectures*, especially when metaphors are '*lively and animated'* in '*expressing resemblances*' when '*describing them by their likeness*' and by his asserting that *'all language is tinctured strongly with metaphor'*.

Hugh Blair perfectly captured Smith's teaching on the meaning and the role of metaphors, both in his Rhetoric Lectures and in his subsequent prolific use of metaphors in his published Works. All of those members of that '*respectable auditory*' who attended Smith's Edinburgh Rhetoric Lectures during 1748–1752 and all those students who attended his Glasgow University Rhetoric Lectures from 1753 to 1763 show that Smith taught Rhetoric for 14 years continuously, making his Rhetoric Lectures his longest-running taught subject, and, in the event, he made a modest, if distinctive, contribution to a major aspect of public life, on its use of rhetorical language in the history of English literature, as confirmed.

In terms of the size of his classes and his years of teaching Rhetoric (1748–1763), Smith's audiences were considerably exceeded in student numbers by Hugh Blair's popular Rhetoric classes (1759–1783). His university lectures reached a wider audience through seven editions of his three-volume textbook, *Lectures on Rhetoric and Belles Lettres*, and by unknown graduates influenced by Blair's Rhetoric who taught Rhetoric themselves elsewhere, well into the nineteenth century. Hugh Blair's impact on the teaching and comprehension of English literature both during his life time and after his death through the continuous editions and translations of his LRBL volumes to the mid-nineteenth century show how classical Rhetoric forms were replaced by a modern English Rhetoric, albeit begun by Adam Smith's *Lectures on Rhetoric and Belles Lettres* in 1748–1751.

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Smith's Use of Metaphors

The best way to illustrate Adam Smith's use and deployment of metaphors, therefore, is to examine how he used metaphors throughout his published Works. To that end, I have prepared in Chap. 4, two Exhibits from *Wealth of Nations* and *Moral Sentiments,* showing his prolific use of many interesting figures of speech in various forms in his main books. For example, we have a description of the Bank of England as '*a great engine of state*', and a reference to its '*dead stock*' of gold and silver ingots

potentially usable as money for daily transactions in the form of coins but which use could prove inconvenient on grounds of their security, if individuals were known to carry about their person weighty amounts of precious metals.[26]

Smith discusses the possibility and the practicality of substituting printed paper money in place of gold and silver, prudently kept in secure vaults. By using printed paper money, a country converts figuratively/metaphorically the great part of its '*dead stock*' of gold and silver into '*active and productive stock*'. These '*judicious operations of banking*'—its paper money backed by the gold and silver in its vaults—'*may very properly*' be '*compared to a highway, which while it circulates and carries to market all the grass and corn of the country, produces itself not a single pile of either*'.

Smith then utilises what he describes as '*a very violent metaphor*', to emphasise this point:

> The judicious operations of banking, by providing, if I may be allowed so violent a metaphor, a sort of waggon-way through the air, to enable the country to convert, as it were, a great part of its highways into good pastures and cornfields, and thereby to increase very considerably the annual produce of its land labour.[27]

In the eighteenth century, of course, nobody had knowledge of airfreight nor any other twentieth-century everyday technologies. Without a doubt, the imagined '*waggon-way through the air*' was purely metaphoric which Smith nevertheless described it as '*so violent*' too. Nevertheless, his metaphor is very powerful. It is also vividly imaginable to us, despite how Smith expressed it for his eighteenth-century readers. The object of the '*waggon-way*' metaphor was the circulation of printed Bank paper designating the amount of money that was transferred from one person to another in different parts of the country in payment for real goods or services. The metaphor used to describe this process '*in a more striking and interesting manner*' was '*a sort of waggon-way through the air*'. The eighteenth-century reader was immediately struck by a vivid image of something she had never seen nor probably had even imagined, but she knows immediately from having seen real wagons pulled by horses

guided by their drivers, trundling along country roads loaded with hay or corn whilst going from A to B because of the acceptability of payment in printed paper, implicitly exchangeable for gold or silver at the Bank. What was imagined by the author through the use of a metaphoric description of what was involved, conveyed a vivid image in the mind of the reader that was both understood and, when done creatively, much appreciated and likely to be remembered for a long time thereafter.

Smith, however, was not finished with metaphors in relation to this topic. Indeed, he went on to deploy on the very same page, that which in my opinion is his finest example of a metaphor in all of his Works. Since I first read it many years ago, I have never forgotten the vivid affect it had on me that first time, nor have I seen it bettered anywhere in the decades since:

> The commerce and industry of the country, however, it must be acknowledged, though they may be somewhat augmented, cannot be altogether so secure, when they are thus, as it were, suspended upon the Daedalian wings of paper money, as when they travel about upon the solid ground of gold and silver. Over and above the accidents to which they are exposed from the unskilfulness of the conductors of this paper money, they are liable to several others, from which no prudence or skill of those conductors can guard them.

The '*Daedalian wings of paper money*', in my view, is a metaphor of astonishing power and beauty, and illustrates perfectly what Adam Smith's Rhetoric and his passion for perspicuity were all about and how such metaphors contribute to the perspicuous writing (Rockoff 2009).

Consider the Greek myth of Daedalus, an architect who designed and built a labyrinth for the Minotaur, a dangerous monster, on Crete. Daedalus also made pairs of bird-feathered wings attached with glue to Icarus, his son's arms, for him to escape from the island and the Minotaur by flying away to safety. The inevitable happened. Icarus flew too close to the Sun (ignore the actual physics of that claim), the glue melted and he fell to his death.

All in all, printed paper money is not as preferred as solid gold or silver. Of course, eighteenth-century students were broadly familiar with Greek and Latin folklore and would immediately grasp the monetary

significance in the context of the metaphoric Daedalian wings of paper money. Such an example illustrates Smith's and Blair's emphasis about appropriate metaphors.

No '*metaphor can have any beauty unless*' it describes its object '*in a more striking and interesting manner*'.[28] Well, the '*Daedalian wings of paper money*' certainly excels on the criteria of being '*striking*' and '*interesting*'. Also, recall how Daedalian's glued-on wings worked well at first, like paper money often does too, but when the wings fell apart, just like confidence in paper money declines as prices rise faster than paper money can be printed, disaster strikes.

Smith's chapter on the injudicious spread of printed paper money is a case study in the unreliability of paper money in the eighteenth century, supported by the occasional outbreaks of Daedalus' metaphoric fabled error by governments and their printed paper money in more modern times.[29] The episodes of the post-First World War Weimar German Republic (1923–1933) and, more recently, the experiences of rampant monetary inflation in Zimbabwe illustrate the eventual consequences of over-printing paper money.

Samuel Taylor Coleridge, the poet, used metaphoric forms to great affect in his famous poem, *The Rime of the Ancient Mariner* (1798). When the doomed ship was trapped in the Antarctic ice and was unable to move, he wrote: '*as idle as a painted ship, /Upon a painted ocean*', which graphically and metaphorically captures the dangerous and helpless dilemma for the trapped crew. And, in respect of the crew's intense thirst, Coleridge wrote: '*Water water every where,/nor any drop to drink*'.

Both examples capture the power of metaphoric—and poetic—forms of description, as the best-written poems and literary metaphors tend to do for their readers.

Notes

1. Simon Bailey papers Balliol College Archives: *University Archives ref. SP 70, 18 January 1743/4(1.a) Admissions and Degrees Book 1686–833, Adam Smith's admission entry, 4 July 1740 (1.b) Smith's entry among graduation records, 5 May 1744: Com. Smith admissus est Jurista.*

2. Miller, John, cited in Dugald Stewart's eulogy to Smith, delivered at the Royal Society of Edinburgh in 1793. Stewart, D. 1793 "*Account of the Life and Writings of Adam Smith, LLD. Transactions of the Royal Society of Edinburgh.* 21 January and 18 March 1793, published 1794. iii.55–137. T. Cadell, London and E. Balfor, Edinburgh. Edited by I. S. Ross. 1980.
3. Ross, I (2010, p. 110); see also Stewart, D.I.16, p. 274.
4. James Wodrow quoted in Campbell, R.H. and Skinner, A. S. 1982. *Adam Smith.* Routledge (Glasgow University Library MSS 310/269 folio 171).
5. CORR Smith to Thomas Cadell 18 March 1788, pp. 310–311.
6. Smith, A. *Lectures on Rhetoric and Belles Lettres, Delivered in the University of Glasgow, Reported by a Student in 1762–176*3; edited by J.C. Bryce, published in 1983 by Oxford University Press, 1983, (LRBL).
7. Exhibits 1 and 2 below.
8. LRBL, i.13, p. 8.
9. Blair, H. 1783. *Lectures on Rhetoric and Belles Lettres* (7 editions).
10. Smith, A, *Concerning the First Formations of Language*', LRBL, pp. 201–226.
11. LRBL, i.1, p. 3.
12. LRBL, i.10, p. 6.
13. LRBL, i.13, p. 8.
14. LRBL, i.149–150, p. 62.
15. LRBL, i.v.56, pp. 25–26.
16. LRBL, i.64–65, p. 29.
17. Fleischacker, 2004, p. 14.
18. WN I.v: 47- I.xi, p. 267.
19. WN I.iv.18, p. 46.
20. LRBL. i.64, p. 29.
21. LRBL v.56, pp. 25–26.
22. LRBL, i.66, p. 29.
23. Blair, H. *Lectures on Rhetoric and Belles Lettres.* 3-Volumes. MDCCLXXXIX [??] Basil. L. Legrand.

    Hugh Blair (1718–1800) Blair taught Rhetoric, having taken over Smith's LRBL public fee-paying class in Edinburgh later moved them to Edinburgh University as a Professor until his retirement in 1783. On his retirement, he published his LRBL in 1783, 3 vols. Other editions were published in numerous European languages!

24. Blair, H. LRBL vol. 1, Preface, pp. iv–v.
25. Blair, H. *Lectures on Rhetoric and Belles Lettres,* Vol.1 Lecture 15, pp. 334–335.
26. WN I.II.ii.85–86, p. 320.
27. LJ(A) vi 128–129.
28. LRBL, i.66, p. 29.
29. WN II.ii.86, p. 321.

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Adam Smith on Metaphors

***

Adam Smith identified two styles of discourse, the '*Didactick*' and the '*Rhetoricall*'

A *didactic* discourse identifies those arguments that present competing arguments for and against a question with a view to persuade on the merits of their arguments, but no further. In short, the author does not overtly take sides.

A *rhetorical* discourse attempts, primarily, to persuade one side of a disputed argument by enhancing that side's case, whilst diminishing the other side's arguments used to justify them.[1]

Smith was unashamedly a rhetorician. He took sides in what he considered were important debates. The clue is in the title he gave for his *Lectures on Rhetoric and Belles Lettres* and in his oft repeated focus on 'perspicuity'. Authors should search for clarity and lucidity in what they write and say. He reacted negatively to overblown, contemporary Classical forms of metaphoric discourse, explaining that the language used should be perspicuous by being clear in their meaning and should demonstrate to the reader the sentiments that inspired the speaker or author to express themselves on a subject. If you can achieve perspicuity,

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G. Kennedy, *An Authentic Account of Adam Smith*,
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then you may also achieve a notable beauty in the articulation of your expressed sentiments.

Metaphors, he noted, neither add to nor diminish the beauty of your expressions, though they should be more notable than mere common speech forms. On their own, they have no role because metaphors are solely valued in their context in which they are placed by their authors.[2] In short, they do not have a life of their own; they apply only to the context in which they are introduced and used. This is a point worth noting in respect of his use of 'an Invisible Hand' as a metaphor, which since Smith used it and explained its relevance in its context in the eighteenth century, it has become a generic term in the twentieth and twenty-first centuries by acquiring a multitude of new meanings completely different in their many new contexts from its singular use by Adam Smith in the eighteenth century, as to have lost much of its power as a meaningful metaphor. Indeed, most of its modern uses are only distantly connected to the supposed multiple meanings regularly claimed for the Invisible Hand today, as discussed in Chap. 5.

When Smith said that it does not really matter if metaphors are used or not 'it matters not the least whether the figures of speech are introduced or not', it is important to note that he was referring directly to the 'overly ornate' practices of creators of classical metaphors, specifically both Cicero, Quintilian and others, who carried immense, though declining, authority in the eighteenth century. Smith was not criticising the appropriate use of metaphors in English, and he certainly was not condemning their use, as he made clear in his definitions of them.[3] He certainly approved of the careful use of metaphors when and where he considered them appropriate, because it is beyond dispute that he used many metaphors throughout his Works as can be seen in Exhibits 1 and 2.

Readers, therefore, should be wary of accepting assertions by some modern authors who have misunderstood Smith's critical comments on the use of some metaphors and thereby incorrectly assert that Smith was suspicious of all metaphors. In fact, Smith showed his positive regard for the use of appropriate metaphors where they were conducive to perspicuous writing throughout his books and lectures. In sum, Smith was a very careful writer and not given to sloppiness in his compositions. Those metaphors that appear in his texts are examples of his intentional

use of them. Exhibits 1 and 2 contain lists of the many metaphoric figures of speech that he included in *Moral Sentiments* and *Wealth of Nations*. Almost all writers on Smith's use of the now infamous 'Invisible Hand' metaphor seldom locate their arguments in their context, as illustrated on the many occasions in which he used metaphors that appear as Exhibits 1 and 2.

The editors' footnotes in the Glasgow editions of his Works show how often he revised his writings through subsequent editions. Samuel Fleischacker commented sympathetically on Smith's lifetime of fussiness in his composition: '*Even aside from his early interest in Rhetoric, therefore, we have good reason to think that Smith himself considered the proper literary presentation of his arguments to be essential to what he was doing*' (Fleischacker 2004).

'*I shall endeavour to explain, as fully and distinctly as I can, those three subjects in the three following chapters, for which I must very earnestly entreat both the patience and attention of the reader: his patience, in order to examine a detail which may, perhaps, in some places, appear unnecessarily tedious; and his attention, in order to understand what may perhaps, after the fullest explication which I am capable of giving it, appear still in some degree obscure. I am always willing to run some hazard of being tedious, in order to be sure that I am perspicuous; and, after taking the utmost pains that I can to be perspicuous, some obscurity may still appear to remain upon a subject, in its own nature extremely abstracted*'.[4] Even senior professors can stumble over what Smith meant by the metaphoric relationship between 'natural' and 'market' prices (Kennedy 2015).

Smith stated his views on his use of metaphoric 'figures of speech' in his Works and Lectures. He emphatically dismissed classical Rhetoric for misconceiving that its version of the use of metaphors demonstrated anything that was particularly beautiful or uncommonly sublime.[5] For Smith, classical metaphoric elegance had the effect of deliberate obscurity in its use of words.

Smith's intention was to contrast his own views on the role of metaphors with practitioners of the old classical Rhetoric with its proclivity for using over-flowery figures of speech, by showing that the high

self-praise and pride of classical orators for their extravagant false declarations were misplaced. He emphasised that in using a metaphor, the author asserts that there is allusion between two objects: one is the 'object' in the sentence and the other the metaphoric object applied to it. Smith asserted that in the proper use of metaphors, there must be some linkage between the metaphor's object such that the link is presented in a vivid and most interesting manner.

It is clear that Smith did not believe that metaphors should be mere decoration but should always be appropriate to an author's or speaker's quest for perspicuity. And still less did he conceive of hiding major or central points of meaning in his use of metaphors that challenge readers to find his hidden meaning, which would compromise his drive for perspicuity in his writing (Kennedy 2009).

The anonymous students who produced their notes of Smith's Rhetoric Lectures are quite untidy compared to his own polished texts of WN and TMS, subject as they were to his constant revision in pursuit of perspicuity, which can be seen when compared with the students' notes of his speeches in his *Lectures on Rhetoric and Belles Lettres*. The students who wrote down his lectures word for word deserve our lasting gratitude, but we must as readers be cautious about their versions of Smith's unpublished text. Almost every page of LRBL carries editorial marks, insertions or parentheses, sufficient to reveal the compiler's, and its later editors', labours. We need to be careful to avoid unintentionally misreading the differences between what he says of the classical rhetorician's over-flowery use of metaphors and his own, clearly stated role for metaphors in what eventually became common in modern Rhetoric.

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Smith's Metaphors in His Works

There is much discussion in the literature directed at the role of metaphors in English, both in definitions of their meanings and in their possible interpretations. Smith stated clearly that the appropriate role

of metaphors, which he uses throughout both of his Works, was to use them so that the metaphor's particular beauty comes from the way that it describes its object in a vivid and striking manner. Poor metaphors are to be avoided. Clearly, Smith's definition of an appropriate metaphor did not exclude the possibility of their incorrect usage by classical orators or by modern non-perspicuous authors.

The best way to illustrate Adam Smith's use and deployment of metaphors, therefore, is to examine those he deployed in his published Works. To that end, I have selected and commented on examples taken from *Moral Sentiments* and *Wealth of Nations* (Exhibits 1 & 2). Both Exhibits show that *Moral Sentiments* and *Wealth of Nations* are replete with figures of speech in various forms.

***

Adam Smith is well-known for his use of the now infamous metaphor of the 'Invisible Hand', which I shall discuss later. In this chapter, I prepare the ground (speaking metaphorically!) by discussing Smith's many uses of figures of speech, primarily of metaphors, plus a few similes and well-known phrases and sayings throughout his two main texts: *Moral Sentiments* (1759) and *Wealth of Nations* (1776).

Note how Smith uses language to add meaning and interest in his sentences. In Exhibit 1, the selection is from *Moral Sentiments*.

Smith also uses the same metaphor of 'the great poison' twice, first in Exhibit 1 (number 1) and then again in number 5 as 'greatest poison', p. 62. There is no rule against multiple uses, other than that overly frequent use of a figure of speech can drain it of its freshness and thereby weaken its literary power. His regular use of figures of speech in his books shows his awareness of the significance of moral stances in human discourse and contact.

In Exhibit 1, 76 examples, mainly metaphors from *Moral Sentiments*, are identified, and in Exhibit 2, 85 examples, mainly metaphors, in *Wealth of Nations* are identified.

Exhibit no 1: Adam Smith's Figures of Speech and Metaphors in *The Theory of Moral Sentiments* (6th edition: 1790)

1: "…the dread of death, the great poison to the happiness…' TMS I.i.13.p.13
Readers will recognise the universal 'dread of death' - people seldom want to die - while for most people the thought of their own death 'poisons their happiness'.
2: "…the great machine of the universe is perpetually exhibiting the secret wheels and springs which produce them;…" TMS I.i.4.2 p.19
A glance at the night sky ablaze with stars is a wonder to behold, and not far behind such thoughts are those wondering how it all works and their small place in its magnificance.
3 "… makes his stomach easily keep time, If I may be allowed so coarse an expression, with the one, and not the other." TMS I.ii.1 pp.27–28
Tells you when it is time to eat.
4 "…damps our resentment…' TMS I ii.3.1 p. 34
Two men squaring up to their hatred and resentment concerns us that one of them may suffer, which cools our feelings for one or the other.
5 "…Hatred and anger are the greatest poison to the happiness of a good mind." TMS I.ii.3.7 p.36
Malicious gossip and jealousy can poison relationships between otherwise former good friends.
6 "that one who takes pleasure to sow dissension among friends" TMS I.ii.4.1 p.39
The act of sowing spreads the seeds of dissension. We have all met 'trouble makers' and spoilers of happy companionship, spreading rumours and gossip about others.
7 "betray the mutual jealousies which burn within them" TMS I.ii.4.2 p. 40
Jealousy destroys former mutual good thoughts.
8 "candidates for fortune abandon the paths of virtue, for unhappily, the road which leads to one, and that which leads to the other, lie sometimes in very opposite directions." TMS I.iii.3.8 p.64
Candidates for virtue can be tempted by the lure of albeit sinful fortune.

9 “consequently, to be willing to lend a hand to promote it” TMS II.i.1.5 p. 68

We can feel obliged to assist in some way.

10 “we feel ourselves still loaded with that debt which his past services have laid upon us” TMS II.i.1.5 p. 68

That implicit debt we owe from past conveniences we received can become weighty when our circumstances have changed.

11 “has in this manner stamped upon the human heart” TMS II.i.2.4 p. 71

Someone’s conduct breaks your former heartfelt feelings for them.

12 “the horrors which are supposed to haunt the bed of the murderer, the ghosts which superstition imagines demand vengeance” TMS II.i.3.1, p 71

The murderer cannot sleep because of what he did when the vengeful victim’s ghost stands before him.

13 “feel that our heart renounces all sympathy with the affections which influenced his conduct” and “our heart rejects” TMS II.i.4.3 p. 74

His conduct was reprehensible and beyond our sympathy.

14 “Our heart readily sympathises with the highest transports of their grateful affection” … “when we bring home to our own breast” TMS II.5.4 p.75

We are swayed by their deep affections.

15 “Unless our heart beforehand disapproves of the motives of the agent”
TMS II.i.5.5 p.75

A sense of demerit of the agent’s actions.

16 “Our heart rises against the detestable sentiments” … “which naturally boils up in the breast of the spectator,’ TMS II.i.5.6 p. 76

Refers to the detestable actions of a Borgia or a Nero.

17 “when a man shuts his breast against compassion…” TMS II.ii.1.7 p. 81

He shows no remorse for his brother or father.

18 “Those whose hearts never open to the feelings of humanity” TMS. ii.1.10, p. 82

Are shut out from the feelings of humanity.

19 “Justice, on the contrary, is the main pillar that upholds the whole edifice.”
TMS II.ii.3.4 p.86
Justice is a most serious requirement in thinking.
20 “from the vanity of their hearts” TMS II.ii.3.8 p. 89
Common among the young and licentious.
21 “fine speeches, must be understood with a grain of allowance” TMS II.iii.2.2 p. 97
Such speeches may be insincere.
22 “incurred the vengeance of that powerful and invisible being” [Jupiter/God]
TMS II.iii.3.4 p.107
From Roman pagan theology.
23 “ he is provided with no mirror which can present them to his view” TMS III.1.3 p 110
Compare Hume's Treatise of Human Nature p.365: 'the minds of men are mirrors to one another." (TMS footnote 1, p.110)
24 “only looking-glass by which we can, in some measure, with in the eyes of other people, scrutinise the propriety, of our own conduct” … “provided we have not already, as they say, shaken hands with infamy” TMS III.1.5 p 112
An excellent figure of speech; "shaken hands with infamy". Its literal meaning beyond doubt.
25 ”we must become the impartial spectators of our own conduct” TMS III.2.3 p. 114
Marginal because the 'impartial spectator' is a central thought in Smith's Moral Sentiments.
26 “These natural pangs of an a frightened conscience are the daemons, the avenging furies, which in this life, haunt the guilty” TMS III.2.9 p. 118
Powerful metaphor of the discomfort of the life of the guilty.
27 “The man within the breast, the abstract and ideal spectator of our sentiments and conduct” TMS III.3.38 p.153
Reminds us of the need to awaken one's sense of duty.
28 “Do not mourn the darkness of solitude” TMS III.3.39 p 154
Applies to solitary persons suffering in misfortune alone.

29 "to pull off the mysterious veil of self-delusion" TMS III.4.4 p 158
Covers the 'deformities of his own conduct'
30 "This self deceit, this fatal weakness of mankind, is the source of half the disorders of human life. If we saw ourselves in the light in which others see us, or in which they would see us if they knew all, a reformation would generally be unavoidable. We could not otherwise endure the sight."
TMS III.4.6 pp. 158–9 See Burns Poem: "Would some power the gift to give us?/ To see ourselves as others see us" -
Words written by Burns after reading TMS; it illustrates the folly of self-perfection or self importance, whereas others see a different person's actual conduct. Burns modern editor, Robert Crawford, interprets Burn's wrongly in my view.
31 Smith's parable of the "poor man's son, whom heaven in its anger has visited with ambition when he begins to look around him, and admires the condition of the rich". TMS IV.1.8–11 pp. 181–87.
This passage is discussed in Chap. 1
32 "The passions of the savage …lie concealed in the breast of the sufferer." TMS V.2.11 p 208
The suppression of shame or anger in the conduct of an indigenous native allegedly remain hidden from others.
33 "The hardiness is the character most suitable to the circumstances of the savage; sensibility to those of one who lives in a very civilised society." TMS V.2.13 p. 209
Contrasts the effect of different societies on individuals in forest and modern civilised societies.
34 "lessons delivered by the voice of Nature itself" TMS VI.1.1 p. 212
Hunger and thirst, pleasure and pain, heat and cold, felt differently in savage and civilised society.
35 "representative of the impartial spectator, the man within the breast" TMS VI.1.11 p 215
The prudent man is supported by his impartial spectator.
36 "It is the best head joined to the best heart" TMS VI.i.15, p 216
Superior prudence acts with perfect propriety, and intellectual and moral virtues.

37 ‘This force of blood’ TMS VI.ii.1.10
Mythical force in tragedies and romances.
38 ‘Kindness is the parent of kindness’ TMS VI.ii.1.19 p 225
If to be beloved is the object of our ambition then show them by our conduct that we love them.
39 ‘to the decision of the man within the breast, supposed impartial spectator, the great judge and arbiter of our conduct’ TMSVI.ii.1.21 pp. 226–7
His voice will never deceive us.
40 ‘are commonly intoxicated with the imaginary beauty of this ideal system, of which they have no experience.’ TMS VI.ii.2.15 p. 232
They become dupes of their own sophistry.
41 ‘in the great chess-board of human society’ TMS VI.ii.2.18 p. 234
‘Where every single piece has a principle of motion of their own.’
42 ‘that great, benevolent, and all-wise Being’ TMS VI.ii.3.2 p 235
Requires ‘a belief in God as an all wise being’ but crumbles ‘in a fatherless world’.
43 ‘magnanimous resignation to the will of the great Director of the universe’ [and] ’the great Conductor of the universe.’ TMS VI.ii.3.4 p.236
Humble resignation to submit to this allotment like a “good soldier”
44 ‘the immense machine of the universe’ TMS VI.ii. 3.5 p 236
Of all objects of human contemplation is by far the most sublime.
45 ‘the great system of the universe’ TMS VI.ii.3.6 p. 237
God’s duty great, but man’s is humbler, the care of his family.
46 ‘Death, as we say, is the king of terrors’ TMS VI.iii.7. p. 239
The terror of death experienced in war.
47 ‘what is called hardness of heart’ TMS VI.iii.15 p 243
Renders a man insensible to other’s feelings, others to his feelings,
48 ‘which tend, as it were, to break the bands of human society’ TMS VI.iii.16 p 243
Mutual non-feelings for each other.
49 ‘the great inmate, the great demi-god within the breast’ TMS VI.iii.18 p 245
The real man of virtue.

50 ‘the judge within the breast’; ’the warfare within the breast’ TMS VI.iii.19 p 245
Can become too violently intolerant.
51 ‘we soon grow weary of the flat and tasteless gravity” TMS VI.iii.21 p 246
Comes with old age.
52 ‘and scramble to an elevation disproportioned, as we think, to their merit”
TMS VI.iii.22 p 246
Causes displeasure with them.
53 ‘the great demigod within the breast, the great judge and arbiter of conduct’ TMS VI.iii.25 p 247
Formed by his conduct - self not God.
54 “some impudent blockhead” TMS VI.iii.48 p 260
Men often do not rate any person higher than themselves.
55 “supposed impartial spectator, of the great inmate of the breast, the great judge and arbiter of conduct” TMS VI.iii.conclusion p 262
No man ever trod always on the paths of prudence, of justice, and proper beneficence.
56 “rush headlong, if I may say so, to its own gratification.” TMS VI.concl.1 p 263
Without a sense of propriety.
57 “overawes all those mutinous and turbulent passions into that tone and temper which the impartial spectator can enter into and sympathize with.”
TMS VI.conclusion.3 p 263
Requires regard for the sentiments of others.
58 “which are supposed either to rise from, or to denote, what by a metaphor in our language, we commonly call spirit or natural fire.” TMS VII.ii.1.4 p 268
Founded on pride or resentment, or animosity, or for victory and revenge.
59 “passions, those of the irascible part of the soul” TMS VII.ii.1.7 p 268
Leads them to despise all dangers.
60 “the Author of nature” TMS VII.ii.1.16 p 273
A Stoic virtue.

61 'the great Director of the world" TMS VII.ii.1.18 p 274
Jupiter, the pagan god.
62 'the great genius of human nature, and of the world" TMS VII.ii.1.20 p 276
Stoic
63 'the great republic of the Gods and men" TMS VII.ii.1.21 p 277
pagan Jupiter
64 'the great Superintendent of the universe" TMS VII.ii.1.21 p 277
pagan Jupiter
65 "to the director of this spectacle of human life" … "Superintendent of the universe" TMS VII.ii.123 p 278
pagan Jupiter.
66 'thanks to the Gods, who from their infinite bounty have opened the safe and quiet harbour of death … to receive us from the stormy ocean of human life … this sacred, this inviolable, this great asylum" TMS VII.ii.25 p 280
Jupiter, and Company.
67 ''to do so by that superintending power" TMS VII.ii.1.27 p. 281
Providence.
68 "[CATO] "an excellent bottle companion" TMS VII.ii.1.32 p 286
A sociable drinking companion.
69 "to the judgement of the man within the breast" TMS VII.ii.1.34 p. 287
Against suicide.
70 "Nature, the great conductor and physician of the universe …the great Physician of nature; the all wise Architect and Conductor" TMS VII.ii.1.37 p 289
Synonyms for Nature not God? From nos. 60 to 73?
71 "the great Superintendant of the universe" … repeated`; 'the great Superintendant of the universe" and again in para 39 TMS VII.ii.1.37 p 289 and p 290 (see also p 292 1.46).
Christian readers collapse these pagan references (60–71) into their theology.
72 "The real or even the imaginary presence of the impartial spectator, the authority of the man within the breast, is always at hand to overawe them into the proper tone and temper of moderation" TMS VII.ii.1.44 p 292
Real or Imaginary Spectator?

