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ADAM SMITH'S SYSTEM: SYMPATHY NOT SELF-INTEREST

BY ROBERT BOYDEN LAMB

This article attempts a reexamination of Adam Smith's system of moral philosophy and social thought specifically to discover the place of property and material incentives within that system. Since the time of Smith himself and the conjectures of his friend John Millar, then of Dugald Stewart and others, there has been an effort made to enunciate the great connecting principles of Adam Smith's system.1 These efforts have invariably ended in controversy. These controversies result from there being two ways of viewing Smith's total system of society. The first looks at Smith's descriptions of individuals and his attempts to interpret institutions and social change as the result of instincts, or characteristics which are found in individual men. The second method examines the historical order of society which Smith describes and his attempt to interpret the nature of individuals as affected by changes in that social and political order. The first method assumes society is a product of individual's natures, the second assumes the individual is a product of society. The first assumes self-interested individuals who are harmonious and equal in market society. The second assumes class conflict and disharmony of unequal individuals. The first method in Smith's opening three chapters of the Wealth of Nations forms the basis for abstract capitalist analysis. The second method forms the basis for the socialist theories which were to follow Smith.

Joseph Cropsey,2 Henry J. Bitterman,3 Lionel Robbins,4 and other economists have attempted to integrate Smith's Wealth of Nations' individualistic psychology of passions and self-interest with his comments on self-interest in the Theory of Moral Sentiments. Smith's system according to these authors is based on market psychology. The motivation of the individual is self-preservation, and society is a product of individual drives or "passions." Cropsey describes the combined effect of these drives as a "motions effective" type of human development. On the other hand, there is a traditional integration of the moral theory and economics of Smith's system described in de-

1John Millar's comments are reported in Dugald Stewart's "Account of the Life and Writings of Adam Smith" [1723–90] from the Transactions of The Royal Society of Edinburgh, read by Mr. Stewart January 21 and March 18, 1793. Stewart's "Account" was appended to Adam Smith's Essays on Philosophical Subjects [1795], (Basel, 1799) and has since been included in many works of Smith's as a biographical introduction. In the 19th century John Rae (not Smith's biographer but an earlier economist), and Hasback, Onekan, and several German theorists continued the debate on this subject of the connecting principles of Smith's thought.

2Joseph Cropsey, Polity and Economy: An Interpretation of the Principles of Adam Smith (The Hague, 1956).


tail by G. R. Morrow, Ethel Muir, and James Bonar. This method, suggested by John Millar and Dugald Stewart, and now adhered to by most moralists and sociologists who have studied Smith, attempts to interrelate the method of the Wealth of Nations with the method of the Moral Sentiments. This pursuit derives from Smith’s own conception of “moral philosophy” as the subject combining natural religion, ethics, political economy, and jurisprudence.

In this scheme of Smith’s system, passions are but one part of the human character, and psychology is but one part of the total Smithian system of moral philosophy. The hallmark of this interpretation of Smith’s system is that society, institutions, and history alter individuals. Man’s sentiments and passions change or find different modes of expression with changes of social relations in different times, places, and circumstances. Most important, we find that changes in property forms alter not only the state and social institutions, but also direct men’s sentiments to different objects and cause alterations in the way our passions are expressed.

Fundamentally these two methods, the individualist and the social, are two ways of looking at the same social development. Cropsey, Bitterman, and Robbins describe Adam Smith’s use of the individual method when demonstrating how specific economic institutions arise from certain human traits. The division of labor, for example, arises from the instinct to barter. At times Smith suggests that the whole economic order arises from the activity of individual self-interest, and from all of nature’s self-preservation activities.

Pascal, Meek, Small, and Morrow reveal Smith’s anticipation of the social method when he describes the effects on the individual’s behavior as a result of “change in the nature or property.” They analyze his treatment of social change and advancement as specific anticipations of our modern sociological method. Types of conduct approved at one time are totally disapproved of in another epoch, society, or class.

