Theological (and Hence Economic) Implications of Adam Smith's "Principles which Lead and Direct Philosophical Enquiries"

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It is often felt that Smith's economic vision was at least partly guided by his theological position. This article analyzes Smith's theological position as found in his posthumously published essay "The Principles which Lead and Direct Philosophical Enquiries" to essentially argue the reverse: it may be that Smith's theological views were largely determined by his scientific and philosophical views. This has important implications for properly understanding Smith's creation and use of the invisible hand, and his attitude toward laissez-faire.

The first section below, Background, demonstrates why economists need to have some understanding of Smith's theological thought in order to evaluate key Smithian economic positions. Section 2, The Texts, compares Smith's views with Hume's position as found in the relatively neglected essay "The Natural History of Religion" and demonstrates the striking similarities in their natural theology. Section 3, Conclusion, argues that Smith's invisible hand does not refer to divine or supernatural guidance. Rather, it is a society-based explanation for how the capitalist system can work and is a metaphor for Smith's theory of unintended results from human actions.

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History of Political Economy 27:2 © 1995 by Duke University Press. CCC 0018-2702/95$1.50
Background

In a recent book on Adam Smith, I argue that Smith was largely against the economic rules and regulations of his day for two thoroughly non-metaphysical reasons (Pack 1991). First, these rules and regulations tended to be outdated, antiquated, and no longer conducive to economic development. Second, these rules tended to be made by and for the rich and powerful. Smith was not biased in favor of the rich and powerful; if his biases were toward anyone, they tended to be pro-worker. Moreover, I argue that the invisible hand was self-consciously made up by Smith. It was a deliberate epistemological construct used by Smith to explain how the capitalist (or commercial) system could operate (see also Pack 1993a; 1993b). I claim that Smith’s arguments against the rules and regulations in his day and his creation of an invisible hand are not dependent upon his understanding of God. They are not a secularization of God.

Of course, many other modern Smithian commentators disagree. For example, Charles Clark, in a recent book lambasting “natural law economies” for making economic thought ahistorical and asocial writes, “The concept of the Invisible Hand, which plays such an important role in Smith’s system, is clearly derived from Natural Theology” (1992, 47). “For Smith, the world was so designed that a natural order would result from individual actions and need not be imposed by the State. Here Smith’s belief in a benevolent God, natural order, and natural laws is very important, since God has established natural laws which regulate individual behavior to produce social order” (49).

Jacob Viner, in his classic article “Adam Smith and Laissez Faire,” claimed that in The Theory of Moral Sentiments, Smith calls beneficent nature “‘The great Director of Nature,’ ‘the final cause,’ ‘the Author of Nature,’ ‘the great judge of hearts,’ ‘an invisible hand,’ ‘Providence,’ ‘the divine Being,’ and in rare instances, ‘God.’ Smith definitely commits himself to the theism of his time. The harmony and beneficence to be perceived in the matter-of-fact processes of nature are the results of the design and intervention of a benevolent God” (1928, 121).

Patricia Werhane, in a recent extensive study of Smith’s work, writes that for Smith

Human beings are part of the natural order and harmony of the static and consistent universe. God, of course, is the architect or perhaps the conductor of the natural order (1991, 50).

Nevertheless, because of Smith’s eighteenth-century religious background and upbringing, it is not surprising that he would use a term that has religious connotations to describe an economic phenomenon. If the ideal economic order, governed by the invisible hand, reflects closely the natural order, an order in some way or other commanded by God, Smith’s use of the term invisible hand to refer to economic activities is consistent with this sort of metaphysical speculation. (102)

Jerry Evensky in a recent article writes that “Smith’s Wealth of Nations is the story of those socially desirable unintended consequences of individual action that result when events are allowed to follow their ‘natural course,’ the course consistent with the Deity’s design” (1993, 200).

On the other hand, there is another, quite old tradition that holds that Smith may not even have believed in God. Charles Griswold writes,

Almost everything in his [Smith’s] written works suggests that he believed that the divine—certainly the divine understood as a personal God—lives only in the human imagination. When Smith wrote an account of Hume’s death in 1776 showing that the great Skeptic met his end calmly, Edmund Burke sardonically claimed in a letter that both performances were “done for the credit of their Church”—atheism. (1991a, 58)3

Karl Marx in Capital noted that Smith had been considered an atheist in his time (1906, 677n). Emma Rothschild (1992) details the transformation of Smith’s reputation in the latter part of the 1970s and shows that previous to that time he was often viewed as an atheist.1

1. See also recent articles by Clark (1989; 1990) and Evensky (1987; 1989), as well as by Veblen (1948).

2. This characterization of Smith’s theological beliefs may be viewed as a relatively thinly supported assertion by Griswold. It is given in the course of a semipopular, brief overview of Smith’s centre thought in The Wilson Quarterly, published by the Woodrow Wilson International Center for Scholars in Washington, D.C.