73 “Human society, when we contemplate it in a certain abstract and philosophical light, appears like a great, and immense machine, whose regular and harmonious movements produce a thousand agreeable effects. As in any other beautiful and noble machine that was the production of human art, whatever tended to render its movements more smooth and easy, would derive a beauty from this effect, and on the contrary, whatever tended to obstruct them would displease upon that account: so virtue, which is, as it were, the fine polish of the wheels of society necessarily pleases; while vice, like the vile rust, which makes them *jar* and grate upon one another, is as necessarily offensive.” TMS VII.iii.1.2 p 316
A moral observation about society.
74 ‘We are so nice in this respect that even a rape dishonours, and the innocence of the mind, cannot in our imagination, wash out the pollution of the body” TMS VII.iv.13 p 332
Disgust and polution.
75 “to penetrate into each other’s bosoms… who invites us into his heart …sets open the gates of his breast to us” TMS VII.iv.28 p 337
Friendship.
76 “seems as it were, to build a wall about his breast” TMS VII.IV.28 p 338
Privacy taken too far undermines friendship.

Exhibit no 2
Adam Smith’s Use of Figures of Speech and Metaphors in the *Wealth of Nations*

1 “dug from the bowels of the earth’ WN I.i.11 p 23
alludes to the depth of the digging.
2 “so desert of a country as the Highlands of Scotland” WNI.111.1. p 31
a relatively empty place without people.
3 “to the boisterous waves of the ocean” WN I.iii.5 p 34
a choppy place to get wet.
4 “landlords, like all other men, love to reap where they never sowed” WN I.vi.8 p 67
somebody else does the work for them.

5 “as it were, the central price, to which the prices of all commodities are continually gravitating” WN I.vii.15 p 75
varying prices attracted by circumstances around a common single price.
6 footnote: Cantillon, Essai I.x: ‘the perpetual ebb and flow” of market prices’ WN I.vii.footnote 10 p 75
prices go up and down.
7 “But the market price…is in this manner continually gravitating, if one may say so,” WN I.vii.20 p 77
prices drawn by events to an average.
8 ‘what may be called the natural balance of industry’
LJ(A) vi.84ff. in WN I.vii.footnote 12.
where industrial firms settle in respect of each other.
9 “squeezed out of the buyers”, in “sinking the workman’s wages below” and “bred to the business” WN I.vii.31. p 79 footnote 17 “man is “of all sorts of luggage the most difficult to be transported” p 79 footnote 17.
three metaphors together of their impact on labourers.
10 “the violence of those tumultuous combinations” WNI.viii.14 p 85
absent legal rights desperate wage labour act desperately.
11 “The scarcity of hands” WN I.viii.17 p 86
labour use their hands to earn wages.
12 WN I.viii. footnote 15 p 88
“cannot fail to sink into the neglect that they always deserved.”
circumstances determine outcomes.
13 “a man is of all sorts of luggage the most difficult to be transported”
families and possessions are burdens on speedy mobility.
WN I.viii.31 p 93
14 “But poverty, though it does not prevent the generation, is extremely unfavourable to the rearing of children. The tender plant is produced, but in so cold a soil and so severe a climate, soon withers and dies.”
WN I.viii.38 p 97
Child mortality from poverty.
15 Cantillon *Essai* ed. Higgs 83: “Men multiply like Mice in a barn if they have unlimited Means of Subsistence”; Steuwart: “the generative faculty resembles a spring loaded with a weight which always exerts itself in proportion to the diminution of resistance” WN I.viii. footnote 38, p 97
Sex a singular event, pregnancy is 9 months, life 3 score years and ten.

16 “Money says the proverb, makes money.” WN I.ix.ii.11 p 110
Wealth reproduces itself - so does poverty.
17 ‘such enormous usury must in its turn eat up the greater part of those profits.” WN 1.ix.13 p 111.
usury reduces profits
18 “A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill may be compared to one of those expensive machines.” WN I.x.b.6 p 118
Simplify expensive labour.
19 “The lottery of the law…” WN I.x.b 22 p 123
You win some, lose some.
20 “The dangers and hair-breadth escapes of a life of adventures…” WN I.x.b 32 p 127
Prefer steady life styles.
21 “The most hazardous of all trades, that of a smuggler …is the infallible road to bankruptcy” WN 1.x.b.33 p 128
caught once wipes out all past and future gains.
22 “so far it was as broad as long” WN 1.x.c.18, p 141
Not much to choose between options.
23 “but reduce the whole manufacture into a sort of slavery to themselves” WN I.x.c.22 p 143
Not a good choice.
24 “the clamour and sophistry of merchants and manufacturers easily persuade them that the private interest of a part, and subordinate interest of a part, is the general interest of the whole” WN I.x.c.25 p 144
Confusing who benefits most.
25 “It then spreads itself, if I may say so, over the face of the land” WN I.x.c.26 p 145
Like an unpleasant rash.
26 “People of the same trade seldom meet together, even for meriment and diversion, but he conversation ends in a conspiracy against the public, or in some contrivance to raise prices” WN I.x.c.27 p 145
Collective Self interest flourishes in secrecy.
27 “Monopoly, besides is a great enemy to good management” WNI. xi.b.5 p 163
Monopoly makes lazy managers.

28 "the chief enjoyment of riches consists in the parade of riches" WN I.xi.c.31 p 190
Self importance generates overly self-pride.
29 "To widen the market and to narrow the competition, is always the interests of the dealers." WN I.xi.p p 267
Monopolistic instincts flourish in non-competitive markets.
30 "The great wheel of circulation" WN II.ii.14 p 289
Suppliers and customers exchange money for goods and good for money.
31 "the great instrument of commerce'` WN II.ii.23 p 291
Paper money.
32 "The channel of circulation, if I may be allowed such an expression" WN.II.ii.30 p 293
Flows of money circulate.
33 SIMILE: "The coffers of the bank, so far as confined to such customers, resemble a water pond, from which, though a stream is continually running out, yet another is continually running in…the pond keeps always equally, or very near equally full.' WN II.ii.59 p 304
By analogy.
34 "The projectors, no doubt, had in their golden dreams the most distinct vision of profit" WN II.ii.69 p 310
Counting unhatched chickens.
35 "payment, therefore was altogether fictitious. The stream, which, by means of those circulating bills of exchange, had once been made to run out from the coffers of the banks, was never replaced by any stream which really, run in to them." WN II.ii.70 p 311
Money flows from banks to projectors.
36 "It acts, not only as an ordinary bank, but as a great engine of state." WN II.ii.85. p 320
The State's central bank.
37 The judicious operations of banking, by providing, if I may be allowed so violent a metaphor, a sort of waggon-way through the air, enable the country to convert, as it were, a great part of its highways into good pastures and corn fields, and thereby to increase very considerably the annual produce of its land and labour." WN II.ii.86. p 321
Long metaphoric description of land travel before air travel.

38 “The commerce and industry of the country, however, it must be acknowledged, though they may be augmented, cannot be altogether so secure, when they are thus, as it were, suspended on the Daedalian wings of paper money, as when they travel about on the solid ground of gold and silver.” WN II.ii.86, p 321; also ED 4.4; LJ(A) vi.128-9; LJ(B) 245
Best metaphor in the English language! Based on the Greek fable of Daedalus.
39 “prodigal: “by feeding the idle with the bread of the industrious tends only to beggar himself, but to impoverish his county.’ WN II.iii.20 p 339
Bad business investments wasted by prodigals.
40 “every prodigal appears to be public enemy, and every frugal man a public benefactor.” WN II.iii.25 p 340
One destroys wealth, the other creates it.
41 “bettering our condition, a desire that comes with us from the womb, and never leaves us till we go into the grave.” WN II.iii.28 p 341.
Self-betterment, the longest running propensity of human kind.
42 “The greater part of men, therefore, are sufficiently careful to avoid it. Some, indeed do not avoid bankrupcy; as some do not avoid the gallows”. WN II.iii.29 p 342
Comparative metaphor - used to be true.
43 “the unknown principal of animal life, it frequently restores health and vigour, in spite of the absurd prescriptions of the doctor”. WN II.iii.31 p 343
Correct economic policies more successful than silly ones.
44 “Nor have these publications been all party pamphlets, the wretched off-spring of falsehood and venality” WN II.iii. 33 p 344
Read policy prescriptions carefully.
45 “interest is the barometer of the state” David Hume WN II.iv footnote 5 p 352
low interests safer than high interests.
46 “where agriculture is the most profitable of all employments … the most direct roads to a splendid fortune” WN II.v.37 p 374
Profitable farming a sign of safer investments.
47 “Avarice and injustice are always short-sighted” WN III.II.16 p 393
They add to the problems.

48 “as the fertility of the land had given birth to the manufacture” WN III.iii.20 p 409
One begets the other
49 “Such manufactures are the offspring of agriculture” WN III.III.20 p 409
Profitable farming leads to spending on manufactures
50 “its two great engines for enriching the country, therefore, were restraints upon importation, and encouragement to exportation.” WN IV.i.35 p 450
Imports cost money and exports earn money.
51 “By preferring the support of domestic to foreign industry, he intends his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an Invisible Hand to promote an end which was no part of his intention.” WN IV.ii.9, p 456
The Invisible Hand paragraph which is misunderstood. See Chapter 5.
52 “the bounty in white herring fishing…has, I am afraid been too common in vessels for the sole purpose of catching, not the fish, but the bounty” (WN.v.a. 32 p 520) see also LJ(A), vi. 92
The money Bounty is paid certain, without leaving port. Catching fish are not so certain a route to profits.
53 “a number of wretched hucksters” WN IV.v.b.8. p 528
Untrustworthy schemers
54 “Jacks of all trades will never be rich, says the proverb.” WN IV.v.b.14 pp. 530–31
Specialise rather than generalise.
55 “The popular fear of engrossing and forestalling may be compared to the popular terrors and suspicions of witchcraft. The unfortunate wretches accused of this latter crime were not more innocent of the misfortunes inputted to them, than those who have been accused of the former.” WN IV.v.b.26 p 534
Popular fears are often misplaced
(WN Volume 2 pagination continues as per Volume 1)
56 “the *sacred thirst* for gold” WN IV.vii.a p 562
Uncontrolled desires are vulgar.

57 “are only *impertinent badges of slavery imposed upon them*, without any sufficient reason, by the groundless jealousy of the mother country” WM IV.vii.b.44 p 582
imposition of trade laws by a colonial power.
58 “the great circle of European commerce” (WN IV.vii.c.8 p 592)
A great circle is a spherical navigation technique to navigate on a global surface, especially at sea or by flying.
59 “resembles one of those unwholesome bodies in which some of the vital parts are overgrown …which ..are ..liable to many dangerous disorders…” WN IV.vii.c.43 p 604
Unhealthy bodies.
60 “The blood, of which the circulation is stopped in some of the smaller vessels, easily disgorges itself into the greater … but when it is stopped in any of the greater vessels, convulsion, apoplexy or death, are the immediate and unavoidable consequences” WN IV.vii.c.43 p 605
Metaphoric for disorders in trade.
61 “drained Great Britain completely of all the commodities which were fit for market” WN IV.vii.c.45 p 606
Took too large shares of saleable products.
62 “afraid to prepare goods for the consumption of those haughty and great men” WN IV.vii.c.53 p 610
Too powerful customers.
63 “like all the other mean and malignant expedients of the Mercantile system” WN IV.vii.c.56 p 610
Not free and fair trade.
64 ‘the same sort of parental affection on the one side, and filial respect on the other” WN IV.vii.c.66 p 617
Balanced relationships.
65 “leading men, the natural aristocracy of every country” WN IV.vii.c. 74 p 622
Who leads *rules.*
66 “like other ambitious men have rather chosen to draw the sword in defence of their own importance” WN IV.vii.c74 p 622
Ego-driven spoiling for a fight.

67 "Instead of piddling for the little prizes which are to be found in what may be called the paltry raffle of colony faction" WN IV.vii.c.75 pp. 622–3
Squabbling over trivia.
68 "from the wheel of the great state lottery of British politics." WN IV.vii.c.75 p 623
Many are called, few are chosen.
69 "fills at present in his own fancy, a station superior, not only to what he had filled before … to what he had ever expected to fill…if he has the ordinary spirit of a man, he will die in defence of that station" WN IV.vii.c.75 p 623
Self-importance hard fought for.
70 "To the undiscerning eye of giddy ambition, it naturally presents itself amidst the confused scramble of politics and war, as a very dazzling object to fight for." WN IV.vii.c.85 p 628
Big ambitions for small gains.
71 "Monopoly of one kind or another, indeed, seems to be the sole engine of the Mercantile system" WNIV.vii.c.89 p 630
Drive for monopoly.
72 "by a strange absurdity, regard the character of the sovereign as but an appendix to that of the merchant" WN IV.vii.c.103 p 637
Inconsequential sovereign.
73 "the invisible death to which every man feels himself every moment exposed' WN V.ia. 22 p 699
Fear of death.
74 "the knavery and extravagance of their stock-jobbing projects" WN V.i.e.22 p 745
Crooked deals.
75 "how few men, born to easy fortunes" WN V.i.f.4 p 760
Inheritance spoils personal character.
76 "From the insolence of office" WN V.i.f.9 p 761
Office gives petty power to people unsuited to exercise it.
77 "the sanctuaries in which exploded systems and obsolete prejudice found shelter and protection' v.i.f.31 p 772
Somebody always clings to their petty prejudices.
78 "unless government takes some pains to prevent it" WN V.i.f.50 p 782
Requires concerted effort.

79 “he is sunk in obscurity and darkness” WN Vi.g.12 p 795
A ‘nobody’.
80 “Science is the great antidote to the poison of enthusiasm and superstition” WN V.i.g.14 p 96
Science trumps ignorance.
81 “always the nurse of popular superstition and enthusiasm.” WN V.i.g.15 p 796
Ignorance rules.
82 “the benefices of the clergy are a sort of freehold which they enjoy” p 797. WN V.i.g.19 p 798
Comfortable job for life.
83 “has generally conducted itself with the slothful and negligent profusion” WN V.ii.a.4 p 818
Not subject to accountability.
84 “poll taxes…as badges of slavery” WN V.ii.g.11 p 857
Very unpopular taxes.
85 “no art…governments sooner learn…than that of draining money from the pockets of the people.” WN V.ii.h.12 p 861
The power to tax seldom not exercised.

Conclusions

Language is replete with metaphors and figures of speech. Literate authors use them to great affect. They can add to the readability of texts and to the receptibility of speech, provided they contribute to the perspicuity of the message in which they are contained.

Smith was a careful writer, doing and undoing that which he drafted. For an excellent analysis of Smith’s efforts at perspicuity, I recommend Samuel Fleischacker’s thoughts. Apart from being a most perspicuous writer himself, Fleischacker practices Smith’s teachings on perspicuity in his extremely well-written and perspicuous text about Smith’s overall contributions to the eighteenth-century political economy and moral philosophy. I heard him deliver a paper at a History of Economics conference and he speaks as clearly as he writes.

However, we so far metaphorically have only dipped our toes into the water, so to speak, and must press on to other ideas of this Authentic Account.

Notes

1. LRBL, i.149–150, p. 149.
2. LRBL, i.v.56–57, pp. 25–26.
3. LRBL, i.66, p. 29.
4. WN I.iv.18: p. 46; cf. WN I.v: 47– I.xi.p. 267.
5. LRBL, iv.53, p. 25.

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Adam Smith and the 'Invisible Hand'

***

Introduction

Multiple references to Adam Smith's use and supposed meaning of the 2-word metaphor of 'an Invisible Hand' today stand in stark contrast to the almost total absence of mentions of the same metaphor whilst Smith was alive and for many decades after he died in 1790. Contemporary sources such as the *Monthly Review* (1776) did not mention the 'Invisible Hand' and nor did his contemporary critic, Governor Pownall, September 1776, mention the 'Invisible Hand' in his long and detailed critique of the *Wealth of Nations*.[1]

Significantly, 'the Invisible Hand' only became a subject for academic discussion very slowly, from a few mentions in the 1870s in very limited circulations, until the mid-twentieth century. There may have been unrecorded oral mentions of which to date we have had no access. However, from the 1960s mentions of the 'Invisible Hand' rapidly grew both in academic and public or media discourse, until mentions became ubiquitous from the 1970s. They remain ubiquitous in 2017.

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Exceptionally, Dugald Stewart, the son of Michael Stewart, a fellow student of Smith's at Glasgow, and close family friend, referred to a theological version of the 'Invisible Hand' of God in 1792. Dugald wrote:

> he follows blindly his instinctive principles of action, [and] he is led by an Invisible Hand and contributes his share to the execution of a plan …even in those rude periods of society, when like the lower a animals, he followed blindly his instinctive principles of action, of the nature and advantages of which he has no conception (Stewart 1792).

We can on occasion read similar theological assertions linking the 'Invisible Hand' to 'a plan' even today. Of relevance to my general point, Dugald Stewart, published his own economics lectures verbatim that he delivered at Edinburgh University, which included extracts from *Wealth of Nations* in the form of long footnote quotations, relating to the topics he discussed in his own lectures. One of his extracts included the very paragraph containing Smith's singular reference to 'an Invisible Hand' in *Wealth of Nations*. Noticeably, Stewart focussed on that paragraph's general economics content, and ignored Smith's use of the 'Invisible Hand' altogether. However, there is some concern, as expressed by Sir William Hamilton, Editor of the 1855 papers, that many pages of Dugald's relevant political economy manuscript papers were missing, believed destroyed by a member of his family, specifically his son, Col. Stewart, who reportedly suffered from a mental illness, and, therefore, the extant papers remain incomplete (Stewart 1855).

In a similar singular example, the 'Invisible Hand' in Smith's *Wealth of Nations* paragraph was paraphrased by Buckle, in 1859, without his commenting on the 'Invisible Hand' metaphor itself.

After the 1870s there was a minor flurry of isolated mentions, literally by only a handful of authors, on Smith's use of the 'Invisible Hand', which was followed by long near silences, interrupted occasionally by individuals discussing Smith's 'Invisible Hand', such as by Frederick Maitland, a Lawyer, in a paper for his Cambridge Fellowship, who referred directly to the Invisible Hand.[2] Generally, Smith's use of the now infamous metaphor, was hardly mentioned in either the academic or the popular press.

I found a singular exception in my collection of nineteenth-century editions of Smith's *Wealth Of Nations*. It is in the 1891 edition of *Wealth of Nations,* edited by J. Shield Nicholson, Professor of Political Economy at Edinburgh University. Nicholson includes a 32-page *Introductory Essay* on WN.[3] On page 2 of his essay, Professor Nicholson, criticises '*the prevailing error that Political Economy inculcates selfishness*', and responds with Smith's long-ignored paragraph that self-interest results in the '*general benefit of society*', and quotes: the merchant '*generally, indeed, neither intends to promote the public interest nor knows how much he is promoting it … and he is in this and many other cases, led by an* Invisible Hand *to promote an end which was no part of his intention.*'

Professor Nicholson, in the context of his quotation and his comments, clearly considered the 'Invisible Hand' was a force of God and not a metaphoric literary device of Smith's. However, the main point cannot pass unnoticed that Nicholson's direct reference to this passage was most unusual amongst authors after Smith died in 1790, until the 1870s.

There are a few other exceptions up to 1948, when the frequency of mentions of the 'Invisible Hand' slowly accelerated until the late 1960s, when mentions of the 'Invisible Hand' increased to become a veritable flood that still flows strongly.

Samuels, after completing 12-years of studying the role and use of the 'Invisible Hand' in the world's economic literature, reported that 'Incomplete data for materials published in the English language – principally, but not solely, economic writings – suggest that between 1816 and 1938, the average annual level of writings in which the 'Invisible Hand' appeared was very low, confirming my assertions from my own library searches.

Thereafter, writes Samuels, from roughly 1942 through 1974, the average annual level of writings doubled; from 1975 through 1979, it roughly doubled again; and between 1980–1989, it was approximately 6.5 times higher than it had been during 1942 through to 1974. Between 1990 and 1998, the average annual level was a little more than eight times that of the 1942–1974 level and slightly more than 20 percent higher than the

1980-1989 level. During 2000-2006, the average annual level seems to have receded to a level slightly more than 60 per cent of the 1990–1999 level, the highest level reached so far.[4]

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This chapter addresses this strange phenomenon of an apparent disinterest in Smith's use of the 'Invisible Hand' whilst he was alive and for long after his death in 1790, up to the 1870s. This was followed by an, albeit very slow beginning of cumulative mentions, then a slow acceleration after 1948, and finally a veritable stampede of widespread references from the mid-1970s onwards that continues on an even larger scale and in an ever wider-spread of in-depth acclaim across all media today, with abundant and varying versions of what the 'Invisible Hand' supposedly means.

The idea of a theological 'Invisible Hand' has a longer and deeper history than the secular use of it by Adam Smith. It has been in regular use in theological contexts since the seventeenth century (Harrison 2011).

There were various literary mentions of a 'hidden hand' in fiction and they include, for example, its use by Sir Walter Scott, at the time, Scotland's leading historical author, in his novel, *The Antiquary* (1816). Scott paid homage to a then living artist's framed painting on the wall of a fictional cottage in one of his stories. The named, living artist wrote to him, with the typical deferential modesty of the age, to say that Scott's reference to his work had placed him under a 'debt of obligation', because by his mention of his '*unseen hand in The Antiquary, you took me up, and claimed me, the humble painter of domestic sorrow, as your countryman*'.

Another isolated early mention was by the popular Scottish, charismatic Calvinist Presbyterrean preacher, Thomas Chalmers (1780–1847), who in 1833, preached the 'Invisible Hand' of God that '*bespeaks of a master hand'* that renders '*the greatest economic good…by the spontaneous play and busy competition of many thousand wills, each bent on the prosecution of its own selfishness*'.[5] Chalmers wed his theology to his version of Adam Smith's political economy, which appealed to his large evangelical congregations and readers of his several books in his heyday.

In contrast, leading political economists, such as David Ricardo, Jean-Baptiste Say, Thomas Robert Malthus, John Stuart Mill, Alfred Marshall, William Stanley Jevons and others, who read and commented in detail on *Wealth of Nations* and who published their comments on Adam Smith's political economy widely, yet all maintained a manifest silence about Smith's supposed crowning glory of '*an Invisible Hand'*, thus implicitly crediting the metaphor with no great significance.

Typical of this group of specialists, who studied Adam Smith's *Wealth of Nations* in depth, was J. R. McCulloch, who started publishing, the first of several editions of WN in 1828, laced with his comments, both critical and complimentary within Smith's text and its 669 pages. His 3rd edition of his WN text was published in 1885. Given McCulloch's detailed comments on Smith's text throughout WN, it is remarkable that McCulloch said not a word about Smith's use of the '*Invisible Hand'* metaphor in the relevant passage in Book IV.2, p. 199. Moreover, there are 14 footnotes, some quite long ones, in this chapter alone, but none that relate to the famous metaphor, indicating how non-consequential contemporary readers regarded the 'Invisible Hand' (Ramsay McCulloch 1872).

The long silence amongst leading political economists up to the 1770s contrasts with the assertions of most modern economists today, who consider Adam Smith's use of the 'Invisible Hand' to be two words of the highest significance in all of economics. These assertions and their related assumptions remain manifestly untrue. Yet today, judging by the evidence of the mass of economic publications across the world, the 'Invisible Hand' currently enjoys the status of enormous significance for many economists. If the 'Invisible Hand' metaphor had any degree of the significance that is attributed to it today, the fact of the absence of mentions of the now famous metaphor by Smith's contemporaries, and those leading economists who came immediately after him, well into the late-nineteenth century, suggests the contrary view that the metaphor as used by Adam Smith was generally considered to be of little significance amongst major figures in the history of economic thought, and that this view was shared by Adam Smith himself.

Exhibit 3: Some General Theological References to 'an Invisible Hand', from Ancient Times to the eighteenth-century:

1 Ovid: '*his Invisible Hand, inflicting wound within wound*'; (8 AD).
2 Lactantius,' *his shoulder plunged the sword.writh'd his hand, deep in his breasts, made many wounds in one*'; *invisibilis*' (250–325 AD);
3 Augustine, City of God: '*moves visible things by invisible means*', (340–430 AD);
4 Shakespeare, W, (1606): '*Thy Bloody and Invisible Hand*';
5 Glanvill, J. '*nature by an Invisible Hand in all things; 'invisible intellectual agents*' (1661);
6 Voltaire (1718): '*an Invisible Hand suspends above your head*';
7 Defoe, D: (1723) '*A sudden Blow from an almost Invisible Hand*', (1722);
8 Charles Rollin (1738) said of the Israeli Kings, '*the Invisible Hand which conducted them*';
9 William Leechman (1755): '*the unseen silent hand of an all wise providence*';
10 Charles Bonnet, (1781): '*led to its end by an Invisible Hand*', in '*Contemplations of de la Nature';*
11 *Jean-Baptiste Robinet* (1761): '*basins of mineral water, prepared by an Invisible Hand*' in De La nature';
12 Walpole, H. 1764: 'with violence by an Invisible Hand';
13 Reeve, C. (1778): '*he was hurried away by an Invisible Hand'*.
William Leechman, Charles Bonnet, Jean-Baptiste Robinet, Walpole, and Reeve, were all contemporaries of Adam Smith, indicating their relatively widespread familiarity of references to an 'Invisible Hand' in general literature. Yet none of them appear to have commented on Smith's use of it.

Clearly, the 'Invisible Hand' had a long history of its use by many others, primarily in theological contexts, before Smith used it once each in his published books. References to an Invisible Hand were so common in theological literature and in fiction that Smith's colleagues and the next generation of political economists in the first half of the nineteenth century were not struck by its appearance in Smith's books.

Some nineteenth-century European authors did comment on the 'Invisible Hand' in variety of largely disconnected ways between 1857

and 1899. Amongst this minority set of interventions were those in Exhibit 4:

Exhibit 4: Early Post-Smithian References to the 'Invisible Hand' 1857–1899

1 Buckle, H. T. 1857/1885 *History of Civilisation in England*. London: Longmans Green and Co.
2 August Onken, in 1874. *Adam Smith in der Culturgeschicte*. Vienna: Faesy and Frick.[6]
3 Leslie 1879/1888: (1888, ch. xi), saw the Invisible Hand as the '*strongest argument for laissez-faire*'.[7]
4 Maitland, Frederic W. *A Historical Sketch of Liberty and Equality*. Indianapolis: Liberty Fund, featured the Invisible Hand in his Fellowship Essay at Cambridge University (Maitland 1875).
5 Bonar, J. 1892. *Adam Smith. Dictionary of Political Economy*, ed. R. H. Inglis Palgrave, 3: pp. 413, 415. London: Macmillan. Bonar, J. 1893. *Philosophy and Political Economy in Some of Their Historical Relations*. New York: Swan Sonnenschein (Bonar 1892, 1893).
6 Smart, William. 1899. *The Distribution of Income*. London: Macmillan.

Following a survey of the few references by late nineteenth century economists, I agree with Mark Blaug's entry on the Invisible Hand in the *New Palgrave Dictionary of Economics* (2008):

> It was only in the last quarter of the nineteenth century (as a result of some German critics of Smith) that the phrase 'Invisible Hand', which after all occurs only once in the Wealth of Nations, was elevated to a proposition of profound significance. Rothschild deals expertly with the subject and concludes that 'the image of the Invisible Hand is best interpreted as a mildly ironic joke' (Rothschild 2001, p. 116). This may be going too far in the opposite direction to the now prevailing interpretation, but there is no doubt that Smith himself did not attach great importance to the idea of an invisible agency channelling the behaviour of self-interested individuals and instead regarded the metaphor of the Invisible Hand as a sardonic, if not ironic, comment on the self-deception of all of us, including moral philosophers.

There were also some isolated references to discussions either side of the turn of the nineteenth to the twentieth century, such as by Professor A. C. Pigou (1920) of Cambridge University, in his massive volume on *The Economics of Welfare* which basically was about the case for government targeted expenditures on welfare-related projects.

Then the game changed.

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Paul Samuelson published the first edition of his *Economics: an introductory analysis*, McGraw-Hill, 1948, which for over 50 years in its 19 editions, was a major Econ 101 textbook in the world's universities. Samuelson's overly casual remarks on Adam Smith's 'Invisible Hand' changed everything:

> Even Adam Smith, the canny Scot whose monumental book. 'The Wealth of Nations' (1776), represents the beginning of modern economics or political economy - even he was so thrilled by the recognition of an order in the economic system that he proclaimed the mystical principle of the 'Invisible Hand'; that each individual in pursuing his own selfish good was led, as if by an Invisible Hand, to achieve the best good of all, so that any interference with free competition, by government was almost certain to be injurious. This unguarded conclusion has done almost as much harm as good in the past century and a half, especially since too often it is all that some of our leading citizens remember, 30 years later, of their college course in economics.

Somewhat ironically, Samuelson's last sentence above perfectly describes his own singular devastating and lasting influence, by his doing '*more harm than good*' to the subject of introductory economics (Kennedy 2010).

Samuelson, later concluded in his 1967 edition with a partial recant for his initial fantasy:

> In short, Adam Smith, in his famous passage had no right to assert that an Invisible Hand channels individuals selfishly seeking their own

> interests into promoting the 'public interest – as these last two words might be defined by a variety of prominent ethical and religious notions of what constitutes the welfare of a nation. Smith has proved nothing of this kind, nor has any economist since 1776.

