

Adam
SMITH

Jan van Vliet


P U B L I S H I N G
P.O. BOX 817 • PHILLIPSBURG • NEW JERSEY 08865-0817

AVAILABLE IN THE GREAT THINKERS SERIES

- Thomas Aquinas*, by K. Scott Oliphint
Francis Bacon, by David C. Innes
Karl Barth, by Shao Kai Tseng
Richard Dawkins, by Ransom Poythress
Gilles Deleuze, by Christopher Watkin
Jacques Derrida, by Christopher Watkin
Michel Foucault, by Christopher Watkin
G. W. F. Hegel, by Shao Kai Tseng
David Hume, by James N. Anderson
Immanuel Kant, by Shao Kai Tseng
Karl Marx, by William D. Dennison
Alvin Plantinga, by Greg Welty
Plato, by David Talcott
Karl Rahner, by Camden M. Bucey
Adam Smith, by Jan van Vliet

© 2024 by Jan van Vliet

All rights reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopy, recording, or otherwise—except for brief quotations for the purpose of review or comment, without the prior permission of the publisher, P&R Publishing Company, P.O. Box 817, Phillipsburg, New Jersey 08865–0817.

Scripture quotations are from The ESV® Bible (The Holy Bible, English Standard Version®), copyright © 2001 by Crossway, a publishing ministry of Good News Publishers. Used by permission. All rights reserved.

ISBN: 978-1-62995-406-6 (pbk)

ISBN: 978-1-62995-407-3 (ePub)

Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Names: Vliet, Jan van, Ph. D., author.

Title: Adam Smith / Jan van Vliet.

Description: Phillipsburg, New Jersey : P&R Publishing Company, [2024] |

Series: Great thinkers | Includes bibliographical references and index.

| Summary: “Adam Smith’s religion drove his prescriptions for a virtuous humanity and a free and flourishing society. Jan Van Vliet examines how the practical implications of these strike a common chord with Scripture”-- Provided by publisher.

Identifiers: LCCN 2024013357 | ISBN 9781629954066 (paperback) | ISBN 9781629954073 (epub)

Subjects: LCSH: Smith, Adam, 1723-1790. |

Philosophers--Scotland--Biography. | Economists--Scotland--Biography.

Classification: LCC B1545.Z7 V55 2024 | DDC 330.15/3092

[B]--dc23/eng/20240603

LC record available at <https://lcn.loc.gov/2024013357>

CONTENTS

Series Introduction	ix
Foreword by David L. Bahnsen	xi
Preface	xv
Abbreviations of Smith's Works	xix
1. Introduction	1
<i>Historical Moments</i>	
<i>Contemporary Considerations</i>	
<i>Smithian Hermeneutics</i>	
2. A Life in the Enlightenment World of Moral Philosophy and the Old Economic Order	11
<i>Early Life and Education</i>	
<i>The Emerging "Moral Sense" in Moral Philosophy</i>	
<i>Later Formal Schooling</i>	
<i>From Edinburgh Lectures to Glasgow</i>	
<i>Tutor to the Upper Crust</i>	
<i>On a Fading Economic Order</i>	
<i>Back to Kirkcaldy, Then Briefly London</i>	
<i>Edinburgh and the End</i>	
<i>Smith's Social Imaginary and Religion</i>	

3. Human Nature and Moral Philosophy	27
<i>Thematic Analysis of Smith's Moral Philosophy</i>	
<i>Christian Theistic Evaluation</i>	
<i>Reformed Review: Foundational Principles, the Source of Morality</i>	
<i>Adam Smith: Phenomenology and Moral Theory</i>	
<i>Adam Smith under Christian-Theistic Scrutiny</i>	
<i>Summary Observations</i>	
4. The Interplay of Humans and Commercial Society	71
<i>Thematic Analysis of Smith's Political Economy</i>	
<i>The Place of the State: Responsibilities, Expenditures, and Revenues</i>	
<i>Christian Theistic Evaluation</i>	
<i>Thematic Analysis</i>	
5. Concluding Remarks	127
Glossary	131
Bibliography	137
Index of Subjects and Names	149

SERIES INTRODUCTION

Amid the rise and fall of nations and civilizations, the influence of a few great minds has been profound. Some of these remain relatively obscure even as their thought shapes our world; others have become household names. As we engage our cultural and social contexts as ambassadors and witnesses for Christ, we must identify and test against the Word those thinkers who have so singularly formed the present age.

