Adam Smith on the Human Foundation of a Successful Liberal Society

Jerry Evensky

Introduction

Two hundred years of public acclaim have established Adam Smith’s vision of a smoothly functioning market economy as the foundation for all subsequent classical liberal economic thought. That vision represents a market system as a mechanism through which the choices of autonomous individuals pursuing their own self-interested ends in an interdependent world can be coordinated so as to realize not only the best case for the individual given his or her initial endowment but also the greatest possible wealth for the nation.

This representation of the market system is, if you will, the superstructure of Smith’s moral philosophical vision. To fully understand what he saw in his mind’s eye and thus the full scope of his vision, one must also look closely at its foundation.

The foundation of Smith’s classical liberal vision is ethics. Smith’s ethical Being is one who has a proper balance of sentiments. Sentiments are for Smith “affections of the heart” (TMS, 67, 92). He believed that the “great division of our affections is into the selfish and the benevolent” (TMS, 267). When one’s selfish and benevolent sentiments are balanced, such that an impartial spectator would be in sympathy with those affections, then one’s heart embodies “moral sen-
timents.” Moral sentiments are, however, only a necessary and not a sufficient condition for virtue. Virtue requires not only that one know what should be done, but that one have the self-command to do what one’s moral sentiments suggest.

Smith set his classical liberal analysis of markets on this ethical foundation because he recognized that only in a world of ethical beings can the coordination of markets function smoothly. He believed that where ethics fail, the raw, brute nature of men would prevail; and that nature gives rise, in the modern terminology, to a rent-seeking society with all its attendant destructive forces.

All that I describe above has been set forth in detail in earlier work (see Evensky 1987, 1989, 1992a, 1992b). What I propose to do here is to carry my investigation of Smith’s logic one step further. Having described the superstructure and the foundation of his classical liberal vision, I now examine the psychosocial basis for the emergence of this human construct: the classical liberal commercial state.

I thought of entitling this piece “The Nature of Nurture in Adam Smith’s Moral Philosophy,” because his is a story about the evolution of a Being who, given a natural endowment of instincts, propensities, and dispositions, is shaped by social processes to an end determined by the great “Author of nature” (TMS, 166), the Deity. The classical liberal society that Smith so eloquently and elegantly describes does not emerge fully mature from some convocation of wise men who set up the moral foundation. In Smith’s view the conditions necessary for the existence of classical liberal commercial society emerge as the nature of man is shaped by social norms, and social norms are shaped by material conditions.

The material conditions of a commercial society, division of labor, and exchange of surpluses through markets impose certain social requirements on individuals if that society is to function at all, and greater social requirements if it is to function ideally. The minimum social requirement of the individual necessary for the mere existence of any society is that he adhere to the rules of justice, “those sacred rules upon the tolerable observation of which depend the whole security and peace of human society” (TMS, 138). All the rest of the elements of virtue are embellishments that give to the cool regularity of a just society the warm affection and tranquility of a truly good society. As Smith writes: “The rules of justice may be compared to the rules of grammar; the rules of the other virtues, to the rules which critics lay down for the attainment of what is sublime and elegant in composition” (TMS, 175).

In part 7 of his Theory of Moral Sentiments, “Of Systems of Moral Philosophy Consisting of Four Sections,” Smith writes:

In treating of the principles of morals there are two questions to be considered. First, where in does virtue consist? Or what is the tone of temper, and tenor of conduct, which constitutes the excellent and praise-worthy character . . . ? And, secondly, by what power or faculty in the mind is it, that this character, whatever it be, is recommended to us? Or in other words, how and by what means does it come to pass, that the mind prefers one tenor of conduct to another . . . ? (TMS, 264)

In earlier work, I examined Smith’s own answer to the first of these questions, the substance of virtue and his vision of the fundamental role virtue plays in the realization of a classical liberal commercial society. In the investigation that follows, I examine Smith’s work with an eye to his second question: From whence virtue? In particular, I will try to represent Smith’s vision as to how natural and social forces form and shape us, and together develop the character of our being, a character that embodies the rules we choose to live by.

