

Class and State in the Political Theory of Adam Smith:

A Chapter in the History of a Neglected Strand of Political
Thought

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I. Introduction

And now as to myself, no credit is due to me for discovering the existence of classes in modern society or the struggle between them. Long before me bourgeois historians had described the historical development of this class struggle and bourgeois economists, the economic anatomy of classes.

- Karl Marx, Letter to Weydemeyer (1852)

(a) Background for the Topic

Today most academic ethics deals with abstract concepts, conceptual schemas, and the debate between and application of these to various events and states of affairs. Relatedly, political theory has become, in essence, just a scaled-up version this sort of ethics. Empirical considerations – scientific theories, facts, etc. – come in, if they come in at all, on the lower “applied” levels. In such a disciplinary climate it is easy to overlook or ignore the fact that there was, and to some extent still is, an alternative way of doing moral and political theory, one which is properly descriptive *and* normative right from the outset – one which we find in a line of thinkers, with important and substantial revisions along the way, stretching all the way from Aristotle, through Adam Smith, Hegel, and Marx. A tradition of thought less concerned with set principles and their application, and more concerned with flourishing people living good lives enabled, promoted and unfettered by living in a decent – free, equal and solidaristic – society. One might hope that a revival of the political thought of these thinkers would be both fruitful and productive for the continued evolution of our species – much more so than the alternatives presently on offer.

Smith's projected life-work was to include a complete theory and history of law and government – in which his ethics or moral theory was to play a key foundational role (see Haakonsen 1981) – as well as of the arts and sciences. However, only a small part of this project was ever completed in his published and unpublished works. One consequence of this is the fact that these works have, unfortunately, left us with some enduring and thus far unresolved issues. For instance, how do the normative commitments of TMS and WN connect and relate to one another, or not? Are these two opposing ends of his work compatible from psychological and/or normative points-of-view? How are Smith's normative commitments in TMS, the LJs and WN related to his descriptive empirical theories

of history, economics, class, government and law? And how can his seemingly egalitarian normative commitments be reconciled with the social and economic inequalities of commercial societies?

This last point is of particular importance. As Fleischacker (1999 and 2005) and others (e.g. Brown 1994, Buchan 2006, Hanley 2006, Raphael 2007, and Rothschild 2002) recognize Smith advances an egalitarian moral theory which at least *prima facie* would seem to conflict with his adherence to a form of society marked by class divisions. This seems especially so to modern liberal eyes which typically see the state or government as a key agent in ensuring egalitarian structures of distribution in commercial or capitalist societies. In contrast to this Smith recommends only restricted forms of direct state interference in the economy of such societies. To understand why this is the case, the key element which must be supplied to his normative ideals and economic theory is his theory of class and state – a theory which argues that the state in commercial societies will not in general succeed or attempt to advance egalitarian distribution-structures better than a freest practicable commercial economy. Not only is there thereby no conflict or contradiction between Smith’s egalitarian normative commitments and his adherence to free markets, the latter is in fact premised upon the former. In showing how this is the case our work will not only shed new light on Smith's political theory, it will also help supply a new perspective on the work of later writers often identified as politically left-wing who found themselves profoundly influenced by Smith and his work – the so-called “left Smithians”.

Briefly put, the purpose of this work is to demonstrate how Smith's theories of class and state, once combined with his method of political theory and the well-known conclusions of his moral and economic thought, create a consistent philosophical argument yielding a determinate commitment to a particular economic model. Before outlining the remainder of this thesis, let us first turn to a very brief summary presentation of Smith's method of political theory.

Broadly speaking Smith's political theory consists of three main kinds of parts – its normative foundations, its descriptive components, and the practical advice on policy-making and legislation Smith provides. I will begin, briefly, with the first. In TMS Smith provides an ethical theory descriptively accounting for normative human judgments by means of a developed Moral Sense theory – first developed by Shaftesbury and Hutcheson, later modified into more complex forms by Hume and especially Smith himself – as well as an account of the qualities or characteristics of men we rightly find admirable – i.e. virtue¹. This intricate system provides us with an account of moral or practical reasoning (Fleischacker 1999, Carrasco 2004, von Villiez 2006), and thus a proper method of doing

¹ And some of the things we wrongly find admirable as well, and why we are so mistaken, cf. e.g. TMS I.iii.3.