Because Smith employed these two methods, the individualist and the social, his interpreters offer incomplete, one-sided analyses if they assume that he used only one of them. Cropsey’s and Bitterman’s method tries to make Smith’s system a mechanical model of self-preservation desires, much as in Hobbes’ system. Whereas, Pascal, Small, and others, considering Smith as a forerunner of modern sociology, somewhat neglect the individualist drives that spring from universal human psychology rather than from social forces. These two sets of interpretations of Smith are based upon two methods of viewing


6Ethel Muir, The Ethical System of Adam Smith (Halifax, 1898).


men in society, methods used by Smith himself. For example, he recognized that the study of property could be approached either in terms of each individual's natural property rights, or in terms of the society's or state's property laws and property institutions. He says that some men... begin with considering government and then treat of property and rights. Others who have written on this subject begin with the latter and then consider the family and civil government. There are several advantages peculiar to each of these methods, although that of the civil law seems on the whole preferable.

Before discovering the place of property acquisition in Smith's system, and whether that system is viewed socially or individually, we must establish what that system was. The obvious relation between Smith's two major books has been noted by Jacob Viner, among others, as an acknowledged fact, but there is disagreement on what his total system was.

Originally, the relationship between Smith's moral philosophy and his principles of political economy was a source of controversy centered on whether there were principles or themes interrelating Smith's moral and economic thought. Most authors now tend to agree with G. R. Morrow: "That there was a unity of spirit and aim in Adam Smith's treatment of these separate divisions of moral philosophy (i.e., ethics, political economy, and jurisprudence) cannot be doubted." The controversy now has centered instead on the drastically different methods Smith seems to recommend for the attainment of these aims in his ethical vs. his economic writings. In Moral Sentiments Smith recommends "benevolence" for universal human improvement, and in the Wealth of Nations Smith recommends "self-interest" not only as the most powerful motive for human improvement but as the motive which should actuate men in their economic relations. This striking dilemma which has troubled economists and moralists alike is fundamentally more apparent than real. For the sake of brevity, I cite Morrow's explanation for this:

In fact, if those who believe there was a discrepancy between Moral Sentiments and the Wealth of Nations had but taken the pains to consult the former work thoroughly, a great deal of this alleged discrepancy would have disappeared. It is true that in Moral Sentiments Adam Smith opposed the egoistic doctrine that man acts only from self-love, and exalts benevolence as the highest virtue. There are other inferior virtues recognized, such as prudence, frugality, in-

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10Remarks, 8.


dustry, self-justice, but when so regulated they are conducive to the welfare of the general public as well as of the individual. The important consideration is that these self-interested activities must be regulated by justice. In short, unregulated self-interest is no more advocated in the *Wealth of Nations* than it is in the *Moral Sentiments*, whereas in the latter work the moral value of the inferior virtues, when properly regulated, is fully recognized.\(^{12a}\)

In fact, Smith appears to have employed or assumed an integrated set of philosophic principles in *all* his various writings, and not only in his *Wealth of Nations* and *Theory of Moral Sentiments*, as is commonly argued. In his *History of Ancient Physics*, he says it is now accepted that:

The Universe . . . [is] . . . 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.\(^{13}\)

Since Smith makes a distinction between *preservation* and *prosperity*, we may assume that the universe must do more than survive to "prosper"; that is, the standards of "prosperity" must be other than "preservation." "Prosperity," for Smith, meant a universe preserving itself in a certain manner, according to natural moral laws which he discovered inherent in the universe: laws of harmony and justice.\(^{14}\)

Men are instilled by nature, as are all animals at birth, with the instinct of self-preservation, which enables men to improve the social distribution of things:

Thus man is by nature directed to correct, in some measure, that distribution of things which she herself would otherwise have made. The rules which for this purpose she prompts him to follow, are different from those which she herself observes.\(^{15}\)

Smith does not make clear whether natural distribution of wealth would be more or less equal than it is, but Smith believed in a natural "subsistence-minimum theory of wages,"\(^{16}\) which implied that nature could not tolerate the rate of wages to fall below subsistence needs. And Smith believed that "the natural progress of opulence" would in the future tend to make more equal the distribution of wealth. It was perhaps for this reason that Smith concluded:

The rules which she [nature] follows are fit for her, those which he [man]

\(^{12a}\)Ibid., 159.


\(^{14}\)Theory of Moral Sentiments, 232, 126.

\(^{15}\)Ibid., 238. See Albion Small, *Adam Smith and Modern Sociology* (Chicago, 1907), for an analysis; also, *Theory of Moral Sentiments*, 125: "The most sacred laws of justice, therefore, (are) those whose violation seems to call loudest for vengeance and punishment . . ." (121).