I believe the objective is worthwhile on two counts. First, it takes us more deeply into Smith’s system of thought by examining the natural and social forces that he believed shape the ethical foundation of his classical liberal vision. Second, it provides food for thought about nature and nurture in our own society. If, as seems to be the case for much of the world including states that were only recently under the grip of central control, we seek to form our states and world in the image of the Smithian classical liberal ideal, then we must have some notion about from whence comes the moral foundation of the world we seek to create. As will be demonstrated, Smith’s own story places a
great emphasis on education and personal role models. If we find merit in his representation of the process of character building, it has implications for the way we build our own society.

The Necessary and Sufficient Psychological Hardware of a Being Suited for a Classical Liberal Commercial Society

Smith saw the material of Being as like clay. In its raw (infant) state, we are each unformed; the expression of our being has no shape. Embodied in that clay are certain properties and these properties are common to all beings, with slight variation. Unlike clay, however, the properties of a human being are active. We are shaped by the forces within us that are stimulated by our experience. The differences among us are determined not by the nature of our being, for we all share very similar properties, but by how the life we lead shapes the material of our being. Smith writes in The Wealth of Nations that

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom, and education. (1766, 28–29)

The properties of our being, or as Smith refers to them, the “characteristical qualities of human nature” (TMS, 28), that are part of our natural endowment include our sentiments and our capacity to feel sympathy. Sentiments are a capacity to feel an array of passions that Smith categorizes as: bodily (like hunger), asocial (Smith calls them “selfish” and includes grief and joy), unsocial (hatred and resentment), or social (including generosity and kindness). Sympathy is “our fellow-feeling with any passion whatever” (TMS, 10). These elements of our natural psychic endowment are necessary for our judgement of others or of ourselves, for such judgement is based on the degree to which we are in sympathy with the sentiments that motivate an action.

But this is only part of the human psychic hardware necessary for judgement. Judgement requires standards, so we must be endowed with some internal system of standard determination. In Smith’s model of being, personal standards are determined by interpersonal experience. Society provides us with a frame of reference:

Were it possible that a human creature could grow up to manhood in some solitary place, without any communication with his own species, he could no more think of his own character, or the propriety or demerit of his own sentiments and conduct, of the beauty or deformity of his own mind, than of the beauty or deformity of his own face. All these are objects which he cannot easily see, which naturally he does not look at, and with regard to which he is provided with no mirror which can present them to his view. Bring him into society, and he is immediately provided with the mirror which he wanted before. (TMS, 110)

But still the story is incomplete. While a method of judgement and reference point for judgement are necessary for judgement to be exercised, the former can be implemented only if the latter is internalized. In order for Smith to complete his model of human nature, the psyches of the beings he posits must have some element in their characters that makes the external societal standard a reference point that these individual beings find compelling. The last element of Smith’s being that is necessary and, together with those listed above, sufficient for socially referenced individual judgment is an inherent attachment to the standards of society. On this Smith writes:

Nature, when she formed man of society, endowed him with an original desire to please, and an original aversion to offend his brethren. . . . She rendered their approbation most flattering and most agreeable to him for its own sake; and their disapprobation most mortifying and most offensive. (TMS, 116)

This natural disposition to accommodate and to assimilate, as much as we can our own sentiments, principles, and feelings, to those which we see fixed and rooted in the persons whom we are obliged to live and converse a great deal with, is the cause of the contagious effects of both good and bad company. (TMS, 224)

3. David Hume writes in a similar vein: “When we consider how nearly equal all men are in their bodily force, and even in their mental powers and faculties, till cultivated by education” (cited in Smith 1766, 28 n. 11).