The Great Thinkers series is designed to meet the need for critically assessing the seminal thoughts of these thinkers. Great Thinkers hosts a colorful roster of authors analyzing primary source material against a background of historical contextual issues, and providing rich theological assessment and response from a Reformed perspective.

Each author was invited to meet a threefold goal, so that each Great Thinkers volume is, first, *academically informed*. The brevity of Great Thinkers volumes sets a premium on each author's command of the subject matter and on the secondary discussions that have shaped each thinker's influence. Our authors identify the most influential features of their thinkers'

work and address them with precision and insight. Second, the series maintains a high standard of *biblical and theological faithfulness*. Each volume stands on an epistemic commitment to “the whole counsel of God” (Acts 20:27), and is thereby equipped for fruitful critical engagement. Finally, Great Thinkers texts are *accessible*, not burdened with jargon or unnecessarily difficult vocabulary. The goal is to inform and equip the reader as effectively as possible through clear writing, relevant analysis, and incisive, constructive critique. My hope is that this series will distinguish itself by striking with biblical faithfulness and the riches of the Reformed tradition at the central nerves of culture, cultural history, and intellectual heritage.

Bryce Craig, president of P&R Publishing, deserves hearty thanks for his initiative and encouragement in setting the series in motion and seeing it through. Many thanks as well to P&R’s director of academic development, John Hughes, who has assumed, with cool efficiency, nearly every role on the production side of each volume. The Rev. Mark Moser carried much of the burden in the initial design of the series, acquisitions, and editing of the first several volumes. And the expert participation of Amanda Martin, P&R’s editorial director, was essential at every turn. I have long admired P&R Publishing’s commitment, steadfast now for over eighty-five years, to publishing excellent books promoting biblical understanding and cultural awareness, especially in the area of Christian apologetics. Sincere thanks to P&R, to these fine brothers and sisters, and to several others not mentioned here for the opportunity to serve as editor of the Great Thinkers series.

Nathan D. Shannon
Seoul, Korea

FOREWORD

Like most other students of Adam Smith, my initial attraction was based on *prima facie* commitments to classical economics. Smith's *Wealth of Nations* was a known tour de force in making the case for rational self-interest, free trade and free exchange, division of labor, and other accepted cornerstones of a free-enterprise system. And like most other students of Adam Smith who have an interest in ethics and philosophy, my economic attraction soon expanded into the arena of moral philosophy, where *Theory of Moral Sentiments* became a powerful supplement—a prequel, if you will—to the classical economic argument in *Wealth of Nations*. This handy one-two punch became, and remains, a more holistic appeal in a believer's advocacy of a market economy. In Smith, one finds support for the free *and* virtuous society.

Yet my intellectual and personal interest in Adam Smith would expand even beyond the robustness of his harmonized presentation of human flourishing. Contemporary scholars can be expected to appeal to particular figures of history who align with their own argument in a given field or discipline. Indeed, the great thinkers of history own the shoulders that contemporaries

stand on. But with Smith, my own expanded study of economics over the years revealed something that was not previously known to me: many different contemporaries of many different schools of thought and economic or social orientation were claiming him as their own. *This*, in and of itself, became fascinating to me, warranting expanded inquiry.

Free marketeers do not often appeal to Karl Marx to make their case. Collectivists do not generally appeal to Ludwig von Mises to make their case. Hedonists do not cite the apostle Paul or Friedrich Nietzsche. Leading proponents of various schools of thought may reference their ideological nemesis, but they do not claim their opposition as a basis for support of their argument. But when it came to Adam Smith, there seemed to be a plethora of exceptions to this. Either Smith was the most intellectually schizophrenic scholar of the last four hundred years or a vast and even systemic effort was underway to *rewrite* Smith so as to make him one of their own. Were this many economists and policymakers really this dishonest, agendized, or confused? Or was there something in the life and work of Adam Smith that attracted revisionism? Understanding the pieces of this puzzle became a subject of intense study in my own scholarly pursuits.