\(^{16}\)*Wealth of Nations*, I, 76, 83; Albion Small, *op. cit.*, 133: "The Beginnings of the classical subsistence minimum Theory of Wages, as contained in Chapter VIII of the *Wealth of Nations*."

follows for him: but both are calculated to promote the same great end, the order of the world, and the perfection and happiness of human nature.  

"Perfection and happiness of human nature" were not semi-religious objectives, as they may seem in the above passage. Not only in his *Theory of Moral Sentiments*, but also in his *Lectures* and *Wealth of Nations*, Smith pursued this "same great end." What did Smith consider to be "the happiness and perfection of a man?"

To feel much for others, and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature. . . .

Although Smith's intention was to describe what men's moral sentiments were, his entire book, *The Theory of Moral Sentiments*, is concerned significantly with how this ultimate goal of "the perfection of human nature" is to be achieved. The book focuses on the interrelations of "Sympathy," "the impartial spectator," and "Self-Command." These were the factors which he believed were responsible for improving men.

Whereas sympathy for David Hume was always referred to as a "secondary" factor in moral theory, in Smith, from the very first page of the *Theory of Moral Sentiments* sympathy is his primary concern. "Sympathy" is man's capacity for fellow feeling with others.  

It is the fundamental moral sentiment and leads to or forms the foundation for all others. Through sympathy the individual transcends the limits of his own individuality. In theory the individual observes and participates in all respects where men have common qualities.

The "impartial Spectator" was a hypothetical observer who passes positive or negative judgments upon the actions of those around him. All men place themselves in such a position to judge strangers, and later in the same "impartial spectator's" role to judge their friends, family, and finally their own actions. Although Smith explains that both a "partial" and "impartial Spectator" within each man vie for predominance, Smith would describe society's laws and morality as the product primarily of the "impartial spectator." That is, all social judgments of right and wrong, justice and injustice, derive from the decisions of a hypothetical "impartial spectator." By reversing the role of the "impartial spectator" in respect to others, and applying it to ourselves, each individual can measure the justice or rightness of his own actions and passions.

We endeavor to examine our own conduct as we imagine any other fair and impartial spectator would examine it.

But for the individual to consider himself and to determine his actions and passions primarily from the standpoint of the impartial rather than the partial

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18 Ibid., 27.  
19 Ibid., 5.  
20 Ibid., 18.  
21 Ibid., 162–64.  
22 Ibid., 161.  
23 *Theory of Moral Sentiments*, 162. "The great mob of mankind are the admirers and worshippers . . . of wealth and greatness."
spectator requires "self-command."24 "Self-command" is the capacity of the individual to control his selfish passions and to direct his efforts toward socially beneficial objectives.25 Self-command is, therefore, the disciplined path to social harmony and to self-interest. Only the reciprocal process of sympathy, impartial spectator, and self-command yield the virtuous man, one who has discovered his true nature and true self-interest. "Self-command is not only itself a great virtue, but from it all the other virtues seem to derive their principal lustre."26

Among the property and social relations of his own time, however, Smith observed that men tended to view their own actions and possessions selfishly, and tended to sympathize with the rich, not the virtuous.

This disposition to admire, and almost to worship, the rich and the powerful, or at least, to neglect, persons of poor and mean condition . . . is . . . the great and most universal cause of the corruption of our moral sentiments.27

Despite this fact that "the great mob of mankind"28 are inclined to be selfish, Smith does not despair of obtaining the virtuous man. For even the "partial spectator" represents through sympathy the conditions of others.29 The problem is how can we as partial spectators be made impartial, and make ourselves aware of our natural sympathies. To do this Smith concludes that how we naturally appear to ourselves must be made to conform with how we naturally appear to others.30 This can only be achieved when individuals develop their "self-command." Adam Smith states this point best at the end of the last chapter ("Review of Systems") of his Theory of Moral Sentiments where he stresses the vital importance of the virtue of self-command for economics because it directs men to enlightened self-interest. He also shows why self-command is better than the "disinterested benevolence" of his predecessor, Francis Hutcheson, because self-command develops from each individual's view of himself as "impartial spectator." But what is more important in this "Review of Systems" is that Smith explicitly condemns the Mandeville "self-love" theory as "licentious" as he condemns also the Hobbesian theory of each individual's total selfishness.