4. Elsewhere, Smith writes, “Man naturally desires, not only to be loved, but to be lovely; or to be that thing which is the natural and proper object of love. He naturally dreads not only to be hated, but to be hateful; or to be that thing which is the natural and proper object of hatred” (TMS, 113–14).
The desire to be connected to society makes the available standards of society personally compelling. This, combined with the ability to make judgements based on “sense and feeling” (TMS, 320), gives the Smithian being the capacity for judgement based on the standards to which he is socialized.

But still this is not sufficient for virtue. Knowing virtue and doing virtue are two different things. For Smith’s being to have the potential to act virtuously, he not only has to have the necessary and sufficient psychic equipment to adopt virtuous standards, he has to have the capacity for commitment to those standards. In Smith’s language, a being is not capable of virtuous action if he lacks the capacity to learn self-command. And so Smith endows his being with such a capacity.

This then is the fully endowed Smithian being. He has the “hard-wired” capacity to make and to act on judgements based on socially defined values. But all this is still not sufficient for the emergence of a being who has the exact kind of virtue suitable for a classical liberal commercial society. The emergence of such a being requires that the society first establish those standards. Only then can the individual being inculcate those standards and the self-command to follow them. There is nothing in the individual natural capacities described above that insures that any given individual being or any particular society of beings will achieve this. So Smith faces another question: How do we get from here (wherever here is) to there (that ideal classical liberal state of individual and society)?

To accomplish this, he describes two different, but related, evolutionary processes: one at a social level and one at an individual level. In the next section, I will briefly describe the social evolution of values, and in the fourth section, I will describe in detail how the extant social values are inculcated into individual members of society as they personally evolve.

The Evolution of Social Values

The source of the standards that individuals internalize is society, and those standards change with the evolution of society. Smith envisions society, and thus the standards, as evolving through stages from the rude hunting-and-gathering condition to the fully mature classical liberal commercial society. In the course of this process,

5. This evolution is described in more detail in Evensky 1989.

Every age and country look upon that degree of each quality, which is commonly to be met with in those who are esteemed among themselves, as the golden mean of that particular talent or virtue. And as this varies, according as their different circumstances render different qualities more or less habitual to them, their sentiments concerning the exact propriety of character and behavior vary accordingly. (TMS, 204)

The moral and material conditions of society must be in harmony if the society is to maintain order, so these two social dimensions coevolve. As Smith writes, “in general, the style of manners which takes place in any nation, may commonly upon the whole be said to be that which is most suitable to its situation” (TMS, 209).

The fundamental virtues required for a classical liberal commercial society are prudence, justice, and beneficence. The first of these recommends to us a “concern for our own happiness,” and the second two recommend to us a “concern for that of other people, . . . the one restrains us from hurting, the other prompts us to promote that happiness” (TMS, 262). The ideal being of a classical liberal society has the perfect balance of these values and the self-command to follow them. But, as Smith recognizes:

The coarse clay of which the bulk of mankind are formed, cannot be wrought up to such perfection. There is scarce any man, however, who by discipline, education, and example, may not be so impressed with a regard to general rules, as to act upon almost every occasion with tolerable decency, and through the whole of his life avoid any considerable degree of blame. (TMS, 162–63)

The Inculcation of Social Values in the Individual

By “discipline, education, and example” individuals are “impressed with a regard to general rules.” In this section I will examine how, according to Smith, each of these impresses social values on the individual.

The greater part of Smith’s career was devoted to education and, in particular, ethics education, so his views on how education shapes individual ethics are well developed. According to Smith, the time to
start ethics education is early and the place to start is at home. A child is the perfect student for lessons of ethics, because properly “dressed and adorned,” its precepts . . . are capable of producing upon the flexibility of youth, the noblest and most lasting impressions, and as they fall in with the natural magnanimity of that generous age, they are able to inspire, for a time at least, the most heroic resolutions, and thus tend both to establish and confirm the best and most useful habits of which the mind of man is susceptible. (TMS, 329)

The place to begin is at home because one’s moral education should begin with “domestic morals”: be respectful of your parents, be kind to your siblings. What better place to learn these basic ethical standards than at home (see TMS, 222), for there one is in the context of the lesson to be learned, and there one desires more than anywhere else to be approved of and to belong.