Despite his partial retraction, it was Samuelson's own fallacious claim that Smith allegedly wrote '*that each individual in pursuing his own selfish good was led, as if by an Invisible Hand, to achieve the best good of all'.* So, no apology from Samuelson then! His blatantly incorrect statement, of course, was not written by Smith. We know this for sure because Samuelson turned Smith's use of a metaphor—a brilliant allusion to 'an Invisible Hand'—into a simile '*as if by an Invisible Hand',* which is a sure sign that Samuelson was quoting from memory. The difference is important in literate language as it is in properly stated mathematical operations. It was Samuelson who made up his literary statement and did the lasting damage to modern economics that we still live with. Samuelson, in effect, invented a modern narrative for Smith, though, later, he eventually found it wanting in subsequent editions, presumably prompted by his co-editors or one of his researchers. Even then, Samuelson blamed Smith for what he himself had irresponsibly done!

Samuelson included in his misleading account of Smith's use of the now infamous metaphor through 19 editions of his textbook and its 41 translations that were read by nearly 5 million purchasers, plus, of course, those readers active in the second-hand used-textbook market, especially as university textbook prices grew markedly with each new edition, driving poorer readers and researchers such as myself, to look for cheaper options. Shortly afterwards, repeated mentions of Samuelson's misleading version of Smith's 'Invisible Hand', grew exponentially and continues to do so, even today.

Many other authors, without checking for themselves by reading *Wealth of Nations*, simply copied into their own new textbooks Samuelson's careless error, which is still the defining belief, widely shared across all academic and popular media personnel and believed to be true by the majority of faculty and their graduate students. In time, the 'Invisible Hand' story spread from campuses to the worldwide media and today Samuelson's error thrives on a scale unmatched

by almost any other popular expression amongst economists and the general public. According to 'Google Alerts', the 'Invisible Hand' is mentioned somewhere, ten or twenty times a day in the world's media outlets in hosts of different contexts, from the proverbial sublime to the utterly pretentious.[8]

However, the basic fact remains, that before 1948, the Invisible Hand metaphor was infrequently mentioned amongst the hundreds of thousands of words printed in their volumes by leading economists in the nineteenth and the first half of the twentieth centuries. By all measures, Adam Smith was scrooge-like in his references to the now ubiquitous words of the famous metaphor. It would be no exaggeration to say, that in the minds of innumerable people today, who have never read Smith's books and rely only on secondary sources, that the words 'Adam Smith' and 'Invisible Hand' are seen by them as synonymous. Amongst those believers there are Nobel Prize winners, many senior professors in prestigious universities and countless numbers of highly talented and tenured academic scholars, distinguished members of the editorial boards of the most prestigious academic journals by and for professional academic economists, and the majority of their academic referees of our top Journals, and sadly, also amongst the alumni of allied professions. As with the leaders of the profession, so with its graduates and students, as well as the general public, the 'Invisible Hand' is often all that they know of Adam Smith.

All media and web sources around the world abound with references to Smith's alleged affinity with modern notions about the 'Invisible Hand', which notions represent a wide disconnect between Smith's strictly limited reference to the 'Invisible Hand' as a metaphor for the all too obvious consequences of a merchant investing his capital exclusively in a domestic economy. Modern interpretations and assertions about the 'Invisible Hand's supposed deeper meanings are used mostly to justify modern theories and economic policies and political choices. Of course, these policies and remedies and their modern contexts were unknowable to Adam Smith. Moreover, since what used to be a mainly literary micro-economics eventually became a largely mathematically biased subject and abounds with concepts and techniques unknown to

Adam Smith.[9] The errors of attribution to his use of 'an Invisible Hand' as a metaphor have lost touch with *Wealth of Nations* and anything remotely to do with its author. We should note that Adam Smith took a keen interest in the mathematics of his day and was regarded as competent by eighteenth century standards.

I speculate that few of Smith's actual students had problems in understanding his singular use of 'an Invisible Hand' metaphor only once in each in his two published texts (TMS, WN). We do not know how his readers may have reacted to his third, and posthumous, publication of his *History of Astronomy* (HOA 1795).[10]

Smith started and wrote much of this long Astronomy essay whilst at Balliol College and the lack of interest by Balliol Faculty in discussing it with him may well have contributed to his academic disappointments at Balliol and started the process from which he eventually left in disgust. His Astronomy essay was first published by his Literary Executors in 1795 and is available in the Oxford edition of his Works.

In his Astronomy essay, his reference to 'the Invisible Hand' of the pagan Roman God, Jupiter, was not metaphoric in the minds and beliefs of pagan Romans, which is what matters. Jupiter was believed to fire thunderbolts at enemies of Rome. His image on some Roman coins supposedly represented that belief. Moreover, the fact that nobody appears to have mentioned Smith's specific use of the 'Invisible Hand' in print whilst he was alive and for near on 40 or so years after he died in 1790, supports my assertion that the now famous metaphor had nowhere near the importance for Smith, as ascribed to him by Samuelson and other post-1948 academics.

The long academic silence since Smith's days is not mentioned by those who assert with confident, though spurious, authority that the 'Invisible Hand' metaphor is of extraordinary significance to modern economics. Our discussion is made necessary by the modern phenomenon and widespread misunderstanding, plus clear cases of sheer invention, of what Smith meant by his use of the 'Invisible Hand' metaphor that is still widely used, particularly in theological contexts, of which theological attributions I have no comments.

References to 'an Invisible Hand' were also used occasionally by novelists, throughout the seventeenth and eighteenth centuries, long before

Smith allegedly 'coined' it, which of course he didn't. Smith advised that we judge the beauty of metaphors by the extent to which they add perspicuous clarity to their '*object*' which metaphors are intended to describe in '*an interesting manner*'.[11] Not all metaphors are appropriate and some are awkward or forced, even '*violent*', as Smith acknowledged when he asked his readers' for their indulgence when he used what he described as a '*violent metaphor*' of a '*highway through the air'* when discussing printed paper bank money that supposedly was backed by a bank's gold deposits.[12]

It is appropriate that we discuss briefly how Adam Smith innocently developed his use of the 'Invisible Hand' as a metaphor and why his effort to do so has been muddled by modern economists who drain his honest intentions of all value, let alone credibility, as an explicatory secular device.

The usual method of presenting Smith's use of the 'Invisible Hand' is as a rhetorical metaphor in a linked historical progression, beginning with its first (calendar) appearance in Smith's Works and then in his unpublished 'juvenile essay', *The History of Astronomy,* which was mainly written during his Balliol days (1740–1746), and kept in a cabinet in his bedroom, subject to his occasional attention. The essay was eventually published posthumously on his last instructions from his death bed to his Literary Executors, Joseph Black and James Hutton. They complied with his instructions and published the essay in 1795. However, this early mention of the 'Invisible Hand' in his *History of Astronomy* and its interpretation by post-Samuelson believers also risks draining Smith's honest intentions of their scholarly value, especially in respect to what has occurred in his reference to an 'Invisible Hand' in his *Moral Sentiments* (1759).[13]

I have presented here his references to the 'Invisible Hand' in his publications in reverse calendar order to the usual sequence followed in the scholarly literature. The main weakness of the strict calender approach is that it implies that Smith regarded his three uses of the words 'Invisible Hand' as confirming that they were linked together, of which there is no evidence. I consider such assertions to be seriously misleading. As all three mentions and their contents are presented and

discussed here, there is no attempt to mislead readers by any implied or supposed connected sequence.

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The Invisible Hand in *Wealth of Nations*

Smith's main published reference to 'an Invisible Hand' was in *Wealth of Nations* in 1776 and all later editions.[14] This is the key reference date because it concerns a functioning local market economy as it eventually transitioned its way to what today is an international market economy, described in popular discussions since the beginning of the 1830's as '*capitalism*', which title slowly spread through to the 1920s. The Oxford English Dictionary recently updated the first use of the word 'capitalism' in English from 1854 to the earlier date of 1833.[15]

Modern attempts to present Smith's three mentions of an 'Invisible Hand' as if all three were of the same meaning melds together three distinctly different uses and meanings of 'Invisible Hands' in three distinctly different socio-economic contexts in human history. In my view, instead of the same single metaphor for all three historical periods, we have three different meanings suited to their distinctly different contexts, and in which one usage of the 'Invisible Hand', is entirely non-metaphorical. Though my approach is by no means the majority approach of my colleagues, I believe it is worth exploring because it is conducive to revealing an historical truth that each usage of the same words were and remain distinctly different.

Wealth of Nations contains many memorable gems of metaphors across a whole range of intense discussions that sometimes surprise readers. On reading all of Smith's Works over the years, I noticed the many other metaphors used in them. I have listed some of them in Exhibits 1 and 2 herein [See Chap. 4: Exhibit no 1: *Adam Smith's Figures of Speech and Metaphors in The Theory of Moral Sentiments (6th edition: 1790);* and Exhibit no 2: *Adam Smith's Use of Figures of Speech and Metaphors in the Wealth of Nations*].

Why is it widely assumed that Smith's three uses of the 'Invisible Hand' describe the same idea or were linked in some close way, other

than by the fact that they share the same words? Certainly by linking them as the same metaphor, the status of modern authors' assertions that all three mentions have the same meaning are enhanced and, at the same time, their fairly profound contextual differences are diminished, or ignored. I discuss their significant differences below.

First, l discuss the evidence from Book IV of *Wealth of Nations* on Smith's stated meaning of the 'Invisible Hand' metaphor when he used it in reference to a specific merchant who preferred to invest his capital domestically because he did not trust foreign merchants, nor did he trust the probity of their foreign legal systems.

> By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an Invisible Hand to promote an end which was no part of his intention.[16]

Smith's sentence can be unwrapped.

The merchant directs his investment into domestic industry so that the produce of his local investment *'may be of the greatest value'*, and in doing so intentionally, he is led metaphorically by an '*Invisible Hand' to 'promote an end which was no part of his intention',* because the merchant's motivated attentions are focussed precisely on what he intends to do and not on the general consequences of their affects on others. Specifically, though the merchant's motivated actions are hidden because we cannot see into the minds of other people, he nevertheless acts in pursuit of his intended personal gain and by his motivated actions he simultaneously and inescapably adds his expenditures to the domestic economy's total domestic revenue, output and employment. This disconnect between his motivated actions and their economic consequences on the economy as a whole are not relevant to his decisions.

These consequences of his hidden motivated actions surely are clear enough to economists in respect of what Smith metaphorically described above? However, other people have read into his clear metaphorical statement an altogether serious muddle of the obvious with innumerable fantasies. In fact, the truth of Smith's wordy construction

is so blindingly obvious by virtue of the fact that the merchant's motivated domestic actions cannot do otherwise than have the consequences stated by Smith, that today's 'Invisible Hand' muddle is beyond excusable. It illustrates something analogous the tale of the little boy observing the Emperor's supposed extra-fine clothes as seen by the sycophantic crowd but not seen by the little boy, who saw instead the truth and exclaimed in shock: the 'Emperor is Naked!' Modern interpretations of Smith's metaphoric use of the Invisible Hand are untrue and consist of wholly spurious interpretations, especially in recent modern times, post Samuelson.

Unfortunately, the plain facts of the merchant's motivated actions have been ignored by most late twentieth-century and early twenty-first century economists whilst they ponder more complicated and invented meanings that add a mystical core to Smith's plain secular statements in *Wealth of Nations*. However, it remains evident that the merchant's deliberate motivated actions to invest his capital locally and employ paid local labour in the domestic economy, instead of investing abroad, whilst in pursuit of his '*own gain*', he thereby inescapingly adds to domestic revenue and employment! Simple and surely clear enough?

Surely we can all agree with the statement? Indeed, such consequences of the initial actions of the merchant are inescapably unavoidable, yet they are ignored by most modern economists, including by Nobel Prize-winners working at and beyond the very distant frontiers of our subject!

For example: consider: *'The profoundest observation of Smith' … 'the system works behind the backs of the participants; the directing hand is invisible'* (Arrow, K. and Hahn, F. 1971). (Arrow, K. 1987) *'Surely the most important contribution [of] economic thought', Economic Theory and the hypothesis of Rationality,'; The New Palgrave: a dictionary of Economics, vol. 2, Macmillan London.;*[17] Tobin, J. 1992.*: one of the great ideas of history and one of the most influential.' 'The Invisible Hand in Modern Macro-Economics' in Adam Smith's Legacy: his place in the Development of Modern Economics,* ed Fry, M. Routledge, London.

How did these most talented practitioners at the top of their chosen profession, all working at the very frontiers of economic theory, get what Adam Smith wrote so clearly, so wrong?

What then was the role of the 'Invisible Hand', as written by Adam Smith? Plainly, it was and remains a metaphor to describe in an 'interesting' manner, the consequences of the merchant's invisible (to others') motivations, which are invisible because we cannot see into the minds of others. Smith's merchant intentionally directs his actions in pursuit of his hidden motivations. Whilst we cannot see what is invisible to us, we can see the consequences of the merchant's actions in respect to the wider domestic economy.

So what does 'an Invisible Hand' describe of the merchant's behaviour that is different from what a merchant's insecurity would induce him to do anyway? It does nothing! To believe otherwise, implies an unknown, complex and conscious, though 'invisible', element in human motivated behaviour, akin to credulous Roman beliefs that an imagined entity, called Jupiter, actually existed, and lived in a 'heaven' somewhere above the clouds, and who also had an 'Invisible Hand' that determined human fortunes by using thunder bolts, for good or ill.

When the merchant invests domestically, aggregate domestic revenue and employment automatically rises by the extent of his domestic investment and as close to simultaneously as it can be in practise. Smith's observation was sound and, frankly, unremarkable, which may be why Smith's contemporaries ignored his use of the 'Invisible Hand' metaphor, as did his professorial successors well into the nineteenth century, because the economic consequences of the domestic merchant's actions in Smith's example were so blindingly obvious to them, as they should be to us over 200 years later.

Moreover, some may recognise Smith's actual metaphoric point of the 'Invisible Hand' as a crude exposition of what Maynard Keynes' and Richard Khan called the 'multiplier' effect, arising from the expansionary affects of domestic investment on the wider economy.[18] I would not push this coincidental point too far, but it highlights that Smith's Invisible Hand was describing something like the rounds of motivated economic activity that are promoted by earlier rounds of motivated economic activities! The employees spend their wages on purchasing their

family's food and clothing from shopkeepers and paying their rents to landlords, which adds income to the domestic merchants' incomes and owners of property to spend on property maintenance and on the wages of those employed as tradesmen. In turn, these consequential expenditures also add to aggregate domestic demand. And so it goes on through consequential, multiple rounds that nobody needs to organise beforehand, or even think about. Certainly the participants in the domestic economy who supply products, tools and such like to the merchant and his employees will notice their spending, and so will the people with whom they trade, in consequence of their trading with him and his employees.

The metaphor of an 'Invisible Hand' is so clear as a consequence of the merchant's motivated actions, it is beyond explanation why some, otherwise brilliant economists, believe in a disembodied, actual 'Invisible Hand', supposedly and miraculously co-ordinating, even causing, the actions of billions of producers and consumers, whilst they go about their economic affairs in endless cycles of motivated exchanges. These consequences may be a wonder to behold, but it is fully explainable without invoking magical or miraculous forces, nor imaginary pagan gods or notions of an all-knowing Deity, or what is described as Providence.[19]

First, Smith's use of the metaphor: '*an Invisible Hand*', meets the criterion in his Rhetoric Lectures that in '*every metaphor' there must be an allusion betwixt one object and another*', which in this case is set out in the crucial relationship of the metaphor to its object, requiring that the metaphor gives its object 'due strength' in '*a more striking and interesting manner*'. Second, Smith achieved this result by alluding to the metaphor of 'an Invisible Hand' to describe the merchant's hidden, because invisible, motives driving his actions in pursuit of his 'own gain', which motives and consequential actions *simultaneously* and *unintentionally* promoted gains in the greater produce and revenue of domestic 'industry'. The key explanatory word here is '*simultaneously*'. By acting to achieve a greater gain in security for himself, the merchant simultaneously ends up also making a gain in value for the domestic economy from his inputs in exchange for the economy's outputs. Clearly, he does not need to be aware, nor concerned with these consequential affects.

The consequences occur as a result of the merchant's intended motivated actions in pursuit of his personal gain. It is likewise true for all merchants active in an economy and for all consumers spending their incomes or savings.

What then is the 'Invisible Hand' about? The merchant's intentional motivated actions in pursuit of his personal gain avoids the risks of trading with foreign economies, and by doing so, his actions promote a consequence that he had not contemplated, specifically that he adds his investment to the total of 'domestic industry'. His motivated actions that support 'domestic industry' secure his personal 'gain', which simultaneously promotes a consequential addition to domestic 'investment and employment'. The outcomes effectively are immediate, simultaneous, or at the very least are very close together. Workers, for instance, spend their weekly wages to feed themselves and their families, thus adding to domestic demand close to the time they receive them, usually a week in arrears. First they labour and then they are paid on Friday and then they transact in the domestic economy. It is just around here that the errors arise from modern economists misreading the 'Invisible Hand' metaphor as some sort mysterious entity independently guiding the economy!

The descriptive arithmetic logic of Smith's argument is impeccable. Yet it has caused an almighty confusion amongst modern economists since the late nineteenth century through to the twenty-first century, led particularly by the late Paul Samuelson from the late 1940s, who, incidentally, was a brilliant mathematician and Nobel prize-winner and thereby deserving of his immense prestige in his specialist field. Yet he got Smith's use of a metaphor seriously wrong.

The great mystery of the modern economics of Smith's 'Invisible Hand' explanation is not its supposed theological content, which is a minor distraction, nor the supposed existence of a mysterious, unexplained and unexplainable entity of an 'Invisible Hand' supposedly 'at work' in the economy, variously named as the 'Invisible Hand of the market', the 'Invisible Hand' of 'supply and demand', and of the 'Invisible Hand' of 'the price system,' the 'Invisible Hand of market equilibrium', the 'Invisible Hand of Pareto's First and Second laws', 'the Invisible Hand of a laissez-faire economy', and other, ever-widening

roles for an increasingly active supposed actual 'Invisible Hand' that it is no longer just a metaphor. It has become an imaginary entity, sometimes firmly portrayed as the actual hand of God/Jupiter, or some other such unexplainable mysterious power. However, it is none of these! No, the real mystery is how on earth did so many brilliant people manage to complicate Smith's meaning to get it so wrong by not carefully reading Smith's use of it?

When historians, looking through Smith's other Works, found two other references to the same two words, 'Invisible Hand', their errors were closed off without further discussion, making attempts to raise doubts about the general consensus of what Smith supposedly meant when he used the 'Invisible Hand' as a metaphor in *Wealth of Nations*, difficult to establish. I know because I have been actively trying to do so since I retired from University teaching in 2005 (Kennedy 2005). For sceptics, speaking metaphorically, discussing the truth about the 'Invisible Hand' remains a lonely furrow to plough. I shall continue to clarify what has become in the twenty-first century an unfortunate and embarrassing confusion amongst modern economists. Fortunately, there are some recent signs of positive resistance to Samuelson's post-1948 juggernaut.

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The Invisible Hand in Moral Sentiments

A few remarks about the appearance of the 'Invisible Hand' metaphor in *Moral Sentiments* are in order to facilitate this discussion. Predominantly, Smith's 1759 account of the 'Invisible Hand' is wrapped in his parable of the 'poor man's son', who was 'visited with ambition', in that he aspired to the living standards of the rich instead of accepting his prospects of life-long poverty. Smith's text reads like a Calvinist sermon more appropriate for a Sunday Kirk preacher, by which an eloquent minister could work himself up into the passion of an angry man, thoroughly convinced of his rectitude whilst preaching to his Kirk

community, in, say, Kirkcaldy. The poor man, aspiring to his dream of greatness, ruins himself in '*the last dregs of life*', his body '*wasted with toil and diseases*' and realises '*that wealth and greatness are mere trinkets of frivolous utility*'.[20] I cannot help surmising that Smith heard such oratorical performances regularly when accompanying his mother and aunt to Sunday services at church each week and listened to the Minister's sermon.

Smith adds his own tone in the consequences for society that some are driven by such ambitions, because the very '*deception*' drove mankind at risk of their health by '*industry*' to '*cultivate the ground*', to '*build houses*' and '*found cities and commonwealths*' and '*invent*' and '*improve*' the '*sciences*' and '*arts*', that changed the '*whole face of the globe*'. In short, the drive for Self-Betterment worked to bring about humanity's inherent aspirations a small step at a time, but cumulatively such steps, were highly significant across the history of the human species.

Smith discusses the overall consequences of the accumulations of the contents of the palaces, gardens, equipage and retinues of the great, along with all their trivial conveniences that go with '*wealth and greatness*', most of which are but '*contemptible and trifling*'. The rich, despite their '*natural selfishness and rapacity*' *and concern for their own* '*conveniency*' and their '*own vain and insatiable desires*' … '*divide with the poor the produce of all their improvements*'.

Indeed, they '*are led by an Invisible Hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal proportions among all its inhabitants, and thus without intending it, without knowing it, advance the interests of society, and afford the multiplication of the species*'.[21]

Smith's initial version in *Moral Sentiments* of his use of the 'Invisible Hand' from a Calvinist-like sermon is less convincing than his use of it in explaining the consequences of domestic investment in *Wealth of Nations*. Also Cantillon, put it more clearly, and, I believe historically more accurately and thereby more convincingly:

> It does not appear that providence had given the possession of land to one man preferably to another; some of the most ancient titles that we have any knowledge of, came by violence and conquest (Cantillon 2015).

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Warren J. Samuels wrote an exceptionally well-researched book on the modern phenomenon of the 'Invisible Hand' that thoroughly, and finally, demolished the grounds for the modern post-Smithian obsession with the elusive metaphor (Samuels et al. 2011).

Recall that the merchant '*intends only his own gain*' and acts to realise his motivated intentions and unintentionally promotes an end which did not feature amongst his original intentions. In respect of the domestic economy, the very act of investing domestically consequently adds to total domestic revenue and employment. That fact is too obvious to be gainsaid. By hiring labour to work for wages to manufacture widgets or whatever, and from buying the raw materials for the labour to work on, and whatever else is needed, from the domestic economy, the real economic impacts are near immediate. Their employment costs add to the gross expenditures on domestic employment and their outputs add to the total arithmetic sum of the aggregate output of the economy. Meanwhile, the employees spend their wages on their subsistence and housing and such like, adding to aggregate demand.

Such outcomes are unavoidable, and fully explained in elementary textbooks. They do not need a mysterious helping hand! So why all the fuss about the 'Invisible Hand' metaphorically describing an inevitable outcome in the specific case that Smith mentioned? No wonder Smith did not expand on it, possibly thinking it was so obvious that it did not need further explication. The very metaphor accompanying it was specifically chosen to make the point so obvious that there is absolutely nothing mystical nor mysterious about the 'Invisible Hand'. Except, apparently, when some readers slip into mystical obfuscation and make quite fallacious assertions about a quite innocent metaphor, including making it a general rule applicable in all cases rather than applicable in the specific and obvious examples highlighted by Smith.

Moreover, Smith also gives numerous examples of motivated actions by entrepreneurs in *Wealth of Nations* that had economic affects that did not enhance the public good in a like manner to his pointed example of

the necessary consequences of a merchant directing his investment into the national economy, that unintentionally, and inescapably, benefitted the general economy too.

I mentioned above the outstanding contribution of Warren J. Samuels in his critical scholarly analysis of the 'Invisible Hand' phenomenon in modern economics and it is now time to discuss it. On several visits I undertook to various conferences on the history of economic thought between 2006 and 2010 in the UK and the USA, I heard that Warren Samuels a leading history of economics scholar in the USA, had undertaken a major study of the Invisible Hand in economics from the early 1980s and that his book on his results was nearing publication. Naturally, I was most interested in this news and when I heard that Warren Samuels was addressing some seminar meetings and conferences, I endeavored to attend them. His massive study was in the process of being put together for publication and naturally he did not want to discuss his results and conclusions so close to publication, especially with a stranger. However, he did give me a copy of some of his speaking notes, which I read with interest. I also spoke at a couple of sessions, where appropriate, stating my early conclusions about the 'Invisible Hand phenomenon' from my research for my book, *Adam Smith's Lost Legacy,* 2005. I also had a few brief words with Warren, but nothing of substance. He was a leading contributor to such conferences and closely involved with the education of post-graduate students and had little spare time for chatting.

When Samuel's book, *Erasing the Invisible Hand,* was published, I was an early reader. It is a remarkable study by an accomplished scholar at the top of his game. Unfortunately, it was evident on the later occasions that I heard him speak that he was not well at all and sad news of his sudden death later confirmed the worse.

Warren Samuel's book is a masterly and thorough study of the 'Invisible Hand' described as an '*elusive and misused concept*'. His historical account of the use of the idea of 'an Invisible Hand' from Aeschylus (525–456 BC) to Mike Marguee (2008), and beyond is revealing. It is an extensive and comprehensive study, which I recommend to readers. The detailed survey by Samuels is typical of the thoroughness of his

scholarly approach and standards. I agree with his final conclusion, that '*there is no such thing as an Invisible Hand*', that it '*adds nothing to our knowledge*' and that '*there is no contribution to knowledge from anything that warrants being called an Invisible Hand*'.[22] I am more than happy to agree with Samuels on all these points.

However, my agreement has its own associated problems. Samuels' focus shifts from Adam Smith use of a metaphor in 1776 to modern specialists in literature and grammar, such as Andrew Ortony (Ortony 1979; Eaton 1925; Kellner 1989; White 1984).

The situation then became somewhat perplexing, despite Professor Samuels' solid scholarship, when I looked in vain for his assessment of Adam Smith's writings on the role and significance of metaphors. Smith taught and wrote a great deal on them as figures of speech, but Samuel's inexplicably make no reference to Smith's *Lectures on Rhetoric and Belles Lettres*! I found this absence inexplicable, given that Smith's Rhetoric was the longest lecture series given by Smith and in which he addressed the role of metaphors in perspicuous discourse. Moreover, surely it is significant that there are many metaphors and other figures of speech present in abundance throughout Smith's published Works and Lectures (see Exhibits 1 and 2 herein). Noticeably, Smith's *Lectures on Rhetoric and Belles Lettres* is not listed in Samuels' Bibliography of Smith's Works, which absence only adds to the mystery. When I first noted this omission in 2012, I wrote and enquired of his co-author, Professor F. Johnson, as to the reasons for this omission. Was it deliberate? I did not receive her reply. Nevertheless, Warren Samuels' *Erasing the Invisible Hand* (2011) is the most scholarly account of Adam Smith's use of the now infamous metaphor and represents the very highest peak amongst all the scholarly contributions that have been written on this subject. Any paper, pamphlet, thesis, book or lecture on the Invisible Hand in economics that does not mention Warren Samuels' *Erasing the Invisible Hand* in its text and bibliography in my view will be seriously deficient.

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Jupiter's Invisible Hand

A complication arises because the last of Smith's three mentions of the 'Invisible Hand', apart from it being taken from a posthumously published essay, was not strictly metaphoric; it was a proper noun, in respect of a wholly pagan belief in the divine hand of the necessarily invisible Roman God, Jupiter. Now Jupiter was represented in Rome and elsewhere by stone statues supposedly protecting Rome from sedition and invasion. Jupiter's supposed power manifested itself when the imagined god from his heavily abode above the clouds, looked down and pointed his finger to fire thunder bolts at seditious individuals engaged in conspiracies against Rome or its Emperors, and would be foreign armies or seditious plotters, that tried to invade or take over the government of Rome or its territories. Apart from numerous stone statues and paintings, Jupiter's image appeared on coins across some Roman territories, showing him firing his thunderbolts from his supposed 'Invisible Hand'.

In his *History of Astronomy* Smith wrote:

> Fire burns, and water refreshes; heavy bodies descend, and lighter substances fly upwards, by the necessity of their own nature; nor was the Invisible Hand of Jupiter ever apprehended to be employed in those matters.[23]

The Roman pagan god, Jupiter, and his imagined Invisible Hand was explicitly denied by Smith to be 'employed' in the normal 'matters' of the physical 'necessities' of 'Fire' burning, *'water'* refreshing, *'heavy bodies'* descending, *or 'lighter substances'* flying *'upwards'.* Indeed, all of these physical attributes were consequences of 'their own nature' and had nothing to do with anything invisible, and nor did the common and credulous belief in Jupiter's alleged Invisible Hand play any role in them. To what object then did Smith's supposed Invisible Hand refer to or describe in this singular reference to a Roman myth? Smith's reference to '*Jupiter's Invisible Hand*' was not a metaphoric reference at all. It was in every sense invisible! It was a comment on an element of a passionately-held '*vulgar superstition*' which ascribed all the irregular

events of nature to the favour or displeasure of intelligent, though invisible, beings, identified as *'gods, daemons, witches, genii, fairies'*.[24] That this assertion about Smith's purpose is credible is supported by the context of what follows in his *History of Astronomy*, in contrast to the exaggerated modern claims that link the pagan and secular hands centuries later, Jupiter's Invisible Hand has no connection to Smith's metaphoric reference to 'an Invisible Hand' a millennia later.[25]

Smith in his Astronomy essay writes that it may be observed in all:

> Polytheistic religions, among savages, as well as in the early ages of Heathen antiquity, it is the irregular events of nature only that are ascribed to the agency and power of their gods.[26]

Credulous Romans worshipped Jupiter, offered presents and made ritual sacrifices to him. In the context of the Jupiter reference, the 'object' of the Invisible Hand, so to speak, was itself, and it had no metaphoric function as present in Smith's later uses. Nor was it linked in any way to any version of Christianity or any other such theology. The large statue of Jupiter that stood high on the Capitol in Rome, symbolically glowering over the ancient city, and supposedly in popular discourse, was especially active during thunderstorms. Parenthetically, some years ago, having been caught walking home to the Aventino from my office opposite to the Colosseum, in several such lightning and thunder storms, I can testify to their impressive noisy and frightening affects.