Smith's economic theory and moral theory are usually said to be interrelated because each recognized the individual's self-interest. The following will indicate that sympathy was another and more fundamental basis for the interrelations of property and morals in Smith's system.

The idea of the sympathetic spectator was not confined by him to ethics. In the Lectures we read:

24Ibid., 349.
25Ibid., 349-85.
26Ibid., 255; see Herbert Schneider's introduction to Adam Smith's Moral and Political Philosophy (New York, 1948), XIX-XX.
27Theory of Moral Sentiments, 84.
28Ibid., 85: "The great mob of mankind are the admirers and worshippers . . . of wealth and greatness."
29Ibid., 120: "... he dares not look mankind in the face and avow that he acts according to" selfishness.
30Ibid., 161-65.
Occupation (right of the first holder) seems to be well-founded when the spectator can go along with my possession of the object, and approve me when I defend my possession by force. If I have gathered some wild fruit, it will appear reasonable to the spectator, that I should dispose of it as I please.\textsuperscript{31}

This sympathetic basis of property is not restricted to the primitive stages of society. "The foundation of contract is the reasonable expectation which the person who promises raises in the person to whom he binds himself."\textsuperscript{32} John Millar, Dugald Stewart, and James Bonar point out that Smith's property theory has its foundations in public sympathy with any man's reasonable expectations of reward.\textsuperscript{33} As Stewart says:

Some later philosophers (later than Locke and Grotius) have founded the right of property on the general sympathy of mankind with the reasonable expectation which the occupant has formed of enjoying unmolested the object he has got possession of, or of which he was the first discoverer; and on the indignation felt by the impartial spectator when he sees this reasonable expectation disappointed. This theory (which I have been assured from the best authority [John Millar] was adopted by Mr. Smith in his Lectures on Jurisprudence) seems to have been suggested by a passage in Dr. Hutcheson's Moral Philosophy.\textsuperscript{34}

Stewart implies that Smith's sympathetic basis of property was in contrast to Locke's labor theory of property rights. But, as the preceding passage from the Lectures suggests, Smith's theory of the sympathetic foundation of property could be used to justify differing property claims. The public's sympathy might just as well justify the laborer's ownership of those things with which he had mixed his labor, as it might, on the other hand, justify a will that left money to a cat. Though there might be a tendency for public sympathy to uphold the customary property rights of social tradition and established state laws this did not necessarily mean that the "natural" property rights of unpaid apprentices (or of other groups) could not call forth the sympathy of the public. It must be stressed that this sympathetic basis of property usually did not contradict nor presuppose either of the two property theories—from original labor, or from

\textsuperscript{31}Lectures, 108.

\textsuperscript{32}Ibid., 7.

\textsuperscript{33}Francis Hutcheson, \textit{A System of Moral Philosophy}, 2 vols. (Glasgow, 1755). Smith derived this sympathetic basis of property rights from Hutcheson, I, 319–20. However, Hutcheson and Smith did not entirely agree in their conception of the sympathetic basis of property because Hutcheson attributed the origin of property to benevolence. Though Smith does not appear to have contradicted this, his views point to more complex psychological origins of property.

\textsuperscript{34}This passage is from Stewart's \textit{Life of Adam Smith}, A Bibliographical Memoir for the Edinburgh Royal Society, 1811, p. 12, and is contained in Dugald Stewart's \textit{Active and Moral Powers}, 2 vols., \textit{Works, op. cit.}, II, 317. The quotation from Hutcheson is a shortened version of a footnote in his \textit{System}, I, 317–78; cf. 254. An important parallel for this interpretation of Smith's property theory as based upon sympathy is furnished by G. R. Morrow's assertion: "It might almost be said that the doctrine of sympathy is a necessary presupposition of the doctrine of the natural order expounded in the \textit{Wealth of Nations}."] At least it seems probable that Adam Smith had this earlier theory in mind as a covering for the naked economic individualism which Morrow expounds in his later work, "Adam Smith: Moralist and Philosopher," \textit{op. cit.}, 341.
social conventions—which were used by Smith for the justification of property rights. Public sympathy formed a foundation of expectations on which to evaluate property claims based on laws, customs, or the "natural rights" of the laborer. Any of these justifications of property rights could receive the positive sympathy of the public or of an impartial spectator depending upon the circumstances of any dispute.35