3. Mention may be made here that the role of Dugald Stewart in the history of post-Smithian thought is an important and complex one, deserving of intensive further study. On the fact that Stewart was instrumental in developing and stressing a conservative interpretation of Smith, see Rothschild 1992. On the fact that Stewart disagreed with some of Smith’s methodological positions in the so-called Astronomy essay, especially with what appears to be Smith’s epistemological skepticism, see Stewart 1854 (250–52). On Stewart’s general importance in early-nineteenth century British thought, see Gars 1987. On his influence on the “Christian political economists,” see Waterman 1991; 1994. Stewart’s epistemological, ontological, and theological positions were quite distinct from Smith’s; the methodological positions of these two authors should not be conflated.
I will now present evidence from Smith's posthumously published essay "The Principles which Lead and Direct Philosophical Enquiries" that tends to support Grisworld's (if not Burke's) characterization of Smith's theology. I will show that the theological implications of this essay are not so much that Smith's scientific and philosophical thought was influenced by his theology; rather, Smith's theology was more influenced by his scientific and philosophical thought. Smith's theological position will be seen to (perhaps purposely) ambiguous. From the essay, Smith can be viewed as an agnostic, an atheist, or as a believer in God. However, the implications for Smith's economic work that come from a consideration

1 This essay is usually referred to as three separate essays, "The History of Astronomy," "The History of the Ancient Physics," and "The History of the Ancient Logics and Metaphysics." It may be found under those titles in the Glasgow edition of Smith's works in vol. 3, Essay on Philosophical Subjects (1880). I shall cite them by name hereinafter, giving part and paragraph numbers where appropriate. Yet, each of these so-called histories is preceded by the same dedication: "The Principles which Lead and Direct Philosophical Enquiries." Thus each of these pieces is actually part of a larger, unified, unfinished essay of that name. The traditional monothesis places a disproportionate emphasis on viewing these pieces as separate histories, rather than as a unified work on methodology. Here, of course, the Glasgow editors are just following the lead of the original editors, Joseph Black and James Hatton. Moreover, modern scholars owe an enormous debt of gratitude to the editors of the Glasgow Edition of the Works and Correspondence of Adam Smith. Nonetheless, by my reading, in general, the tables of contents to these volumes do not seem to have been handled with the care and attention they deserve. They are not up to the same high quality of care evidenced throughout the rest of the volumes.

2 Actually, there is a dialectical quality to Smith's thought in that everything effects and interacts with everything else (see, for example, Brown 1988). Moreover, as Waterman argues, "it is impossible to understand the political ideas of eighteenth century Europeans without recognizing that the distinctions we now quite properly draw between specialized branches of 'political,' 'philosophical,' 'scientific,' and 'social' inquiry were then of far less importance and in many cases hardly possible.... There was then a unity to intellectual activity which is now forever lost." (1991, 4.) Nonetheless, as will be demonstrated, with regards to this article's subject, the line of causation in Smith's analysis seems to be predominantly from philosophical and scientific thought to theological thought.

The present article is not meant to be a full study of Smith's theological views. For that, one would at least have to look at Smith's work in The Wealth of Nations (especially 5.1.g, "Of the Expanse of the Institutions for the Instruction of People of All Ages"). Lectures on Jurisprudence, and The Theory of Moral Sentiments. In handling this latter work, care would have to be given to the various editions of the work and to the possibility that Smith may have changed his position on religion during the course of revising the various editions (see, for example, appendix 2, "The Passage on Atonement, and a Manuscript Fragment on Justice," in The Theory of Moral Sentiments). On the difficulty of determining exactly when "The Principles which Lead and Direct Philosophical Enquiries" was written, see the discussions in Raphael and Skinner 1980 and in Wightman 1980. On the ambiguity of whether Smith favored competitive relations or an established church, see Leathers and Rames 1992. The possibility of irony in Smith's discussion of this issue is not addressed by the authors.