Self-command, on the other hand, is a lesson in virtue that, in Smith’s view, is most likely learned once one has left the safe haven of home.

A very young child has no self-command . . . [and it is unlikely to acquire same] while it remains under the custody of such partial protectors [as parents]. . . . When it is old enough to go to school, or to mix with its equals, it soon finds that they have no such indulgent partiality. It naturally wishes to gain their favor, and to avoid their hatred or contempt. Regard even to its own safety teaches it to do so; and it soon finds that it can do so in no other way than by moderating, not only its anger, but all its other passions, to the degree which its playfellows and companions are likely to be pleased with.

It thus enters into the great school of self-command. (TMS, 145)

In both of these early lessons in virtue, domestic morals and self-command, we see the crucial connection between the psychic hardware, in this case the desire for approval, and the social lesson to be learned, the principles of virtue. It is the former that motivates the individual to inculcate the latter.

6. This “flexibility” derives from Smith’s view that “there seems to be in young children an instinctive disposition to believe whatever they are told . . . [They] put implicit confidence in those to whom the care of their childhood, and of the earliest and most necessary parts of their education, is intrusted” (TMS, 335).

As students get older the process of education becomes more complex because young adults acquire both a skepticism about the values of society, and reason. Their skepticism expresses itself, according to Smith, through a rejection of society’s assertion that certain values are naturally (i.e., a priori) good and worthy of respect: “We frequently hear the young and the licentious ridiculing the most sacred rules of morality. . . . Upon this account we generally cast about for other arguments, and the consideration which first occurs to us, is the disorder and confusion of society which would result from the universal prevalence of such practices” (TMS, 89).

Thus we use the capacity for reason that these young people have mastered to persuade them of the utility of the rules of ethics that we seek to have them adopt.7 The heuristic is different but, as with the young child, the motive we exploit in our attempt to teach virtue is the basic human desire for approbation from a respected instructor and the admiration of one’s fellows.

Not surprisingly, given his career and his classical liberal vision, Smith saw education as a fundamental social imperative. Even “the most vulgar education teaches us to act, upon all important occasions, with some sort of impartiality between ourselves and others” (TMS, 139).

But, while education is an important part of Smith’s representation of the process through which social values get disseminated among and inculcated into the individuals of a society, he recognized that there are other forces at work on the psyches of individuals that also influenced their development.

In the quotation cited at the beginning of this section, Smith speaks of “discipline, education, and example” (emphasis added) as molding the coarse clay of the unformed individual into a social being. Education exposes one to examples or role models, and these models influ-

7. For Smith, this utility argument is an educational strategy based on a philosophical construct arrived at ex post, that is, after we as humans have recognized the true natural base of ethical standards. Smith specifically and repeatedly rejects the argument that ethics are derived from some sort of reasoned argument. He is first and foremost a Deist, and, as such, he believes that the proper nature of man is not determined by man through rational analysis. What man discovers through analysis is the beauty of the order that the Deity created and the utility of that order. The exact adjustment of means to ends throughout is a major part of that beauty. Indeed, he argues that most philosophers and statesmen who endeavor to present representations of the order or suggest arrangements for the human order do so more for the aesthetics of the utility their representation or arrangements embody. The utility in and of itself is not their motive force (see TMS, 188, 210, 263, 298–99, 306, 317).
chance one's development. But there are many models outside of education, and Smith explicitly recognizes this in his analysis of moral development. In Smith's view, modeling is a powerful socialization tool. He firmly believes that we become like the company we keep and the leaders we follow. Obviously the best company to keep is "really good company" which includes, according to Smith, those who practice "justice, modesty, humanity, and good order" (TMS, 200). Such company would encourage one to develop like qualities and thus one will be "shocked with whatever seems to be inconsistent with the rules which those virtues prescribe" (TMS, 200). The power that that company has over us derives from our own psychic desire for the approbation of those who matter to us.