Men seek approval not only for their benevolent deeds but for their just obedience to laws and for their prudent management of their affairs. Men even desire approval for their selfish defense of their property rights and property claims to ownership of things in dispute.36 Totally selfish acts, however, are less likely to receive approval. The relationship between men's desire for approval and desire for material wealth was a complex psychological problem. Smith's views in his works appear inconsistent and his manner of argument may have tended to imply a clear division between these two desires, whereas his total thought shows the relationship to be quite subtle. Smith implies that men's desire for wealth springs from their natural self-interest. "Give me that which I want, and you shall have this which you want."37 Smith says this idea is the basis of all exchanges.

What is not always apparent is the relationship between this selfishness and the universal desire of individuals to receive the approval of other men. Although the benevolence of the butcher would be more strongly approved by an impartial spectator than his prudent self-interest, in most ordinary cases we do not disapprove of him for selling rather than giving meat away. In fact, as impartial spectators we approve his prudent handling of his property relations and we approve of the material wealth he has accumulated, and that social position of dignity and prosperity which he has achieved.38

Although Smith gives numerous indications that self-interest is men's rational motive for their material acquisitiveness, their more fundamental desire is to acquire sympathy from other men for their economic situation and for their riches.39 Men seek wealth and position primarily in order to obtain approval, the positive sympathy of their fellow men:40 "Nay, it is chiefly from this regard to the sentiments of mankind, that we pursue riches and avoid poverty."41

The permanent approval of other men is sought by individuals through their struggle to achieve dignity.42 Dignity, or that condition of continuous social approbation, could be obtained by possessing a thoroughly virtuous character, or

35Examples from the Wealth of Nations of claims to rightful property ownership which Smith implies are supported by public sympathy are the claims of apprentices (I, 136), of colonists (II, 95), and the claims of workers generally to an equitable share of social wealth (I, 88); cf. Theory of Moral Sentiments, 171.


38Theory of Moral Sentiments, 70–83, "Of the Origin of Ambition and the Distinction of Ranks," and Lectures, 9–10: "our sympathy with our superiors being greater than with our inferiors; we admire their happy situation, enter into it with pleasure and endeavor to promote it."

39Compare Wealth of Nations, I, 15 to Theory of Moral Sentiments, 70.

40Theory of Moral Sentiments, 70.        41Ibid.

42Ibid., 72.
by possessing a position of public trust, or by the possession of wealth. At its minimal level the dignity of an ordinary individual requires at least an honest character, a decent employment, and a moderate standard of living. The desire of men to achieve this minimal level of dignity drives them to maintain and at times to improve their moral conduct and their economic and social position. This desire for dignity forms the link between Smith’s theory of moral improvement and his theory of actual social, economic, and political motivations of ordinary men.

The drive to achieve dignity is allied to “the pursuit of virtue.” And of men’s desire for this social approval, Smith says, “the love of it is the love of virtue.” Specifically, this drive of men for dignity leads them directly towards the virtue of self-command. In all Smith’s work the idea of dignity is a motive for improvement and an object of emulation and ambition, and true “self-command” is the individual’s condition when dignity has been fully achieved: “To deserve, to acquire, and to enjoy, the respect and admiration of mankind, are the great objects of ambition and emulation.” Dignity was not only the ordinary man’s goal or object for ethical improvement but his goal in economic matters as well. Nor does Smith frown upon dignity as a goal for either moral, economic, or other behavior.

To desire it [dignity, or deserved approbation] where it is really due, is to desire no more than that a most essential act of justice should be done to us.

The reason that the idea of dignity might sometimes be frowned upon by the general public is that they confuse it with pride. To Smith, pride and dignity represent two distinct roads leading from man’s fundamental Self-Regard. Self-Regard according to Smith has two forms: Self-Esteem which leads to pride and the pursuit of luxury and power, and ultimately results in corruption and waste; and Self-Respect, which leads to dignity and the pursuit of adequate prosperity and the complete use of natural and human wealth.

This scheme is important in understanding Smith’s theory of property. Smith distinguishes pride and the pursuit of luxury from dignity and the pursuit of prosperity.