For credulous pagan Romans, Jupiter's Invisible Hand was real, not a metaphoric allusion. For Smith, Jupiter's fabled powers were neither real nor metaphoric and had nothing to do with the prevailing theologies of the eighteenth century. Choosing out of so many others with which I could fill several books, I think a few examples will suffice on this occasion. There are no shortages amongst academic economists and moral philosophers who are ready to defend current majority views on the 'Invisible Hand' because that majority school of thinking dominates the journals and books published on the 'Invisible Hand'.

Amongst currently active scholarly proponents of the dominant view, I suggest a few names worthy of a reader's attention: (Craig Smith 2006; Emrah Aydinont 2008; Grampp 2000; Klein 2009). In addition to

Warren Samuels, discussed above, I recommend readers to consult the long footnote 15, pp. 336–337 in Tony Aspromourgos (Aspromourgos 2009).

Most scholars provide erudite explanations for why economists and philosophers should accept the notion that Smith's reference to an Invisible Hand of Jupiter in his, albeit 'juvenile', essay and his exposition in TMS were credible accounts of Smith's beliefs, which sets 'the Invisible Hand' of the wholly imaginary pagan Jupiter alongside 'an Invisible Hand' of the wholly theological notion of 'Providence' or the Deity (see Chap. 8, herein).

Smith was a relatively new professor when he wrote *Moral Sentiments* in 1759. He was already the subject of some unrest amongst some of his students for his noticeable disregard for the biblical account of the alleged events in the Eden Garden in his conjectures on the social evolution of humanity in his early Glasgow University *Lectures of Jurisprudence* from 1753–1754 (Ramsay 1888). TMS probably was his defensive response to such gossip to mollify those of his colleagues who listened to student gossip. TMS served that purpose well because it mollified vocal critics as he continued teaching his Jurisprudence lectures without references to the Biblical account of the Eden Garden through to 1763. The issue for today is whether both his *Astronomy* essay, which was unavailable to his critics and TMS accounts can be conjoined to his secular metaphorical version of an 'Invisible Hand' in *Wealth of Nations?* There are clear, and I suggest definitive differences, in Smith's three separate uses of the 'Invisible Hand', which are not credibly reconcilable in this continuing debate.

When Smith urgently pressed both of his life-long close colleagues from his death-bed in the days before he died in 1790, to locate and publish his *Astronomy* essay, it is most unlikely that he considered every aspect of every word in his *Astronomy Essay* as requiring his or their editing. He wanted his executors to publish his essay because it was evidence of the quality of his academic achievements at Balliol despite his maltreatment by the lazy faculty, and because his early essay demonstrated the quality of his academic work, despite the indifference of the Balliol faculty.

Smith also gave numerous examples of motivated actions by entrepreneurs in *Wealth of Nations* that had economic affects that did not

enhance the public good in a like manner to his pointed example of the necessary consequences of a merchant directing his investment into the national economy, which he described metaphorically as his being 'led by an Invisible Hand' that unintentionally and inescapably, benefitted the general economy too.

That is why we must also consider Smith's other examples throughout *Wealth of Nations* where the consequences of an entrepreneur's actions, both historically and during 1776–1790, were when they occurred. Specifically those non-beneficial examples are spread throughout WN. Below I highlight some evidence in Exhibit no. 5. a selection of examples from the first 2 Books of WN showing some of the non-beneficial examples of actions by entrepreneurs.

Exhibit 5: Some of Smith's Examples of Entrepreneurial Actions that Detrimentally Affected The Public Good

From Book 1, *Wealth of Nations*:

1 '*grossest frauds and impositions*`' *from 'adulterated composition of the coarsest and cheapest materials*' (WN I.iv.7, p. 40);

2 '*the avarice and injustice of princes and sovereign states*' by diminishing '*the real quantity of metal…contained in their coins*' (WN I.iv.10, p. 43);

3 '*Princes and sovereign states have frequently fancied that they had a temporary interest to diminish the pure metal contained in their coins.* (WN I.v.11, pp. 52–52);

4 '*The price of monopoly is upon every occasion the highest that can be got. The natural price, or the price of free competition … is the lowest which can be taken*'. (WN I.vii.27, p. 78);

5 '*But whoever imagines…that masters rarely combine is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise wages of labour above their actual rate*' (WM I.viii.13, p. 84);

6 '*It is but equity, besides that they who feed, cloth and lodge the whole body of people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged*' (WN I.viii.37, p. 96).

7 '*The over-weening concept which the greater part of men have of their abilities, is an ancient evil remarked by philosophers and moralists of all ages*' (WN I.x.b.25, p. 124).

8 '*The neglect of insurance upon shipping, however, in the same manner as upon houses, is, in most cases the effect of no such calculation but of mere thoughtless rashness and the presumptuous contempt of risk*' (WN I.x.b.28, p. 126).
9 '*First, by restraining the competition in some employments to a smaller number than would otherwise be disposed to enter them; secondly, by increasing it in others beyond what it naturally would be; and, thirdly, by obstructing the free circulation of labour and stock, both from employment to employment and from place to place*' (WN I.x.c.2, p. 135).
10 '*In Sheffield no master can have more than one apprentice at a time, by a by-law of the corporation*' (WN I.x.c.6, p. 136).
11 '*The government of towns corporate was altogether in the hands of traders and artificers; and it was the manifest interest of every particular class of them to prevent the market from being overstocked, as they commonly express it, within their own particular species of industry; which is in reality to keep it always under-stocked*' (WN I.x.c.18, p. 141).
12 '*The most insignificant trades have accordingly, in some place or other carried on in towns, have been incorporated; and even where they have never been incorporated, yet the corporation spirit, the jealously of strangers, the aversion to take apprentices, or to communicate the secrets of their trade, generally prevail in them, and often teach them, by voluntary associations and agreements, to prevent that free competition which they cannot prohibit by bye-laws.*' (WN I.x.c.22, p. 142).
Book II:
13 '*If the prodigality of some was not compensated by the frugality of others, the conduct of every prodigal, by feeding the idle with the bread of the industrious, tends not only to beggar himself but to impoverish the country*' (WN II.iii.20, p. 339).
14 '*every prodigal appears to be a public enemy, and every frugal man a public benefactor*' (WN II.iii.25, p. 340).
15 '*…the principle, which prompts us to expense, is the passion for present enjoyment, which, though sometimes violent and very difficult to be restrained, is in general only momentary and occasional. But the principle which prompts us to save, is the desire of bettering our condition, a desire which though generally calm and dispassionate comes with us from the womb, and never leaves us until we go into the grave*' (WN II.iii.28, p. 341).

16 '*Bankruptcy is perhaps the greatest and most humiliating calamity which can befall an innocent man. The greater part of men, therefore, are sufficiently careful to avoid it. Some, indeed, do not avoid it; as some do not avoid the gallows*' (WN II.iii.29, p. 342).
17 '*Where the legal rate of interest … is fixed but a little above the lowest market rate, sober people are inversely preferred, as borrowers, to prodigals and projectors*' (WN II.iv.15, p. 357).

The above selections support the point about the public disbenefits or otherwise of specific, though common cases, of merchants self-motivated non-competitive behaviour. Of course, these examples of some non-beneficial actions noted by Smith should be set against the quite clear statement by Smith that the merchant's self-motivated actions can occur in '*this as in many other cases*'. Both competitive and non-competitive behaviours of merchants and manufacturers are common in markets. Neither option should be conceived as singular events only. By placing instances as Exhibits together underlines the wider point that a merchant's motivated actions can have either or both positive or negative outcomes for society and the merits of individual cases must be assessed on a case by case basis.

Though clearly, whilst Smith mentions that there is '*an Invisible Hand*' affect in '*this and many other cases*', he suggests the possibility that a multiplicity of positive 'Invisible Hand' affects could also occur in the natural course of an economy, as well as the possibility of a multiplicity of negative affects from individual choices of non-competitive actions by merchants and manufacturers. Only ideologues for either motivated action focus on one possible option.

That is why we must also consider Smith's many other examples throughout *Wealth of Nations* where the consequences of an entrepreneur's actions, both historically and in 1776–1790 were detrimental locally when they occurred. Specifically, non-beneficial examples are spread throughout WN.

Apart from the reference quoted earlier, from the *The Antiquary* (1816) by Sir Walter Scott, there were several other authors of literary fiction, who, presumably, were attracted to the 'Invisible Hand' for its imaginative literary potential. See: '*Mary Shelley* (1818),

Frankestein.[27] In each case, nothing of particular relevance to Smith's use of the metaphor in political economy was involved or implied by the use by these nineteenth century popular authors of fiction in their allusions to a literary 'Invisible Hand' but they indicate the spread of the notion beyond political economy of the popularity of the metaphor.

Raphael, F. D. and Macfie (1985)[28] give a non-fictional instance of its use in the early eighteenth century, when a captain wrote in his log that the ship had been saved from sinking by '*the Invisible Hand of Providence*'. That the idea of the guiding hand of an unseen god, ensuring desirable social consequences of self-seeking behaviour—without the phrase of the 'Invisible Hand' itself, however—was a commonplace of late eighteenth century social commentary was shown by Hayek, 1948: 7.[29] In references to Edmund Burke, a distant but long-time friendly correspondent of Adam Smith, who wrote in 1795 for example in reference to a theological 'invisible' entity: '*The benign and wise disposer of all things … obliges men, whether they will it or not, in pursuing their own selfish interests, to connect the general good with their own individual success*' (Edmund Burke 1795).

Only five late nineteenth-century academic authors wrote of Smith's use of the 'Invisible Hand' metaphor, suggesting it was not as widely recognised as it was to become from the second half of the twentieth century. I refer to Onken 1874 (*Adam Smith in der Kulturgeschichte*, Vienna, Faesy and Frick),[30]; Frederick Maitland, later a senior lawyer, (1875, pp. 218–219 for his Fellowship thesis at Cambridge) (Maitland 2000 [1875]).[31,32] Leslie saw the Invisible Hand as the 'strongest argument for laissez-faire', and William Smart wrote: '*I am disposed to think that the 'Invisible Hand'—however one interprets Adam Smith's reference—is bringing about the possibility of realising their moral being, or of being what is called 'happy' more quickly than any deliberate re-arrangement of industry would*' (Smart 1899).

J Bonar wrote that Smith saw '*an 'Invisible Hand' disposing of human actions towards the general good, in spite of the shortcomings of the agents*' and that '*improvement…is better secured by the removal of obstacles than by deliberate attempts to advance the general welfare*' (Bonar 1893).

Macpherson, H. C. (1899). said: '*Adam Smith wrote prophetically when he declared that the individual actuated by self-interest is led by an 'Invisible Hand' to promote the public good, though with no conscious intention*' *to do so*.[33]

Hirst (1904) acknowledged that Smith '*explains that without the protective measure …* the merchant is '*led by an Invisible Hand' to promote an end which was no part of his intention*'.[34]

Pigou (1922) for example, wrote of the descriptive Invisible Hand when introducing ideas of externalities in his monumental study on *Welfare Economics,* from Macmillan.[35]

Alexander Gray, by reputation a popular professor of economics at Edinburgh University, typically linked the Invisible Hand as a '*quasi-religious sanction of the policy of 'laissez-faire*' (Gray 1931).

Such was the relatively quiet background to the slow emergence of the 'Invisible Hand' metaphor from almost total obscurity well beyond the attention of the general public and also outwith the attention too of the majority of academic economists. Such debates as took place that gained the attention of scholars tended to be focussed on the challenges of growing political forces from the Left of the political spectrum, under the influence of Marxist ideas centred on the new Soviet Union as a world power. The battle for attention from the 1930s polarised between Marxist ideas with its Soviet dictatorial political choices in state-managed socialist economic systems versus capitalism and its various forms of democratic political structures in state-monitored market economies.

Academically, market-trained economists, such as Oscar Lange who published his *On the Economic Theory of Socialism (1936 and 1938)*,[36] a blend of neo-classical price theory mixed with Marxist theories of centralised State Planning. The latter elements of Lange's state-managed plan were already well-established in the Soviet Union. Lange summarised his socialist-market vision:

> The market has, therefore, been compared to that of an Invisible Hand which produces co-ordination out of the autonomous decisions of many separate units. Not all markets, however, are able to produce such coordination, nor is the coordination obtained always consistent with accepted social objectives. In such cases, planning is used to either reach the

> co-ordination, otherwise unobtainable or to correct the co-ordination produced by the Invisible Hand of the market (Lange 1945).

But international politics moved faster that Oscar Lange's ambitious (naive?) plans could be tested. Mao's communists over-ran China and the Russian Red Army imposed Soviet-style communist governments and state planning in Eastern Europe. That was the end of talk of Smith's 'Invisible Hand' driving state-managed socialist economies.

Stiglitz, a Noble prize-winner, however, eventually broke cover and announced that '*the Invisible Hand is invisible at least in part because it is not there*.'[37]

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Emma Rothschild, in a paper published in The American Economic Review: (Rothschild 1994) made a rather enigmatic remark about Smith's use of the Invisible Hand in *Wealth of Nations* to explicate the obvious, which I confess I did not understand at the time, nor for long afterwards. She stood out from the crowd, so to speak, in her interpretation of Smith's purpose in referring to the 'Invisible Hand'. Thinking about Rothschild's statement these years since I first read it, I think I can now see her point. She described Smith's use of the metaphor as his 'ironic joke'.

At a seminar, held at Balliol College, that we both attended, I said, somewhat flippantly, in the post-presentation discussion, for which I now apologise, that 'if it was Smith's a joke, I don't get it!' I think I now see her point. She was softly mocking the ultra-seriousness with which modern economists treat Smith's essentially obvious observation in 1776, that by a merchant investing his capital in an economy, that economy's aggregate investment rises.

Smith's use of the 'Invisible Hand' metaphor has many strange elements about it, not the least: 'why use it at all'? Given the confused interpretations of Smith's meaning in describing a fairly simple consequence of a merchant's action in investing in the domestic economy—his investment adds to domestic revenue and employment—it is hardly a devastatingly deep thought—so why use the metaphor at all? Would

anyone be awarded a pass in a degree essay for just making the same point?

And that is Smith's ironic joke! The talk of theological 'Invisible Hands' amongst colleagues whilst he was alive may have frustrated him because such talk was not really relevant to the point he wanted to make. The consequence of the merchant's actions did not need an 'Invisible Hand' to fully explain the consequences of a merchant intentionally acting in pursuit of his self-interest. Those consequences would happen whether the Invisible Hand was a theological entity or a totally secular metaphor, or merely a figment of human imagination.

The merchant's motivated actions inescapably cause the consequences described as increasing domestic revenues and employment. By slipping in the 'Invisible Hand' metaphor, Smith laughs at those theologically-minded readers who believed in miracles whilst actually making an observation that most decidedly does not require a theological presence to ensure the outcome—domestic revenue and employment grows too. The whole is the sum of its parts!

Moreover, the 'Invisible Hand' describes, not a mysterious entity ('hand of god', 'providence' or whatever), but the consequences of the motivated actions of the merchant in arranging to supply his products, using his finance to provide both raw or semi-manufactured materials and employing whatever labour he needs to deliver his products to domestic markets. The macro-consequences of the merchant's actions are of no concern neither to the merchant, nor to all the other merchants in all lines of business whose individually motivated actions have exactly the same consequence of adding to domestic revenue and employment as Smith discusses. The merchant's focus is narrower than the associated consequences of his intended actions. Which, in fact, is Smith's whole point in his well-crafted statement.

Now, of course, there are unintended consequences of the merchant's actions, which are unavoidable. The gross expenditures of the business sector to which the merchant belongs rises directly by the amount of the spending of all the individual merchants on materials and labour, and, of course, such spending arithmetically adds to the spending of all other merchants supplying products in all their lines of business. Intellectually, such consequences are a relatively trivial element in

Smith's argument, if only because they are so obvious, which has not stopped scores of modern economists to think otherwise, if only, perhaps, because they believe there has to be more to it and their inventive minds get to work.

Keynes thought it worth while to follow the consequences of the initial rounds of spending to make his secular points about recovering from 1930s economic depressions. Many others believe that there is a sort of mystical theological entity—an actual 'Invisible Hand' in fact—which is asserted to be 'the hand of God', much like the credulous pagan belief in the Jupiter's Invisible Hand in ancient Rome. The absurdity of such theological formulations is beyond parody. Some read into Smith's statement: '*led by an Invisible Hand to promote an end which was no part of his intention*' far more than what he implied. They assert that the 'Invisible Hand', whatever it is, leads the merchant to cause the unintended consequences of his actions in subsequent time periods! It is not clear how this *unintended* consequence is actually caused. Simply by asserting its cause is 'an Invisible Hand' is unhelpful.

Some recognise Smith's use of the metaphor as being about the 'unintended consequences' of actions without theological associations. What prompts the unintended consequences? Are they inside the confines of the model or outside them? They must be inside! So where are they located? In this case, they obviously reside, if I may use such an expression, inside the private motivations of the merchant, from which motivations his actions follow, and which actions cause their consequences. He need not have any inkling of the wider consequence of his motivated and intended actions. All clear so far?

Clearly, we cannot see inside the mind of the merchant but we know he acts from purposeful motives. It remains a fairly quiet statement to use the metaphor '*led by an Invisible Hand*' to refer to the intended consequences of a merchant's intended actions and their intended consequences. But actions also lead to unintended consequences too. What acres of paper and litres of printers ink would have been saved if only readers of Adam Smith had, like him, left the metaphor alone where it belonged, unremarked and unexplained from well over 200 years ago.

Notes

1. The *Monthly Review* (1776), No. 40 did not mention it, neither did Governor Powall in his critical letter of 22 September, 1776: in '*Opposition to some False Notions of Dr Adam Smith*', CORR 25 September, 1776, p. 213; Text: Appendix A: '*A Letter from Governor Pownall to Adam Smith*' Richmond, 25 Sept, 1776, pp. 337–376.
2. Maitland, Frederic W. *A Historical Sketch of Liberty and Equality*. Indianapolis: Liberty Fund.
3. *Wealth of Nations,* edited by J. Shield Nicholson, Professor of Political Economy at Edinburgh University, 1891, T. Nelson and Sons.
4. Samuel W. J. *Erasing the Invisible Hand; Essays on an Elusive and misused Concept in Economics*, Cambridge University Press, 2011, pp. 18–19.
5. Stewart, Dugald: 1829, p. 200 *The Works of Dugald Stewart: Account of the life and writings of Dugald Stewart,* 7 Vols. Cambridge.
6. August Onken, in 1874. *Adam Smith in der Culturgeschicte.* Vienna: Faesy and Frick?
7. Leslie 1879–1888: (1888, ch. xi). He saw the invisible hand as the '*strongest argument for laissez-faire*',
8. Readers may test this assertion by checking 'Google Alerts' for daily mentions of '*Adam Smith and the invisible hand*' across the world's media.
9. Kennedy, G: *Mathematics for Innumerate Economists*, Duckworth.
10. Adam Smith, *The Principles Which Lead and Direct Philosophical Enquiries Illustrated by the History* of *Astronomy*, I. S. Ross, editor, in *Adam Smith's Essays on Philosophical Subjects*, eds. W. P. Eightman and J. C. Bryce, Oxford University Press 1980.
11. LRBL, i.66, p. 29.
12. WN II.ii.86, p. 321.
13. TMS IV.1.10, pp. 184–185.
14. WN IV.ii.9, p. 456.
15. The Oxford English Dictionary, supplement April 2017.
16. WN IV.ii.9, p. 456.
17. 'The Invisible hand in Modern MacroEconomics' in *Adam Smith's Legacy: his place in the Development of Modern Economics,* ed Fry, M. Routledge, London.

18. WN IV.ii.1–6, pp. 452–454.
19. Keynes, J. M. *General Theory*, 1936.
20. Kennedy, G. *Adam Smith's Lost legacy*, Palgrave 2005.
21. TMS IV 1.8–1.10, pp. 181–185.
22. TMS IV. 1.10, p. 185.
23. Samuels et al. (2011, pp. 149–150).
24. EPS,1993, III.2, p. 49; HA III.2, p. 49.
25. TMS, p. 184 and WN, p. 321.
26. HA, III.2, p. 49.
27. *Mary Shelley* (1818), *Frankestein.*
28. Raphael, D. D. and Macfie, A. L. (1985) pp. 71–72.
29. Hayek (1948, p. 7).
30. Onken 1874 (*Adam Smith in der Kulturgeschichte*, Vienna, Faesy and Frick).
31. Buckle (1885).
32. Leslie (1888, ch. xi).
33. Macpherson H. C. (1899, *Adam Smith*, Edinburgh, Oliphant Anderson & Ferrier, pp. 117–118) said: '*Adam Smith wrote prophetically when he declared that the individual actuated by self-interest is led by an 'invisible hand' to promote the public good, though with no conscious intention*' to do so.
34. Hirst, F. W. (1904, *Adam Smith* pp. 194–195, London, Macmillan.) acknowledged that Smith '*explains that without the protective measure …* the merchant is '*led by an invisible hand' to promote an end which was no part of his intention*'.
35. Pigou A. C. (1922).
36. Oscar Lange (1936 and 1938) *On the Economic Theory of Socialism (1936 and 1938).*
37. Stiglitz 'There is no Invisible Hand', *The Guardian* UK, 20 December, 2002.

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The Social Evolution of Jurisprudence

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Dugald Stewart reported on conversations he had with Adam Smith about his interest in the differences between human life in eighteenth Scotland compared to the lives of the native tribes in Africa and the Americas. These thoughts led Smith to wonder about the slow but persistent efforts of the European peoples to improve on their rude forebears' lives and institutions to transition gradually from their forebears' lives and simple tribal institutions to that found in the cultivated and complicated modern Europe.[1] Participation in such intimate conversations and family gossip with his father, Michael Stewart, who had been a fellow student with Smith at Glasgow, made Dugald a valuable source of information about Smith's formal and informal thinking. Smith was interested in the distinct differences between early mankind's behaviours, driven by what he described as universal human tendencies for deliberate efforts at 'Self-Betterment', as compared to all other animals.[2]

Human behaviours evolved over many millennia and their consequences informed Smith's speculations of human societies, which are worthy of note. This brought Smith to the early fringes of informed

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conjectures about what we know today as the social evolution of the human species that informs the modern sciences of anthropology and archaeology.

Smith made the obvious point that though we cannot be sure how an historical event unfolded, especially in the deep past for which there are no records, we can surmise how it may have happened and show how it was brought about. This is a more reliable method than attributing it all to miracles.[3] This assertion was not his last criticism of standard theological assertions then prevalent and socially dominant in the society that Smith frequented.

We can compare Smith's distinctly non-theological accounts in his lectures to his students with a standard theological account by his French counterpart, Anne-Robert Jacques Turgot (1727–1781) whose orthodox theological doctrine is based on the biblical Genesis: '*the whole universe proclaims to us a supreme Being. Everywhere we see the print of the hand of a God'*. Turgot relates that in the *'silence of reason and history',* a book has been given to us '*as a repository of revelation*' telling us '*that this world has existed for six thousand or eight thousand years*', and that our origins are owed to a '*single man and a single woman*' whose '*disobedience*' reduced man to a *'degree of ignorance and poverty'* which he partly dispelled *'only by means of time and labour'*.[4] The Bible's time scale of '*six thousand or eight thousand years*' was hopelessly inaccurate and had been made up by human superstition. Human kind had evolved from its predecessors over hundreds of thousands of years, not just a few thousand years. Smith's references to human evolution were to 'natural causes' and not to 'divine interventions' (Kennedy 2013).

In his *Lectures on Jurisprudence* (1762), Smith gives an example of his 'conjectural history' by linking basic human motives to purposeful actions to improve human circumstances 'from the bounty of nature'. He also showed that outwith and beyond their initial intended actions, such human actions invariably had unintended consequences too. In Ferguson's famous phrase: 'nations stumble upon establishments, which are indeed the result of human action, but not the execution of any human design'.[5]

Smith's conjectures about motives and consequences were also expressed in his *Theory of Moral Sentiments* (1759),[6] and possibly, also

amongst the unfinished 'detached papers' of Smith's intended major work on *Jurisprudence* which, upon his deathbed, he had ordered his literary executors to burn '*unread*'.[7]

The burning of his Jurisprudence manuscript was a major loss to modern scholarship, though Smith was unlikely to be considering future scholarship on his deathbed. Fortunately though, for posterity, detailed student notes of his *Lectures on Jurisprudence* delivered in Glasgow University in 1762–1763 were discovered in two large lots, the first in 1895, found amongst papers belonging to an Edinburgh advocate which were later edited by Edwin Cannan and published in 1896,[8] since designated as LJ(B) 1978. Another version of Adam Smith's Jurisprudence lectures was recovered in 1958, from a house sale, near Aberdeen, since designated as LJ(A).[9]

One cannot but be impressed with Smith's range and depth of conjectural and factual knowledge of the histories of human societies. Of particular note are the numerous writings on the development of an economics of society, much of which reappeared verbatim or near verbatim in *Wealth of Nations* (1776), plus many speculative ideas that the modern editors carefully footnote in the 1978 Glasgow edition of *Lectures on Jurisprudence*, which together suggest that Smith was already thinking about the determining characteristics of the nature and causes of wealth from as early as the late 1740s–early 1750s, which came to fruition more than 20 years later in his monumental *Wealth of Nations*.

Alongside the delivery of his Edinburgh *Lectures on Rhetoric and Belles Lettres*, Smith also delivered some lectures on Jurisprudence, no doubt in consideration of that part of his audience who were students of law at Edinburgh University, and was likely to have been prompted to do so by Henry Home, the Scottish judge who co-sponsored Smith's Edinburgh lecture series. He also delivered his Jurisprudence lectures when he became a professor at Glasgow University in 1752 and continued to do so throughout his Professorship until 1763.

In *Jurisprudence,* Smith notes that humankind's most beneficial bounty from nature was its superior reasoning powers for art and contrivance compared to all other animals. At the same time, from what he knew of humans compared to other animals, Smith asserted that

humans outwith functioning societies were helpless and near destitute. All other animals, Smith surmised, live on what they find in nature and have no interest nor conception how to improve it by cookery nor by the application of a nourishing sauce. He surmised that other animals had neither the means nor the cognitive capacities to fundamentally change what was generally available to them in their natural state. Humans, paradoxically, though, of a more delicate constitution than other animals, find that nature's raw and uncooked state needs improvement to suit it for human consumption, rather than attempt to eat it raw. That original need forced some of them to actions that gradually changed the forms in which they consumed the raw products of nature, and the practice gradually spread across the species. In short, human kind's continual existence was a fragile prospect for hundreds of thousands of years before its long-term continuation as a new species was adequately more or less assured by the human tendency for cumulative Self-Betterment from the most basic needs of sustenance, shelter and protection of their naked bodies from the exigencies of nature.

The simplest of motivated actions to improve on nature's provisions eventually had enormous, positive cumulative consequences in improved human digestion, diet, general health and relative comforts that evolved over many tens of thousands of generations, when their motivated actions were imitated and passed on as part of a dispersed common human culture, or were introduced separately and anew several times over in dispersed bands, whose members hit on their own solutions or imitated those they observed in other bands with which they happened to come into contact, not necessarily always peacefully. Once humans, albeit gradually, acquired the cognitive skills that improved on whatever nature provided over many generations, they had no residual motives to limit them, but by continually trying new innovative behaviours over subsequent generations in all areas of their exposures to nature and to the active competitive presence of other wild animals. We may speculate that those that did not adapt faced an eventual natural extinction.

Natural events could and did reverse local circumstances for individual bands from such events as climate change, local and general flooding from changing sea levels, desertification of previously fertile

land, rising sea levels and the separation of islands from nearby mainlands. For example, in Tasmania, its human population appears to have reverted to earlier social habits and a ruder culture after they were separated from the Australian mainland by rising seawater. Such natural events had consequences for the development of separate human rates of development. Meteor strikes, volcanic eruptions and earthquakes, not to mention serious losses to marauding human and other predators, could set back or accelerate local social developments. Disruptive changes in nature could isolate individual family units and whole bands from other populations, reducing mutually beneficial innovative flows of knowledge and practices between them, over time which could also promote alternative routes to Self-Betterment of lasting positive significance.

Smith speculates that some humans eventually found numerous ways to improve on what nature provided. Underlining the consequences of conscious, but not premeditated, human changes in the healthier preparation of raw food. Smith noted from field reports that *'Diseases arising from indigestion and crudities are nowhere so frequent as amongst the savage nations',* and we should not be '*surprised to find melancholy and hypochondriack disorders more prevalent amongst*' them.[10]

Smith suggests there is an important basic difference between humans and all other animals in respect of their response to exposure to the '*natural temperature of the weather*' and '*its vicissitudes*'. In this respect, Desmond Morris (1967)[11] identified that of the 193 species of apes and monkeys, only one, Homo Sapiens, did not keep its naturally thick, body hair. Having shed their body hair over many generations, humans were more exposed to the elements than other primates who kept their natural hairy cover. Smith indirectly addressed the responses of Homo Sapiens to this increasingly serious deficiency which once began could not be ignored in the range of climatic changes humans experienced across the Earth, without them, of course, knowing anything about the actual sequence of events causing such changes. He described consequential actions that humans took in attempts to counter the uncomfortable consequences of lack of bodily hair. Smith observed that humans who were exposed to the vicissitudes of the weather deliberately softened and stained their naked skin with 'oil and

grease' and various dies to produce artificial tans, enabling them to protect themselves against the otherwise scorching Sun, very strong winds and cold and buffeting rain storms. Their remedies were not adopted easily, which drove personal adaptions in the individual pursuit of Self-Betterment and the usual accompanying spread of adoption amongst tribal groups. Moreover, these early and crude remedies were not easily discovered and adopted. They required an ever-present prompt to individual Self-Betterment both by individual experimental inventiveness and by imitation of others.