Similarly, leaders set an example. "The servant who shapes his work according to the pattern which his master prescribes for him, will shape his life too according to the example which he sets him" (1976b, 612). The master's claim to esteem as a model rests on his accomplishments as a man of the world, but he has no higher claim. Not so the religious man who "never acts deliberately but as in the presence of that Great Superior who is finally to recompense according to his deeds. A greater trust is reposed, upon this account, in the regularity and exactness of his deeds" (TMS, 170). And so he stands as a special role model for all to follow.

According to Smith, the primary power of a role model derives from the psychic benefits and costs associated, respectively, with accepting or rejecting the model. From a group one receives the following signals: If you become like us, you will become one of us, you will belong; and if you become a model of the behavior we admire, we will admire you. Conversely, if you do not choose to be like us, you will not be accepted among us, you will be rejected (see TMS, 84). From a leader one receives a signal that says: If you follow my lead, you will have access to the benefits I am in a position to bestow, be they worldly (fame or subsistence) or otherworldly (access to heaven); but turn away and you will be denied. The more significant the benefits/costs, the more powerful the attraction/sanction of the model, and thus the more likely it is to be accepted.

Example shapes us, education shapes us, and so too, according to Smith, "discipline" shapes us. By discipline, Smith has in mind primarily those difficult challenges of life that, as the expression goes, build character. The particular element of an individual's natural psy-

chic endowment that Smith feels is enhanced by discipline is the capacity for self-command. "Hardships, dangers, injuries, misfortunes are the only masters under whom we can learn the exercise of this virtue" (TMS, 153). But even this virtue, which we can best learn from that nonhuman master, experience, is best learned in a setting in which our excellence is socially recognized and appreciated.

For example, Smith was fascinated with what he perceived to be the behavior of the "savages of North America" to whom he ascribed a superhuman self-command: a "heroic and unconquerable firmness which the custom and education of his country demand" (TMS, 207; emphasis added). Again, we find Smith describing social references as directing the forces of our psychic endowment and thus shaping our character.

Smith's savage is acting according to a "golden mean" determined by the circumstances of his society (TMS, 204). The "golden mean" of his world is not, however, an appropriate standard for a classical liberal commercial society. The process of the development of the human character is the same—nature and nurture act together to define our being—but the standards vary with the variation in the circumstances of the society (TMS, 209). A classical liberal commercial society does not require such superhuman self-command. Rather, it requires an individual who has sufficient self-command to act with a proper (i.e., socially defined) balance of prudence, justice, and beneficence. As with the courageous savage, such a person does not emerge from the womb fully developed. With proper "discipline, education, and example" one grows into the role.

The truly excellent person grows through social referencing, but ultimately transcends the immediate reference of his current situation in two ways. First, one's locus of control shifts from external to internal as one develops self-command. Second, one's social reference for values turns from one's immediate associates toward a more dependable, admirable, and truly social reference: "those general rules of conduct" "formed, when they are universally acknowledged and established, by

8. "To be amiable and to be meritorious; that is, to deserve love and to deserve reward, are the great characters of virtue; and to be odious and punishable, of vice. But all these characters have an immediate reference to the sentiments of others" (TMS, 113; emphasis added).

9. Recall Smith's view of the young child as totally lacking in self-command. Such a being must be externally controlled. As the child grows into adulthood, however, it must (or at least should, according to Smith) take more responsibility for controlling its own actions.
the concurring sentiments of mankind" (TMS, 161, 160). The individual who lives by these standards desires more to be praiseworthy than to be praised, and abhors blameworthiness more than blame (TMS, 117, 119). Still, nature and nurture are working in concert, but now at a different level. The motivator is still the psychic endowment of nature and the reference remains social, but now it is social in the largest sense, for it is "the concurring sentiments of mankind" that represent the standards. This ideal Being, socialized by nature, has inculcated a set of values that allow his judgement to transcend the immediate pressures of society. He is at one and the same time both a social and an autonomous being.