moral philosophy (Fleischacker op. cit., von Villiez op. cit., Sen 2010, esp. introduction and throughout parts I and II). It successfully provides us with a neo-Aristotelian account of virtue ethics (e.g. Fleischacker op. cit., Brown op. cit., Hanley 2007 and 2009) updated by Smith's characteristic theory of history (cf. Meek 1967, 1976 and 1977, and Skinner 1965, 1967, 1982 and 1996, ch. 4), as well as supplying a properly normative and descriptive account of the proper moral grounds for law or jurisprudence (Haakonsen op.cit.) – including our notions of justice – work which he continues from that of Grotius, Pufendorf, and, perhaps most importantly, Montesquieu (cf. Dugald Stewart's *Account/EP*, esp. I.19). The resulting account of what it means to be a good man and to live a good life is that such a man is one who properly develops his “wisdom and virtue”². It is this conception that forms one of the key normative building-blocks – besides his account of justice – in Smith's political theory. We should note, crucially, that both Smith's moral method and his account of wisdom and virtue are *internal* to a society of a certain kind. Different kinds of societies – e.g. hunting and gathering societies vis-à-vis commercial societies – will exhibit cultural variation, some of which is normatively legitimate (and some of which is not)³. This range of legitimate divergence is a consequence of the different lives led by people in different everyday conditions – on which the historical stage of one's society has perhaps the greatest impact.

Now Adam Smith was, like Aristotle before him, above all a naturalistic moral philosopher committed to the actual moral improvement of mankind. Thus, Smith seems to follow the same program laid out at the end of the *Nicomachean Ethics*, whereby Aristotle writes that “surely he who wants to make men, whether many or few, better by his care must become capable of legislating” (*Nicomachean Ethics*, 1180b4-5), the remaining discussion of which sets up the transition from the *Nicomachean Ethics* to the *Politics*. And, like Aristotle, Smith combines thorough empirical and theoretical investigation – though Smith's crucially, revolves around his four-stage theory of history, making both his ethics and his political theory thoroughly contextual and historicist creations without giving in to relativism or scepticism⁴. With Smith, however, interlinked conceptions of political agency – or the agent of political change – the epistemology of political thought, and the proper scope of political theory are of vital importance.

To Smith, the *agent* of political (note, not moral) change is the individual legislator in an actual

² In fact this commitment is crucial for understanding Smith's discussion of the effects and proposed remedy for the extreme division of labour (see below II.d and WN V.i.f and g).

³ I thus believe that Smith is a moral contextualist without succumbing to scepticism or relativism. For a useful overview of the literature on this matter see the first section of Fricke 2005a.

⁴ In fact if he did he would commit an obvious performative contradiction, insofar as either of these options would void anything like his clear and necessary commitment to actual moral improvement of actual men.

society, and epistemologically he is limited and contextual in his knowledge and cannot plausibly change his society in any fundamental manner (cf. below III.a.i) – with the exception of aiding or retarding processes already underway. This is affirmed in all of Smith's accounts in the LJs and in WN where it is made clear that all shifts from one stage of society to another happen “blindly”, as unintended macro-scale consequences of sets of individual micro-scale intentional actions. Smithian legislators can do their work only with the materials provided and within the confines set by an already-existing society-type as defined by its historical stage. A legislator cannot take their society from one historical stage to the next, they can only seek to do the best they can within the context of a particular society whilst taking its socio-historical stage as a given. Because of all this they necessarily take the basic institutions of their society – such as the economic system of commercial society, what we would nowadays call early competitive capitalism – as givens not open to politico-theoretical questioning. Put another way, not only do legislators, like other men, not make history under conditions of their choosing, they (can) only consciously make very restricted kinds of history at all.

As a result the *scope* of Smithian political theory must in turn be restricted to different alternative schemes of legislation and policy within a particular society-type – i.e. within a particular given stage of society. The resulting product is therefore restricted to practical advice to actual legislators. It follows, as Dugald Stewart put it, that Smith did, and indeed had to, along with others following a similar programme, aim “at the improvement of society (...) by enlightening the policy of actual legislators” (*Account/EPS IV.6*). However, as I will show below, this does not mean that Smithian political theory is prescriptively weak, nor that it is without genuine social, economic and political vision.