Humans in the early millennia were not divided into specific trades, exchanging what they had for what they wanted, and each had to supply themselves as best they could with everything they needed, or do without. This implies multiple variations in the quality of their individually chosen remedies, and also from their differing learning rates over time, assisted perhaps by observation of the efforts and techniques of others they came across, to create tolerable new types of food, covering of their bodies and primitive and safe places to sleep. The spontaneously produced '*fruits of the earth*' were free bounties from nature, from which humans supplied themselves with, for example, '*the flesh of the animals*' taken by the 'chase' (hunting), and from which in turn they '*can easily prepare*' as food.

Also, compared to the behaviours of other animals, humans were in a vulnerable state of nature and individuals were naturally driven to improve all aspects of their lives at every level. The consequences of this apparent initial relative weakness became and remains the core driver of humankind's continuing intellectual supremacy as a species. Turning to the problems of shelter from inclement weather, we find Smith's plausibly conjectured examples of the prevailing human intelligence-led ingenuity in their albeit primitive remedies for their unrelenting exposures to climate, dangerous predators and nature's many challenges.

Humans and their descendants are on a long journey of continual Self-Betterment and show little inclination to diminish their species-defining characteristics. Smith realised the long-term implications of the intended consequences of even the most relatively trivial of motivated human Self-Betterment actions, such as using animal guts to tie a

dead-animal's hairy skin to some loose wooden poles for an albeit crude shelter from cold wind or rain. Early flimsy structures may have leaked wind and rain water but, many millennia later, through endless linked chains of motivated, self-improving and Self-Betterment innovative actions, humans eventually developed relatively wind and water-proofed secure structures, and much stone-built buildings became a new norm in the Eastern Mediterranean and other parts of the world, including, separately, in Asia and Central America.

Smith conjectured that humans have never ceased to improve on nature's provisions. For example, some early human bands independently discovered the regular management of new technologies. He identified '*cookery*' as one such innovation that was subjected to continual human innovative actions for Self-Betterment, albeit that its practice was unevenly spread across the species, including the discovery of how to safely manage the use of fire, which in time rendered their food more agreeable and, unintentionally, helped their food to become more nourishing. In a trivial example, he noted the discovery of the benefits of applying '*sauce*' to make their cooked food even more edible. In time, fire became a useful aid in working with metals too.

Smith could not give timelines for the consequences of Self-Betterment; he simply saw continuous Self-Betterment as a general feature of human behaviour and, by implication, saw it as a general characteristic of the higher-relative intelligence of the species. A propensity for Self-Betterment broadly includes the facility for learning from the demonstrated affects of the experimental Self-Betterment actions of others. It is so universal and common across individuals in the entire species that it passes unremarked upon, yet manifests itself in uneven Self-Betterment events by individuals, copied and improved upon incrementally by its direct beneficiaries, and others by observation, from casual passing contacts.

Smith conjectures that 'savages' had to be content to '*digest food in its natural and unprepared state*' until some of them, dispersed across the separated settlements, independently discovered the managed use of fire from which innovative actions they found their food became '*more agreeable*' because it '*more easily*' submitted to the limited '*operation of their feeble and puny*' stomachs. Imitation and individual experimental

discoveries, inhibited, sometimes by local pusillanimous and superstitious prohibitions on certain products, led to uneven progress in the application of innovative Self-Betterment actions, which necessarily continued to occur over very long time periods in disparate places at differing rates. Human Self-Betterment is not co-ordinated by central direction nor motivated in the same manner everywhere. It evolves in practice from innumerable dispersed responses to individually perceived problems and the related motivations of trying other solutions by those affected. It remains the long-standing human social evolutionary characteristic.

Individuals in their quest of Self-Betterment throughout the millennia separately, and sporadically, innovated and, as beneficial changes evolved, some were copied and spread, others were 'lost' and some did not occur at all for disparate small groups spread across the habitable territory. Individuals in the family and extended family groups would have attempted many types of actions to obviate their dependencies on raw nature. Several sites where stone axes were mined and shaped by striking them with harder stones and also show in their waste detritus many failed and successful projects (Badley and Edmonds 2005).

Over time, some human groups remained unaware of innovations discovered elsewhere in the wide open territorial ranges frequented by long separated bands—many from migration into empty distant territories with or without the innovative techniques discovered by others. For example, the revolutionary discovery and adaptation of cookery, isolated alone in one band need not have been passed on or remembered in separated bands, whose wandering trajectories over multiple generations took them to different continents, thousands of miles away from further contact. Knowledge of innovations, basic or complex, was bound to be a very slow process, lasting for multiple millennia amongst widely dispersed groups on separate continents.

Smith was interested in the important drivers of human conduct, particularly from the passion for Self-Betterment. This, he insists, was '*a desire that comes with us from the womb, and never leaves us until we go into the grave*'.[12] Smith summarised the underlying themes of his Jurisprudence lectures. When he wrote *Wealth of Nations,* he applied the 'Self-Betterment' phenomenon to humans in modern society:

> 'The uniform, constant, and uninterrupted effort of every man to better his condition, the principle from which public, as well as private, opulence is originally derived, is frequently powerful enough to maintain the natural progress of things toward improvement' and 'Like the unknown principle of animal life, it frequently restores health and vigour to the constitution, in spite, not only of the disease, but of the absurd prescriptions of the doctor'.[13]

Congenital self-improvement is rooted in the behaviours of the human species and underlines Smith's understanding from what we would describe, since Darwin, as mankind's evolutionary social history over the first two million years leading to what became our distinctive species. In Smith's times, the prevailing dominant and rigidly enforced theological view was that the Earth was formed relatively recently, coincidentally with the alleged origins of human kind in the Eden Garden, absurdly calculated by Bishop Usher as occurring in 4004 BC. Smith's views above were stated without reference to the Genesis account, which is itself unusual in the censorious temper of the times; the three previous senior professorial scholars before Smith at Glasgow University, all three ordained Ministers in the Calvinist Church of Scotland, were severely challenged by the Glasgow Presbytery for alleged offences against Calvinist biblical doctrine. Fortunately, Smith avoided such a fate.

For example, Smith comments on a contemporary example of Self-Betterment he witnessed in his lifetime. Visitors to a workshop were shown some '*very pretty machines which were the inventions of workmen*' that facilitated and quickened their own particular part of the work. He gave an example of a boy who was '*constantly employed to open and shut alternately the communication between the boiler and the cylinder*'. The boy, preferring

> to play with his companions, observed that by tying a string from the handle of the valve, which opened this communication to another part of the machine, the valve would open and shut without his assistance and leave him at liberty to divert himself with his play-fellows.[14]

Anecdotal yes, but it is credibly representative of the ever-present universal, Self-Betterment incentive as a driver of human-motivated actions for their approved ends (though not all individual ends are approved by others).

Clearly, Smith envisaged processes of continuous small improvements by the actions of individuals who try to improve, even marginally, whatever they could in pursuit of 'Self-Betterment', not just from amongst a group of individuals, but also from generation to generation. This conjecture, which is what we would today call socially evolutionary, fits with some modern research. Chris Stringer has compared humans to 'Chimps', our closest surviving biological relatives, by using an example of their possession of the '*basic concepts of cause and effect*'. He adds:

> But humans have the ability to imagine a much longer chain of cause and effect, to consider several different outcomes that could result from an action, or an alternative action. Through the medium of language, we can communicate these complex concepts to each other, both those relating to the material world, such as how to make a fire, and those relating to imagined worlds, such as what happens to us after we die.[15]

It is relevant to note here that Smith wrote his *Lectures on Rhetoric and Belles Lettres* early in his career. His speculative paper on how two humans may have developed their general abilities when devising language as a means for mutual understanding was added as lecture 3.

The important point is that the mental processes described by Stringer in respect of chimpanzees developed and remained very much stronger in humans and support, broadly, Smith's eighteenth-century conjectures about continual human differentiation from other animals. Implicit in statements about the consequence of human efforts at improving on nature's provisions, it was and remains a never-ending drive for humans, as seen in the various derived technologies experienced in the historical record and evidenced in research and discovery amidst the archaeological, pre-historical detritus analysed at sites of ancient human settlement. Smith's conjectures addressed a feature of human activity that is distinctly different compared to all other animals from the earliest beginnings of our species—though Smith, of course, had no way of knowing just how long that evolutionary time took in practice.[16]

It was not a case of all or most humans recognising a common need and then quickly identifying the specific nature of their problem and collectively agreeing on how they would deal with it. Societal-wide

changes are not designed; instead, individuals innovate by experiment and as consequential changes evolve, some are copied, some cast aside, others are 'lost' from random events, in such accidents that elder innovating adults die before children have time to learn how to imitate already discovered techniques from predecessor human bands, and some do not occur at all in disparate groups spread across the habitable territory and separated by long divergent distances and the mindsets from others.

In all, retained knowledge of innovations, basic or complex, must have been a very slow process, lasting for multiple millennia, and were probably best facilitated in times of local population growth and the fortuitous avoidance of natural depopulation events. Human development has long been uneven across the 'ages', broadly from hunting, through shepherding, agriculture, and 'commerce and markets', and eventually to what is now called capitalism in all its variant forms, within developed self-governing states. 'Capitalism' was a word Smith never knew nor used; it was first used in English in the 1830s.

Smith was interested in the drivers of human conduct expressed in what he perceived as the human self-improvement in their conditions in all respects, which is '*a desire that comes with us from the womb, and never leaves us until we go into the grave*'.[17] Smith's summary of his underlying conjectural theme is crucial in *Wealth of Nations*, where he applied the 'Self-Betterment' principle to modern societies. It is worth noting its common themes:

> The uniform, constant, and uninterrupted effort of every man to better his condition, the principle from which public, as well as private, opulence is originally derived, is frequently powerful enough to maintain the natural progress of things toward improvement.[18]

In summary, human self-improvement was and remains an ever-present characteristic of the human species, though its consequences were always unevenly distributed. Self-Betterment is a major element in Smith's approach to human behaviour. He repeated it on six occasions in Wealth of Nations.[19] These examples clearly testify to its underlying importance in his thinking. The description of the above congenital

self-improvement behaviours in the human species helps to appreciate that Smith was stumbling towards an evolutionary perspective but, given the state of contemporary knowledge, he was not able to fully articulate his insights. Since Darwin, we now know so much more of what Smith innocently conjectured about, particularly on mankind's social evolutionary history, as it became the dominant species on Earth.

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To what extent was Smith's interest in Jurisprudence a turning point in his scholarly life? Casting our minds back to how and why young Adam Smith first took an interest in Jurisprudence provides clues. It was not from any perception that such an interest was a deliberate career-changing choice, though it certainly changed his life and totally affected his later worldwide fame. His early Balliol disappointments clearly altered the trajectory of his life. Following his decision to drop out of the Snell mandated former requirement of seeking ordination into the Church of England, I discussed how he had to persuade Balliol faculty to permit him to change courses from Ordination to some other subject. He accomplished this task in 1744 and either chose to study *Juris* or was strongly advised to do so until he departed from Oxford for Kirkcaldy in 1746.

It is not known if Jurisprudence was a positive choice by young Smith alone or followed informal advice from, perhaps, a friendly member of Balliol's faculty, who admired the adult manner in which he had conducted himself during the often fraught negotiations that he had with other, more irascible and hostile faculty, on the terms of his remaining at Balliol as a Snell scholar. *Juris* proved to be highly appropriate for Smith, less for what it was as a subject of study than for where it led his thinking, especially beyond *Juris*, a field increasingly related by the evolution of laws to the needs of commerce. Also, it certainly proved critically useful in his teaching career, from the very beginning of his Edinburgh lectures with his inclusion of some lectures on *Juris.* These most probably were prompted by Henry Home, a judge and co-sponsor of his Edinburgh Lectures in 1748–1751, because *Juris* was highly relevant for

those law students who attended them. He also offered *Juris* lectures at Glasgow 1753–1763. Subsequently, as an independent scholarly writer, Smith, after more than ten years of research and thinking, produced his *Wealth of Nations*, published in 1776, at the age of 53.

Smith's *Lectures on Jurisprudence* provide many clues as to its significance as the precursor of *Wealth of Nations* for which he became world famous. Reading the details in the two sets of Jurisprudence lectures, we cannot help but notice his accounts of their relevance for his future reputation with the history and practises of commerce. What eventually occurred to his readers was bound to have prompted similar thoughts in the active mind of their author.

Fortunately, Smith's grasp of Latin was excellent before he arrived in Glasgow as a student and also later to begin his teaching career. One is struck by how many legal principles evolved over the stadial progression from hunting through shepherding, agriculture and onto ('at last') 'commerce'. In that context, there were several sequential progressions appearing at differing rates in different jurisdictions across the world. In some places, hunting remained the norm, such as in the upper Amazon, for example, whilst in some other territories, such as in Northwest Europe, agriculture was the norm, with local examples of the appearance of early commercial activities in evidence too.

Each stadial experience was based on specific habits of human conduct with different local rates of the evolution of the laws of ownership, interpersonal conduct, inheritance and transfers of property and the legal status of private property. Over time, laws were introduced on transfers of ownership between persons for a consideration, with varying warranties as to performance, and breaches of promise. In time, a vast multiple of local variations and extensions added new terms and restrictions to address local circumstances in developing human economies, both at the personal and interpersonal levels. To which critically, must be added the affairs of governance and the early versions of laws of inter-commercial transactions. The details of Smith's accounts of the practices and behaviours of Jurisprudence in a multiple of geographic and local circumstances indicate just how thorough he was in compiling his lectures once their relevance occurred to his fertile mind.

Smith's study of Jurisprudence opened a door, so to speak, on an entirely new world of which he had had no exposure before his transfer from Ordination to the real world of how civil societies, albeit slowly, sought to regularise and introduce justice aimed at preventing interference by persons in other people's property. The overall purpose towards which people were seeking, often blindly, so to speak, was that they could enjoy their possession of their own property in peace. The government's task beyond enforcing the right to justice was the often vague promotion of the state's opulence as covered by the eighteenth-century French word, '*police*', meaning safe and public civic order and general cleanliness, fire safety *'trade, commerce, agriculture'* and *'manufacture',* summarised as belonging to general '*cleanliness*', '*security*' against fires or from the assault or depredations of others, and most important, given the growth of towns and major cities, public access to affordable provisions and justice.[20] All such goals were subject to local laws supposedly enforced by the legal system. Jurisprudence was, therefore, the study of the evolution of laws to administer the system of justice and enforce where, and when necessary, the exercise of justice over the population and its property in their occupied territory, as well as to defend themselves against predatory neighbours.

Judging by the contents of his *Lectures on Jurisprudence,* delivered during the 1762–1763 season, Smith had put a great deal of effort into composing his lectures over the years since he first offered them to students in his Edinburgh lectures series during 1748–1751, and thereafter at Glasgow during 1753–1763. By which time, he displays a complete grasp of his subject from a legal perspective, including its prolific use of Latin terms and expressions, and also from his detailed history of Jurisprudence from before Roman times through to the 1760s. Smith, like a dedicated cobbler, stuck to his last, and we can be sure his law students gained a great deal for their legal careers from his Jurisprudence lectures. His failure to complete his proposed third major book on *Jurisprudence* must count as a serious loss modern scholarship.

I believe there were other consequences for Adam Smith from his escape from the Ordination course at Balliol. Reading *Jurisprudence*, one is struck by just how much of the evolution of law also describes relevant economic relationships implicit in the various societies then

undergoing significant changing circumstances. It also appears that Smith also recognised these linked changes, constant as their rates of change were. What was missing was an explicit explanation of the close links between the legal relationships between people and their consequential economic relationships.

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For Adam Smith, I think we can estimate when the penny dropped for him, so to speak. Somewhere before he wrote the lecture which he delivered on Monday, 28th March 1763, or perhaps even whilst he was introducing his lecture on 'Police'—a word borrowed from the French, though originally from the Greek, '*signifying policy, politicks, or the regulation of a government in general*'. It is as if it occurred to him that there was a causal connection, hitherto not recognised by him or anybody else, for its significance, between judicial evolution and wider commercial events in the UK economy.[21]

Cannan's footnotes in the 1896 edition of Smith's *Lectures on Justice, Police, Revenue and Arms,* known today as LJ(B), provide valuable information about the sources that Smith probably drew upon that might have contributed to his realisation of the real significance of his background reading from relevant authorities. Cannan quotes from Johnson's Dictionary (1755) reporting trade exchanges of natives who give 'great abundances of gold and pearl' for trifles of 'knives, glasses, and such toys'.[22] He also quotes from Mandeville's *Fable of the Bees* (1729),[23] about people learning to 'divide and subdivide their labour', and quotes from Locke, on Civil Government, and on Indian chiefs 'clad worse than a day labourer in England' (p. 41).[24] He also quotes from other contemporaries that Smith may have read, such as Joseph Harris,[25] and of course (Cantillon 1749). Smith spoke French with a Scottish Fife accent, but he could read and write fluently in French.

These sources would have prompted him to think about those connections and to shift his focus onto economic events, rather than just comment on their judicial implications. And what a lecture series it proved to be! It is as if Smith had looked up and around him and saw for the first time the real world that he lived in and what was really

going on in the background. It was as close to a 'Damascene-like' realisation, quill pen in hand, as he was ever likely to experience again. Perhaps he jumped up in his 'eureka' moment?

There are accessible versions of the Jurisprudence lectures that he read to his students on 28 March 1763, from Oxford University Press. Readers should read the report for Monday, 28 March 1763, through from page 337 to 388. I attempt below to paraphrase some of its contents, no doubt losing much of Smith's original delivery, but it is rather long and as I prefer not to test the patience of its publisher's copyrights, I shall give readers a flavour of Smith's emergent thinking during his early transition from a moral philosopher and lecturer in jurisprudence to that of a significant figure in the history of political economy.

(Paraphrased by GK):

> Agriculture employs labour to produce food for the consumption of the general public. Forestry also employs labour. Agriculture multiplies the materialls on which the several artificers are employed, but chiefly those things which are fit for food as of these there is the greatest consumption. Forests supply us with wood from trees that become the planks used in buildings and from the open plains we produce wool, flax and cotton and also silk for producing clothing and plants to produce indigo, woad, madder and hundreds of other plants to produce substances for dying substances all prepared for use by the labour of specialists. Butchers, millers, bakers, brewers, cooks, confectioners, all labour to produce food from the products of the earth. In addition there are specialists in trades, applying their labours, such as upholsterers, drapers, mercers, cloth sellers, wool clippers and shearers, pickers, sorters, spinners, combers, twisters, weavers scourers, and dyers of wool.
>
> Innumerable talented artists use their labours to improve on the original products of others by preparing them for general use. The butcher, the miller, the baker, the brewer, the cook, the confectioner, etc., all labour to prepare various products of the earth as food for others. Many artists are employed to prepare those items with which upholsterer, the draper, the mercer and sellers of cloth apply their labours. How many artists furnish various commodities found in grocershops, as the food of man. Carpenters, wrights, carvers of wood, and others all contribute their offerings, as do masons, bricklayers, and others, who build or furnish our

dwellings. Artificers in brass, iron, and copper, apply their their skills in making sets of household utensils and special tools for use by customers. All the skills of the ship-builder, and the mariner that sails in them support the dedicated industry of merchants. They export into other countries the excess of their food and fashionable clothes, import in return other products in which these countries have surpluses.

Geometry, arithmetic, and writing were invented originally to facilitate several commercial arts. Writing and arithmetic are used to accurately record the commercial trading transactions of the parties. Geometry was originally invented to accurately measure parcels of land or to divide land between inhabitants and to assist artists to measure their products that required accurate measurement. Almost all laws and regulations tend to encourage skills seen as products of labour to provide the objects of the labour such as, meat, drink, and clothing. Even law and government see these as their final end and object. They give the inhabitants liberty and security in the cultivation of the land they possess in safety, and their influence thus gives the opportunity to improve all arts and sciences. They maintain the rich in the possession of their wealth against the violence and envy of the poor, and thereby the means to preserve the inequalities in mankinds' fortunes which inevitably arise from varyings degrees of capabilities and diligence among individuals. They protect everybody against possibilities of dangerous invasions of foreign armies, and thus enable men to enjoy the arts, and their pursuit of the conveniences of life. Even wisdom and virtue derive their lustre and beauty from the security of mankind in these conveniencies. Laws are the principal business of government, and laws are the same for every individual. Probity, honesty, and integrity tend to be maintained for all persons, and to encourage them in their several different occupations. The wisdom of the good and knowledgeable man guides others in the proper management of their affairs, and leads them to emulate his active drive for purposeful activity. Their valour protects them from foreign attacks and the encroachments of their domestic foes, and their generosity of spirit and assistance for when our schemes fail to attain life's necessaries and conveniencies. These virtues are never more useful to the state than when they are put into practise and their example spurs other men to adopt similar industries. In a certain sense all, the arts, the sciences, laws and wise government, and virtuous conduct, tend towards the same end, specifically the provision of meat, drink, clothing, and lodging, and

even those commonly reckoned also to be in the meanest of employments and fit for the pursuit of none but the lowest and meanest of the people. All of life's arts and businesses render the conveniencies and necessaries of life more attainable across the whole of society.— For example, the ordinary day labourer, whom is wrongly believed to live in poverty, has in fact more of the conveniencies and luxuries of life than a North American chief leading 1000 naked savages. The labourer's simple common blue woolen coat has been produced by about 100 artificers such as shearers, pickers, sorters, combers, spinners and such like, as well as weavers, fullers whose looms and mills have more art in them than everything employed about the court of a savage prince. In addition the ship which delivered the dyes and any other materials also from distant regions across the Earth, and all the, wrights, carpenters, coopers, blacksmiths, etc. employed to fit the ships for sea voyages and, of course, all the hands which navigated her. Take the iron tools with which he labours, and consider how many hands went into their manufacture? To name some of them consider, the miners, quarriers, breakers, the smelterers, forgerers, producers of the charcoal that smelt it, the smith, and such like who had formed it. How many were required to furnish his coarse linnen shirt; his tanned and leather shoes; his bed that he sleeps in; the grate on which he cooks his foods; his coals, which were brought by long land and sea carriages; his knives and forks; his pewter plates and earthen ware; and the numerous workmen who prepared his bread, beers, and other food. Even the glass for his windows required a numerous labour to produce, bearing in mind that it must exclude the wind and rain as well as let in the light, without which Scotland would be uninhabitable, at least by its existing population of the present effeminate set of mortals! So, to supply this labourer around 1000 were jointly employed to provide assistance.

The labourer enjoys far greater convenience than a North American Indian prince, though he is inferior indeed to the princes and nobles of 18th-century Europe. Perhaps, also the life-styles of a European prince does not so far exceed that of the labourer described above, compared to extent to which the labourer exceeds that of a chief among savages. Indeed, it may not seem so wonderful that the great man with his 1000 dependents, tenants and servants, who are oppressed that he is able to live in luxury and affluence, that the money'd man or man of rank, should be very affluent, when the merchant, the poor, and the needy all give their assistance to his support. It need not seem so surprising that

> these affluent men should so far exceed the greatest man amongst a whole tribe of savages. But that the poor day labourer or indigent farmer should be more at his ease, notwithstanding all the oppression and tyranny that they suffer, should be so much more at ease than the savage, does not appear so probable. Amongst the savages there are no landlords, usurers, tax gathers, but everyone of them enjoys the full fruits of his own labours, and he should therefore enjoy the greatest abundance; but the case is quite the opposite. (paraphrased from LJ (A) pp. 337–388)

From considering the issues raised by this apparent quandary, Smith turned his discussion into a most productive purpose, which he had not, I am sure, anticipated. He was on the verge of creating his science of wealth. I wonder when he finally realised what he had done and what would become his major new project as The Wealth of Nations? I suspect he was quite excited.

Archivists ponder the complexities of interpreting the precise sequence of subsequent events from the available scraps revealed in various paper trails. What is clear is that Smith had turned his attention towards the political economy of the increasingly changing British economy and society in which he lived and studied. This is clearly demonstrated in his *Jurisprudence Lectures* (LJ(A) 1762–1763), completed immediately before he relinquished his Professorship and left Glasgow University to escort the young Duke of Buccleugh on their tour of French society.

Smith resigned his Glasgow professorial chair on 8 November 1763 and by January 1764, he had left Scotland to go to London to meet with Townsend and link up with the young Duke of Buccleugh (age 18) to commence their tour of France, arriving in Paris on 13 February.[26] Later that year, 5 July 1764, Smith told David Hume in a letter: '*I have begun to write a book in order to pass the time. You may believe I have very little to do*'.[27] This could be news of his commencing to actually begin to write the *Wealth of Nations*, or thinking about it, though Ross speculates that it may have been the manuscript known today as the Early Draft[28] and/or the short working papers, known today as the Fragments F(A) and F(B). Both are in Smith's *Jurisprudence,* Oxford edition (pp. 582–586). However, we know from the handwriting that the *Early Draft* had

been dictated by Smith to a Glasgow University amanuensis, suggesting it has been compiled before Smith left Glasgow University in November 1763.

The 1762–1763 Jurisprudence lectures clearly reveal that his thoughts on political economy had already begun to form before he left for France. This is shown in the expositions of new ideas developed after 28 March, demonstrated in his remaining nine lectures to the end of term on 13 April 1763.[29] The remaining Jurisprudence lectures contain text materials, some of which eventually were placed verbatim into his manuscript of *Wealth of Nations*, and also with much more text on general commercial economics recognisably relevant to Smith's analyses of political economy. I summarise below some topics relevant to his new thinking.

For example the famous pin factory, which Smith took without acknowledgement from the French[30] made its contents prominent in *Wealth of Nations* (1776). It also features in his last Jurisprudence lectures (1762–1763) with Smith's detailed exposition of its significance for the division of labour and its direct relevance for costs, incomes for labour and profits for the masters.[31] With a greater number of hands, a greater amount of work can be divided amongst them producing cheaper costs per pin than before. The pin example demonstrated the same general principles that could apply in theory across the prices of all manufactured commodities.

Importantly, Smith asserted on the basis of the evidence that the division of work was not the effect of human policy 'but the necessary consequence of a natural disposition altogether peculiar to men, viz the disposition to truck, barter and exchange'.[32] Much of these arguments feature at the beginning of *Wealth of Nations,* as well as his comments on the human proclivity for barter and exchange, associated with the natural human inclination to '*persuade*'. He mentions here the manner in which '*everyone is practising oratory on others through the whole of his life*'.[33]

Casting our minds back to Adam Smith's early experiences of bargaining in Chap. 2, we note his personal experience of the difficulties involved in discovering how to bargain with other people intent on getting their way over something of great felt concern to themselves.

Initially, at the start of bargaining processes, they tend to preclude consideration of agreeing on a solution that was of serious felt concern to the other party. I am sure that Smith's identification of what he described as the 'oratory' practised by both parties was based on his own experiences. In practise, bargaining in the eighteenth century took place where relative power was lopsided in the case of labour relations, as was the degree of wage price flexibility available to the employers, marked by its almost total absence. The price flexibility situation was less rigid in strictly commercial buyer–seller negotiations between wholesalers and retailers over the headline prices of pins and other manufactured things, because producers need to sell and commercial wholesale sellers need to buy in order to sell retail.

His last lectures mark Smith's move from his history of European jurisprudence to his analyses of the contemporary political economy of modern Europe, analysed systematically in the five editions of Wealth of Nations from 1776 through to 1789.

Notes

1. EPS, II 45, p. 292; Smith's 'Theoretical and Conjectural History' ("*Account of the Life and Writings of Adam Smith, LL.D*").
2. *Lectures on Jurisprudence,* LJ(A).vi.9–13 (1762–1763), pp. 334–335.
3. EPS II.47, p. 293.
4. Turgot 1973: ed. Meek, pp. 64–65, pp. 61–118.
5. cf. Ferguson (1767).
6. *Theory of Moral Sentiments* (1759 6th Edition 1790).
7. Ross (2010, pp. 434–435).
8. Cannan, E. (ed) (1896).
9. Meek, R. L. & Raphel. D. D. 1978 Eds LJ(A).
10. Lafitau, F. 1735; Charlevoix, F. X. 1744.
11. Desmond Morris (1967).
12. WN II.iii.28, pp. 341–342.
13. WN II.iii.31, p. 343.
14. WN I.i.8, p. 20.
15. Stringer (2011, p. 108).
16. Broadbank (2013, pp. 109–147).

17. WN II.iii.28, pp. 341–342.
18. WN II.iii.31, p. 343.
19. WN I.viii.44, p. 99; II.iii.28, pp. 341–342; II.iii.31: 343; III.iii.12: 405; IV.b.43: 540; IV.ix.28: 674.
20. LJ(A) vi.3–8.
21. LJ(A) vi.2, p. 331.
22. Mandeville, 1729, Fable of the Bees, Dialogue vip, p. 335.
23. Cannan, p. 161 footnote 1.
24. Locke, on Civil Government, p. 41.
25. Joseph Harris's *Essay on Money and Coins*, pt.i, p. 12.
26. Ross (2010, p. 215).
27. CORR. 5 July 1764, p. 101.
28. *Early Draft,* (LJ, pp. 562–581) and/or the short working papers, known today as the Fragments F(A) and F(B). In Smith's *Jurisprudence,* Oxford edition, pp. 582–586.
29. LJ(A) vi.3–vi.170, pp. 331–370.
30. *Encyclopedie* (1755) and Chamber's *Cyclopedia* (1725).
31. LJ(A), pp. 341, 343, 344, 346, 349, 350.
32. LJ(A) vi.44, pp. 347, 346, 348.
33. (LJ(A) vi.46, p. 352).

