

*What Should Christian Economists Think About Adam Smith, 2.0?*

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I delivered a paper of the same name at the 25<sup>th</sup> Anniversary Conference of this Association in 2009 at Baylor University. At the time (2009) the scholarly world was celebrating the 250<sup>th</sup> anniversary of Adam Smith's, *The Theory of Moral Sentiments*, so it seemed to me doubly appropriate for Christian economists to reflect on Smith. First, as a moral philosopher who was seminal in the founding of the modern discipline of economics it is always appropriate to reflect and reconsider his contributions, and as Christian we should always laud work which places economics into a moral framework. Second, of course, was the anniversary. Providentially we have a similar alignment of dates today. The scholarly world has just gathered in Glasgow (and other events are planned including this session) to remember Smith's 300<sup>th</sup> birthday. In 2009 I was mainly concerned to expound on the connections between moral philosophy and economics by reviewing some of my own work on Smith's theory of justice and how it informs his economic thought. My argument may be summed up in one sentence: Smith's system of natural liberty presents a vision of a reasonably just economy in both the commutative and distributive senses of the term. I also discussed some issues concerning the role of natural theology in TMS, and I will repeat some of that here. My concern now is Smith's liberalism itself, and whether or to what extent it is Biblically based. I shall argue that regardless of what Smith's personal faith was, his view of human nature is indeed Biblical, and that this informs economic theory in important ways, which are lost in textbook caricatures (both of Smith and of markets).

There has been a trend in recent years to view Smith as a secular thinker, treating the theological passages of *The Theory of Moral Sentiments* as largely unnecessary to his system. "The infection of David Hume's society", for example, is cited as moving Smith to remove the passage on the atonement from the last edition of TMS. (Raphael, 1969) Knud Haakonssen recently has noted that, "Smith's treatment of the role of religion in morality becomes distinctly cooler and more sceptical in the late edition." (2006, p. 3) Indeed his eulogy of Hume "as approaching as nearly to the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit," (Corr 178), brought upon him "ten times more abuse than the very violent attack ... upon the whole commercial system of Great Britain." (Corr 208) This, coupled with the wide spread belief among modern scholars that the theological material carries no philosophical weight, illuminates the current trend toward excising any concept of divine providence from Smith's thought. Haakonssen and Winch, for example, in a recent attempt to establish Smith's legacy point out that role of the deity in justifying and in some sense validating the judgments of the impartial spectator must instead be viewed as "an object of explanation on par with the rest of morality." (Haakonssen 2006, p. 385) On this view Smith is explaining why we tend to view the judgments of the impartial spectator as the laws of God. He is not asserting that they are in fact the laws of God.

This trend in Smith scholarship has not gone unchallenged. Lisa Hill and Richard Kleer, for example, have both argued that Smith's theory requires a benevolent deity at the level of efficient causes to explain why the natural sentiments of man are arranged in such a way as to bring about the final cause of human happiness, as opposed, say, to just survival. (Hill, 2001, p. 22; Kleer, 1995, p. 200) This revives the older view that the invisible hand is that of divine providence bringing about the conjunction of individual and social good without human intent against the modern tendency to see it as merely a metaphor with no supernatural overtones. We now have theological and secular Smiths co-existing in modern scholarship. Alexander Broadie offers a concise statement of the dilemma:

I do not believe that the theodicy is a mere rhetorical device with *The Theory of Moral Sentiments*, for it is plain that Smith sees belief in a just God to be a *natural* phenomenon, and he is interested in the question of how such a belief stands in relation to the moral categories with which we operate. He does, however, hold that a person can operate with a set of moral categories, such as propriety, impropriety, merit, demerit, duty, and moral rules, without having those categories in a synthetic unity with categories of a religious or theological sort. It is therefore possible to see Smith as seeking to demonstrate that a theory of moral sentiments, one sufficient to accommodate the moral framework within which most of us operate, can be developed without recourse to theological materials. The interpretative problem is, however, a live one. (Haakonssen, 2006, 187; emphasis in original)

Regardless of Smith's personal faith, it is clear both that he thought belief was universal in human nature, and therefore natural, and that a person could engage in the sympathetic process of moral judgment to construct moral rules without necessarily holding them to be anything other than of human origin (although not of human design). Charles Griswold, while agreeing that the moral order is artificial, even though we may interpret it as divine, offers an alternative way of looking at the role of teleology in Smith:

The much debated issue of teleology in Smith's philosophy should be seen in the light of his account of both our drive for a picture of the whole as harmonious and of the beautiful as that which inspires human endeavor at all levels. Teleology, understood as the notion of an ordered nature or world, is parasitic on aesthetics, not on some independent religious faith of Smith's or on an argument from design whose fallacies Smith had already learned from Hume. Teleology is not a description of how the world is, but a postulation of the harmony we yearn for it to have. It is therefore a regulative ideal, and in terms of the theorist's demand for system it performs work. (Haakonssen, 2006, pp. 47-48)

It is our sense of aesthetics, then, not religious belief, that underpins our desire to feel that we live in a world of order and harmony. This suggests that in an age of religious skepticism we may safely disregard the theological aspects of Smith's argument. Hume had decisively refuted the design argument, Smith accepted that, and consequently appearances to the contrary, he could not simply be espousing the design argument himself.

In an unpublished paper I have argued that there are two contexts in which Smith's theological arguments are prominent. First, there is the seemingly straight forward design argument in which he invokes the Author of nature to explain how means can be so entirely suited to produce their intended ends, although the agencies of the means have no understanding of or intent to accomplish those intended ends. Second, there is the explanatory argument in which Smith shows the faculties in human nature which lead us to believe that the laws of morality we construct in the sympathetic exchange of places become interpreted as the laws of God.

The upshot of this interpretive path seems to be twofold: Smith lost whatever Christian faith led him to sign the Westminster Confession when he joined the faculty at Glasgow, and ultimately his moral system is a human construct, which humans naturally interpret as if the moral rules which emerge historically are the universal moral law of God. On the first point, we simply do not know the Smith's spiritual status in relation to God. However, the second point rests on an inaccurate reading of TMS. Once we recover what I think has been missing in the above race through some contemporary opinion,

we will find that regardless of his personal faith, Smith's moral theory, which is really a theory of human nature has much to recommend it to Christians of any denomination. I will argue that Smith held a Biblical view of human nature.

I propose a "high" view of the impartial spectator, one which treats the I.S. as God-like. Consequently I claim that Smith's moral theory goes beyond mere social approval, even though that is where the learning process begins in each of us (absent direct revelation).

### **1. Smith holds that human life is sacred**

The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable' (WN I.x.c.12).

He [Author of Nature] has made man, if I may say so, the immediate judge of mankind; and has, in this respect, as in many others, *created him after his own image*, and appointed him his vicegerent upon earth, to superintend the behaviour of his brethren (TMS III.2.31, p. 130; emphasis added).

### **2. Smith claims the laws of morality are to be regarded as the laws of God, and that this belief is "just", not simply convenient; morality is universal**

In chapter V of Part III brings the laws of morality which have developed inductively from experience to the formation of general rules into relation with the moral laws of God. The chapter reads as if it is reasonable to "regard" the laws of morality as if they were the laws of a superior being, God, the Deity, or Nature. However, the chapter title reveals Smith's hand in this by saying up front that this is a "just", i.e. correct regard. Some selected excerpts from the chapter confirms this:

But upon the tolerable observance of these duties, *depends the very existence of human society*, which would crumble into nothing if mankind were not generally impressed with a reverence for those important rules of conduct. 163; emphasis added).

This reverence is still further enhanced by an opinion which is first impressed by nature, and afterwards *confirmed by reasoning and philosophy*, that those important rules of morality are the commands and laws of the Deity who will finally reward the obedient, and punish the transgressors of their duty. 163; emphasis added

... it cannot be doubted, that they were given us for the direction of our conduct in this life. 164

Smith provides examples of how "reason and philosophy" confirm that the moral rules are God's moral law. To me the most important is that when we reflect on the human condition we realize that we stand in need of each other's assistance, i.e. we are inherently social beings, and these rules of conduct make society possible, i.e. they are necessary for human life and happiness. However, as Smith argues in more than one place, these beneficial results are not the result of human wisdom or intention. In the context of TMS III.v, we must conclude that this happy

outcome must be evidence of Divine purpose. And as we see here God has “set up” something in the human heart to accomplish this:

Since these, therefore, were plainly intended to be the governing principles of human nature, the rules which they prescribe are to be regarded as the commands and laws of the Deity, promulgated by those vicegerents which he has thus *set up* within us. All general rules are commonly denominated laws: thus the general rules which bodies observe in the communication of motion, are called the laws of motion. But those general rules which our moral faculties observe in approving or condemning whatever sentiment or action is subjected to their examination, may much more justly be denominated such. 165; emphasis added

According to the OED, this is the meaning of vicegerent that Smith seems to have in mind, although this useage was more common in the seventeenth century:

“Applied to rulers and magistrates as representatives of the Deity” (<https://www.oed.com/view/Entry/223136?redirectedFrom=vicegerent#eid>).

Smith is using this in a metaphorical sense in which the conscience is personified as a political ruler representing God. Each of us has an impartial spectator as we each have developed a moral conscience according to the theory Smith has just expounded. These consciences are God’s representatives in the human heart, and the rules are universal “oughts”. This is why Smith calls them “laws”, which are to the human realm what natural laws are to the material realm. They are the moral equivalent of the natural laws which govern the universe. They are the moral laws governing human action, and without them society is impossible. This, then, is a “high”, not flattened view of the impartial spectator. Here is an example.

### **3. Smith condemns practices which violate the sacredness of life**

Parts I-III develop Smith’s theory of the origin and nature of the moral law which governs human life. However, he is perfectly aware that real human beings are weak and imperfect, which means they are not always going to get morality right. In Part V, Smith discusses how custom can corrupt morality, and he uses infanticide as an example.

The extreme indigence of a savage is often such that he himself is frequently exposed to the greatest extremity of hunger, he often dies of pure want, and it is frequently impossible for him to support both himself and his child. We cannot wonder, therefore, that in this case should abandon it. ... That in this state of society, therefore, a parent should be allowed to judge whether he can bring up his child, ought not to surprise us so greatly. In the latter ages of Greece, however, the same thing was permitted from views of remote interest or conveniency, which could by no means excuse it. ... but the doctrine of philosophers, which ought to have been more just and accurate, was led away by the established custom, and upon this, as upon many other occasions, instead of censuring, supported the *horrible abuse*, by far-fetched considerations of public utility. 210; emphasis added

Social approval does not make a practice morally defensible. Even though Smith can offer a reason why in the “savage” state the practice arose, and we can understand their reasoning, it does not change the fact that it is a “horrible abuse”. Notice that he says that it should not “surprise” us that parents were allowed to determine for themselves whether to raise a child. He does not say that this makes the practice “just” or “moral”. And then the necessity of respect for human life for the existence of society is repeated, as Smith writes:

No society could subsist a moment, in which the usual strain of men’s conduct and behaviour was of a piece with the *horrible* practice I have just now mentioned. 211; emphasis added

#### **4. Positive law is not the same as the moral law that Smith has been talking about, and using**

If custom can distort the moral sentiments, then the law can do so also, but says Smith

Every system of positive law may be regarded as a more or less imperfect attempt towards a system of natural jurisprudence, or towards an enumeration of the particular rules of justice. 340

In no country do the decisions of positive law coincide exactly, in every case, with the rules which the natural sense of justice would dictate. Systems of positive law, therefore, though they deserve the greatest authority, as the records of the sentiments of mankind in different ages and nations, yet can never be regarded as accurate systems of the rules of natural justice. 341

Grotius seems to have been the first who attempted to give the world any thing like a system of those principles which ought to run through, and be the foundation of the laws of all nations: and his treatise of the laws of war and peace, with all its imperfections, is perhaps at this day the most complete work that has yet been given upon this subject. 342

Morality, especially the laws of justice, is universal in Smith; social customs may be expedient but not necessarily moral. Positive law is also relative to time and place, but it is an attempt to codify moral law into practice. If there are universal moral laws as Smith seems to endorse, then this science should be possible.