Moving on, since the particular duty of the legislator in part consists in the promotion of the general interest (WN IV.1), and since the general interest is what, in a particular society or kind thereof, is necessary for best promoting people's growth and development of wisdom and virtue, the tasks of the legislator will necessarily vary across different kinds of societies. Using slightly different terminology we might say that the legislator operates relative to social needs, including needs of security as upheld by systems of national defence and criminal justice and material goods as necessary for growth and development as wise and virtuous persons – expressed as the general interest – particular to society at a given stage of social and historical development.⁵

⁵ The vision of society Smithian political theory provides is thus an internal or society-relative one in a triple sense: first, the normative ideals proper for the evaluation of such any politico-theoretical ideal – and which such an ideal is held to best realize – are determined and can be determined only relative to a form of society corresponding to a given historical

What are the principal features of a given society-type that a legislator must take into consideration? These are the mode of subsistence, the corresponding forms of property, the resulting relations of inequality, and the consequently necessary forms of government. In commercial society, the first two are the subject of political economy, the third of class theory, and the fourth of state theory. Though not rigorously distinguished by Smith, all of these elements feature prominently in his main work on political theory, namely WN. Given these descriptive circumscriptions, Smithian political theory generates a determinate model of the ideal commercial society which the Smithian legislator is committed to realizing.⁶

The organization of Smith's lectures after being appointed to the chair of Moral Philosophy – natural theology, the ethics which became TMS, its branch dealing with justice (presumably surviving largely in the LJs), and with further political regulations which became WN (perhaps incorporating some of the former category (*Account*/EPS I.18-20)) – now become immediately understandable as gradually carrying out the programme of political theory sketched above. According to Smith, the duties of a sovereign “[a]ccording to the system of natural liberty”, presumably in an ideal commercial society or one approaching something like it, consist in security from foreign violence and invasion, securing and maintaining a system of justice, and supplying necessary public works (WN IV.ix.51). Relatedly, the duties of the *legislator* consist in providing the providing plentiful revenue or subsistence to his people – as a means of promoting the general interest (cf. II.a.iii below) – and supplying the state with a revenue sufficient for maintaining public services for e.g. foreign defence, maintaining a system of justice, and so on as per the duties of the sovereign (cf. LJ(A) 1-9 for an earlier and slightly different account and LJ(B) 5 for a related account of the “great objects of law”). Whereas TMS investigates the normative grounds for all of this, the account of justice tells us what, in particular society-types, counts

stage. Second; this ideal or vision can only, by the above circumscriptions, consist in an ideal scheme of law and policy within a given social structure, as a result of which all such ideal schemes are and must always be relative to a given social structure. And thirdly; the determinate duties of such a legislator in an actual society of some kind are determined by and thus relative to the kind of society in which he finds himself insofar as different kinds of society differently enable, promote or fetter the development of different persons' wisdom and virtue, in turn generating different contents for the general interest. Justice is equally determined (of course, again, in part) by the society-type in which the legislator is operating, insofar as what counts as injustice is what counts as somehow harming an agent or justifiably invoking resentment in the impartial spectator varies across society-types at least in part for morally acceptable reasons.

⁶ Once these normative and descriptive components are combined within the Smithian framework, the last layer must be added – namely the the pragmatic advice to particular legislators in particular different societies. In other words, advice to particular legislators in different individual societies, as well as broader and more general advice, on how to take their society towards the ideal he posits. A number of points fall under this heading, almost all of which will be left aside here. Importantly though, this pragmatic layer is supplies the steps to take us from a particular society at a particular time towards the normatively superior vision priorly supplied. For some discussion of this, and on how Smith's concerns thus differ from those of neoclassical economics, see Winch 1997. Though Winch's views on Smith's oeuvre and overall project miss what we have attributed to him in the above outline.

and does not as justifiedly invoking resentment and justifying punishment (see Haakonsen op. cit.). In conjunction with other practical and utilitarian concerns, this tells us what much of a society-type's legal code (e.g. criminal law) should look like. In this vein WN aims to contribute to the necessary “science of the legislator” by detailing the workings of commercial societies – with a focus on the economy, but also with a significant amount of analysis of class and the state – and how the legislator might best promote the general interest in light of these⁷. In general, he argues that governments can do this best by interfering as little as possible with the mechanism of the economy of commercial societies (although with numerous exceptions, see esp. Skinner 1995). In order to understand how and why this is the case a proper appreciation of Smith's theories of class and state are vital additions to the picture. This much-needed addition is what I here aim to supply.