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Smith's Wealth of Nations

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The *Wealth of Nations* is Adam Smith's best known Work. He started drafting materials for it before 1761–1763, whilst in his last years at Glasgow University. Some of these pages are known as the *Early Draft,* which were copied out from Smith's draft notes by a professional amanuensis employed by Glasgow University, confirming their origins in the early 1760s.[1]

Smith left his Glasgow Professorship mid-term, (1 March 1764) to escort the young Duke of Buccleugh on the traditional upper-class, coming-of-age tour of European society for young aristocrats, as an alternative for the elder sons of aristocrats to go straight into the management of a family's business affairs, instead of them attending university. For this escort service, Charles Townsend, the Duke's step-father, awarded Adam a life-pension of £300 per year, sufficient to fund himself, his mother and his cousin, and their household expenses for the rest of their lives. Meanwhile, with his future income assured, Smith was well-placed at the end of the French tour to focus his attention on his planned major work on political economy, as envisaged before he resigned his Professor's Chair. Townsend's offer was an attractive

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enough prospect financially and sufficient for Smith to give up his Professorship, which also released him free to undertake full-time writing, once he was freed from his academic duties. He had to be patient though, because his full-time escort and tutorial duties with the Duke of Buccleugh in France were planned to last three years.

Prior to his departure, Smith delivered his last Jurisprudence lectures, which contained clear references to subjects destined to re-appear in his forthcoming major new book. He had been developing new ideas on the changing UK economy for some time. Subjects such as the propensity to truck, barter and exchange, including the 'IF-THEN' conditional bargaining proposition, and the impacts of the division-of-labour, were included in his last Jurisprudence lectures. Later, they reappeared in the beginning of the *Wealth of Nations*. He also wrote before his departure for France some other pieces known as *Fragments on the division of Labour*.[2]

Clearly, Smith was considering issues arising from his most recent thinking and, as he went further into these thoughts, it would have enthused his realization that he had major creative work to undertake and needed both space and time for the immense research and writing task likely to be required, which necessitated that he retired from his academic obligations at Glasgow University, assuming he could fund his family's subsistence by some other means than a university salary.

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Once he had made his mind up about his immediate future, he set about dealing with the administrative complications that had to be managed both professionally with the University and domestically with his mother and cousin. He also had a substantial academic library and papers that needed to be moved from Professor's Close on the Glasgow University campus, back to his mother's home in Kirkcaldy.

It is appropriate to note here that after completing his French tour with the young Duke, and matters arising from his time in France, Smith joined his mother in Kirkcaldy and spent the next 10 years writing the *Wealth of Nations* in his mother's house, completing it in London for publication in 1776. His focus on American affairs from

1773 to 1776 delayed publication of his master work, which we shall consider later. Smith's obsessions with 'American' affairs in these years were noted by his friends.[3] Whilst engaged in his tour of French society with the young duke, Smith must have been anxiously aware that his obligations in France necessarily prevented him from attending to his proposed major work. This may have occasionally distracted him, if he thought about his future Work amidst his immediate obligations to the young Duke. However, he had no choice but to knuckle down and get on with the tour because his ward's social and political education in French society was paramount, as were the proposed lifetime rewards for Smith successfully completing it.

Apart from meeting French intellectuals, such as Quesnay's circle of *Economists* and others in famous salons, his French tour was highly relevant in securing his financial future to fund his research for writing of what became his *Wealth of Nations.* His meetings with the French economists were polite and generally good natured though there was no seamless meeting of minds. Smith was attracted to Quesnay as a person and as the creator of the *Tableau Economique* to represent the basics for modelling the circular flows of productive capital and labour in an economy. Quesnay insisted on the alleged primacy of agricultural production and classed labour as 'unproductive', and thereby supposedly 'sterile', when it functioned outside the agricultural economy. Smith had reservations about Quesnay's designation of labour outside of farming as 'sterile' because, for Smith, labour was the key productive resource in human economies through the Division of Labour, though he considered labour that did not produce a physical and vendible product as 'sterile', which was also a major and lasting error on Smith's part. The Labour Theory of Value (LTV) was an unfortunate major diversion amongst seventeenth to nineteenth century economists and held economic theory back for years, culminating in the Works of Karl Marx and the horrors of the Russian, Chinese and other countries' attempts to implement LTV in the twentieth century.

Smith returned to his mother's house in Kirkcaldy in May 1767, determined at last to bring together his lecturing experiences in Edinburgh and Glasgow, as he commenced to write what became his magnum opus*: An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776.[4]

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It is not my purpose here to attempt to summarize *Wealth of Nations*. To say the least that would be an hopelessly heroic ambition, given its 976 pages (Oxford 1976 edition). Add in the footnotes and the countless ideas and comments they contain, many of them worthy of close examination, summarizing them here becomes impracticable. Instead, I shall be hyper-selective in an effort to make some general points about Smith's literary labours.

Smith brought to his writing of *Wealth of Nations* a deep background of accumulated knowledge from his reading and thinking, particularly in his massive history of *Jurisprudence*, which in many senses was a preparatory contribution to his writing his most famous Work. Large selections of text from his Jurisprudence lectures re-appear verbatim in WN. Smith had adopted a stadial view of mankind's long history from hunting in the forests that originally dominated the environments occupied by humans. The original human species were described as 'savages', in contrast to the eighteenth-century European world of 'civilizations' that had passed through a sequence of shepherding, farming and commerce.[5]

Whilst Adam Smith referred to the stadial sequence on several occasions he did not originate it. By his regular publication of new editions of his main Work though, his multiple references to it probably propagated the idea more than his predecessors and contemporaries. He also lectured on it to his students regularly for many years and he included the stadial schema in his *Jurisprudence* lectures, for example, on 24 December 1762, he notes that collecting wild fruit can hardly be called an '*imployment*', but in the age of the '*Age of the Hunters*' the hunt deserved to be called a '*business*', followed by capturing some young or abandoned '*wild animals*', and breeding new generations, that led to the '*age of shepards*', which, of course, preceded that of '*agriculture*'.[6] He also notes this was not necessarily a strictly fixed in time sequence of the progression in and through different periods of human societies, particularly in different geographical locations. But the broad direction of travel, so to speak, was through the four stages, until the age of commerce.[7] In *Wealth of Nations* Smith opens Book III Chapter 1, '*On the Natural Progress of Opulence*' with an expansive discussion of the history

of human progress through the four distinct stages of human economies. He goes over much of this ground by relating it to a history of the '*Expense of Defence*'.[8]

Interestingly, Smith alludes to the distinct and different outlooks of the two main bodies (or classes) of people found in all societies. Between the affluent few, the rich, compared to the indigent poor, who are '*driven by want*' there is a tension held in place by the Magistrate, whose legal powers and access to armed force and jails, kept at bay breakdowns in good order and discipline, which enables the rich to sleep each 'night in security', though many of the 'rich' probably had more to worry about from their overly-jealous relatives with real and imagined grievances than the generally submissive poor. Smith's frankness about the underlying tensions that can arise in any society and the organizational antidote to breakdowns in civil society remained true long after his times and tempers, including of course the experiences of such societies nominally enthused with socialist/communist ideologies in the twentieth century, let alone rightist ideologies of various shades of fascist/authoritarian politics.

However, Smith's point remains valid: as '*valuable and extensive property*' is acquired in societies, it necessarily requires the '*establishment of civil government' and in the contra case of little or no property, civil government is not so necessary*.'[9] Events since Smith's time have shown incomparable advances in the ownership of personal property right across the income distribution, and specifically in the more affluent of modern economies. Civil governments across the world have all grown in their command of accumulated resources and, significantly, in the expansion of legal instruments, which of course, includes places of compulsory confinement for those deemed by to have breached its laws. Access, however, to due legal processes was patchy in earlier, more authoritarian ages.

Smith lists personal qualities that together contribute to personal superiority: first, wisdom, strength, beauty, agility, virtue, prudence, justice, fortitude, and moderation of the mind; second, Age, which is a '*plain and palpable quality*' and is '*beyond dispute*'; third, superiority of fortune; and fourth, superiority of birth.[10]

Smith sensibly notes that all such qualities are shared to some extent by everybody but not all have access to the same degree of deference from others and many have none at all. Bear in mind Smith was discussing the basis for the patent defence of the minority against the majority in a political unit. Indeed, notes Smith, civil government is in reality formed for the security of property, specifically for the defence of the rich against those who have no property at all, that is, "*the poor*."[11] Those who regard the historical Adam Smith as an advocate for what became known as "capitalism", a word first used in English in 1833, might rethink some of their assumptions. Smith was perfectly frank about the societies that he studied and wrote about.

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There is, of course, no known substitute for reading the whole of Adam Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations*.[12] In this chapter, I attempt to highlight a few of the subjects that Smith included in his last 6th edition that, with others from earlier editions, make up his lasting legacy to the modern world. Hopefully, this will motivate readers to open *Wealth of Nations* and read more for themselves. Having read so far though, readers will already know quite a lot of the Authentic Smith's distinctive contributions to the modern history of economic thought. This is especially important because his name is regularly used to associate him with ideas and thoughts alien to anything he actually wrote, or even could know about in the eighteenth century, such is Smith's credited authority in the public media, as, for example, the '*father of capitalism*', a word first used in 1833 or 43 years after he died in 1790, and despite the fact that which is claimed for him is often grossly at variance with anything he actually wrote and published. I shall, however, focus on some ideas he actually wrote about, where he remains more or less completely right, if only for the times he lived through.

Smith opened *Wealth of Nations* with '*the division of labour*', which was the '*greatest improvement of the productive powers of labour*'. Earlier references made by predecessors and contemporaries,[13] were not

acknowledged by Smith, including the famous 'pin factory' example as expected today in modern scholarly dissertations.[14]

The fact remains that breaking down production processes by dividing them into multiple operations, or outsourcing the manufacture of components for later assembly, is now so well established that modern manufacturing thrives on it because it increases the productive powers of labour, and feeds the demand for automation and, in the near future, the forthcoming expected spread of robotic automation. As we enter the age of intelligent machines replacing human labour and combining multiple operations on components, the economic consequences for the future remain to be seen and understood. But certainly, Smith's appreciation of the roles of the division of human labour in the long-transition towards industrial societies was to be significant in the two centuries following 1790.

Writing *Wealth of Nations* from 1766 came on the back of his long-experience of researching and lecturing on *Jurisprudence,* which over the years contained from the early 1750s a considerable amount of relevant economic assertions about the changing British and European early manufacturing economies, within their predominantly agricultural economies. Much of Smith's attention in his *Jurisprudence* lectures had been devoted to the spread of work-related incomes that raised living standards of those employed even on the lowest pay in the new paid, activities compared to earlier times, almost exclusively related to farming and agriculture, within which there was a significant developing element of industry (Cunningham 1922).

Of course, in the former and still existing 'savage' societies in North America and Africa, there were even lower living standards in societies dependent on hunting alone. The newer, albeit low, paid-work occupations had significant effects on the living standards of those employed, even seasonally. Smith emphasized the consequences of these changing social circumstances, as illustrated in his famous example of the manufacture of the labourer's woollen coat at the beginning of *Wealth of Nations*: '*the meanest person in a civilised country*' compared to '*the more extravagant luxury of the great" does not "so much exceed that of an industrious frugal peasant, as the accommodation of the latter exceeds that of many an African King, the absolute master of the lives and liberties of ten thousand naked savages"*.[15]

Smith enunciated the broad principle that the division of labour depends on the extent of the market and by linking these events Smith was asserting a relationship that had implications for his thinking about how a commercial economy that was emerging in Britain and was already being commented upon amongst interested observers, particularly in the use of language to describe the important details. For example, the difference between value in '*use*' and value in '*exchange*', highlighted the paradox that things that have the greatest value in use may have little value in exchange and vice versa. Bread has great value in use, but little value in exchange; diamonds have great value in exchange, but little value in use. Smith described these apparent little oddities, common in economics 101 classes—some of which necessarily arose in the early days of a new subject—but, in addition, they contained the seeds of a new science. Also, the over-riding association of human labour in creating products that had value in *exchange*—a unique human characteristic not shared by those animals that obviously engaged in labour (ant colonies, bird nests, rabbit burrows, beaver dams, and such like) but none of these examples, plus the many others not mentioned, engage in exchange behaviours, which, in plain fact introduces, *exchange value* into the equation, which is a uniquely human transaction.

Those authors who subscribed to Labour Theories of Value, including John Locke in his labour theory in the *Second Treatise on Government* (1689), also began to see labour as the ultimate source of economic value. Smith in the eighteenth century, subscribed to a Labour Theory of Value in the pre-commercial society, which, being close to the natural state of life in nature, before the difference between animal and humanity appeared in the form of human exchange transactions in the uniquely human experience of '*truck, barter and exchange*'.[16]

Smith's adherence to the already existing ideas about labour as the distinctive source of value was largely inevitable amongst the early pioneers of ideas about economic relations. Because human labour was central to the unique evolution of human exchange behaviours, it was inevitable that labour was seen by scholars as the source of economic value, as distinct from nature or any other possible sources. Spiders weave their webs, beavers cut down trees on river banks and rabbits,

amongst many others, such a badgers, dig out their burrows. There are, however, no such social phenomenon as animal markets for exchanging the products of non-human labour. Animal 'give and take' exclusively majors on 'take'.

The Labour Theory of Value was a dead-end, despite its elevation into a supposed 'science' by Karl Marx, and later his Soviet followers, which, anyway collapsed under its own contradictions in the twentieth century.

Even Adam Smith's example from that 'early and rude state of society' amongst hunters, is almost surreal: he asserts that: if it takes twice the amount of labour '*to kill a beaver which it does to kill a deer*', one '*beaver should naturally exchange for or be worth two deer*' without re-inforcing his example by explaining why.[17] Smith does not discuss his evidence, he simply makes an assertion consistent with the hypothesis of a labour theory of exchange value with time taken as the decisive operator. The real problem arises when use value enters the likely consideration that a killed deer could feed a family for a week and provide comfortable deer-skin cover as a family blanket for months, compared to a beaver's food sufficient perhaps for a single meal and a beaver-skin skull-cap for a single person, does not enter the equation. Use value was not considered. The Labour Theory of Value was about production, hence its continued support and elaboration by Karl Marx because it re-inforced the philosophical belief in the primacy of the working proletariat over the glutinous ruling class. The violent Soviet experiment ended in tears. Today, the Labour Theory of Value is nowhere argued as an explanation of prices of exchange or the value of the products of human labour.

Smith's simple model of the economy whilst proclaiming it, largely ignored the Labour Theory of Value in his accounts of economic exchange. It included the albeit purchase of foreign goods for the idle people at the top of society who produced nothing, but consumed foreign wines and silks and such like, promoting prodigality. It also funds the purchase of material stocks and provisions to feed and maintain the industrious people at the bottom who profitably re-produce the value of their annual consumption, thereby promoting industry, after deducting the necessary wear of the tools and instruments of the various trades.[18]

Sure, some people spend their revenues imprudently, but Smith believed that most people in every class were generally fairly prudent,

which in the scale of the size of human societies was sufficient for his generalizations.

Such considerations led to another important distinction in Smith's thinking, namely that between productive and unproductive labour. The former produced vendible products for sale, the latter did not. This distinction at the time was considered important. It was inevitable across a human economy that there would be imperfections in many aspects of its actual operations. Accounting for them imposes a certain awkwardness of expression on authors and to an extent some obfuscation in the expression of their ideas, but close enough for making plausible generalizations.

As it was, the notion of unproductive labour in the terms by which Smith expressed it that was seriously wrong. Smith asserted that 'churchmen, lawyers, physicians, men of letters of all kinds', were unproductive, as were 'players, buffoons, musicians, opera-singers, opera dancers'.[19] He included as unproductive: '*The sovereign, with all the officers both of justice and war who serve under him, the whole army and navy are unproductive', who are servants of the public and are maintained by a part of 'the annual produce of the industry of other people*'.[20] Yet all of these offices of State are paid for out of taxation and the recipients of these incomes also spend them in purchases from nearby civil markets, which market sellers sensibly do not worry about the 'unproductive' distinctions in the mind of a political economist, whose own income stream came from his vendible services to the family of the Duke of Buccleugh. Smith's household expenditures in the local Kirkcaldy economy had indistinguishable economic effects from any other individual's family expenditures. The economic effects of spending by paid toiling labourers and by feckless heirs had the same economic effects of adding to domestic demand.

Modern theorists have avoided literary awkwardness by inventing models of economic behaviour around the notion of the perfectability of all players, exemplified clearly in the application of mathematical exactitude in place of the awkwardness of verbalizing human behaviours. Smith's chapter on productive and unproductive labour is a case in point. He alludes to the inevitability of human imperfections in his famous dictum on the classic case of bankruptcy: most men 'avoid it',

but some 'do not' as 'some do not avoid the gallows.'[21] But unfortunately modern economics has gotten itself into an unsustainable and unhelpful muddle, which, typically, modern economists have complicated by a fondness for alleged perfection at the price of realism in the form of the modern mathematics of whole economies stripped of the obstinate behavioural variations of the human participants.

Wealth of Nations has many such variations from modern expressions of everyday economic events. These reflect the times when they were first formulated as well as occasional fundamental errors. Modern scholarship grew out of correcting the errors of the early pioneers, and this process continues today.

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In Book III, Smith develops a main theme of *Wealth of Nations*: from which processes did the modern world of markets emerge? I suspect that this part of Smith's masterpiece is either skipped by many readers or its significance is ignored. It is largely based on materials embedded in his *Lectures on Jurisprudence,* symbolized in the tensions between the country and the slow emergence of the politics of the growing towns. Smith describes this process by demonstrating his rhetorical perspicuity.

Large parts of the country remained uncultivated and the nature of human behaviours for long enough measured in centuries, remained as barriers to the orderly development of farming that constrained the development of markets, because farming is a necessary prior condition for their emergence. Without surplus products from the country, hamlets do not grow into towns, and in so far as countryside is burdened with the violence between families of landowners or between the armies of contending allodial tyrants or feudal sovereigns, the countryside and everybody living in the disputed territories remained in relative poverty. After the withdrawal of Rome's armies, the land fell prey to marauding up-start warlords and almost inevitable economic decay.

Allodial rule slowly gave way to feudal rule and its characteristic of generational primogeniture, in which the Inheritance of title was confined to the eldest male progeny. Primogeniture regrettably was accompanied by entail laws that prohibited the separate disposal of any part

an estate on its own for its own separate profit. Entails prevented the slow shrinking disintegration of an estate; only the entire estate could be bought or sold, not successive bits of it. One consequence of entails was that the arable area of an estate could be seriously neglected and the fertile acreage shrinks, leaving the remaining estate less viable.

Smith highlights the significance of the non-improvement of these institutional drawbacks on the progress to opulence. For example, he notes that the cultivation of land requires a host of '*smiths, carpenters, wheel-wrights, plough-wrights, masons, bricklayers, tanners, shoemakers, and taylors*'[22] and these need to be accommodated separately from a single farm, because they labour for several farms in the district. Thus, little hamlets form on uncultivated land to service nearby farms as required. As other suppliers join them, such as butchers, brewers, bakers, artificers, and retailers, the little hamlet becomes a village and, in due course, could become a small town. This could lead to a progression from local trades to small towns with other vendors of services and manufactures. The important consequence is that growing numbers of people rely on a relatively new source of income outside that of agriculture that has different economic affects and new social consequences in the nature and origins of its wealth creation.

Smith's magnum opus was aptly titled: '*An Inquiry into the Nature and Causes of the Wealth of Nations*'. He gives three good reasons for the significance he attached to the processes he identified that brought about the modern world of markets. First, the growth of commercial towns created markets for the products of country farms and sources of income for farm produce; second, growing wealth led to the purchase of lands by city-based gentlemen who aspired to improvement projects that returned to them with profits; and third, the presence of energetic merchants acting in pursuit of profits gradually introduced the idea at last, if not yet a universal practice, of 'order and good government.'[23]

In summary, Smith's comparatively short Book 3 of WN anchors the eventual wealth of nations via his plausible explanation of the evolution of the new world of commerce amidst old agricultural backwardness. Notably, Smith's usage of materials from his *Lectures on Jurisprudence* gave him advantages over other authors, both before and after he had

resigned his Professorship in 1763. His in-depth understanding of the long history of jurisprudence allowed him to see the connections between those unfolding events and their effects on the emerging world of commerce, which were based on its creating the uniquely different circumstances of a self-generating system of wealth creation on a scale and intensity not seen anywhere before the eighteenth century in north-western Europe, nor, of course, anywhere else.

I recommend that you read the reports by the students who copied into their accounts of Smith's *Lectures on Jurisprudence,* to appreciate the unique significance of that long period in history towards creating, '*at last*', the world of commerce, which still shapes our lives today. The continuous growth of commerce in all its advanced forms was accompanied by the widest spread of continuous, though slowly rising, relative affluence for increasing proportions of human populations in Europe and in its migrant settlements in North America, and later in the rest of the world. In contrast, feudal relationships abounded for a while, with setbacks, fractious wars, elite succession strife and the continued immiseration of its landless peasantry.

Smith was writing of a turbulent period in history and he was scathing of the conduct of the feudal remnants of the period by disclaiming any positive role for feudal institutions. The great transformation was brought about gradually by '*the silent and sensible operation of foreign commerce and manufactures*.'[24] The nobility 'gradually bartered their whole power and authority' in pursuit of manufactured trinkets rather than maintaining 'a thousand families' in feudal servitude. The proud and selfish landowner ended up with '*ten footmen not worth commanding*'. Meanwhile, in his pursuit of manufactured trinkets, the landowners' fields maintained '*the wages and profits of all the workmen and their employers*'.[25]

And the unstoppable transformation continued. Small farms were conjoined and rented to tenants. Tradesmen, without land sought occasional employment from '*a hundred or a thousand different customers*', releasing them from dependence on any one customer. In exchange for higher rents, landowners offered longer leases. Necessarily, this reduced the exercise of the arbitrary and unchecked blocking power of individual landowners.

Smith summarizes the long-term effects of these changes and then moves on to the political economy of what grew up in and alongside what was a leftover from the long-past since the first humans left the forest. Those that did not leave the forest came to be designated in the eighteenth century as "savages", which offends today's sensibilities and lately they have been re-designated by the more acceptable title of 'indigenous peoples'.

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Wealth of Nations addresses the nature and consequences of the long period in which the British economy began to transform from the even longer past of allodial and feudal regimes, towards a new, expanding world commercial economy in the late eighteenth century. That transformation from within the old economy was identified by Adam Smith and marks his early legacy, despite the inevitable obstacles that were present in eighteenth-century Europe. Smith did not have a crystal ball about how the future could or would evolve. He did, however, identify some, though not all, of the changing economic relationships that were evident to him in his analyses based on his prodigious reading habits, particularly of existing statistical collections related to economic subjects (for example, Customs Data).

He also carried over some of the old baggage too. Instead of examining the changes that were evident and separating them from the 'noise' of an unchangeable past, much of the thinking of earlier and contemporary eighteenth-century political economists, who conceived and pronounced about past, present and unknowable future societies, Smith's focus was on how the then present had been formed by its past, and not on an unknowable future in the nineteenth century and beyond. I recollect only one occasion in which Smith speculated about the future, specifically the future of the newly independent former British colonies on the east coast of North America, of which he asserted that over the next 100 years (that is from 1880s), the former colonies would grow into the richest country in the world—which, of course, they did.[26]

To attempt to summarize *Wealth of Nations* in a chapter would be an improbable task of questionable value. Instead, I discuss several themes in which I believe the modern consensus as presented gives a

questionable account of Adam Smith's contributions to political economy and moral philosophy, and in some cases also an entirely false account of his ideas, largely to suit a modern political agenda. I am not challenging modern accounts on their own merits—people believe whatever suits their personal dispositions—I am simply asserting that certain ideas, whatever their merits on other grounds, are not the authentic ideas of Adam Smith.

Let us take an obvious example from the scores of occasions in which authors or lecturers assert that Adam Smith favoured *laissez-faire* as a policy. This misunderstanding emerged quite accidently from a collusion of patent ignorance of the facts with laziness in appreciating Adam Smith's scholastic character.

First, I draw your attention to some twentieth-century sloppiness in ascribing *laissez-faire* to Adam Smith, even by one of our heroes of the then hour. For example, Paul Samuelson, Nobel Prize winner and highly regarded innovating educator in textbook writing, and mathematical genius, who asserted that Adam Smith was '*the prophet of laissez-faire*' (Samuelson 1973). The ascription of laissez-faire to Adam Smith remains unchallenged amongst mainstream economists. There are scores of other modern references associating Smith's *Wealth of Nations* to *laissez-faire.* There are very few disassociating him from 'the *locus classicus* of the *laissez-faire* ideology for 200 years' (Teichgraeber 1986). Unfortunately the popularity of the insistence of associating Adam Smith with *laissez-faire* carries on regardless of the facts.

I have been challenged on the importance of this misinformation about *laissez-faire*, once by an accomplished mathematical economist, to whom I replied that, if he became aware of an error term in an important mathematical equation, would he not challenge its author's conclusions?

As it happens, the origins of the use of *laissez-faire* were examined by D. H. Macgregor in his "*Economic Thought and Policy",* 1949, Oxford University Press (Macgregor 1949). He attributed the expression to "a plain spoken merchant" (a M. le Gendre), who responded to a question from Colbert, the French Minister, as to what he could do for them with the expression: '*laissez nous faire*' (translated as 'leave us alone'). The issue arose in the context of the over-regulated French market

economy then and, some would argue, how it remains today. But note that M. le Gendre's response to Colbert's question was a simple answer in French—'laissez-nous faire'—'leave us alone'—and not the doctrinal slogan that it has become today: 'laissez faire'.

At the time and for long afterwards, *laissez-faire* as a slogan seems to have lapsed. The French Physiocrats, a small sect associated with Francois Quesnay, whom Smith met and spent time with during his tour of France with the Duke of Buccleugh, did not use the laissez-faire maxim, and nor did Quesnay use it in his *Thirty Maxims of Economic Government* (1767), or in his famous *La Tableau Economique* (1758/1767). The words were picked up in the mid-nineteenth century and applied indiscriminately.

Smith did not refer to *laissez-faire* in his *Wealth of Nations*. Yet hints of its origins persist, often in the name of Adam Smith, despite the absence of supporting evidence. Smith, incidentally, apart from his use of Latin in his lectures, did not approve of including foreign words in place of English words in print. So does this matter? Yes, it matters because its use by a section of society, can be and often was pernicious from associating it with Smith who had never used them. Merchants and manufacturers in the nineteenth and twentieth centuries crying out for '*laissez-faire*' sought its freedoms for themselves, not for the community, particularly not their customers, and in eighteenth-century Britain, and certainly not for the labourers they employed. It took legislation through bitterly fought Parliamentary Acts to improve safety for employees, many of them children, working nearby fast moving machinery, and shorter hours of work. Employers defended their unsafe factories and long hours of work by cries of 'Laissez-faire'. In short, its ascription is highly selective by those who clamour for *laissez-faire* today.

Smith in *Wealth of Nations* writes sympathetically in favour of the far more appropriate "Natural Liberty" for all. Smith argued for every man to be "perfectly free" to go about his "business" in pursuit of his interests as long as he does not break the law in competition with others. It was customary for local Parish authorities to remove incomers who chose to reside there and send them back from whence they came, irrespective of whether they had committed an offence or not. Smith described this practice as a '*violation of natural Liberty*'.[27]

Smith added other instances of the same violation of natural liberty. In banking, he objected to restraints on private persons who willingly accepted payments in 'promissory notes' for their use with those willing to accept them as a 'manifest violation of natural liberty'.[28]

The third example, is on another subject, namely those laws that prohibited manufacturers from engaging in related trades and farmers from retailing their own corn. This discussion appears in a 'Digression' on the 'Corn Trade and Laws'.[29] The origins of such laws were Mercantile inspired that intruded in the private choices made by otherwise free citizens.

Smith's final reference was a comprehensive summary of what natural liberty meant and its scope in respect of an economy. The overall goal was to replace '*all systems of preference or restraint*' with the simple 'system of natural liberty' that asserts itself 'of its own accord'.[30] Moreover, the government, including the King, should not try to manage every aspect of the economic affairs of its citizens. Even to try to do so would be delusionary on the part of the Sovereign and presumably his Ministers too. The sovereign's duties are few, but 'important', such as: 1 defence of the society from 'violence and invasion'; 2 protection of all citizens from 'injustice and oppression'; 3 the administration of justice; and 4, the erection of public works and institutions.[31]

In the nineteenth century, during the agitation for social reforms in Parliament, affecting many employees and customers, calls for 'laissez-faire' became a widely-heard theme, specifically linked by name to Adam Smith, who never, it should be noted, averted to such a one-sided notion of what 'natural liberty' was about. The employers' interest was in laissez-faire for themselves, not for their employees or customers too. Employers hired University professors to give evidence to parliamentary enquiries into reductions in the maximum weekly hours of work, purporting to prove their case that the firm's profits came from the final hours of a 12-hour shift and therefore cutting maximum weekly hours could cause bankruptcies! In these disputes the balance of power remained uneven in favour of employers. Laws against labourers combining to raise wages or resist lowering them were not matched with legal restraints on employers combining to refuse wage demands.[32] The imbalance of power was starkly evident because Masters could and did combine privately with impunity.[33]

Cries of "laissez-faire" appeared but from and for whom were they heard? They are often linked to Adam Smith by name as if he had approved the principle.[34]

There is no mention in *Wealth of Nations* of capitalism, which should surprise those who assert that Adam Smith's famous book was the 'Bible of capitalism', or more simply that Smith[35] was the genius behind capitalism, as if by writing *Wealth of Nations,* it was the book that created the phenomenon known today as capitalism, supposedly as its 'blueprint'. Such suggestions are neither tenable nor credible. The market involved many thousands of participants of which only a very tiny few read *Wealth of Nations*. Capitalism took decades to become the dominant economic system it became in the twentieth century. In fact, the first recorded use of the word 'capitalism' in English was in 1833 in The Standard in 1833 (23 April): '*when the same tyranny of capitalism…*' and in the Caledonian Mercury in 1848 (26 September): '*That sweeping tide of capitalism and money loving…*'. Of related interest, the word 'capitalist', was first used in English by Arthur Young, in 1792, *Travels in France* and it was also used by Turgot (in French) in 1770 in his '*Reflections on the Formation and the Distribution of Riches*' LXIII–IV.[36]

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Adam Smith's Book III of *Wealth of Nations* is worth more than a glance for a sight of his analytical work on the progress to opulence through the exchange of produce from and within agriculture for the produce from and within manufacturing. These exchanges were self-reinforcing. As a nearby town grew so did its demand for the products of farming to feed its rising population and, in return, as the nearby countryside increased its demand for manufactured goods and services, and tenant farmers pressed for longer leases.[37]

The natural developments provided gains for both country and town population, though patterns of trade could vary according to local circumstances if, for instance, nearby to larger towns where their larger populations provided sources of demand for country produce. Smith stated a general natural order that a growing society directs it capital first to agriculture, then to manufactures and last of all to foreign

commerce, with the proviso that foreign commerce can introduce finer manufactures for distant sale and that such manufactures were attractive to those who could afford them.