What one discovers in a rigorous analysis of Adam Smith, such as this very work by Jan van Vliet, is the Adam Smith that you thought you understood him to be—an ethicist who was in many ways a product of his philosophical time. The influence of David Hume and the Scottish Enlightenment looms large. In the evolution of classical economics, it was Smith who would influence other leading figures of the decades that followed (from Ricardo to Say). The full-orbed doctrines in Smith's seminal works were irresistible in the modern formation of a market economy rooted to a coherent understanding of social cooperation. This study by van Vliet is indispensable in upholding Smith as he was, and indeed as we thought him to be: a defender of a

moral economy rooted in the dual reality of human aspiration and human sympathy.

So why does Smith hold such a unique ability to attract adherents to competing systems of thought to claim him as their own? Is it just that Smith provides “ornaments” for lazy, dishonest, tired, and distorted agendas? I have come to discover that there is a unique desire, and even scholarly need, for us all to have “our own Adam Smith.” Secularized and humanistic proponents of consumerism want intellectual and moral bona fides to appeal to, and Smith provides them the fodder from which they can then execute sweeping distortion of his actual views. Social-justice proponents, for whom Smith’s anti-mercantilism and embedded commitment to freedom of exchange would be anathema, find for themselves just enough rhetorical device to use Smith in their own “ornamental” fashion. Yet it is not just laziness but actual dishonesty that would allow Smith to be used this way in contemporary debate—as a tool for either materialists or welfare-statists, depending on one’s own presuppositional commitments. Smith has become not a debate about his actual beliefs, but a debate about *our beliefs*, under the revisionist guise that we are “unpacking” what he actually proposed.

This is why Adam Smith is so important—and why this work is so valuable. Coherently harmonizing moral philosophy and political economy remains the profound debate of our “contemporaneous reality.” Our own political debate, economic divide, and philosophical division center on an embedded tension that Smith was addressing two and a half centuries ago. Smith is revised and distorted by those looking for a theoretical support that has stood the test of time for contemporary formulations that are flawed, internally contradicted, and unable to satisfy the conditions of human flourishing.

What an honest read and analysis of Adam Smith will provide is a “vision of a prosperous, free, and flourishing society, embedded

in traditional moral values.” What it will not provide is a view of man as the “ultimate atom with measurable desires.” The need of the hour for Christians devoted to the free and virtuous society is a deeper and more robust reconciliation of mankind as made in the image of God, with tremendous capacity in our pursuit of enlightened self-interest, who also carries moral responsibility as an economic actor and member of various human communities.

A fully Reformed and Christian approach to this need of the hour will inevitably vary from certain metaphysical and epistemological commitments of Adam Smith. His Enlightenment-era deficiencies are unavoidable and unsurprising. But a Reformed and Christian social theory of markets that promotes freedom and virtue will stand on the shoulders of Adam Smith. This work is a giant bridge toward that needed understanding.

David L. Bahnsen
Managing Partner and Chief Investment Officer,
The Bahnsen Group

PREFACE

I am writing this preface with one eye trained on a yellowed and frazzled eight-page, narrow-ruled, handwritten book report dated May 1974. The subject is Adam Smith's *Wealth of Nations* (the Penguin edition of 1970, edited by Andrew Skinner and containing Books 1–3), a topic I had chosen for my Grade 13 history project upon my return to high school after a four-year hiatus. Thus, I have known and worked with Adam Smith, in varying degrees of intensity, for exactly half a century.

As I consider this rather lengthy inquiry, certain things stand out. Smith and his corpus are massively impressive, a veritable edifice of social theory, philosophy, and political economy, mingled with political science, history, economics, anthropology, and sociology, all working together to create a theory of human interaction, social history, and the building of a virtuous society. My focus has been on his *magna opera*, but he was a polymath of the highest order. Interpreting Smith has been, for me, a group project, gathering together the collected wisdom and insight of phenomenal Smithian scholars, who have proven to be both accessible and,

when contacted in real time, highly approachable and generous with their time. The analytical acuity and personal humility of these scholars, past and present, has been an inspiration for me, always pushing me higher and harder to get Smith right.