(b) Purpose and Structure

The research question this thesis aims to answer is the following: What is the nature and function of Smith's theories of class and state within his political theory? In particular, how can these help reconcile Smith's egalitarian normative commitments on the one hand, and his strong adherence to free markets on the other? The goal of this work is thus first and foremost to rationally reconstruct Smith's analysis of the nature of socio-economic class and how he employs this analysis in his theory of the state, how these are both used in his analyses of state policy, and, lastly, how these theories feature in the overall argument for free markets in preference to extensive government intervention. Such an approach will naturally focus on WN, but it is only natural to bring in elements from e.g. the LJs and TMS as well where this is appropriate.

In order to do this I will structure the thesis as follows: First, in part II, I will discuss Smith's theory of class for commercial societies, beginning with the structural, psychological and normative foundations he pinpoints. Note that these considerations will not be properly explored in their own right, but only outlined to the extent necessary for appreciating Smith's class theory. Having done this I

⁷ One subject that will be willfully neglected here for reasons of focus is Smith's conception of liberty and its importance to his various political recommendations (though see Fleischacker 1999) as well as in his theory of history – where it was to be of great importance to later thinkers such as Hegel (1980, 1991 and 2004), and, through Hegel, Marx (inter alia and esp. some of the early journalism, CHDS, OJQ and EPM). It should perhaps be noted that I believe Smith to adhere to the republican ideal of freedom as non-domination (see Skinner 1998 and 2006, and Pettit 2000 and 2006) coupled with a focal shift from matters of government/polity to those of everyday economic life licensed ultimately by his developmental psychology (see II.a.ii) below) – a matter we do not have occasion to pursue further here (though for some related discussion see Winch 1978, Hont and Ignatieff 1983 and Fleischacker 1999, ch. 7).

will move on to the characterization of each of the three different classes he describes – the class of landlords or landed gentry, the class of merchants and manufacturers, and the working class or the class of wage labourers – in turn. Here special attention will be paid respectively to the following major features: the different functional roles that the members of different classes inhabit in the economic system or machine; the ways in which these shape different character-structures as a result of the different labours performed by the members of different classes; the character-structures, personality traits and paradigmatic virtues and vices typical of the members of the different classes; the relation between the interests of the members of different classes and that of the general interests of society; and last, and most certainly not least, the political efficacy (and the causes behind this) each of the classes possesses in terms of determining state action and policy.

Once Smith's class theory itself has been sufficiently treated, we can move on, in part III, to an account of just why it is of such importance to his work and thought. First among these is the importance of Smith's class theory for understanding his conception of the state in commercial society. Traditionally Smith commentary, when discussing his views on the state, has focused on one or both of two key elements. The first of these is the glowing view Smith has of the economic machine of commercial society and his faith that this “natural system” of “perfect liberty” will, if left alone, secure maximum levels of growth, productivity, and wage-rates for the working class (in fact, at the expense of capitalists' profits). The other element commonly emphasized in these discussions are the cognitive difficulties politicians – and, indeed, any individual in a high position of any large institution whose choices affect large numbers of people with whom he is not in direct contact – inevitably face when attempting to make decisions on behalf of a population, and the moral vices typical of those seeking politics as a vocation and career. While both of these are important, relevant and interesting components of Smith's thinking of the state, there is more to be said on the matter – particularly on the class character of the state and its policies, a vital component of Smith's thinking thereon. After having supplied this last component, I will then move on, in III.b, to examine Smith's use of his class theory in his various analyses of government policy in WN. Here we will find his theories of class and state as outlined above used with significant skill and attention to empirical detail.

Lastly, in Part IV, I will tie together the different descriptive strands developed in Parts II and III, bringing them together with summary presentations of his normative commitments and political economy in order to show how they all fit into a general case for advocating free markets over extensively regulated ones (IV.a). Having done this, we can then embed this general case within Smith's overall method of political theory to show how all of this amounts to a commitment to a determinate

vision of an ideal commercial society (IV.b). This will demonstrate how vital Smith's theories of class and state were for his overall political theory, how they enable us to fully reconcile both his egalitarian normative commitments and his adherence to free markets, and thus also how much our understanding of Adam Smith has been retarded by these elements of his thought not getting their proper due.