The evolution of the status of dwellers in towns and cities had its own trajectory. They were a 'very poor, mean set of people' subject to taxes as they travelled to go about their business and paying a 'sort of poll tax'. From such humble beginnings they emerged as various sorts of local governments from the depredations of the 'great landlords', beholden to the King rather than local Lords. Smith notes the implicit role of the King in granting the towns rights to self-government, and as the 'enemies of the King's enemies' the towns became his loyalist taxpayers who could be mobilized quickly in the King's interests when in dispute with local barons. It was from these unpromising beginnings that loyal local self-government led to parliaments with taxation powers.

The political economy of these constitutional changes had unexpected effects, which Smith describes skillfully. Where the town could enjoy the 'fruits of their industry' they exerted themselves to 'better their condition' by producing the 'necessaries' of life, plus also the 'conveniences and the elegancies' of life, whereas the proprietors of the countryside lagged well behind. This application of Smith's powerful principle of 'Self-Betterment'—from 'cradle to grave' is a timely reminder of the significance he placed on it to explain much of human behaviour. Disputes there were aplenty in such cases of the jealousy of local landowners—always ready to plunder a town where they could on any excuse—searching for runaways and such like.

The unintended consequences of the evolving town-country divide worked through many great changes. The 'great proprietors' of the cultivated lands boosted commerce by the exchange of country produce for the manufactured produce of foreign countries—"English wool for French wines and fine cloths from Flanders".[38]

This was not a fast process. It took its time, but if imperceptibly, it was steady and in due courses had the effects anticipated by Smith. The overall importance of the processes of 'commerce and manufactures' identified by Adam Smith, specifically the introduction of 'order and good government' and with them 'the liberty and security of individuals', no longer in 'continual war with their neighbours' nor in 'servile

dependency upon their superiors' was of great Importance. Smith was not the only author to have noticed these connections.[39]

Notes

1. Adam Smith, *Early Draft of Part of The Wealth of Nations*, Chap. 2: 'Of the nature and cause public opulence', *Lectures in Jurisprudence*, Appendix, pp. 561–581.
2. "First Fragment on the Division of Labour", LJ Appendices, pp. 582–584; "Second Fragment on the Division of Labour", pp. 585–586.
3. CORR. p. 186. David Hume to Adam Smith, 8 February, 1776: "*The Duke of Bucleugh tells me, that you are very zealous in American Affairs.*"
4. Ross, 2010; Nicholson, 2010; and Scott, W. R. 1937.
5. LJ(A) i.32, p. 16.
6. LJ(A) 1.27, pp. 14–15.
7. LJ(A)1.32, p. 16.
8. WN V.i.a.1–44: pp. 689–708; see also: LJ(B) 18–55, pp. 402–418.
9. WN V.i.b.2, p. 710.
10. WN V.i.b.6, p. 711.
11. WN V.i.b.12, p. 715.
12. WN 1776; sixth edition 1789.
13. Petty (1690); Mandeville (1714); Harris (1757); Turgot (1766).
14. Paucele, 2006.
15. WN I.11, pp. 22–40.
16 WN I.vi.1, p. 25.
17. WN i.vi.1, p. 65.
18. WN II.33–35, pp. 294–295.
19. WN II.iii.2, p. 331.
20. WN II.iii.2, pp. 330–331.
21. WN II.ii.29, p. 342.
22. WN III.1.4, p. 378.
23. WN III.iv. 2–4, pp. 411–412.
24. WN III.iv.10, p. 418.
25. WN III.iv.11, pp. 419–420.
26. WN IV.vii.c.79, p. 825.
27. WN I.x.c.59, p. 157; Cannan 1937 ed., p. 141.
28. WN II.ii.94, p. 324.

29. WN IV.ab. 1–53, pp. 524–543.
30. WN IV.ix.51.
31. WN IV.ix.51, p. 687.
32. WN I.viii.12, p. 83.
33. WN I.viii.13, p. 84.
34. *The Economist: A Political, Commercial, Agricultural, & Free-Trade Journal* by James Wilson in 1843.
35. Turgot 1770 in his '*Reflections on the Formation and the Distribution of Riches*' LXIII-IV.
36. WN I.viii.13, p. 84.
37. WN III.i.1–2, pp. 376–377.
38. WN III.12, p. 405; WN iii.15–17, pp. 406–407.
39. WN III.iv.4, p. 412; see also footnote 6.

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Smith's Alleged Religiosity

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Beyond doubt, Smith's biography by Ian S. Ross, is unlikely to be surpassed in the near future.[1] This Account raises new issues in relation to Adam Smith's ideas on religion and the circumstances in which he developed them, and should be read as a contribution to our understanding of his ideas and not as a critique of religion. I focus on the underlying religious themes running throughout his books, which, if read carefully and in context, show retrospectively the decline in Smith's public religiosity, initially from his years at Balliol College, Oxford, in the 1740s. In the last years of his life, at least whilst his mother was alive, Smith acted the part of a regular church member, escorting his mother to the Canongate Kirk, almost next door to their home in Panmure House, just off Edinburgh's Royal Mile (Kennedy 2011, 2014). Smith's religiosity, or lack of it, remains enigmatic and has occasionally attracted comment in the past but without conclusive discussion by authorities on Adam Smith's life and Works. It has been discussed by Barry Weingast[2] and also by Lisa Hill.[3] John Haldane's thoughtful contrary views are worth noting and are summarised in his paper:[4]

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G. Kennedy, *An Authentic Account of Adam Smith*,
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> The conjunction of the name of Adam Smith with the subject of theology is not unremarkable, for it is a matter of some dispute quite what Smith's attitude to religion was.

Haldane makes reference to a selection of Smith's own published views to show that there is evidence that Smith retained some of his original theological beliefs. That he did so whilst his mother was alive is not in dispute, but Haldane's assertion is less true after his mother died.

I suggest that Adam Smith had not been conventionally religious since his time at Balliol (1740–1746) and that this could have caused him concerns about how, and whether, he should inform his mother of his doubts. As discussed in Chap. 2, his gradual loss of faith came partly from his reading of David Hume's *Treatise of Human Nature,* and partly from his thinking through the issues raised by his theological beliefs. His mother's portrait, attributed to Conrad Metz in 1779, shows her in her 80s, with a strongly featured face, holding a hymnal or some such holy book.[5]

His concerns for his mother's religious sensibilities played a major unsettling role in his stressful double life of his public protestant affiliation and his private uncertainties, even his outright disbeliefs, since his time at Balliol, which openly came to the surface in his last edition of *Moral Sentiments* in 1790.

Smith appears not to have said anything about his loss of faith to his mother and lived out his life, during the course of his subsequent academic career, in which to all intents and purposes he remained both privately at home and in public life, at Glasgow University and, later, at the Custom's office in Edinburgh, a regular Protestant Christian. He shared his private skeptical views only with his closest philosophical friends, as members of his social circle at the Oyster Club in Edinburgh. His circle included his friends, William Robertson (a former Moderator of the Church of Scotland) and Hugh Blair, a Minister in the Church of Scotland, and a prominent and popular preacher and Professor of Rhetoric at Edinburgh University. Both of them were popular luminaries in the Church of Scotland. However, all this came to a head in the last months of his life. In this chapter, I examine how he handled what was to be an implicit break with his public religious past.

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Knud Haakonssen, for example, wrote: '… *whatever (Adam Smith's) personal religious sentiments may have been of which we have no real evidence—he dramatically ignored all traditional religious ideas of conscience as either an inspiration by God or a response to our fear of the might of the deity.*'[6] But is it true that 'we have no real evidence'? Certainly the case against Smith lacking clarity in his religious sentiments is widely discussed across much of the profession.[7] Though, as always, the expressing of popular views in an academic community, or the reverse, expressing views that are widely denied, is no measure of their accuracy one way or another.

Eight years after joining Glasgow University in 1751 as the Professor of Moral Philosophy, Smith published his first book, *The Theory of Moral Sentiments*.[8] TMS 1759 He also continued with his *Jurisprudence* lectures that he had begun in Edinburgh, and for which we have two sets of extensive notes from his last term as a professor in Glasgow in 1762–1763. Shortly before his death in 1790, Smith also began editing and recasting some of his earlier ideas for his 6th and final edition of TMS. He was somewhat exhausted mentally and physically during this time. His revisions were less than comprehensive and much affected by his declining health. In fact, large sections of TMS remained unchanged, though significant sections in it, particularly on religion were re-written or dropped altogether. Nevertheless, the 6th edition of TMS provides clues to his state of mind in those last months of his life and also as to his final thoughts on certain theological matters. I shall discuss these changes in what follows.

Broadly speaking, we can detect in his revisions a less than wholly Christian theological approach whenever he recasts his ideas. Now, this assessment is bound to be controversial. Some readers, ardent Christians of all denominations, for example, may well reject my assertions, forgetting that we are discussing Adam Smith's state of mind towards religion and not the validity of their own religious beliefs. Nothing argued here has any relevance to the truth or otherwise of Christian, or any other theological, or for that matter any wholly secular beliefs. That which Smith believed in the last months of his life solely concerns him and his conscience and not anybody else's, especially amongst today's readers over 200 years later.

His opening paragraph in TMS from his first to his sixth edition remained untouched for over 41 years and thereby may be regarded as a reliable statement of his long-standing general beliefs. He links the sorrow we share for someone beset by the sorrow they feel for others, as an original passion of our human nature. Even well-known '*ruffians*' and those '*hardened violators*' of society's laws, are not '*immune*' to feeling concerned about such feelings of sorrow.[9] His opening statement roots Smith's understanding of the fate, fortune or otherwise, of those around him and is based on the general premiss of human sympathy. We may imagine how we might feel in their situation. In short, we are involved in the daily affairs of other people and what they do, or don't do, affects us too.

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We don't know his state of mind when he began to write his *History of Astronomy* (HA). I surmise that his approach had something to do with a sort of crisis of faith, mixed with his realisation that he was wasting his time at Balliol, for reasons discussed in Chap. 2. For indirect evidence we can read his early composition from those years, particularly the beginning third of his '*History of Astronomy*' in which he introduces the linked ideas of '*Wonde*r', provoked by what is 'new and singular'; followed by '*Surprise*', because it is 'unexpected'; and '*Admiration*' for what is 'great and beautiful'.[10]

In pleading the case for the philosophical method, he criticises human credulity in matters of nature and its phenomena, particularly when under the influence of 'pagan superstition' that attributed nature's 'mysteries' to invisible gods. He also mentions, for the first of only three times in all his Works, the words for which he has since become famous (for all the wrong reasons) of an 'Invisible Hand', which in this case was the 'hand' of Jupiter, the pagan Roman god, not the planet. In itself, not much of a 'smoking gun', but nevertheless in my view, with all that followed, it is significant. Whilst criticising pagan superstition, he can be read as criticising *all* religious superstition, given also that his essay reviews the history of those astronomers compelled to follow false Christian beliefs about the nature of the Universe, as enforced by self-appointed Earth-bound interpreters of their God's Will. People were burned to death at the stake for suggesting that the Earth revolved

around the Sun, rather than the religiously ordained insistence that the Sun, and the whole Universe, revolved around the Earth.

Smith's criticism of the convoluted reasoning offered by philosophers to fit the Universe into the ignorant certainties of the authorities of the Christian Church is also a critique of a role for religion in deciding on the 'wonders' of nature, all explainable by science, without claimed divined authority. Whilst that is a long way from revealing atheism in Smith's thinking, it is a step towards it, a point underlined by his keeping his '*Astronomy*' manuscript locked in his bedroom bureau from the 1750s, for nearly 40 years until he died, and leaving instructions to his literary executors, Professors Black and Hutton, to publish it.

Earlier, in 1773[11] Smith informed David Hume where he kept his unpublished 'juvenile' History of Astronomy essay with instructions to publish it in the event of his death, whilst he was away in London (1773–1776) to arrange the completion of his manuscript for his new book, WN. It is clear that Smith had not shown his 'juvenile' essay on Astronomy to David Hume, or to anybody else, but he was determined that it survived his intentions to burn at his death all of his other manuscripts and notes, which was duly carried out on his instructions in 1790.

We can conclude that Smith's 'juvenile essay' had high emotional significance for Smith. I surmise that its significance for him was that the Astronomy Essay marked his turning away from religious belief, as represented by the teachings of the Church. Whether he remained a Deist, Providentialist, or became some sort of an atheist, is something he took with him to his grave.

In the Essay, it was '*the wild nature and passion*' of the 'savage' that '*excited*' beliefs in an '*invisible and a designing power*'. The calm sea was '*heaved into a storm by 'Neptune*'; the '*exuberant*' harvest was produced by '*Ceres*'; wine came from *Bacchus*; trees by a '*Dryad*'; and a stream flowed by the '*Naiad*'. Which leads Smith to his assertive conclusion:

> Hence the origin of Polytheism and that of vulgar superstition which ascribes all the irregular events of nature to the favour or displeasure of intelligent, though invisible beings to gods, daemons, witches, genii, fairies. For it may be observed, that in all Polytheistic religions, among

> savages, as well as in the early ages of Heathen antiquity, it is the irregular events of nature only that are ascribed to the agency and power of their gods.[12]

It is fair to ask why Smith never stated his disbelief explicitly. Why didn't he publicly reject the supernatural religion within which he was brought up by his mother? That he didn't do so is taken to confirm his belief in the religious language of *Moral Sentiments* and (less so) of *Wealth of Nations*. If he had not been of a religious mind, why didn't he correct what he published? People who ask these questions must live in open, liberal societies, not secular or theological dictatorships.

Consider his life-long, two-fold self-denying ordinance: first, never to embarrass or upset his mother, a deeply religious woman by all accounts[13]; second, never to give offence to the 'Great Orders' of society, which had nurtured and advanced his personal interests in an academic career that looked bleak after he left Oxford, and which enabled him to 'retire' on a pension for life to pursue scholarly studies in reasonable comfort and security after his tutorship of the Duke of Buccleugh (1764–1767), and which kept him in convivial company at all levels, from street-porters, day-labourers and members of Edinburgh's City Guards, of which he was an Honorary Captain, to the ladies of salons, gentlemen of business, Dukes, Cabinet and Prime Ministers, Judges and personages of the British State, and above all, to his intellectual contemporaries of the Enlightenment, in Scotland and abroad, who shared his passion for knowledge, but not necessarily his private views on religion.

Now consider the alternative life if he had opened up on the then solid adherence across all sectors of society to revealed religious belief. He was already well-versed in the unattractive consequences of suspected apostasy or a reputation for outright atheism in the mid- eighteenth century, both personally and for all those on whom he relied in two-way exchanges of harmonious relationships, the stuff of his *Moral Sentiments*. The treatment of David Hume, who whilst he never publicly admitted to atheism, though widely believed to be one by albeit biased Kirk Ministers, was a salutary lesson on the consequences of appearing to challenge deeply-felt beliefs. Denounced as an atheist, abused personally too, and a regular target for more repressive

measures to be invoked, Hume was denied Chairs by both Edinburgh and Glasgow Universities (to their lasting shame) on grounds of his religious 'unsuitability', and he only survived socially because of his personal qualities by those who knew him, even from within the Church. It was not an encouraging precedent. In retrospect, recently Edinburgh University named a new building after him, known as the David Hume Tower, which we may treat as something close to an apology.

What would Smith have lost by non–compliance with the accepted norms of prudent discourse, albeit, within the barely tolerable boundaries of eighteenth century religious vigilance against blasphemy? The presence of religious zealots was real, not imaginary. Professor Hutcheson, himself an ordained member of the Irish Protestant Church, and Smith's mentor, had suffered the attention of Glasgow's Calvinist Ministers whilst Smith was a student. To avoid such treatment, Smith had to avoid causing gratuitous offence. Therefore, he wrote in code. In short, observance of certain social habits based on religious practice was the default behaviour of many religious doubters because the social costs of defiance were not worth it. In Smith's century, the consequences of proclaiming one's religious non-compliance were serious, or believed to be, and he therefore sensibly observed via coded dissent what was, after all, a relatively trifling issue within his larger agenda. He knew where he stood and so did his closest philosophical friends who shared his 'social hours'.

The Enlightenment revealed the implausibility of the Biblical creation and few of the luminaries could have been truthful in their expressed beliefs and their default conduct, such as by attending Sunday church services. James Hutton, the geologist, one of Smith's closest friends, realised that the Earth was much older than the Church insisted upon as an article of Biblical faith. Smith and Hutton conversed socially, and walked together in the remains of Edinburgh's long-extinct volcano, where they saw the evidence of fossils and where Hutton had explored the powerful residues of a very distant past. They probably exchanged views on Smith's 'Four Ages' model of society's origins from his Lectures on Jurisprudence on the so called 'Savage' societies that engaged in hunting and collecting fruit in the Forest, followed later by shepherding, farming and commerce.[14]

I was shown around some sites by an Edinburgh Geologist, Norman Butcher, where Hutton's geological explorations occurred and at Siccar Point, known as 'Hutton's Unconformity', down the east coast of Scotland, in Berwickshire, near where Hutton's own farm was located. Sea erosion in this small bay clearly exposes the folded residue of thick layers of rock that neatly display the immense power of geological forces that had shaped the land below soil level.

Perhaps too, Smith and Hutton mused on the unique human capacity for language, a subject that interested Adam Smith enough for him to have published an essay: *Considerations on the First Formation of Languages,* of which a new extract was included in his *Lectures on Rhetoric and Belles Lettres*.[15] Most likely, they discussed the unique origins of the human 'propensity to truck, barter, and exchange' amidst the 'division of labour', and the long origins of human moral sentiments, and the many other lessons of history following the Fall of Rome. Smith probably regarded his contributions to the betterment of humankind to be far more important than possible misunderstandings of the presence of religious language in *Moral Sentiments*. Coming from different strands of what was becoming the frontiers of modern science, the two friends and Enlightenment colleagues certainly had much to converse upon in their separate disciplines.

Indeed, if Smith's books are read carefully, his was adroit at the rhetorical art of appearing to say one thing ambiguously whilst implying something less definite. It is also worth noting that after his mother died, Smith, in the last 6th edition of *Moral Sentiments,* toned down several religious statements in conformity with partial release from his lifetime's self-denying ordinance. Further, we remember that he was anxiously concerned that publication of his 'juvenile' *Astronomy* essay should be posthumous and directed solely at its reception by living humans and not solely by a supposed omniscient personal god, as taught by the main Abrahamic Hebrew, Christian and Islamic faiths. Of course, if he did so believe, publishing after he died would protect him only from the living but not from a supposed supernatural God who knew everything and would hold him to account for what he did whilst alive on Earth. That final act itself was his coded demolition of modern

arguments favouring his adherence to a philosophy associated with religious beliefs.

Is this why Smith keep his *History of Astronomy* essay for the best part of 30 years, locked in a cabinet in his bedroom? It appears to have had great emotional relevance to him as a scholar. My own thinking on these questions is that the hidden essay, written mainly at Balliol, marked the time when he first formed his life-long doubts about the religious beliefs of his childhood.

The case for crediting Smith with a religious core in *Moral Sentiments* and *Wealth of Nations* rests on his numerous references to God, the author of nature, and the purposes of humankind, which were largely about self-preservation and propagation of the species. The religious case is by no means flimsy, nor completely without substance. Its proponents are not stretching a few isolated details in a selected parade of quotations to make a tenuous case. They also include many highly respected Smithian scholars, who cannot be accused of unfamiliarity with Smith's Works. They are misled, perhaps, by what they believe they read, as were the 'three bishops' who purchased, *Moral Sentiments*, believing it was written by a Christian scholar, much to the friendly amusement of David Hume, itself a revealing anecdote.[16]

Other readers search his *Wealth of Nations* for confirmation that his prescriptions are consistent with their belief in God and, of course, I respect their intentions and their right to draw their own conclusions.

What is missing in these occasional disputes is a complete absence of context, as if eighteenth-century Scotland was as protective of free speech as today's twenty-first century secular democracies. To forget context is to assume that Smith published within an environment free of institutional and social interference in what people believed and spoke about, when in fact it only legally protected a singular religious viewpoint. It wasn't free, even for ideas mildly critical of the ruling religious dogma of Christianity, nor in the spaces occupied by Catholic or Protestant dissidents. Excommunication from their Churches was a real social threat to those tempted to risk purveying ideas considered to be dangerous to the conventional core beliefs of the dominant local religious view.

The last hanging for apostasy occurred in Edinburgh in 1697; the victim was a young theological student, whose offence were some careless remarks about religion; his awesome death sentence was to discourage others. Adam Smith as born in 1723; the last 'witch' was burned in Scotland in 1727. The enthusiasm for religious–inspired barbarism was only just waning within the living memories of those around him. His loving widowed mother, a devout and practising Christian, contrasted with aspects of his induction as a studious school and college boy (1731–1746), and with the institutionalised rigours of Christian belief and practice. What was the nature of his alleged 'depression' at Balliol? We don't know for certain. I surmise that it had something to do with his crisis of faith in which he was no longer sure of his faith and not yet sure of his non-faith.

For indirect evidence we can read the early composition of his *History of Astronomy* essay from those years, particularly the beginning third of it. In pleading the case for the philosophical method, Smith criticises human credulity in matters of nature and its phenomena, particularly when under the influence of 'pagan superstition' that attributed nature's mysteries to invisible god-like powers. He also mentions, for the first of only three times in all his works, the two words for which he become famous in the mid-twentieth century, for all the wrong reasons, of an 'Invisible Hand'. In his *History of Astronomy* he mentioned the 'Invisible Hand of Jupiter', the pagan Roman god, not the planet. In itself, not much of a 'smoking gun', but nevertheless in my view, with all that followed, it was significant. Whilst criticising pagan superstition, he can be read as criticising all religious superstition, given also that his essay reviews the history of those astronomers compelled to follow Christian beliefs about the nature of the Universe, as enforced by God's Earth-bound interpreters, not necessarily with any scholarly, nor even religious authority.

Smith's criticism of the convoluted reasoning offered by philosophers to fit the Universe into the ignorant certainties of the Church authorities is also a critique of any role for religion in deciding on the wonders of nature, as alternatively explainable by science, post Newton. Whilst that was a long way from revealing any sign of atheism in Smith's thinking, it was a step towards it, a point underlined by his keeping his

Astronomy manuscript locked in his bedroom bureau from the 1750s, until he died, and begged his literary executors, Professors Black and Hutton, to publish it.

It is clear from this correspondence that he had not shown his unfinished paper to David Hume, nor apparently to anybody else, but he was determined that it survived his intentions to burn all of his other manuscripts which his Literary Executors duly carried out in 1790. The *Astronomy* essay must have had high emotional significance for Smith. I surmise that its significance for him was that it marked the beginning of his turning away from religious belief, as represented by the Church. Whether he remained a Deist, or a believer in Providence, or became an atheist, is something he took to his grave.

Now consider the alternative life if he had opened up on the then solid adherence across all sectors of society to revealed religious belief. He was already well versed in the unattractive consequences of suspected apostasy or a reputation for outright atheism in the mid-eighteenth century, either personally or for all those on whom he relied in two-way exchanges of harmonious relationships, the stuff of his '*Moral Sentiments*'. The treatment of David Hume, who never publicly admitted to atheism, though he was widely believed to be one, was a salutary lesson on the consequences of challenging deeply-felt religious beliefs. Denounced as an atheist, abused personally too, and a regular target for more repressive measures to be invoked, Hume was denied Chairs by both Edinburgh and Glasgow Universities, to their lasting shame, on popular religious grounds of his 'unsuitability', and he only survived socially because of his personal qualities by those who knew him, even from senior figures within the Church. However, it was not an encouraging precedent (Rasmussen 2017).

What would Smith lose by non-compliance with the accepted norms of prudent discourse, albeit, within the barely tolerable boundaries of religious vigilance against blasphemy? The presence of religious zealots was real, not imaginary. Professor Hutcheson, Smith's mentor, had suffered the attention of such ignoramuses whilst Smith was a student. To avoid such treatment, all he had to do was to avoid causing gratuitous offence. Therefore he wrote to evade religious interference or worse.

In short, observance of certain social habits based on religious practice was the default behaviour of self-confessed doubting theists because the social costs of defiance were not worth the risks. In Smith's century, the consequences of proclaiming one's religious non-compliance were serious, or believed to be so, and he considered that observing via coded dissent was a trifling issue in his larger agenda. He knew where he stood, as did his closest friends, who shared his 'social hours', if not his private stances on religion.

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A former student, John Ramsay, who attended Smith's Glasgow lectures, decades later reported that Smith (whom he described, dissuasively as a friend of '*Hume the atheist*') '*petitioned the Senatus … to be relieved of the duty of opening his class with a prayer*' but his 'petition', more likely an expression of his personal difficulty in expressing himself on something so private and personal, than a public statement of his personal views to fellow professors at a Senate meeting. Anyway such a request, if it had occurred was rejected.[17] Rae, one of Smith's biographers, adds: '*no record of the alleged petition … and its refusal remains in the College minutes*' and he speculates that it was '*but a morsel of idle gossip*' and indicative of '*the atmosphere of jealous and censorious theological vigilance*' in which Smith '*and his brother professors were then obliged to do their work*'.[18] That '*censorious theological vigilance*'—nowadays commonly 'censorious Left/Right vigilance'—is an added burden to carry wherever it breaks out across the world, making life, especially for academics, more difficult than it needs to be.

At the time, eighteenth-century professors were required to open their lectures with a short prayer and Ramsay claimed that Smith's '*opening prayers*' were always thought to '*savour strongly of natural religion … and his lectures on natural theology were too flattering to human pride*'. Ramsay also asserted that Smith induced his students to '*draw an unwarranted conclusion,* viz. *that the great truths of theology, together with the duties which man owes to God and his neighbours, may be discovered in the light of nature without any special revelation. Whatever doubt Dr Smith might entertain in these days with regard to the latter, nothing*

of that kind in his lectures, where indeed, it was not his province to discuss national confessions. Even then, however, from the company he kept and other circumstances, suspicion ws entertained that his principles were not sound, though he was very guarded in his conversation.'[19]

The care that might be forthcoming in such an atmosphere of suspicious vigilance by the Glasgow Presbytery, exemplifies the then world of religious censorious oversight, exemplified especially since three previous holders of the Chair of Moral Philosophy before Smith's tenure (Simmons, Hutcheson, and Leechman), all of them ordained members of the Church itself, were called before the Calvinist Presbytery to account for their alleged breaches of doctrinal conduct in their teaching. In the case of Professor Simmons, the Church zealots ruined him academically, whereas Professors Hutcheson and Leechman, soundly defeated their critic's attempted interference.

Professor Smith managed to be left free to continue without interference by the likes of Ramsay. Notably, Ramsay was one of the commentators who remarked of '*Dr Smith*' that '*neither before nor after this period was his religious creed ever properly ascertained*', adding, that '*Whatever might be his religious opinions he troubled nobody with discussing them.*'[20] Possibly, it was a wise decision of Smith's to disregard the impertinent intrusion into his academic conduct by an external, non-academic body. Certainly as he grew older and more practised in keeping his religious views to himself he also became less vulnerable to gossip and speculation about his religious views, which were silenced by publication of TMS.

Through the first five editions of TMS such changes as Smith made, were in contrast to the limited changes he introduced in the 6th edition, even though for all of them, whilst distinctive in themselves, there were many remaining unchanged theological statements from earlier editions. They remained untouched probably because he had limited time as his final illnesses took their toll and drained him of the necessary energy to revise TMS and see it through the press. As it was, it was a close-run experience. He died shortly after he received his copy of the 6th edition from his printer.

One consideration that had eased Smith's end-of-life concerns, whilst personally very stressful for him, was his mother's death in 1784, aged

84. This alone removed his main consideration of how his mother would react if she became aware of his true views on religion, which views he had kept from her since the 1740s.

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Smith's concerns about his mother's extreme disappointment if she had known of his private views were no longer relevant when he began editing TMS for its 6th and final edition in 1789. This produced certain problems of choice as he worked though TMS. He left untouched many paragraphs that merited his attention to be consistent with editing. He did not edit TMS either systematically or entirely. His changes were confined to a small proportion of TMS and left much of the theological content of earlier editions alone. Bearing in mind the size and complexity of the manner in which the book's original theology was expressed in editions 1–5, and his declining state of his health in 1789–1790, of which its seriousness he might have been aware, his focus on the relatively few revisions he made was probably brought about by his declining energy to conduct a more extensive revision, joined to his rapidly oncoming physical decline.

Take this example to illustrate the common thread of Smith's revisions. How would a man of humanity react to the punishment of a sentry who fell asleep whilst on duty, thereby putting at risk the lives of his unit in case of an enemy attack. The sentry, by his carelessness became an unfortunate victim of a military law that was designed to give sleeping soldiers a fighting chance of surviving surprise attacks, hence the harshness of the death penalty for sentries who fell asleep.