For the perspectival contribution of this volume, I am similarly indebted. The reader will notice the interpretative principles of covenantal apologetics, epistemology, and ethics, applied throughout. Further, the wealth of the neo-Calvinist tradition has also been brought to bear on the perspectival evaluation of Adam Smith, particularly in the area of human flourishing.

I am deeply indebted to the editorial team of P&R Publishing—in particular, Nathan Shannon, James Scott, and John Hughes—who have always pushed for clarity and improvement. Your patience and gentle but firm nudging are deeply appreciated and have vastly improved the final product.

My institution, Dordt University, has been generous in the provision of time and space to develop the project. My teaching assistants over the years—in particular Olivia (Couch) Arkema, who, as my summer research assistant, summarized all the chapters in both *Theory of Moral Sentiments* and *Wealth of Nations*—have granted me space to pursue this project among my other institutional responsibilities. And the library staff, under the able leadership of Jenni Breems, was indispensable in chasing down references, particularly the most obscure ones. Not once over the years, particularly during the finishing stages of the writing project, did they come up empty-handed.

Friends near and far proved indispensable from start to finish. The research and writing had its origins a few years ago within the wonderful serenity of a spacious condominium in the Canadian subarctic—Yellowknife, Canada—from whence I watched the ice breaking up on the shores of Great Slave Lake in late May and early June. Interestingly, the last part of the formal writing took place in Yellowknife as well, in the darkness of winter. My deepest

appreciation goes to our good friends David and Hilda Weaver for provision of this contemplative space.

A much greater event to come out of my return to high school—greater even than meeting Adam Smith—was the meeting of a teenage girl named Joan, who became my long-suffering wife and the mother of my children. This project would not have concluded without her support of my scholarly inclinations, her encouragement, her tolerance of my absentmindedness, and her occasional but necessary prodding. It is to her that this book is joyfully dedicated.

ABBREVIATIONS OF SMITH'S WORKS

All references to the Adam Smith corpus are to the Glasgow Edition, published in hardcover by Oxford University Press and in paperback by Liberty Fund in Indianapolis, IN. Text references and citations are by page number rather than the more conventional system of subdivisions.

- Corr.* *Correspondence of Adam Smith*, ed. E. C. Mossner and I. S. Ross (1987)
- EPS* *Essays on Philosophical Subjects*, ed. W. P. D. Wightman, J. C. Bryce, and I. S. Ross (1982)
- HA* *The Principles which lead and direct Philosophical Enquiries illustrated by the History of Astronomy*, in *EPS*
- LJ* *Lectures on Jurisprudence*, ed. R. L. Meek, D. D. Raphael, and P. G. Stein (1982)
- LJ(A)* *Lectures on Jurisprudence* (1762–63)
- LJ(B)* *Lectures on Jurisprudence* (1766)

- LRBL *Lectures on Rhetoric and Belles Lettres*, ed. J. C. Bryce (1985)
- TMS *The Theory of Moral Sentiments*, ed. D. D. Raphael and A. L. Macfie (1982)
- WN *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. H. Campbell and A. S. Skinner (1981)

1

INTRODUCTION

Historical Moments

The year 2023 marked the tercentenary of the birth of Adam Smith (1723–90). Smith ranks among the greatest intellectuals of his age. As a key representative of the Scottish Enlightenment, he cast a long shadow, both during his lifetime and beyond. Two and a quarter centuries after his life and contemporary influence, he and his corpus continue to be labeled, mislabeled, examined, reexamined, studied, interpreted, claimed, reclaimed, disclaimed, challenged, applied, and misapplied. Smith's thought constitutes a perpetual presence in the consciousness of all who pay even superficial attention to contemporary socioeconomic life and thought. He was a renaissance man who encouraged the development of early modern Europe in, among other areas, science, philosophy, and culture.

Considering briefly the momentous time in history when Smith appeared on the world stage will bring us some distance to understanding the historical momentum that contributed to the tremendous significance of the man and his work.