II. Adam Smith's Theory of Class

Adam Smith's theory of socio-economic class has a key position in his political theory in general and his political economy in particular. Not only this, his particular conception was one of the keys to the establishing of classical political economy as such. The three different classes he distinguishes – landlords, workers, and merchants and manufacturers – each receive their distinct and separate share of the joint social product, and they each have distinct functions in the economic machine or mechanism of the economy of commercial societies. As a result of this they have structurally different positions in the society-wide distribution of labour which in turn produces in them different character structures (See Reisman 1976, esp. p. 88-101) – each with their corresponding paradigmatic characteristics, including typical virtues and vices. As Smith himself puts it, imputing causation behind the correlation between different character structures and different ranks and professions: "[T]he understandings of the greater part of men necessarily formed by their ordinary employments" (WN V.i.f.50).

Also as a result of their different positioning within the economic system or mechanism the members of these different classes have structurally divergent sets of interests (though, notably, these can diverge within classes as well, in particular in the case of that of merchants and manufacturers). These structural (as opposed to individual) differences in interests lead to class struggle of various sorts and this, in conjunction with the effects of the differing positions within society's structural division of labour (such as different cognitive abilities) and the material effects of differential functional roles in the economy (such as different levels of wealth accruing to the beneficiaries of distinct sources of income) significantly determine the outcomes of these struggles as well as, importantly, their differential influence over the state and state policy.

I will treat all of these matters in turn. Beginning with a run-through of key structural, psychological and normative foundations, I will, in (a), discuss (i) the structural economic foundations of Adam Smith's class theory, (ii) his general theory of character-development and (iii) his account of the "general interest" of society – upon which much of what he writes about the different classes is predicated. Whereas there is more to be said on the foundations of Smith's class theory – for one, on what he has to say about the psychological mechanisms underlying social stratification and how this connects and compares to those postulated in modern evolutionary psychology (Rækstad 2011) – we must leave these matters aside for now. Once this is done I will expound his views on the class of landlords, landed gentry or "country gentlemen" in (b), where I will argue that Smith's views on this class are in fact considerably less sanguine than other writers have suggested; the class of merchants

and manufacturers in (c) where I will show that Smith's views are complex and sophisticated, and thus neither uniformly positive or negative; and lastly the class of workers or wage labourers in (d), where I will argue that Smith thoroughly and consistently throughout his work, and particularly in WN, emphasizes and goes to great lengths to defend the moral worth and dignity of ordinary working men – especially of their innate potentials, but also, in fact, of many of their resulting ways of life, attributes and faculties – as well as their moral and cognitive/intellectual competence to a remarkable extent, one perhaps never seen before in his time. Having examined Smith's class theory in proper detail, we can then, in Part III, turn to its implementation in Smith's theory of government and, in Part IV the implications of his theories of class and state for his overall political project.

(a) Structural, Psychological and Normative Foundations

In his class theory, Adam Smith does a number of things of which we need to be clear about before we examine his individual analyses of the three different classes he identifies in commercial societies. First of all, he grounds his class analysis solidly in his conception of the economic system or mechanism of commercial society – thereby inextricably integrating it within his wider system of political economy and grounding it in a specific and rigorous conception of socio-economic structure. This will turn out to be of significant importance to determining inter alia how the members of different classes are differentially positioned within a commercial society's structural division of labour, and the divergent structural interests to which the members of each class are subject. I will therefore discuss these structural economic foundations of Smith's class analysis in (i) below.

Furthermore, according to Smith the differential positioning in a commercial society's structural division of labour to which the members of its different classes are subject profoundly affects their resulting character-structure. In order to form any sort of general idea of why and how this is the case according to Smithian developmental psychology, we need to get some sort of conception of his views on the formation of character-structure in general. This is especially so in light of the fact, as I will establish below, that Smith's particular account of the effects of positioning within a structural division of labour affects the formation of one's character-structure is just a special case of Smith's more general conception of how one's lived life – especially and most strongly one's *working life* – moulds and determines one's character-structure on the basis of shared or near-equal native endowments. Thus, I discuss this matter briefly in (ii).

Now, a crucial concept to Smith's normative commitments – especially in WN – concerns the notion of the “general interest(s)” of (in particular a commercial) society. This notion is a, if not the,

central normative commitment in WN, and also of vital importance to his class analysis. Smith holds particular theses concerning the alignment of structurally determined class interests vis-a-vis the general interest of society – e.g. that the interests of the class of landlords is almost always aligned with those of the general interest, and that those of the class of merchants and manufacturers is never the same as, and almost always directly opposed to, those of the general interest of society – which is of significant importance when it comes to e.g. questions of policy recommendation. If one class is a dominant political power, then it is crucial – especially for a comparative theorist such as Smith whose major focus is on the social realizations of normative ideals or progressive development – how they are aligned, or not, with the normative commitments, among them the general interest(s) of society, one wishes to advance. But before we get to the question as to the alignment of classes or their members' class interests with those of the general interest, we must clarify what exactly Smith means by his notion of the “general interest” of society itself. It is to this question I turn in (iii).