6 As far as I am aware, no one has drawn the remarkable theological parallels between these two relatively (and undeservedly) neglected essays. For a recent extensive study of Hume's views on religion stressing the importance of the "Natural History of Religion," see Yandell 1990.

7 See, among many others, Rotwein 1955 and Haakonsen 1981. Hume was of course somewhat older than Smith, and one could argue that Hume wrote his important work at a relatively younger age than Smith. Hume was born in 1711; Smith in 1723. Basically, "there can be no good reason for thinking that the philosophical, scientific and theological beliefs of Adam Smith could have been very different from those of David Hume" (Waterman 1992, personal communication to the author).

8 The religious dimension of some of the followers of, for example, noted economist Karl Marx has been frequently noted (see Schumpeter 1950 [part 1, chap. 1] or Tucker 1972). The religious dimension of some of the followers of Adam Smith has not, perhaps, received the similar attention it so richly deserves (although see almost anything by Galbraith, most recently Galbraith 1993, especially pages 106-8). In some ways, the use of the word "Talmudic" may be misleading. The world of the Bible was one where God was the most important actor upon the stage. Consequently, biblical mortals tended to have a direct, immediate experience of God. On the other hand, God was not the central actor of the Talmudic stage. The Talmudic world was one where mortals did not have a direct, immediate experience of God. In this world, the Temple had been destroyed, and there was a distancing from God. Hence the pressing need for scholarship, to carefully study the Bible in order to establish a new relationship with God. Indeed, this is when the Bible became a book, and the Jews the people of the book. On the other hand, as will be seen, Adam Smith certainly did not have a direct immediate experience of God.
The Texts

Smith writes,

Philosophy is the science of the connecting principles of nature. . . . Philosophy, by representing the invisible chains which bind together all these disjointed objects, endeavours to introduce order into this chaos of jarring and discordant appearances, to allay this tumult of the imagination, and to restore it, when it surveys the great revolutions of the universe, to that tone of tranquillity and composure, which is both most agreeable in itself, and most suitable to its nature. Philosophy, therefore, may be regarded as one of those arts which address themselves to the imagination. (Astronomy 2:12)

Notice, philosophy is viewed as an art, a human enterprise or endeavor, which introduces order, imposes order on the world. Philosophy does this so as to calm humans. The order then is not necessarily a product of the world itself but of humans, the human mind. The invisible chains of nature are invisible because they are not directly apparent to the human mind. These assumed or imagined invisible chains are "represented" by philosophy.

Smith continues, "let us consider them [systems of nature] only in that particular point of view which belongs to our subject; and content ourselves with inquiring how far each of them was fitted to sooth the imagination, and to render the theatre of nature a more coherent, and therefore a more magnificent spectacle, than otherwise it would have appeared to be" (Astronomy 2:12).

Note: It is the philosophical system, created by humans, which makes nature seem more coherent. Smith is not dealing with the alleged truth of the systems or the predictive power of the theoretical systems. Furthermore, the theoretical system makes nature seem or appear to be more magnificent. Hence, the magnificence of nature partly arises from nature appearing to be coherent. This appearance of coherence is given to nature by human philosophy. In this sense, philosophy, a human art, gives magnificence to nature, in the eyes of mortal humans. Moreover, "according as they have failed or succeeded in this, they have constantly failed or succeeded in gaining reputation and renown to their authors" (Astronomy 2:12).

This is an important statement, since it comes from the individual who later wrote what may be the most renowned book in the social sciences—The Wealth of Nations. Smith feels that if renown and reputation as a natural scientist is one's goal, then one needs to create a system that soothes the imagination and gives coherence to nature. Presumably, if one wanted to have renown as a social scientist, one ought to do the same: create a theoretical system that soothes the imagination and gives coherence to society.

By Smith's speculations, "Mankind, in the first ages of society, before the establishment of law, order, and security, have little curiosity to find out those hidden chains of events which bind together the seemingly disjointed appearances of nature" (Astronomy 3:1). Compare this to Hume: "The causes of objects, which are quite familiar to us, never strike our attention or curiosity; and however extraordinary or surprising these objects may be in themselves, they are passed over, by the raw and ignorant multitude, without much examination or enquiry. . . . But a barbarous, necessitous animal (such as man is on the first origin of society) pressed by such numerous wants and passions, has no leisure to admire the regular face of nature, or make enquiries concerning the cause of objects, to which, from his infancy, he has been gradually accustomed" ([1757] 1976, 27–28).