The Scottish Enlightenment with all its associated achievements—particularly in the realm of the intellect—was under way.

Empiricism and skepticism ruled the day; Descartes (1596–1650) had receded into the background. A new dawn of profound intellectual endeavor had broken in the most unlikely of places: the relative backwater of eighteenth-century Scotland. Luminous individuals, such as David Hume (1711–76, philosophy), James Hutton (1726–97, geology), Thomas Reid (1710–96, philosophy), Francis Hutcheson (1694–1746, philosophy), and Adam Ferguson (1723–1816, philosophy and history), together both inhabited and constructed this rarefied world of enlightenment, science, and progress, of which today, almost a quarter of a millennium later, we continue to be the beneficiaries. Adam Smith certainly did his part in moral philosophy, political philosophy, political economy, economic science, history, rhetoric, agriculture—and the list is far from exhausted, as we shall see throughout the following account. Taken together, inhabitants of that world exerted a most disproportionate influence on modernity.

The French Revolution and its reverberations throughout Europe and then the rest of the world came on the very cusp of our Smithian period. The Bastille was stormed one year less three days before the death of Adam Smith, and little is known of his personal views regarding this epoch-making event, although much has been speculated about the impact of his work on post-revolutionary France.¹

Whether or not—and, if so, to what degree—Adam Smith engaged the Industrial Revolution in Scotland remains a matter of scholarly dispute. This debate can be settled with some degree of confidence only when agreement is reached on the genesis of the revolution in Scotland—a consensus which has proven to be notoriously elusive. Variance of only a few years in dating that event may result in including the period when Smith was active

1. See, for example, Richard Whatmore, “Adam Smith’s Role in the French Revolution,” *Past and Present* 175 (May 2002): 65–89.

or excluding it entirely. About one predication there can be little doubt: processes prescribed and described in Smith's work on political economy were already in play in industrial Europe. But association does not imply causality. Claims that Adam Smith was capitalism's "earliest interpreter" or "the philosopher of the capitalist revolution" were dismissed out of hand decades ago by Richard Koebner, who asserted that "an attempt to determine Adam Smith's attitude toward the Industrial Revolution might appear to be question-begging."² A search of *WN* for references to then contemporary developments in industrial technique and business organization turns out to be a fruitless pursuit. Smith had plenty of opportunity, notably between the years 1767 and 1775, to pay attention to these matters, but he didn't.³

That is why it is somewhat surprising that Smith engaged issues associated with the American Revolution with such gusto. That historical moment—generally dated from roughly 1765 to 1783—and the economic system that lay at the heart of the colonial uprising constitute an entire chapter in *WN*.⁴ It is a historical coincidence of the highest order that his far-reaching and classic *WN* was published only four months before the Continental Congress adopted the Declaration of Independence authored by Smith's kindred spirits John Adams, Benjamin Franklin, Thomas Jefferson, Roger Sherman, and Robert Livingston, even if Jefferson was the primary author.⁵

2. Richard Koebner, "Adam Smith and the Industrial Revolution," *The Economic History Review* 11, no. 3 (1959): 381–91.

3. Koebner, "Industrial Revolution," 382–83.

4. *WN*, 556–641.

5. I would be remiss to conclude this section on Smith's relationship to these historical developments, particularly the Enlightenment, without drawing attention to some compelling, if sometimes provocative, hypotheses presented in an excellent essay on "Adam Smith and Enlightenment Studies" by Fredrik Albritton Jonsson in *Adam Smith: His Life, Thought, and Legacy*, ed. Ryan Patrick Hanley (Princeton: Princeton University Press, 2016), 443–58.

Contemporary Considerations

Smith's thought and influence continue to reach across time and space. Contemporary learned and informed debate on political economy, role of government, economic policy recommendations, the interrelatedness and interdependence of humanity, and more, often resounds with his prescriptive and authoritative voice. He has a permanent seat in the public square.