(i) *The Structural Economic Foundations of the Class Analysis of Adam Smith.*

There is a notion on which Smith's claims to be the originator of a view of the economy as a stable and self-contained system and on which later claims that Smith was the founder of classical political economy as a mature/paradigmatic discipline are founded. This is Smith's conception of the economic system of commercial society as a stable, self-contained and self-sustaining mechanism⁸.

In Smithian political economy the joint social product of society is divided up and distributed among its members as three different sorts of income: the wages of labour (WN I.viii), the profits of stock (WN I.ix), and the rent of land (WN I.xi). More importantly for his economic analysis, “the price of every commodity finally resolves itself into one or other, or all of those three parts; and in every improved society, all three enter more or less, a component parts, into the price of the far greater part of commodities” (WN I.vi.10, cf. Also I.vi.17, I.xi.p.7 and II.ii.1). These three distinct components of prices and sources of income correspond to the three principal kinds of structural functional roles available to agents in the economic machine of commercial society – viz. in the economy of commercial society, generally speaking and excluding non-economic institutions such as government bureaucracy and the armed forces, a participating person⁹ will be either a worker, a merchant or

⁸ As Dobb (1973) has shown, this was heavily influenced by Physiocracy. However, only with Smith does the analysis become a proper structural mechanism of its own – or at least begin to approach such a format. In reality, Smith's theory was unable to attain properly structural-mechanistic status on account of its continued reliance on a theory of population which, though Smith (completely implausibly and without any empirical support or plausibility whatsoever) insisted otherwise, could ensure equilibrium or equilibrating conditions in the model.

⁹ As opposed to non-participating persons such as infants, those too old or infirm to work, most women (in Smith's day), and so on.

manufacturer, or a landlord. Now, to each of these three functional roles and sources of income correspond the three classes Smith distinguishes, namely workers, merchants and manufacturers, and landlords or the landed gentry, respectively. Smith himself expresses this interconnection admirably in WN I.xi.p.7:

The whole annual produce of the land and labour of every country, or what comes to the same thing, the whole price of that annual produce, naturally divides itself, it has already been observed, into three parts; the rent of land, the wages of labour, and the profits of stock; and constitutes a revenue to three different orders of people; to those who live by rent, to those who live by wages, and to those who live by profit. These are the three great, original and constituent orders of every civilized society, from whose revenue that of every other order is ultimately derived.

In the economic system or mechanism of commercial society, therefore, there are three principal functional roles (at least in general and *ceteris paribus* for economically active persons) available which jointly compose it, and with these three distinct kinds of structural positions that an economically active agent can fill. Economically active agents, each in this way partaking in one and (at least generally, at any one given time) only one structural economic position, are thus divided into three corresponding “ranks” or “orders” of men. Importantly, however, the three distinct structural economic positions also entail different positions within the structural division of labour. It is this difference – based on different functional roles in the economic mechanism of commercial societies – in the structural division of labour that is at least in large part responsible for class differences – in particular the different character-structures typical of members of different classes. The details about the ways in which such differential positioning within a structural division of labour affect the formation of different individuals' respective character-structures will be dealt with in the sections below discussing the different individual classes.

Now, the importance of grounding class analysis in the structural functional roles of the economic mechanism, as well as the distinction and separation of profits as a source of income and merchants and manufacturers as a separate class – with separate and distinct interests – should not be underestimated, either for class theory, state theory, or for classical political economy. I will dwell briefly on the first and last of these in turn.