Therefore, in the first ages of society, it is not the regular events of nature that concern humans, but the irregular, spectacular ones. Smith wrote, "Those more magnificent irregularities, whose grandeur he cannot overlook, call forth his amazement" (Astronomy 3:1). Again, compare this to Hume: "Convulsions in nature, disorders, prodigies, miracles, tho' the most opposite to the plan of a wise superintendent, impress mankind with the strongest sentiments of religion; the causes of events seeming then the most unknown and unaccountable" ([1757] 1976, 51). This is an explanation for the origins of religion. For Hume, "the first ideas of religion arose not from a contemplation of the works of nature, but from a concern with regard to the events of life, and from the incessant hopes and fears, which actuate the human mind" (31).

This is similar to Smith's words. For Smith, it is indeed comets, eclipses, thunder, lightning, and meteors that overawe and terrify humans: "As those appearances terrify him, therefore, he is disposed to believe every thing about them which can render them still more the
objects of his terror. That they proceed from some intelligent, though invisible causes, of whose vengeance and displeasure they are either the signs or the effects, is the notion of all others most capable of enhancing this passion, and is that, therefore, which he is most apt to entertain” (Astronomy 3:1).

Note the appearance here of an invisible cause. Smith’s account of the origin of human conceptions of gods may be compared to what Hume writes: “the anxious concern for happiness, the dread of future misery, the terror of death, the thirst of revenge, the appetite for food and other necessaries. Agitated by hopes and fears of this nature, especially the latter, men scrutinize, with a trembling curiosity. . . . And in this disordered scene, with eyes still more disordered and astonished, they see the first obscure traces of divinity” ([1757] 1976, 32). Here, in keeping with his skepticism, Hume no doubt means that humans think they see the traces of divinity. “No wonder, then, that man kind, being placed in such an absolute ignorance of causes, and being at the same time so anxious concerning their future fortunes, should immediately acknowledge a dependence on invisible powers, possess of sentiment and intelligence” (3:1). Again, for Hume there is the appearance of an invisible cause. For Smith (and for Hume as well) comets, eclipses, thunder, and so on are appearances that terrify humans. Humans then imagine that these events are produced by invisible causes. These invisible causes are imagined to be intelligent and to have human-like emotions such as vengeance and displeasure.

On the other hand, some irregularities of nature do appear to humans to be beautiful and agreeable. These appearances excite the gratitude of humans. Smith writes, “The reverence and gratitude, with which some of the appearances of nature inspire him, convince him that they are the proper object of reverence and gratitude, and therefore proceed from some intelligent beings, who take pleasure in the expressions of those sentiments” (Astronomy 3:2). Objects that make these humans happy are perceived as being put there by invisible causes. Those invisible causes are viewed as some kind of intelligent beings who appreciate human reverence and gratitude: “With him therefore, every object of nature, which by its beauty or greatness, its utility or hurtfulness, is considerable enough to attract his attention, and whose operations are not perfectly regular, is supposed to act by the direction of some invisible and designing power” (3:2). Again, this may be compared to what Hume writes: “It [early religion] represents them [gods] to be sensible, intelligent beings, like mankind; actuated by love and hatred, and flexible by gifts and entreaties, by prayers and sacrifices. Hence the origin of religion: And hence the origin of idolatry or polytheism” ([1757] 1976, 57).

Thus, at this early stage of human development, it is the irregular parts of nature that attract and demand human attention. Humans tend to impute an invisible cause or power to these irregular aspects of nature. This invisible cause or power is imputed to be intelligent and to have a will or a design. For Smith (as well as for Hume), the theological implications are as follows: “Hence, the origin of Polytheism, and of that 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” (Astronomy 3:2). Hume is in agreement: “polytheism or idolatry was, and necessarily must have been, the first and most ancient religion of mankind” ([1757] 1976, 26).

Thus, following Smith (and Hume), polytheism is a result of human invention. The gods are made up by humans and imagined to be the rulers of nature. The gods are invisible powers. For Smith (and Hume), gods did not create humans. Humans created gods. Gods take care of, or account for, the irregular events of nature. Polytheism explained the irregular not the regular recurring events of nature. By Smith’s account, “nor was the invisible hand of Jupiter ever apprehended to be employed in those matters. But thunder and lightning, storms and sunshine, those more irregular events, were ascribed to his favour, or his anger” (Astronomy 3:2).