#### **5. Smith knows human nature is fallen**

The imperfection of human nature causes us to work with two different standards in assessing praise or blame for human actions:

In cases of this kind, when we are determining the degree of blame or applause which seems due to any action, we very frequently make use of two different standards. The first is the idea of complete propriety and perfection, which, in those difficult situations, no human conduct ever did, or ever can come up to; and in comparison with which the actions of all men must for ever appear blameable and imperfect. The second is the idea of that degree of proximity or distance from this complete perfection, which the actions of the greater part of men commonly arrive at. Whatever goes beyond this degree, how far soever it may be

removed from absolute perfection, seems to deserve applause; and whatever falls short of it, to deserve blame (TMS i.i.5.9, 26).

God, of course, requires perfect righteousness (MT 5:48), but Smith is well aware that humans cannot achieve this, and he does not assume that we can. Sin is part of his conception of human nature, although he does not use the Biblical term. We set a lower standard, which suffices for ordinary social life, but not for salvation in Christ. This is one of many examples that we could cite. Smith's account of slavery is another more striking instance of the fallen nature of humanity. It is an instance of what I once called the "Malevolent Model" in Smith (2001, 105ff). Smith was well aware of the existence of a dark side to human nature and of human frailty producing a countervailing nexus, what I call the malevolent model, in which self-interest is combined with violence and the desire to dominate and coerce. Below I will sketch out the connection between the faculty of speech and the origin of the division of labor (a providential benefit), but the very same faculty of speech and the desire to persuade is linked to the desire to rule:

The desire of being believed, the desire of persuading, of leading and directing other people, seems to be one of the strongest of all our natural desires. It is, perhaps, the instinct upon which is founded the faculty speech, the characteristic faculty of human nature. No other animal possesses this faculty, and we cannot discover in any other animal any desire to lead and direct the judgment and conduct of its fellows. Great ambition, the desire of real superiority, of leading and directing, seems to be altogether peculiar to man, and speech is the great instrument of ambition, of real superiority, of leading and directing the judgments and conduct of other people (TMS VII.iv.25, 336).

As we know from the Tower of Babel account in Genesis, God already knew the power of language to unleash human potential. In Smith's account it could be used for good (he traces the division of labor and human prosperity to it), but also for evil. The love of domination leads, for example, to slavery:

The pride of man makes him love to domineer, and nothing mortifies him so much so much as to be obliged to condescend to persuade his inferiors. Wherever the law allows it, and the nature of the work can afford it, therefore, he will generally prefer the service of slaves to that of freemen (WN III.ii.10, 388).

For though management and persuasion are always the easiest and the safest instruments of government, as force and violence are the worst and the most dangerous, yet such, it seems, is the *natural insolence of man*, that he almost always disdains to use the good instrument, except when he cannot or dare not use the bad one. (WN, V.i.g. 19, 799; emphasis added).

"Horrible" practices sanctioned by social morality, "Imperfect" standards of propriety, "pride", and "natural insolence" are all characteristics of Smith's fallen human nature. And in the political realm Smith charges the "dealers" (capitalists?) with having "deceived and oppressed" the public (WN I.xi.p.10, 267). It would appear that Geoffrey Brennan's and Anthony Waterman's assessment of *homo economicus* in light of Biblical theology does not apply to Smith:

Accordingly, one possible area of tension between economics and theology lies in the conception of human nature – or as the economist might put it, the 'model of man' – that each deploys. Christian theology conceives man as a damaged and somewhat defaced *Imago Dei*—with the damage a naturally ineradicable feature of the human condition, remediable only by the direct redemptive action of God through Jesus Christ. Economics conceives of man as a rational individual, pursuing relatively stable ends (the objects of relatively stable preferences) subject to the constraints imposed by scarcity (79-80).

Smith explicitly recognizes the *Imago Dei* and sin. He is not, however, dealing with redemption through Christ. The former gives a theological base for Smith's liberalism. He accords dignity

and respect to each person individually as reflected in their having sacred rights, which transcend time and place. The latter gives rise to infanticide, slavery, oppression, deceit, and pride. Smith is under no illusion that human nature itself can be fundamentally changed, but through common grace division of labor and trade can lift people out of conditions of extreme deprivation.