**Socialization of Values, Sophistry, and Smith's Solutions**

Everyone will be socialized into a set of values that are socially referenced, but what guarantee is there that this process will converge on a set of values that is consistent with the necessary and sufficient conditions for an admirable classical liberal commercial society? The problem for society, according to Smith, lies in separating the wheat from the chaff: Men with selfish motives will seek to shape the social psyche to suit their own ends. How does society protect itself from such deception? Two particular cases were of special concern to Smith. One was the clergy.

Smith recognized that models can be good or bad. He seems to be particularly concerned about the impact of religious models. For reasons cited above, these are particularly compelling models. But, with rare exception (e.g., the presbyterian ministry [1976b, 810]), the proper model of a clergyman (TMS, 202) is not the one to which, Smith felt, men were generally exposed. He saw much of the clergy as prone to superstition, fanaticism, and enthusiasm. For Smith this was a policy issue. He argues that a plethora of small sects is to be preferred to an oligopolistic or monopolistic religious environment (e.g., a state religion). He believed that competition among small sects would "in time probably reduce the doctrine of the greater part of them to the pure and rational religion" and would oblige their leaders to practice "candor and moderation" (1976b, 793). Furthermore, "little religious sects" (796), by putting members close to the model of their leader, would serve as a social reference point for those lacking any other such frame-

work. Without this, an isolated individual is "sunk into obscurity and darkness," and since his conduct is "observed and attended to by nobody . . . he is therefore very likely to neglect it himself, and to abandon himself to every sort of low profligacy and vice" (795).

The other proselytizers that Smith believed undermined the emergence of a stable classical liberal commercial society were the "men of system," in particular the men of the mercantile system.

That it was the spirit of monopoly which originally both invented and propagated this doctrine, cannot be doubted; and they who first taught it were by no means such fools as they who believed it. In every country it always is and must be in the interest of the great body of the people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind. (1976b, 493–94)

The success of this and all "interested sophistry" rests on the ignorance of the people. This is a particular problem for a classical liberal society in which commerce is based on the division of labor and exchange of surpluses through markets. The division of labor focuses the lives of many on "a few simple operations" and the effect of this is that these individuals become "as stupid and ignorant as it is possible for a human creature to become" (782). This ignorance invigorates sophistry, and sophistry undermines the classical liberal commercial society Smith envisioned. Thus, the eradication of ignorance was for Smith a policy issue. His policy prescription was that all should be assured a basic education.

Smith's advocacy of universal education derived from his belief that the content of education, even at the most elementary level, could equip individuals to see through the enthusiasm or sophistry of extreme men of system, be they religious or political:

Though the state was to derive no advantage from the instruction of the inferior ranks of the people, it would still deserve its attention

10. "The most essential parts of education . . . to read, write, and account, can be acquired at so early a period of life, that the greater part even of those who are to be bred to the lowest occupations, have time to acquire them before they can be employed" (1976b, 785). See also page 764 for another endorsement of the fundamental role of the three "R's.
that they should not be altogether uninstructed. The state, however
derives no inconsiderable advantage from their instruction. The
more they are instructed, the less liable they are to the delusions of
enthusiasm and superstition, which, among ignorant nations, fre-
cquent occasion the most dreadful disorders. An instructed and in-
telligent people . . . are more disposed to examine, and more
capable of seeing through, the interested complaints of faction and
sedition. (1976b, 788)\textsuperscript{11}

Smith’s concern with “interested sophistry” gets all the more keen
as he gets older (see Evensky 1989). In his revisions to The Wealth of
Nations, his language condemning mercantilism becomes more virul-
ent. The revisions to The Theory of Moral Sentiments that he made in
the last year of his life focus largely on our individual responsibility to
recognize and rise above the sophistry of men of system who would
have us follow the siren song of their faction to the detriment of the
society as a whole.

Conclusion

Smith envisions the ideal state of the world as one in which there is
social harmony and personal tranquility. He believes that our nature
can be shaped to fit such a world if we are nurtured properly.