The case of an ordinary murderer was different in that if he escaped capital punishment, a man of humanity would call on God to avenge the murderer's actions in '*another world*', for which mankind had '*neglected to chastise upon earth*'. Smith comments: '*Nature teaches us to hope, and religion, we suppose, authorises us to expect, that it will be punished, even in a life to come.*'[21] The interesting aspect of this example is that the words included the qualifier, '*we suppose*', and were inserted by Smith for his final 6th edition. This introduces a less than convincing endorsement of his alleged religious belief.

In addition, Smith, re-placed the much longer, 756 words, 48 lines-long statement of the orthodox and wholly Christian doctrine of Atonement that had been published in editions 1–5 and which was the bedrock of Christian belief in an afterlife, where Jesus is reported to have said: '*I am the way, the truth and light, and no man cometh unto the Father except through me*.'[22]

For the 6th and last edition of TMS, he also replaced the 756 words in the Atonement passage with the following 4 lines of 39 words only, explicitly dropping the Atonement doctrine and its clear direct connection to Jesus:

> In every religion, and in every superstition that the world has ever beheld, accordingly, there has been Tartus as well as an Elysium; a place provided for the punishment of the wicked, as well as one for the just.[23]

Smith's deliberate action of replacing the statement of the important Christian doctrine of the Atonement, which stated the orthodox Christian belief that Christ died to atone for all human sins since mankind's expulsion from the Eden Garden, amounted to a direct and unambiguous rejection of the original Christian doctrine. This clear and direct rejection was and remains highly significant.

Moreover, the editors of the Oxford 1976 edition, D. D. Raphael and A. L. Macfie, also added an 18-page Appendix II to the 6th edition of TMS that discusses the circumstances in which Smith took such drastic steps in making these changes in his last edition of TMS.[24]

For instance, the celebrated atonement passage in TMS, editions 1–5 mentions the 'Deity', 'atonement', 'divine', and his 'benevolence' three times each; 'infinite', twice; 'perfect virtue', 'holiness of God', 'the gods', 'mercy of God' and 'wisdom of God', one time each.[25]

His modern editors observed that this:

> important change, made in 1788–9, would naturally lead one to think that Smith had become more sceptical about orthodox religion; or perhaps he felt less inclination or obligation to express pious sentiments once he had quitted a Professorship of Moral Philosophy.[26]

The last observation is unconvincing given that Smith quit his Professorship in 1764, which was 25 years before he edited the last, 6th edition of TMS in 1789. Moreover, as Smith mentioned orthodox Christian beliefs in his earlier editions, it is hard to see the connection to his change of focus as asserted by his editors. I regard this switch of exposition by its shortness, as well as by its content, to be a significant demonstration of Smith's disavowal of his former public and private adherence to the Christian religion, at least whilst his mother was alive. She died at Panmure House on 23 May, 1784.

Incidentally, there is some doubt as to where his mother was buried. She was not buried in the Canongate grave-yard. It is possible, therefore, that she was buried at her family's grave at Strathhendry, in Fife, 12 miles from Kirkcaldy, across the Firth of Forth from Edinburgh, which was her pre-marital home. Of relevance, is that Smith also replied to a letter from his publisher, apologising for his delay in acknowledging receipt of '*some fair sheets' (*proofs?), because he had just come from his performing *'the last duty to my poor mother*'.[27] He would hardly have written to that affect if his mother was buried in the Canongate cemetery, which is next door to Panmure House, only a couple of minutes walk away there and back.

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What a contrast there was between the reception by three bishops to Smith's first edition of TMS in 1759 and the likely reception of such luminaries of the Church to the 6th edition in 1790, if they read it. David Hume had teased Smith on the reception of three Bishops, to the first edition, described as '*three retainers to superstition*' who had praised the first edition '*so highly*'.[28] It was unlikely to have been given a similar round of applause by such men of the cloth in 1790 for Smith's amended 6th edition. One appropriate example of the shift in moral judgement was that of the Archbishop of Dublin, William Magee, who had praised Smith specifically for his inclusion of his statements on atonement in the first edition, despite his being '*a friend of David Hume*.' Magee reversed his praise when he was informed of Smith's statement that replaced the atonement passage in the sixth edition.

Now, according to Magee, Smith has been afflicted by the '*infection of David Hume's society*'.[29]

Scattered all through Smith's amendments to his original text there is clear evidence of his qualifications of the religious certainties, some times by a word or two, occasionally a little longer, but all in the same direction of away from religious certainties towards diluting them with his irreligious doubts, in contrast to the certainties embodied in the doctrine of Christian atonement. Of course it is also true that he left many religious statements in the first five editions in place in the 6th edition. Given the declining state of his health this may have had more to do with the time he believed he had left, plus the drain in his energy as his health declined, rather than a conscious decision on his part to be ambiguous about his religious intentions.

We can go further to test Smith's intentions implied by his 6th edition's new insertions by using a thought experiment that reverses the order in which the atonement passage and his '*Tartus* and the *Elysium*' replacement for it are considered.

If we suppose that the new *Tartus-Elysium* statement had been published in the first five editions of TMS and the old atonement passage had replaced it in the 6th edition. What conclusions might be drawn from such a sequence by unbiased readers? I think it would be safe to conclude that everything would change in regard to doubts as to Smith's religiosity in our minds. It would not be difficult in that event to make the case that Smith had become an active convert to the Christian faith in 1790, because he had apparently dropped a pagan passage in favour of the Christian atonement doctrine that he inserted into the sixth edition of TMS. What then would be the appropriate response of historians of economic thought to this imagined sequence of events? Manifestly, the conclusion would have to be that Smith had demonstrated his explicit death–bed conversion to Christianity in the 6th edition by repudiating the pagan statement in editions 1–5.

However, manifestly the sequence of events did not happen that way. In fact, the actual order was exactly the reverse. It was the Christian atonement statement that was published in the first 5 editions of TMS that was dropped by Smith in the 6th edition to be replaced by the pagan '*Tartus* and the *Elysium*' version. The conclusion of fair-minded

readers? Surely, that Smith was not a Christian believer in 1790, just before he died.

I must add from experience of making this point at seminars that there no end to the lengths some people will go to justify their religious beliefs whatever the evidence or lack thereof and, also, I suppose, the reaction of some atheists too when considering similar instances that undermine their certainties. Yet these reactions miss the point: we are discussing Smith's beliefs in the eighteenth century not those of members in an audience listening to my twentieth century lecture or readers of this book in the twenty-first century.

It should also be noted that along with the 'Atonement—Tartus and Elysium' change, there were other examples of Smith inserting qualifying language into TMS that modified his earlier commitments to his former use of religious language before his mother's death in 1784.

In this context, we must also consider a situational aspect of this problem. Smith was seriously unwell with a high chance that he was aware of his pending death in the intermediate future. He must also have been aware that the spate of modifications that loosened the religious certainties of his earlier religious language could compromise his supposed appearance before his Maker for His judgement about his fate after his death, who '*will finally reward the obedient, and punish the transgressors of their duty*.'[30] His disregard for the possibility of his after life fate signalled his lack of belief in an after life. Such a disregard did not sanction a wholly disreputable course of action towards others. It is said in common parlance that we should do good towards others because it is good so to do, and not because of promises of heaven or threats of hell-fire in a supposed Christian after-life.

Smith continues his description of '*the objects of religious fear*', even going back to a pagan who called upon 'Jupiter' to witness the '*wrong that was done to him*', adding that 'religion even in its rudest form' sanctioned the 'rules of morality'.[31] In acting morally we both promote 'in some sense' human happiness and co-operate with 'Providence' in contrast to being 'the enemies of God.'[32] There is evidence of much mixed religious language in Smith's Works, which fuels the debate but does not discredit nor prove the hypothesis presented here of the non-religiosity of the authentic Adam Smith.

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Taking a selection of passages quoted by Adam Smith in the 6th edition we get an idea of the nature of his modifications to his original text. To avoid long quotations, I have paraphrased most of his selection and advise readers to check TMS for themselves, using my comments only as my guide to their location in TMS and his meaning.

Moral Sentiments is the main source for evidence of Smith's religiosity, varying from his alleged adherence to the doctrines of the Presbyterian version of Christianity, through to Providence (a pagan god's plan?), Natural Religion, and to Deism (belief in an unknowable, all-mighty creator).[33] I examine instances of where he dropped or toned down his original statements in the 6th edition, citing examples which suggest his assumed religious affiliations were at least compromised by his qualifying expressions, and deliberate obfuscations, or omissions. For space reasons only, I do not consider contributions asserting Adam Smith's religiosity,[34] and I necessarily limit the number of examples to a few amongst many.

The 5th edition of *Moral Sentiments* appeared in 1781; his mother died in 1784. When he completed his final revision of *Wealth of Nations* he was already ill during 1789–1790. But his revisions whilst incomplete were nevertheless significant, as were their implications. because they were all roughly in the same direction of diluting their religious content.

In editions 1–5, Smith gave an orthodox theological treatment of the punishment of sin in the 'after life' in what is now known as the 'atonement' passage.

This passage affirms the orthodox doctrine of Christ's crucifixion and his suffering for human sinners and their punishment in the after–life for their sins, upon which terrifying authority the eighteenth-century Kirk held such fearful sway over much of the population of Scotland, in the name of the revealed God, as interpreted by Protestant Kirk Ministers. Many ministers preached hell-fire sermons, peppered with harsh phrases and doom-laden threats of their listeners' fate for the most minor and certainly for all their major transgressions, which though not witnessed by anybody, were never hidden from (the invisible) God.

Another Bishop, Dr. George Horne, Bishop of Norwich, Vice-Chancellor, Oxford University, did not appreciate Smith's comments about Oxford University nor Smith's public comments on his close friend David Hume.

Smith wrote:

> Upon the whole, I have always considered him, both in lifetime and since his death, as approaching as nearly as the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit.[35]

Smith also commented that:

> a very harmless sheet of paper, which I happened to Write concerning the death of our late friend Mr Hume, brought upon me ten times more abuse than the very violent attack I had made upon the whole commercial system of Great Britain.[36]

Both comments show Smith in a good light, not in a mean and uncharitable light, and if I may say so, not in the unchristian manner that the Bishop manages to convey in his comments.

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Smith's Qualifications and Omissions

The following selected examples of Smith's direct qualifications normally associated with Christian authors (and some Deists) are taken from the 6th, last edition of *Moral Sentiments*. They dilute the original religious content as he aged, and, noticeably, after his mother died in 1784.

Wrath of God

The '*wrath and anger of God*' was an '*inspiration*' of worldly writers, but is not evidence of God's '*wrath and anger*'. The phrase, 'would not surely', appeals to opinion and is not a statement of fact.[37]

Moral Sentiments and the Impartial Spectator

Smith's 6th edition strengthens the language on the role of the impartial spectator and his revisions place the impartial spectator at the core of his philosophy. His new passage in the 6th edition replaced the earlier passage simplifying its imagery. Man is the immediate judge of mankind but they can also appeal to a higher tribunal, that of their own conscience, otherwise known as the impartial spectator—'*the man within the breast*', the judge and '*arbiter of their conduct*'.[38] Smith's argument reflects how his amended concept of the impartial spectator was written to exclude a direct role for God by the devolution, so to speak, of God's sovereign role as the 'great judge' (ed. 2–5) of each individual's behaviour, to make 'man, if I may say so, the immediate judge of mankind', by appointing '*him his viceregent upon earth, to superintend the behaviour of his brethren*'.

Without it being too obvious to zealots, Smith invented a contrivance in obscure language for apparent theological consistency with the Christian belief that God is the final arbiter, the 'much higher tribunal'. But Smith's impartial spectator was the '*immediate judge of mankind*' and effectively elides God out of a role. Non-believers have impartial spectators too.

The 6th edition also drops the pompous theological prose of the earlier editions: '*throne of eternal justice*', '*the grandeur and importance of so mighty an object*', '*fuller revelation of the intentions of providence*', '*to tremble and exult as they imagine that they have either merited his [God's] censure or deserved his applause*'. Our '*established*' judgements are governed according to '*certain principles of Nature*', which '*sensible to us, and to every impartial spectator', are deserving of 'merited applause*' or '*shame*' from '*condemnation*'.

With the impartial spectator semi-secularised, so to speak, Smith described the society we grow up in as the '*mirror*' by which we learn to judge ourselves'.[39] Because whilst '*we are all very forward to observe*' how others affect us, '*we soon learn, that other people are equally frank*' about ourselves.[40]

Smith revised eds. 2–5 by discussing '*the man without*' who seeks '*praise*' as the '*immediate judge of mankind*', but '*only in the first instanc*e', with an '*appeal' to the 'well informed spectator'* (the *'man within'* *who seeks 'praiseworthiness'*). If the man within is hesitant in condemning the man without, the man within reflects his partial humanity. But the man without is comforted by belief in the '*higher tribunal*' of the '*all-seeing Judge of the world'* [God?]. '*Our happiness in this life*' is '*dependent upon the humble hope and expectation of a life to come*' which is a '*doctrine'* in all respects '*so venerable, so comfortable to the weakness, so flattering to the grandeur of human nature, that the virtuous man who has the misfortune to doubt it* [Adam Smith?] *cannot possibly avoid wishing most earnestly and anxiously to believe it*'. Belief in a '*doctrine*' by others is not evidence of his agreement with the belief. Smith adds that the '*most zealous assertors*' of the '*afterlife to come expose'* the '*doctrine'* to *'derision'*.[41]

It becomes an asserted belief by a credulous and impressional human mind. Nothing is said that proves that Smith believed in the religious sense of the doctrine.

Moralists

Moralists divide into two camps. One camp comprises those who attempt to align our morals by increasing our sensitivity to the interests of other people by reducing our own self sensitivity, whilst the other camp comprises those who feel for ourselves as we feel for others. This has resulted in two types of philosophers; one who feels for other people as much as they feel for themselves; the other feels for themselves as much as they feel for others. Both sorts carry their doctrines to extremes that they believe are appropriate.[42]

Smith added the last sentence to the 6th edition, changing the tone of the paragraph from a fairly neutral description of the '*two different sets of philosophers*' to a critical comment on their mutual extremism. He describes '*those whining and melancholy moralists'* as '*perpetually reproaching us with our happiness, while so many of our brethren are in misery, who regard as impious the natural joy of prosperity, which does not think of the many wretches that are at every instant labouring under all sorts of*

calamities, in the languor of poverty, in the agony of disease, in the horrors of death, under the insults and oppression of their enemies.' Commiseration for them '*ought, they think, to damp the pleasures of the fortunate, and to render a certain melancholy dejection habitual to all men*'.[43]

Smith specifically added the adjective '*whining*' to '*melancholy moralists*' in the 6th edition. Also, see his critical use of '*whining Christian*' in relation to the death of David Hume in 1776.[44]

Smith appreciated what a bout of prosperity meant for the very poor, whereas the Christian moralists, of whom he spoke, considered the poor '*impious*'.

The Virtue of Benevolence

The '*system*' based on the virtue of benevolence is '*of very great antiquity*'. '*Benevolence or love was the sole principle of action … and [t]he wisdom of the Deity was employed in finding out the means for bringing about those ends which his goodness suggested, as his infinite power was exerted to execute them.*' Morality is derived ultimately from benevolence and the '*whole perfection and virtue of the human mind consisted in some resemblance or participation of the divine perfections*' which influenced '*all the actions of the deity*'. Smith is unambiguous in his assessment of the role of benevolence and in his identification of the conduct necessary to '*imitate, as became us, the conduct of God*'. By seeking to bring our '*own affections to a greater resemblance with his holy attributes*' we may '*at last*' be able to '*communicate with the Deity*'.[45]

It is well to remember that Smith describes, as a philosopher, the '*system*' that attributes to benevolence these aspects, and does not state his personal views. The supreme role of benevolence, Smith reports, was '*much esteemed by many ancient fathers of the Christian church*' and was adopted by '*several divines*' and '*of all the patrons of this system, ancient or modern, the late Dr Hutcheson was undoubtedly, beyond all comparison, the most acute, the most distinct, the most philosophical, and what is of the greatest consequence of all, the soberest and most judicious.*'[46]

Smith's account of Dr Hutcheson's views, we should remember, are Hutcheson's views, not necessarily Smith's. Indeed, he regards them as

too narrow and defective. He develops a defence of the moral role of self-love:

> *The habits of oeconomy, industry, discretion, attention, and application of thought, are generally supposed to be cultivated from self-interested motives, and at the same time are apprehended to be very praise-worthy qualities, which deserve the esteem and approbation of every body. … The mixture of a benevolent motive in an action to which self-love alone ought to be sufficient to prompt us, is not so apt indeed to diminish our sense of its propriety, or of the virtue of the person who performs it. We are not ready to suspect any person of being defective in selfishness. This is by no means the weak side of human nature, or the failing of which we are apt to be suspicious. If we could really believe, however, of any man, that, was it not from a regard to his family and friends, he would not take that proper care of his health, his life, or his fortune, to which self-preservation alone ought to be sufficient to prompt him, it would undoubtedly be a failing, though one of those amiable failings, which render a person rather the object of pity than of contempt or hatred. … Carelessness and want of oeconomy are universally disapproved of, not, however, as proceeding from a want of benevolence, but from a want of the proper attention to the objects of self-interest.*[47]

Smith outlines the crux of his critique of Hutcheson's theology of benevolence in the assumed actions of the Deity:

> Benevolence may, perhaps, be the sole principle of action in the Deity, and there are several, not improbable, arguments which tend to persuade us that it is so. It is not easy to conceive what other motive an independent and all-perfect Being, who stands in need of nothing external, and whose happiness is complete in himself, can act from.

By theological assumption, God the Creator already has the entire Universe and all within it at His disposal and, needing nothing from anybody else, He is able to be benevolent in the infinite extreme. No matter how much He gives to all the entities in all of His Kingdoms.[48] He has infinite amounts more of everything (benevolent love included) to give away than any man has or could have, and greater amounts in

his gift than all the riches and love of mankind put together. To see the religious duty of mankind to imitate the perfect standards set by God sets all men an impossible and utterly unrealistic goal. Smith expresses this cleverly; in extolling the manifest virtues of the Christian God who controls everything in comparison with the puny, weak, and meager human individual, he relieves the individual of the impossible task of being opulent in benevolence.

What then of Smith's alternative? He writes[49]: '*whatever may be the case with the Deity',* man's very many imperfections (many needs and scarce resources?) means that his conduct will of necessity always fall short of the ideal and, therefore, he *'must often act from other motives*' besides perpetual and pure benevolence. The very nature of our condition may drive us to act from inferior motives and, as he points out elsewhere, some of our motives, despite their lack of pure virtue, nevertheless may produce virtuous outcomes.

Nature and Resentment

Smith alludes to the origins of resentment from nature (which preceded Christianity) and back-projects onto nature those human behaviours later incorporated into the practice of Christian morality.[50] Society's cohesion rests on the impartial resentment of justice and by rooting this in nature, and not the deference accorded to religion, Smith takes a decisive step away from orthodox belief, which he underlines in a later passage without mentioning the Christian God.[51]

Conclusions

Adam Smith's religiosity is enigmatic because of the family circumstances in which he worked as a moral philosopher. If these circumstances are ignored, and we work only from his texts, we are bound to be more than a trifle perplexed; from the texts alone the issue cannot be determined unambiguously. The 6th edition of TMS represents his last word and is therefore definitive and it contains a distinct trend away

from his 1st edition with his editing moving in one direction only: to weaken its religious sentiments. He was probably mentally and physically exhausted and could revise the detail no more.

These amendments were published shortly before he died, when, presumably, as an alleged Christian, Deist, or subject to Providence, he would believe he was about to meet his maker, but he didn't back-track at all, suggesting he was no longer the Christian believer of his youth, nor the practising supposed Christian of his adult years whilst his mother lived and such Deism that he tentatively expressed was almost inevitable given that, as Ronald Coase expressed it:

'*… there was no way of explaining how such a natural harmony came about unless one believed in a personal God who created it all*.'[52] Before Darwin, Mendel and perhaps also Crick and Watson, if one observed, as Adam Smith thought he often did, a kind of harmony existing in human nature, no other scientific explanation could be given at the time if one were unwilling to accept God as the creator. His use of the term 'Nature' and other circumlocutions were rather a means of evading giving an answer to the question rather than a statement of one.

> Since Adam Smith could only sense that there was some alternative explanation, the right response was suspended belief, and his position seems to have come close this.[53]

***

I refer to an incident in the case of James Hutton (1729–1795), a close friend of Adam Smith and one of his Literary Executors, whose scientific interests were on the subject that today we call geology, then in its infancy as a science, and which by its nature challenged certain theologically settled presumptions about the origins and age of the Earth, taken from the Bible and even calculated in some Biblical accounts of the Earth's origins in Genesis in the eighteenth century. Bishop Usher had laboriously counted each year from biblical data to arrive at a date for the formation of the Universe, and the Earth's place in it, as being created in 4004 BC[54] calculated the first day of Creation as Sunday 23 October 4004 BC.

Theologically, James Hutton is believed to have been a Deist. He made his scientific mark in his practical geological work in south-east Scotland by studying the geology of the area. He had prepared a paper to be read at the Royal Society of Edinburgh, of which Adam Smith had been a founding member and who took an interest in its scientific work. Hutton was aware of the sensitivity of the religious establishment on such matters and sensibly did not wish to provoke avoidable controversy. Amongst the regular members of Adam Smith's intellectual and social circle was William Robertson, Principal of Edinburgh University (1762–1792) and a former long-term Moderator (chairman) of the Presbyterian General Assembly of the Church of Scotland (1763–1780).

Hutton's paper, announcing some of his research assertions was due to be presented at a forthcoming meeting of the Royal Society of Edinburgh, and he consulted William Robertson about his concerns for its possible reception amongst an audience that included firm Christian believers. He showed his proposed paper to Robertson whose advice to him is of great interest to students of that period, particularly as it involved three close friends, who were well aware of each others' private religious views. Robertson advised Hutton to render his draft Memorial's style '*a little more theological*' and to '*consult our friend Mr. Smith*', assuring him that '*on following his advice you will be safe*'.[55]

This exchange shows that Robertson, a long-time friend of both Hutton and Smith (and previously of David Hume), was familiar with Smith's successful private policy over many decades of deflecting theological criticism to avoid hostilities from zealots. In this way, Hutton, Smith, and other sceptical authors in the Scottish Enlightenment, quietly disseminated their radical ideas and discoveries without provoking Church zealots. Scholars today, enjoying free-speech may not appreciate the relevance of the restrictive context in which their predecessors averted trouble from the Church. Hutton's eventual wording averted potential trouble, though it may be more to do with Hutton's fairly dense writing style. To be fair, Hutton also wrote some stunningly brilliant sentences, such as his breathtaking assertion in the opening 'Memorial' (preface) to his paper that:

'*the successive cycles of the wasting away and emergence of continents*' showed there was *'no vestige of a beginning, no prospect of an end'* with its

ever changing continents.[56] It also bluntly contradicted Genesis on the age of the Earth. Hutton's Memorial went on to say that his paper was written for publication in the Society's *Transactions* and was probably ignored because its explicit challenge to Revealed Christian orthodoxy was presented in Hutton's somewhat dense prose. For a solid example of his dense prose style, readers may consult James Hutton's 1794, 3-volume work, *An Investigation of the Principles of Knowledge and the Progress of Reason, from Sense to Science and Philosophy*, Thoemmes Press, 1999.[57]

Exhibit 6 Theology References in Wealth of Nations

1 Religious Instruction - to prepare for better life to come WN V.i.f-g.1 p 788–9
2 Church of Rome - kept alive by zeal of inferior clergy; confession gives opportunities for improving subsistence of priest. WN V.i.g. p 790
3 Hume on religious establishments and political interests WN Vi.g.3–6 pp 790–1
4 Religious controversy and violent politics WN Vi.g.7: p 791
5 Religious Sects dangerous unless several hundred competing WN V.i.g.8 pp 792–3 [Note: Blair's footnote critique: "too favourable to the Presbytery"]
6 Austere versus liberal morality - WN V.i.g.10 794
7 Sunk in Obscurity and darkness - WN V.i.g.12 795
8 Antidote to Enthusiasm and Superstition WN V.i.g.14. 796
9 Public Diversions WN V.i.g.15 796
10 Sovereign insecure and teachers of religion WN V.i.g.16. 797
11 The terrors of religion WN V.i.g.17. 797
12 Church benefices for life and good behaviour WN V.i.g.19. 798
13 Bishops a 'kind of spiritual army' WN V.i.g.21. 800
14 Clergy possessed rents and tithes WN V.i.g.22. 801; footnote 18
15 10–13th century Rome formidable against liberty WN Vi.g.24. 803
16 Growth of arts, manufactures, commerce destroyed the Barons and the temporal power of clergy WN V.i.g.25. p. 803
17 Vanity and expense of richer clergy WN V.i.g.25 p 804

18 Henry VIII suppressed the monasteries WN V.i.g. 31. p 807
19 Greater part of presbyterian clergy: learned, decent, and respectable WN V.i.g.37. p 810
20 Richer the church, poorer the sovereign or the people WN.V.ig.40.812
21 Very poorly endowed church of Scotland WNV.i.g.41 p 813
WN v.i.f-g.1: p. 788–9.

Exhibit 7 Theology References in TMS

1 'after-life?: TMS I.i.1.13: 13
2 'Dread of death': TMS I.i.2.4: 15
3 Judgement of others: TMS I.i.3.10: 19
4 Great law of Christianity: TMS I.i.5.5: 25
5 Divine law: TMS I.ii.1.2:28
6 Providence: TMS I.ii.3.5: 36
7 Wisdom of God: TMSII.ii.3.5 87
8 God 'in another world': TMS II.ii.3.11: 91
9 Religion authorises Punishment:Tartus and Elysium TMS II.ii.3.12 See also footnote ed.1: pages 91-2.
10 Mortification of a Monk TMS III.2.34: 133.
11 Fortune governs the world TMS II.iii.3.1: 104
12 Nature intentions TMS II.iii.3.2:105 in another life to come, 'if such a life' exists.
13 Pagan consecrated ground TMS II.iii.3.5: 107NB: piacular:Samuel C. Loveland, 1824. Doctrine, Morality, and Intelligence, Woodstock, David Watson (Printer): The Christian Repository, no. 1 vol. 4, June 1823, p 268
14 Nature formed man for society TMS III.2.6: 116)
15 Believe there was no God (Secular account) TMS III.2.9: 118
16 Guilty atone and die in peace TMS III.2.9:118-9
17 Paragraphs 31-32 added to ed.6:
18 immediate judge and the impartial spectator TMS III.2.31-2 128-31
19 Belief in life to come: TMS III.2.33: 131-132
20 added to ed. 6 – mortification of a monk TMS III.2.

21: 133
22: Futile mortification TMSIII.2.35: 134
23 Decalogue (10 Commandments) TMS III.3.13: 142
24 Seneca on God TMS III.3.44: 156
25 Supposed moral faculty TMS III.4.5:158
26 Moral rules come from observing others TMS III.4.7:159
27 Morality learned from experience (Secular) TMS III.4.8: 159
28 Laws of the Deity TMS III.5.2: 163
29 Pagan belief and future punishment - imagination TMS (III.5.5: 164)
30 Moral Sense TMS III.5.5:165
31 Author of Nature and Providence TMS III.5.6:16 TMS III.5.7: 166
32 salutary doctrine TMS III.5.8: 166-7.
33 'in this life'. TMS III.5.9: 167
34 man like gods of the poets TMS III.5.10: 168-69
35 Catholic Bishop on God TMS III.5.11:169)
36 a religious man's behaviour TMS III.5.13: 170
37 Sense of Duty TMS III.6.1: 171 and TMS III.6.7: 173
38 More on General Rules TMS III.6.10: 175
39 Rules of Justice TMS III.6.11: 175
40 False notions of religion TMS III.6.13: 177-78
41 Heaven in its anger TMS IV.1.8: 181
42 Splenetc Philosophy TMS IV.1.9: 183
43 When Providence Divided The Earth TMS IV.1.10: 185
44 Wheels of the machine TMS IV.1 11: 186
45 Nature TMS IV.2.3: 188
46 Nature recommends TMS VI.1.1: 212
47 Religious Scrupulosity TMS VI.10: 214
48 1790 ed: secular in tone-no theology TMS VI.ii.intro: p. 218
49 Benificence TMS (VI.ii.intro: 218)
50 Stoics TMS VI.ii.1.1: 219
51 Sympathy and Nature TMSVI.ii.1.1: 219
52 The general rule TMS VI.ii.1.9: 221
53 Distinction of Ranks versus Wisdom and Virtue TMS VI.ii.1.20:226
54 Impartial Spectator as Great Judge and Arbiter TMS VI.ii.1.22: 226

55 Religiously Observe No Violence in Own Country TMS VI.ii.2.16: 233 (Leads to 'Man of System' and 'Chess Board)
56 Benevolent all-wise Being and Fatherless World TMS VI.ii.3.2: 235
57 God the Administrator and Director TMS VI.ii.3.3: 235
58 Great Conductor of the Universe TMS VI.ii.3.4: 236
59 Most Sublime Idea of a divine Being TMS VI.ii.3.5:236
60 The business of God, not man TMS VI.ii.3.6: 235
61 great demi-god within the breast TMS VI.iii.18: 245
62 Great Judge and Arbiter of Conduct TMS VI.iii25: 247
63 Quacks and Imposters TMS VI.iii.27: 249
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26. TMS II.5.9, p. 77.
27. TMS 2.32, pp. 130–131, also long footnote pp. 128 and 130.
28. TMS III.1.3, pp. 110–112.
29. TMS VII.II.3.3, p. 301.
30. Corr. no. Smith to William Strahan, 9 November 1776, pp. 217–221.
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