## 6. Self-interest and the Market

This brings me at last to self-interest and the market, economics proper, so-to-speak. In an imagined dialogue between *homo economicus* and a personified Biblical theology, Gordon Menzies has Mary (theology) chastise John (economics) with, “Why don’t they [economists] admit the possibility of hearing opinions through speech!” (103). And “Doesn’t it strike you as odd that a *social* science has no truly adequate theory of the social?” (108; emphasis in original). Modern economics has lost site of the social nature of humanity, as reflected in the fact that supply and demand models teach price theory without the agents in the model ever having to say anything to any other agent. Once again, yes, but this does not apply to Smith.

Consider the *locus classicus* of the self-interest axiom in Smith and in modern economics:

But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour and shew them that it is for their own advantage to do for him what he requires of them. ... It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest (WN I.ii.2, 26-27).

This is the most frequently quoted passage in all of economics. It is found in almost every introductory textbook, and it led George Stigler to claim that the “fundamental explanation of man's behavior, in Smith's view, is found in the rational, persistent pursuit of self-interest” (1976a, xi). And on the occasion of the 200<sup>th</sup> anniversary of the *Wealth of Nations*, he reaffirmed this claim:

Smith had one overwhelmingly important triumph: he put into the center of economics the systematic analysis of the behavior of individuals pursuing their self-interest under conditions of competition. This theory was the crown jewel of *The Wealth of Nations*, and it became, and remains to this day, the foundation of the theory of the allocation of resources (1976b, 1201).

However, all of this needs to be put into the context of the almost equally famous opening lines of *The Theory of Moral Sentiments*:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it (TMS I.i.i.1, p. 9).



Prior to this Smith noted that, “This division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion” (WN I.ii.1, p. 25). The division of labour is a natural or spontaneous order, since it cannot be explained by a knowledge of its benefits. Smith never developed a theory of the origin of the division of labor.

Does Smith deploy the same model to explain division of labor as he does to explain justice and property? This is actually a difficult question. On one level the answer is clearly “yes”. The model of the relation between efficient cause and final cause is intended to be the same. Don’t confuse the two here either. The final cause, of “general opulence” is explicitly stated not to be the efficient cause in the sense of making cause and effect statements. At this level the two accounts run along the same methodological lines. However, while Smith gives an extensive account of justice and its spontaneous emergence in the natural resentment agents and spectators feel when an agent is judged to have been injured, he gives no such account of the division of labour. Indeed he passes it off as not part of “our present subject” (WN I.ii.2, 25). He does, nonetheless, offer some observations. It is the probably “the necessary consequence of the faculties of reason and speech” (*ibid.*), animals do not engage in it (*ibid.*, 26), and exchange necessarily accompanies it.

Despite Smith’s reticence at this point in the book, I will argue that the model of sympathetic agent/spectator interaction does indeed underpin a Smithian natural order explanation of the division of labour and the human phenomenon of trucking and bartering.

To begin let’s look at how Smith describes exchange, and we can see the implicit presence of the sympathy model in the *Wealth of Nations*.<sup>i</sup> A regard for the fortune of the butchers, brewers and bakers, may be seen, first, in the fact that we, the agents wanting their help, find it necessary to address them in conversation. Filling in some more of the passage, Smith writes

Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the greater part of those good offices which we stand in need of (WN I.ii.2, p. 26).

We must have a discussion with these others, which implies some level of equality and respect, that we would not expect if the agents were only self-interested (utility maximizing in modern textbooks) people. We cannot just seize their goods. This would be a clear injustice, the prevalence of which destroys society, but society is assumed to exist and to be an ongoing enterprise. A respect for the rules of justice, prior to any codification of positive law, must keep the agents’ selfishness in check. Second, what do we say to them? We do not stop at, “I want some bread.” We go on to say, “I will give you something in return that I know you value.” (embellishing Smith’s text somewhat). I cannot know what you want without engaging in the sympathetic change of place, which lies at the heart of Smith’s moral theory. This process of interpersonal exchange sets in motion, and in some sense depends on, the operation of the sympathy mechanism, and it is this mechanism that Smith deploys to explain the establishment of social order.<sup>ii</sup> I assert that we can also see the fulfilment of the Golden Rule of Christian

morality: Providing you with something you want is exactly what I want you to do to me. Addressing your self-love is to respect you as a person, a form of loving my neighbor.