In his early years, he seemed to have a sanguine view of society as
being led by an invisible hand toward that ideal end. While any given
society might stagnate or regress, human society was, through fits and
starts, moving toward that limit. Passing through stages, the “golden
mean” would slowly converge on the degree of self-command and the
balance of sentiments that are consistent with his ideal vision of a clas-
sical liberal commercial society. This belief derived from his abiding
faith in the existence of a benevolent Deity who was the Author of Na-
ture and in human society’s special position as the “peculiar and dar-
ling care of Nature” (TMS, 86).

As Smith gets older, however, he seems to become less sanguine.
Men of system and the enthusiasm of faction seemed to be more, not
less, prevalent, and thus the decay of morals seemed to be growing
rather than receding with the passage of time. In the face of this per-
ception, he falls back on two fundamental tenets of his philosophy:
first, his faith in the benevolence of the Deity and the attendant belief
that all that is is meant to be for the ultimate good of humankind (even
the pain of good persons [TMS, 235–36]); and second, his view that,
while the Lord works in mysterious ways, it is man’s business to get on
with the business of life:

The administration of the great system of the universe . . . the care
of the universal happiness of all rational and sensible beings, is the
business of God not of man. To man is allotted a much humbler de-
partment, but one much more suitable to the weakness of his pow-
ers, and to the narrowness of his comprehension; the care of his own
happiness, of that of his family, his friends, his country: that he is
occupied in contemplating the more sublime, can never be an excuse
for his neglecting the more humble department. . . . The most sub-
lime speculation of the contemplative philosopher can scarce com-
 pense the neglect of the smallest active duty. (TMS, 237)

It is with this latter responsibility in mind that he labors in 1790 at an
advanced age and in a frail condition, even to the detriment of his
health, on revisions to The Theory of Moral Sentiments. In those revi-
sions he writes,

To deserve, to acquire, and to enjoy the respect and admiration of
mankind, are the great objects of ambition and emulation. Two dif-
f erent roads are presented to us, equally leading to the attainment of
this so much desired object; the one, by the study of wisdom and the
practice of virtue; the other, by the acquisition of wealth and great-
ness. Two different characters are presented to our emulation; the
one, of proud ambition and ostentatious avidity; the other, of hum-
ble modesty and equitable justice. Two different models, two dif-
f erent pictures, are held out to us according to which we may fashion

\textsuperscript{11} Following his description of the ignorance generated by the division of labor, cited
above, Smith writes: “in every improved and civilized society this is the state into which the
labouring poor, that is, the great body of the people, must necessarily fall, unless government
takes some pains to prevent it” (1976b, 782). Smith’s advocacy of a militia rested on similar
grounds. While recognizing the necessity of a standing army given the military realities of
his day and age, he believed that a well-regulated militia would maintain the “martial spirit
of the great body of people,” a spirit that “would necessarily diminish very much the dangers
to liberty, whether real or imaginary, which are commonly apprehended from a standing
army” (786, 787). It would also allow the necessary size of the standing army to be
diminished.

\textsuperscript{12} See Evensky 1989 for more on the evolution of Smith’s ideas.
our own character and behavior; the one more gaudy and glittering in its colouring; the other more correct and more exquisitely beautiful in its outline: the one forcing itself upon the notice of every wandering eye; the other, attracting the attention of scarce any body but the most studious and careful observer. They are the wise and the virtuous chiefly, a select, though, I am afraid, but a small party, who are the real and steady admirers of wisdom and virtue. The great mob of mankind are the admirers and worshippers . . . of wealth and greatness. (TMS, 62)

Much of his effort in these last revisions is to lay out by carefully drawn distinction the difference between these paths, and the warrant of the one versus the ignominy of the other. His eye is especially focused on that audience that might have the greatest impact in the shaping of society: its future leaders. In his new “Part 6: Of the Character of Virtue,” he draws a sharp and detailed picture of the difference between “the greatest and noblest of all characters, that of the reformer and legislator of a great state,” and the dangerous “man of system” who would shape society to his own ends by whatever means were at his disposal (TMS, 232–34). His objective seems to be to capture the eye of potential leaders in order to shape their view of the role they should play in society. He even gets a bit preachy, directing them to consider that “perfect tranquillity, the principle and foundation of all real and satisfactory enjoyment” does not derive from the “frivolous pleasures of vanity and superiority” (150).