Two different characters are presented to our emulation; the one of proud ambition and ostentatious avidity; the other, of humble modesty and equitable justice.

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43Theory of Moral Sentiments, 78.
44Ibid., 76–77.
45Smith’s concept of dignity forms what I believe Dugald Stewart sought as the “connection between his system of commercial politics [sic], and those speculations of his earlier years in which he aimed more professedly at the advancement of human improvement and happiness.” Stewart, “Account,” op. cit., liv.
46Ibid., 171.
47Ibid., 84.
48Ibid., 194: “It is not the love of our neighbor, it is not the love of mankind, which upon many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection, which generally takes place upon such occasions; the love of what is honorable and noble, of the grandeur, and dignity and superiority of our own characters.” See also 176, 187.
49Ibid., 171.
50Theory of Moral Sentiments, 85.
At many points Smith makes these two pursuits seem diametrically opposed to one another. In absolute or theoretical terms they are opposed: "Two different roads are presented to us.... Two different characters are presented.... Two different models, two different pictures, are held out to us, according to which we may fashion our own character and behavior."

Smith also recognized that in the general public’s view, the two pursuits frequently seem the same, because:

In the middling and inferior stations of life, the road to virtue and that to fortune, to such fortune, at least, as men in such stations can reasonably expect to acquire, are, happily, in most cases very nearly the same.

Several points regarding dignity’s relation to property and human improvement emerge from this passage. First, if these laboring poor are directed toward prosperity and virtue, why did Smith feel the need to press for improvement in their condition? The answer was simply that though circumstances directed the poor toward the dignified life, their living and working conditions denied them often even the minimal standards of food, clothing, and shelter, namely, the simplest personal standards of dignity. Smith believed that a minimal dignity must be possessed by individuals before they can choose and pursue dignity. Dignity was both a means and an end; a man must have a certain self-respect before he can pursue the good opinion of others. And a man must have a certain minimum of material possessions before he will respect the property rights of others.

We find that Smith contrasted the laboring classes’ pursuit of prosperity, virtue, and equal dignity, with the propertied classes’ pursuit of pride, luxury, and inequality. Smith catalogues the corruption of the rich in the Wealth of Nations, in The Draft of the Wealth of Nations (326–27), and in the Lectures, and it is useful for our examination of dignity’s relation to property to find corroboration in the Theory of Moral Sentiments for this distinction between the pursuits of the rich and the poor.

Men in the inferior and middling stations of life, besides, can never be great enough to be above the law, which must generally overawe them into some sort of respect for, at least, the more important rules of justice.

The effect of wealth was to place the possessor in many instances above the law and to instill in him a lack of respect for justice. Individuals, at this level, did not feel equal but superior to their fellows, did not pursue prosperity and dignity, but luxury and pride. The fundamental consequence of this argument of Smith’s was that the rich did not respect the rules of justice because often they felt they were above the law and by their wealth could corrupt to some extent the administration and even the making of laws. By doing so they were destroying not only the rules of justice but they were also hampering the natural

51Ibid. 52Ibid., 84-88. 53Ibid., 85.
54Ibid. “Intensive observers are very apt to mistake the one for the other.” 55Theory of Moral Sentiments, 86. 56Wealth of Nations, II, 309.
57Theory of Moral Sentiments, 86-87; Schumpeter, op. cit., 186.
58Wealth of Nations, I, 433. 59Lectures, 256-57. 60Theory of Moral Sentiments, 86.
development of property relations and depriving individuals of those minimal standards of dignity which would enable them through legal property relations to pursue the dignified life. On the other hand, in a society such as Smith's own, there were many injustices, though the total society itself was not itself unjust. G. R. Morrow points out clearly Smith's belief that in such a society legal restrictions must be changed before economic or moral harmony can become possible.

To realize the natural order in its fulness it is necessary to remove these restrictions, and to restore the conditions of free competition, the system of natural liberty.

In moral terms Smith asserts that if the injustices of the society could be removed and justice assured, then each individual's moral sentiments could alone ensure the improvement of both individuals and society. It should be obvious that this formulation of Smith's moral principle corresponds to his best known economic principle: that the invisible hand would take care of improving the general economy if legal monopolistic injustices did not exist.