Aha, an invisible hand (see Macfie 1971)! Compare this to Hume’s position:

We are placed in this world, as in a great theatre, where the true springs and causes of every event, are entirely unknown to us. . . . These unknown causes, then, become the constant object of our hope and fear; and while the passions are kept in perpetual alarm by an anxious expectation of the events, the imagination is equally employed in forming ideas of those powers, on which we have so entire a dependence” ([1757] 1976, 33).

For Smith there is an invisible hand which is “employed.” But this invisible hand does not really exist. Rather, it is made up, imagined, by

9. See Griswold 1991b on the importance of the theater metaphor to Smith’s ontology, epistemology, ethics, and rhetoric.
early philosophical explanation of solar and lunar eclipses, Smith notes, “When these early philosophers explained to their disciples the very simple causes of those dreadful phænomena, it was under the seal of the most sacred secrecy, that they might avoid the fury of the people, and not incur the imputation of impiety, when they thus took from the gods the direction of those events, which were apprehended to be the most terrible tokens of their impending vengeance” (Astronomy 4:4). Early philosophers ran the risk of antagonizing the pious religious beliefs of their brethren. Their theories robbed power from the gods.12 Nonetheless, in spite of these dangers, philosophers insisted on creating imaginary theoretical systems. Smith holds that “a system is an imaginary machine invented to connect together in the fancy those different movements and effects which are already in reality performed” (Astronomy 4:19). Hume also claimed that there is “a propensity in human nature, which leads into a system, that gives them some seeming satisfaction” ([1757] 1976, 33). For Smith (and no doubt for Hume as well), a theoretical system makes connections “in the fancy.” Theoretical systems are invented, not discovered. They imagine and describe the supposed invisible chains of nature.

The next part of Smith’s unfinished “The Principles which Lead and Direct Philosophical Enquiries” briefly deals with the history of ancient physics. There seems to be a sequential, temporal aspect to Smith’s presentation. Humans seem first impelled to give astronomical explanations of the heavens; once this is done, they are then driven to give explanations of physics. “From arranging and methodizing the System of the Heavens, Philosophy descended to the consideration of the inferior parts of Nature, of the Earth, and of the bodies which immediately surround it” (Physics, 1). Again in this section, Smith’s emphasis is on the human mind creating and imposing an order to calm the mind. First an order was imposed upon the heavens by humans; then an order was imposed upon more immediate objects.

By Smith’s speculations, “to introduce order and coherence into the mind’s conception of this seeming chaos of dissimilar and disjointed appearances, it was necessary to deduce all their qualities, operations, 12. Similarly, Hume, Smith, and other philosophers also ran the risk of being charged with impiety and of attempting to take power from God. For a sophisticated eighteenth-century textbook defense of Newtonian physics and natural theology, see MacLaurin 1968. For Hume’s criticisms of many of MacLaurin’s theological arguments, see Dialogues Concerning Natural Religion ([1779] 1948).
and laws of succession, from those of some particular things, with which it was perfectly acquainted and familiar, and along which its imagination could glide smoothly and easily, and without interruption" (Physics, 6).

Order and coherence are introduced by the mind to the mind's conception of nature. The seeming chaos of nature is replaced with an appearance of order. The alleged demonstration of order is the function, one may say the beauty, of theoretical systems. In discussing the system of ancient physics, Smith holds that their system "with all their imperfections, could enable mankind both to think and to talk, with more coherence, concerning those general subjects, than without them they would have been capable of doing. Neither was their system entirely devoid either of beauty, or magnificence" (Physics, 8).

Smith then reiterates his fundamental position with regard to the origins of polytheism:

In the first ages of the world, the seeming incoherence of the appearances of nature, so confounded mankind, that they despaired of discovering in her operations any regular system. Their ignorance, and confusion of thought, necessarily gave birth to that pusillanimous superstition, which ascribes almost every unexpected event, to the arbitrary will of some designing, though invisible beings, who produced it for some private and particular purpose. (Physics, 9)

Again, this agrees with the account given by Hume:

As the causes which bestow on us happiness or misery, are, in general, very unknown and uncertain, our anxious concern endeavours to attain a determinate idea of them; and finds no better expedient than to represent them as intelligent, voluntary agents, like ourselves; only somewhat superior in power and wisdom. (1757] 1766, 48)