A recent issue of *The Economist* carried an article on the perennial coexistence of both very rich and desperately impoverished nations. It was observed that the earliest economists studied this phenomenon and gave it cultural explanations. It was further asserted that Adam Smith in particular showed a concern for economic development, as is clear from the very title of his famous 1776 work, *An Inquiry into the Nature and Causes of the Wealth of Nations*. These concerns centered on the beliefs, preferences, and values of a society. Does culture help or hinder capitalism? How do the cultures of rich and poor nations compare? What are the norms by which a market economy thrives? The magazine faithfully interpreted the central Smithian premise—so often misinterpreted, misunderstood, and thus misrepresented—that “people would be self-interested, but that they would satisfy their self-interest by adapting to the needs of others.”⁶ Here we see Smith's focus on the significance of social capital in moving economies forward. Even if the twenty-first century global economy is more complicated than was Smith's point of reference, this central Smithian premise is a good place to start.

The relativism, moral decay, loss of foundational truth, and fractious public discourse characterizing twenty-first century democracies would benefit from attending to Adam Smith's discourse on virtue, comprised of a sense of common humanity, justice, generosity, and public spirit. The enormous injustice

6. “Hard Work and Black Swans,” *The Economist*, September 5, 2020, 57.

foisted upon, above all, the trusting aged and pensioned and the perfect storm of events that brought about the Great Recession of 2007–9 and the human carnage that ensued bring to mind the need to return to a caring humanity. Smith was highly suspicious of powerful economic interests, such as monopolies. The various dimensions of the Great Recession—the poor judgment driving bankers' issuance of subprime mortgages, the unmitigated greed behind the failures of the investment houses and banks (and the subsequent bailouts with public money), the ever-increasing housing prices based on artificially high values, and the associated insatiable appetite for material goods—all underscore a human nature playing fast and loose with historically honored principles of morality and ethics. It is time to be reminded of a moral code, and reading Smith is extremely helpful in that regard.

The world is still emerging from the throes of what has been judged to be the first pandemic (Covid-19) since the Spanish flu of 1918. The human toll has been tremendous—millions of lives lost worldwide, the associated decimation of economies and government finances, and the social and personal costs of mandated social isolation and distancing. Humans are social creatures, and Adam Smith has much to say about the interrelatedness and social interactions of all humanity, created to be interdependent.

Finally, the sheer volume and scope of the secondary literature on Adam Smith demands attention. *The Oxford Handbook of Adam Smith*⁷ and *The Cambridge Companion to Adam Smith*⁸ are both exhaustive tomes in their own right, more encyclopedic than quick reference guides. These two volumes alone demonstrate that Smith is not constrained by time, space, or interpretive philosophy. He still today insists to be read.

7. Christopher J. Berry, Maria Pia Paganelli, and Craig Smith, eds., *The Oxford Handbook of Adam Smith* (Oxford: Oxford University Press, 2013).

8. Knud Haakonssen, ed., *The Cambridge Companion to Adam Smith* (Cambridge: Cambridge University Press, 2006).

Smithian Hermeneutics

It is generally acknowledged by Smithian scholars that for the first two centuries or so after the publication of *The Wealth of Nations* (*WN*), a regular item on the menu of Smithian scholarship was what came to be known as the Adam Smith Problem (ASP), that is, the apparent contradiction between his formal writing on moral theory and that on political economy. The opening thesis of the former work, *The Theory of Moral Sentiments* (*TMS*) states that human motivation and action are very much influenced—if not dominated—by considerations of the well-being of one's neighbor, while the central principle of the latter is that economic endeavor and optimal economic development are driven by the unambiguous pursuit of self-interest. Is there an earlier and a later Smith, as there are with so many historic individuals with voluminous literary output? What explains this demonstrable lack of inner coherence in what are commonly considered the *magna opera* of a key Enlightenment thinker? The problem apparently does not lie with Adam Smith, but rather with his interpreters, since few today believe that he postulates two contradictory principles of human action. This thesis loses some force when we realize that over the course of his life, Smith was continually engaged with his moral theory—considering its many editions and redactions—even in the penning of his political economy. Further, the discovery in 1958 of two sets of student notes on rhetoric and jurisprudence gave significant clarity to Smithian interpretation and provided a much-needed link in bridging the perceived discontinuity between *TMS* and *WN*. With this the ASP dissipated around the time of the republication, in 1976, of the highly acclaimed “Glasgow Edition” of his work and correspondence. This new edition of the Smithian corpus, timed to appear on the bicentenary of the release of his major work on political economy, both renewed interest in Adam Smith and democratized his work by making it more accessible.