The free market is the one ideal condition under which self-interest becomes self-command. The free market is the universal reign of the impartial spectator, the invisible but rational hand, which rational producers for their self-interest must obey. According to Smith, the free market demands not only contractual justice and prudence, but the possession of self-command in terms of discipline for all producers and purchasers; a personal self-command within each individual. Such self-command is the ultimate requirement for the survival of the free market. As Herbert W. Schneider has pointed out:

The ethics of self-command is the culmination of his Theory of Moral Sentiments; it is also the foundation of his Jurisprudence and political economy. Freedom, both moral and economic, meant to him self-reliance, the ability of the individual (through his moral sentiments) to "command" himself according to objective principles of equity, natural law, prudence, and justice.

In the Moral Sentiments morality begins with society, the field of moral training is provided for a man in the family first, and then in society and the state; the range though not the intensity of his sense of duty expands as he finds himself rising from small groups to larger ones.

Smith's idea of morality is rooted in the great world of commercial exchanges, "the great school of self-command, in the bustle and business of the world." This does not mean that in either the Moral Sentiments or the Wealth

61Ibid., Pt. I, Sect. III, 60-90: "Of the Effects of Prosperity."
62Morrow, "Adam Smith, Moralist or Philosopher," op. cit., 159.
63Small, Adam Smith and Modern Sociology, op. cit., 74, discusses Smith's curious belief that his proposals for change were almost totally improbable of accomplishment, when they were almost without exception instituted within fifty years of his death.
64Macfie, Individual in Society, op. cit., 104; "The impartial spectator in fact makes no appearance in the Wealth of Nations. He there becomes the impersonal market."
65Herbert W. Schneider, Adam Smith's Moral and Political Philosophy, op. cit., xx.
66Theory of Moral Sentiments, 124, 185, 199, 200. 67Ibid., 185. 68Ibid., 206.
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of Nations he approves of greed, nor that property desires are in any way the only drives men have, but Smith's is an "in this world" morality.69

In Moral Sentiments as in the Wealth of Nations Smith makes exactly the same assertion, that he expects men to act first in accordance with their self-interest before thoughts of benevolence. Yet William D. Gramp has said of Smith's economic man, "However strong his acquisitive instincts are, his desire for approbation is stronger."70 In neither book does self-interest eliminate sympathy. The two are universal human sentiments experienced by all men. Nor are sympathy and self-interest exclusive passions such that when an individual feels one he cannot feel the other. They often exert simultaneously their influence upon individuals engaged in property relations. Sympathy means being able to comprehend and enter into the situation of others, especially into their property and self-interested situation and sensing and then judging our approval or disapproval of their acts.

Although Smith said that wealth is "a deception" compared with true happiness which resides in virtue, dignity, and self-command, he also said: "It is this deception which rouses and keeps in continual motion the industry of mankind,"71 and it is in this practical business that morality develops. It is "the [world's] bustle and business" that have trained "the man of real constancy and firmness" who keeps his self-control and is always mindful of his inward monitor.72

In summary: it is the individual's desire for the approval of other men which motivates him to virtuous acts and to property accumulation. This "approbation" which men desire springs from their ability to sympathize with the situation or acts of one another. Although Smith gives numerous indications that self-interest is men's rational motive for their acquisition of wealth, their fundamental desire is to receive sympathy from other men for their material as well as their moral situation. They seek wealth to acquire approval. They seek dignity because this will ensure the continuous approval of other men. Therefore "sympathy" rather than self-interest is the basis of property in Smith's system. Although great wealth provides the strongest security of approval, Smith asserts that luxury tends to lead men towards corruption and injustice. On the other hand, although the hard work of the laboring classes leads to a certain prosperity and virtue, their poverty sometimes makes them lose hope or initiative. Smith concludes that only a certain degree of general equality and a rising prosperity among all classes can ensure the continuous health, morality, and justice of social relations. For Smith, property relations provide the concrete setting for moral relations. As property changes through history so it causes changes in society; thus also it changes men and their morals.

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69He attempted to derive moral judgments not from what men ought to do according to some metaphysical law but from what men actually approve and disapprove. Smith, according to Bitterman, adhered to this empirical method of analyzing morals far more strictly in his Theory of Moral Sentiments than he did in his later work on economics where he allows frequent opinions and moral attacks to color his analysis.


71Theory of Moral Sentiments, 263, 259-60.

72Ibid., 206.