It seems certain, that, according to the natural progress of human thought, the ignorant multitude must first entertain some groveling and familiar notion to superior powers, before they stretch their conception to that perfect being, who bestowed order on the whole frame of nature. (27)

These are basically the same themes as explained earlier in the Astronomy portion of the essay. But now Smith continues to discuss monotheism:

The idea of an universal mind, of a God of all, who originally formed the whole, and who governs the whole by general laws, directed to the conservation and prosperity of the whole, without regard to that of any private individual, was a notion to which they were utterly strangers. Their gods, though they were apprehended to interpose, upon some particular occasions, were so far from being regarded as the creators of the world that their origin was apprehended to be posterior to that of the world. (Physics, 9)

Hume’s position is practically identical: “To ascribe the origin and fabric of the universe to these imperfect beings never enters into the imagination of any polyster or idolator” (1757] 1766, 42).

Hence polytheism, unlike monotheism, did not explain the origin of the world; or, to be more precise, polytheism did not explain the origins of the world as being created by its gods. Rather, its gods were employed to explain particular events, not to explain the origin or functioning of the system as a whole. Indeed, the ancients seem to have believed in the spontaneous origin of the world. So, for example, according to Smith, the early Pythagoreans held that “mind, and understanding, and consequently Deity, being the most perfect, were necessarily, according to them, the last productions of Nature. For in all other things, what was most perfect, they observed, always came last” (Physics, 9). And Hume: “The ancient mythologists, indeed, seem throughout to have rather embraced the idea of generation than that of creation, or formation; and to have thence accounted for the origin of this universe” (1757] 1766, 42).

Thus, returning to Smith, for the Pythagoreans, God or gods could not have come first; they could not have created the world. They could only have come into the world much later, much after the world had been created. But, according to Smith, this relatively primitive theological notion could only have been seriously entertained when philosophy itself was in its relative infancy: “This notion, which could take place only while Nature was still considered as, in some measure, disorderly and inconstant in her operations, was necessarily renounced by those philosophers, when, upon a more attentive survey, they discovered, or imagined they

13. On the role of aesthetics in Smith's thought, see, for example, Khalil 1989.

had discovered, more distinctly, the chain which bound all her different parts to one another” (Physics, 9).

Hence, relative ignorance, the perception of nature as disorderly and
inconstant, generates polytheism. And here is the crucial point: the idea
of the universe as a “complete machine,” or as a “coherent system,”
generates monotheism.

As soon as the Universe was regarded as a complete machine, as
a coherent system, governed by general laws, and directed to general
ends, viz. its own preservation and prosperity, and that of all the species
that are in it; the resemblance which it evidently bore to those machines
which are produced by human art, necessarily impressed those sages
with a belief, that in the original formation of the world there must
have been employed an art resembling the human art, but as much
superior to it, as the world is superior to the machines which that art
produces. (Physics, 9)

Again, note the striking similarity to Hume: “Whoever learns, by argument,
the existence of invisible, intelligent power, must reason from the
admirable contrivance of natural objects, and must suppose the world to be
the workmanship of that divine being, the original cause of all things”
(1757) 1976, 45).

It is philosophy itself that generates the belief in monotheism. Secular
thought changes religious ideas. Smith writes, “as ignorance begot
superstition, science gave birth to the first theism that arose among those
nations, who were not enlightened by divine Revelation” (Physics, 9). Science generates theism. Science is the attempt to impose a perceived
order on the universe by humans. Humans imagine that the universe
is like a man-made machine, but much better. Therefore, this machine
must have been created by someone or something much like man, but
that much more superior.

The last section of Smith’s essay “The Principles which Lead and Di-
rect Philosophical Enquiries” is the “History of Ancient Logics and Meta-
physics.” The order of Smith’s presentation suggests that for Smith a soci-
yty’s astronomy (or attempts to explain the heavens) precedesgenerates/
influences its physics. A society’s astronomy and physics then jointly
influence/determine its metaphysics, and hence its religion.

In mankind’s earliest attempts at theoretical explanations, particular
events seized the attention of people. Humans then explained that these
events are caused by “the hand of Jupiter,” that is, gods directly cause
these events. Later, humans wondered how the whole system works. They
came to feel the need to explain and describe the invisible chains that
bind together the entire system. The system seemed to have one maker,
one creator. Hence, the idea of monotheism arose.