Paradoxically, even though Smith is now more accessible, he is not necessarily more read outside the scholarly world. While many claim to be Smithian experts, it is probably more accurate to say that there is only a vague familiarity with him—or, as one biographer put it, a “popular awareness.” A typical essay in the secondary literature on Smith and his thought, or his influence or legacy, opens these days with the cliché that “many quote Adam Smith while very few have read him.” In his inimitable way, economist John Kenneth Galbraith gets at the heart of this issue when commenting on Smith’s appeal in the pro-capitalist, antigovernment circles of the Reagan administration. In their opposition to government involvement in areas “not in the service of contentment . . . the presidential acolytes in Mr. Reagan’s White House wore neckties bearing the picture of the master,” even while crassly misrepresenting Smith’s thought. “It is perhaps unfortunate that few, perhaps none, who so cited Adam Smith had read his great work,” says Galbraith.⁹

But worse than being not read is being misread. Smith is often unfairly and poorly represented because of partial readings and selective and hasty interpretations driving agenda-promoting claims. Unbridled, no-nonsense capitalism, for example, is often advanced in the discourse of political economy and imbued with the vested authority of the Smithian imprimatur. In promotion of such unbounded capitalism, the most egregious abuses of Smith can be seen to fall into at least three related categories: that the market economy is self-regulating, that the profit motive drives rational behavior, and that self-interest alone guarantees “socially productive behavior.”¹⁰ These are not Smithian doctrines.

Preeminent Smithian scholar Andrew Skinner did much to consolidate Adam Smith’s place in intellectual history by rightly

9. John Kenneth Galbraith, *The Culture of Contentment* (Boston: Houghton Mifflin, 1992), 98–101.

10. Amartya Sen, “Uses and Abuses of Adam Smith,” *History of Political Economy* 43 (2011): 257–71.

interpreting him as a system builder who employed the unique approach to social science then current in the philosophical milieu of the Scottish Enlightenment.¹¹ This method is empirical-historical and is seen particularly in *WN*. The result of this methodology is a neat, logical, and systematic assembly of the system's component parts within the broader historical and institutional features of *WN*. Smith's expertise lies in the philosophical, historical, and economic realms—and each of these dimensions appears distinctly as a crucial component of the whole. To obtain the full force of Smith's project and to optimize its intelligibility, this system must be considered both in its systematic entirety and in its component parts—the three dimensions of Smith's political economy.

This entire project is constructed on the foundation of *TMS* with key teachings from *Lectures on Jurisprudence (LJ)*. We now see that Smith composed the model of a commercial society progressing through four stages of socioeconomic systems. This society represents a social system facilitated by the principles of human nature—the psychological attributes—observed and explained by Smith in *WN*. Again, in line with the philosophical and epistemological tenets of the Scottish Enlightenment, this entire process of social development was understood and communicated deductively. Thus seen, his political economy should be considered as only part of his comprehensive philosophical system centering on the nature of human behavior.

The narrative that unfolds in the present study incorporates these ingredients, some of which receive more focused attention and elaboration. It will become evident that Smith's life and thought represent a world order shifting into modernity. As Smith scholar James Buchan has written:

11. Jeffrey T. Young, "Andrew Skinner, the Glasgow Edition, and Adam Smith," *Œconomia* 2–3 (2012): 365–76.

Smith stands at the point where history changes direction. During his lifetime . . . the failed kingdom of drink, the Bible, and the dagger that was old Scotland became a pioneer of the new sciences. God was dismissed from the lecture hall and the drawing room. The old medieval departments of learning disintegrated. Psychology became a study not of the soul but of the passions. Political economy was separated out of moral philosophy and began its progress to respectability and then hegemony. Smith was at the heart of these changes.¹²

12. James Buchan, "The Biography of Adam Smith," in *Adam Smith: His Life*, ed. Hanley, 3.