From the student notes of Smith's Glasgow *Lectures on Jurisprudence* (LJ) we can see the state of Smith's thinking on division of labour and exchange and how they emerge in the early state. We have two versions of the course dated 1762-3 and 1766, referred to as LJ(A) and LJ(B) respectively.<sup>iii</sup> In both versions Smith is following pretty much the same script as the published version of his account in the *Wealth of Nations*. All the points found in WN are there in both versions of his lectures. However, the report dated 1766 contains this elaboration on "reason and speech" in the context of it being the necessary result of the human propensity to truck and barter:

The real foundation of it is that principle to persuade which so much prevails in human nature. When any arguments are offered to persuade, it is always expected that they should have their proper effect. If a person asserts any thing about the moon, tho' it should not be true, he will feel a kind of *uneasiness* in being contradicted, and would be very glad that the person he is endeavouring to persuade should be of the same way of thinking with himself. We ought then mainly to cultivate the power of persuasion, and indeed we do so *without intending it* (LJ[B] 222, pp. 493-494; emphasis added).

This looks to me very much like the sympathetic model applied to the faculty of speech and reason. In each case we desire to achieve harmony with others, and feel a sense of discord when we fail to persuade. Indeed, this desire for harmony underlies both the sympathetic exchange in moral judgment and the desire to reach agreement in exchange. The fact that exchange relations would come under the jurisdiction of the rules of justice would also lend weight to this argument.

This claim is supported by what I have just said about justice and property rights. Justice establishes some basic level of respect for the others as persons with certain "sacred" rights attached to them. Agents must, then, accord each other the dignity of respect for their person and their property. This is implied in the need to discuss each other's wants and reach a mutually agreeable trade.

We have now seen the same analysis of speech linked to benevolent, Providential outcomes, and to malevolent, oppressive outcomes. What accounts for this difference in Smith? The desire to persuade which we saw operating in Smith's account of the emergence of division of labor and exchange has been set aside in the account of slavery, first, because humans do not like to have to persuade their inferiors and, second, because they prefer to govern by force and violence. From this we conclude that Smith is implicitly assuming that partners in exchange are *equals* or that they will *assume* that they are equals. David Levy and Sandra Peart make a similar point about Smithian sympathy:

By contrast, Smith holds that we feel sympathy for and earn the approbation (or disapprobation) of those unlike as well as those like us. We obtain approbation as we step outside ourselves and regard our own actions dispassionately. Hume and Smith agree that approbation applies only in conditions of existential equality, but for Smith this condition embodies all of humankind, whereas in Hume it extends only to those who are not "strictly inferior" to us (Peart and Levy, 2005, 132).

The implication is clear: agents are, and see themselves, as equals. This leads each to resort to persuasion and the desire to be believed and reach agreement. The upshot is that for Smith market processes only exist because of the moral faculties inherent in human nature which bind people together. As Christians we see the operation of Providence, common grace, and sin. Market processes, which at one level appear to be dominated by the pursuit of self-interest, are at a deeper level founded upon the sympathy model. The Mercantile system of political economy has turned the market upside down (morally speaking):

By such maxims as these, however, nations have been taught that their interest consisted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity... The violence and injustice of the rulers of mankind is an ancient evil, for which, I am afraid, the nature of human affairs can scarce admit of a remedy. But the mean rapacity, the monopolising spirit of merchants and manufacturers, who neither are, nor ought to be, the rulers of mankind, though it cannot perhaps be corrected, may very easily be prevented from disturbing the tranquillity of any body but themselves (WN IV.iii.c.9, 493)

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<sup>i</sup> The idea of sympathy in exchange is also discussed in Peart and Levy, 2005, 10. It is their discussion of this that first showed me how to see the sympathy model in the butcher, brewer, baker, passage of WN.

<sup>ii</sup> I have tried to argue that the origin of the division of labour does indeed fit into the sympathy model of the *Moral Sentiments*, on several different occasions. See for, example, one of my early articles on Smith, Young, 1986, which

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I reprinted in my 1997 book (Young, 1997). I also revisited and expanded my treatment of this material in Young, 2001. Here I will simply give an abbreviated account of the argument.

<sup>iii</sup> Adam Smith left his position at Glasgow University in 1764. LJB is now widely regarded to have been notes taken in 1763-1764 (LJ, Introduction, p. 22).