Examine the records of history, recollect what has happened within the circle of your own experience, consider with attention what has been the conduct of almost all the greatly unfortunate, either in private or public life, whom you may have read of, or heard of, or remember; and you will find that the misfortunes of by far the greater part of them have arisen from their not knowing when they were well, when it was proper for them to sit still and to be contented. The inscription upon the tomb-stone of the man who had endeavoured to mend a tolerable constitution by taking physic; I was well, I wished to be better; here I am; may be generally applied with great justness to the distress of disappointed avarice and ambition. (TMS, 150)

Appealing to men who presume to eminence to look beyond the frivolous pleasures of this world, he tries with these last revisions to persuade them that the real happiness of life lies in the personal tranquillity that comes from being virtuous, and that the real measure of a virtuous character is the pursuit of praiseworthiness above praise and the abhorrence of blameworthiness above blame. (TMS, 232).

It seems that, as Smith wrote from the perspective of age, he sought to direct the future by offering an appeal to the leaders of the future: Consider what really matters in life. Choose virtue. Shed “the very doubtful and ambiguous character of the leader of a party, . . . [and] assume the greatest and noblest of all characters, that of the reformer and legislator of a great state; . . . [who] by the wisdom of his institutions, secures the internal tranquillity and happiness of his fellow citizens for many succeeding generations” (TMS, 232).

And Smith’s charge goes yet one step further: Don’t forget the lessons I have taught you about the nature of being. The education, discipline, and example of years past have “confirmed habits and prejudices” in the people (TMS, 233). This is the source of a social inertia. Don’t trample on justice by trying to force the people into your system. People are not chess pieces that move at your will. “In the great chess-board of human society, every single piece has a principle of motion of its own” (TMS, 234). Lead the people, set an example for the people, but “like Solon, when [you] . . . cannot establish the best system of laws . . . endeavour to establish the best that people can bear” (TMS, 233).

Smith saw part of his job as representing a “general, and even systematical, idea of the perfection of policy and law, [that] may no doubt be necessary for directing the views of the statesman” (TMS, 234). But beyond this, he felt that anyone who would hope to lead must understand these lessons.

14. As the editors note: “Most of the content of this chapter [3.2, Of the Love of Praise, and of that of Praise-worthiness; and of the Dread of Blame, and of that of Blame-worthiness] was added or re-written for ed. 6” written in 1790 (TMS, 113, note a).

15. Smith believed that social inertia is a powerful force (see for example 1768, 239, 384, 765 or TMS, 197). He also recognized that when the time horizon for change is beyond the scope of a single generation people begin to imagine “that all the rules, which they think ought to be observed in each of them, are founded upon reason and nature, not upon habit or prejudice” (TMS, 195). His recognition of this “natural order mentality” is an excellent insight. Ironically, while he recognizes it in others, he doesn’t recognize it in himself (e.g., with respect to “women’s sphere”). Ironic yes, surprising no—it is the nature of the “natural order mentality” that one can see others at it, but never oneself, unless one’s assumptions are challenged by others.
understand the nature of being and the character of virtue. Understanding the former made inculcating the latter a project in social policy: example, discipline, and education.

What lesson, if any, can we draw from this perspective on Smith’s work? I think it is this: if we cite The Wealth of Nations\textsuperscript{16} as the classic representation of the classical liberal commercial society we seek to create, then we should read and consider with care: first, Smith’s work on the necessity of an ethical foundation if such a society is to be realigned, and second, his views on the role of nature, nurture, and leadership in establishing such a foundation.

References


\textsuperscript{16} Few people actually read it.