Monotheism then can be viewed to be the result of science or philosophy.
Science or philosophy explain the workings of nature as a theoretical
system, as a sort of machine. The machine analogy implies that there is
one maker of the machine, that is, God. But this invisible hand is gen-
erated by attempts to explain the world by humans. The invisible hands
are human-made. They are forged out of the necessity to calm the human
mind.

Conclusion

One of the economic implications of Smith’s “Principles which Lead
and Direct Philosophical Enquiries” seems quite clear: the invisible hand
appears to be created by human philosophers. The invisible hand is an
epistemological construct used to explain and give order to the world.

Whether it is best to leave the economy alone, to the workings of an
invisible hand, becomes an empirical question. Sometimes for Smith the
invisible hand does not work—it is best not to leave the economy to
itself. This is the case, for example, in the need for usury laws, as well as
the need for the state to regulate the quality of money (see, for example,
Viner 1928; Pack 1991 [chap. 4]).

The theological implications of Smith’s “Principles which Lead and Di-
rect Philosophical Enquiries” are more ambiguous. There are at least
three possible ways to interpret Smith’s basic understanding of God. It
may be that Smith was an agnostic. This is the view generally attributed
to Smith’s great friend David Hume. By this interpretation, Smith would hold that mankind cannot know whether or not God “really” exists. The ability to really know God is beyond the realm of human reason. If Smith was an agnostic, then this would seem to be consistent with his apparent epistemological skepticism (see, for example, Pack 1993a; Cremaschi 1981, 1989).

Or it could be that Smith was an atheist. By this interpretation, humans create God and gods out of their own imagination. Atheism, as was seen above, was Edmund Burke’s characterization of Smith’s “Church.” However, if this interpretation is chosen, then it should be stressed that for Smith, the fact that humans create God or gods is a sign of the weakness, not the strength, of humans. For Smith, humans are relatively weak, insignificant creatures. We puny earthlings create God and gods largely out of the need to calm our troubled imaginations.17

Or, the text is consistent with the interpretation that Smith indeed had faith in God. For Smith, God may have created humans in such a way that humans may understand Him. Yet, this position, if Smith indeed held it, would seem to have to be based upon faith, not reason.18

Nonetheless, in any of these interpretations, the role of God in philosophical attempts to understand the world would seem to be quite small. Rather than Smith’s theology guiding his philosophy and economics, it seems that his philosophy and economics guide his theology. Or, to put the matter another way, on this point Friedrich von Hayek was essentially correct. Smith’s invisible hand does not refer to divine or supernatural guidance. As Hayek writes, “Adam Smith’s famous ‘invisible hand,’ still

17. Hence, if Smith was indeed an atheist, his version of atheism must be kept quite distinct from later typical nineteenth-century views of “man as Absolute and ‘man’ as Creator of God and potential master of the universe” (see, for example, Barth 1973).

18. Following Hume, the wonder for Smith could be that faith itself exists. On this point, Smith might agree with Plato, who is made to say at the end of Hume’s Dialogues Concerning Natural Religion (1779/1948): “A person, seasoned with a just sense of the imperfections of natural reason, will fly to revealed truth with the greatest avidity, while the hardy dogmatist, persuaded that he can erect a complete system of theology by the mere help of philosophy, disdain any further aid and rejects this adventurous instructor. To be a philosophical skeptic is, in a man of letters, the first and most essential step towards being a sound, believing Christian” (p. 195). Yandell (1990) in his recent study interprets Hume to be joking here. While Hume is full of jokes and ironies, I read Hume as being quite serious here. It could also be that Smith’s theological views were similar to those of Kant for an introduction to Kant’s theological views, see Barth 1974, 266–312. On the relationship between Smith and Kant, and an argument of Smith’s profound influence on Kant’s moral theory, see Fleischacker 1991. The relationship between the thought of Kant and Smith is not generally understood or appreciated; it merits further study.

the butt of the mockery of silly rationalists, was in fact a very good name for the process of adaptation to effects mostly invisible to any human actor” (1984b, 319).19 Smith’s invisible hand is an explanation derived and bounded by the mortal intellect for how the capitalist system works. It is a metaphor for Smith’s theory of unintended results from human actions.20

References


19. Hayek goes on to link the work of Smith with Darwin. The similarities and linkages between Smith and Darwin do indeed need to be reexamined by contemporary historians. In my view, there is a very interesting and important baby to be rescued from the bathwater of Social Darwinism and sociobiology.

20. For a wonderful, fertile recent example of this “Smithian” approach, see Hicks 1989.