Beginning with its importance to political economy, in order to establish profits of stock as a new and separate kind of income a number of obstacles needed to be overcome. First of these were the

difficulties of distinguishing profits from rent of land and from interest on money. Profits on stock formally resembled both of these insofar as they all yielded income roughly in proportion to the capital sum employed. In the century prior to the publication of WN however, money had increasingly come to be seen as something distinct from capital, as so too had the passive and active employments of money. Perhaps of special importance was the differentiation of profits and interest in trade as well as the differentiation of rent and capital in agriculture as the first agricultural capitalists came onto the scene. The second of the problems facing Smith's new development were the difficulties connected with distinguishing profits from wages – especially in a time when a leading manufacturer would often have risen “from the ranks” of those now working for him and where he might continue to work himself. Thirdly, there were obstacles to introducing the necessary (to Smith's conception) concept of an average rate of profit:

Before the profits of stock could come to be regarded in a regular proportion to the amount of capital, *in whatever sphere it happened to be employed*, it was clearly necessary that the field covered by capitalist methods of organization should be considerably enlarged, that competition in both internal and external trade should be reasonably free, and that capital should be relatively mobile between different places and occupations. Only then could it be said that profit at the average rate was a constituent element in the “natural” price of all commodities. (Meek 1967: p. 22)

The three-class conception is not to be found in other thinkers such as Steuart, Hutcheson, Ferguson, Cantillon, etc. and seems arise for the first time in Adam Smith where it was crucial in his establishing of the paradigm (in the technical Kuhnian and post-Kuhnian sense) of classical political economy. Smith was the first economic thinker who clearly set the “profits of stock” apart as a distinct kind of income accruing to a uniquely associated “constituent order” upon fulfilling a particular and unique function in the economic machine of commercial society. Importantly, it is this order of men in their functional role who are seen as driving the process of capital accumulation and thereby, ultimately, economic growth and progress itself in commercial societies. The importance of such a conception to the founding of a new (and one of the first, if not the first proper) paradigm of economics should thus be clear.¹⁰

It was the emergence of profit on capital as a new category of class income, sharply

¹⁰ Both this paragraph and the one above rely heavily on Meek (1967: ch. 2)

differentiated from other types of income, which cleared the way for the full development of Classical political economy. As the conditions I have described [see my summary thereof in the preceding paragraphs] were gradually fulfilled in the real world, the older accounts of “profit” necessarily began to seem more and more inadequate. “Profit” could no longer be treated under the heading of rent, where Petty had tended to place it; it could no longer be identified with wages, as with Cantillon and Hutcheson; and its origin could no longer be sought in the sphere of exchange, where Stuart had claimed to find it. The relationship between capital and wage-labour was becoming the dominant socio-economic relationship in Western society, and this fact necessitated a complete revision of certain fundamental economic concepts and the postulation of a new basic social pattern.” (Meek 1967: p. 22)

It is precisely this new basic social pattern that Smith attempts to lay out and investigate in WN¹¹.

Furthermore, although the distinction of men into different “ranks”, “orders” or other divisions was nothing new to social thought in general by Smith's day, Smith's grounding of class in structural position in the economic machine or mechanism has a number of significant theoretical and empirical benefits. First, it clearly and rigorously distinguishes one phenomenon of social stratification – what we now distinguish as economic or socio-economic class – from other forms of social stratification such as occupation, gender, skin colour, language, ethnicity, etc. Secondly, it precisely pinpoints the causes of class divisions. This is both good in itself as it adds precision and clarity to the theory, but additionally it enables one to distinguish between the causes of class from the effects of class, such as average income levels. Thirdly, by tying class stratification to the structure¹² of the economic machine or mechanism, Smith relativizes and historicizes the notion of the particular kind of “rank” or “order” (i.e. class) of society in a very fruitful manner, restricting his three-class analysis to commercial societies

¹¹ Smith's grounding of class analysis in structural economic roles is also of crucial importance to the later development of class theory – in particular among Marxist strands of socialism. In tying classes to structural economic roles and functions Smith's class theory holds that the economy of commercial society will always and necessarily be a class-divided one – thus inevitably yielding a class-divided society with the effects this has on state policy and the prospects of individual and democratic autonomy. To later thinkers such as Marx and Engels – who go one step further in both their economic and class analyses in at least one place insofar as they seek to analyze capitalism and the working and capitalist (merchant and manufacturing) classes in more explicit and detailed relational terms – who will seek to abolish class divisions, such an analysis of class necessitates the destruction and replacement of that sort of economic system *in toto*. In fact, all of this is part of his wider conception that links property in general with both inequality and the origin of government. This interconnected trinity to which Smith gave rise can explain, at least in part, why numerous radicals of the following century saw the need to eliminate or transcend all three of these categories together if humans were ever to be properly free and equal.

¹² I write “structure” rather than, for instance, structural relations, economic relations, relations of production, etc. because the analysis of economic structures as well as of class divisions in specifically relational terms is an innovation of Marx's, and there are no grounds for assimilating it to that of Smith.

and providing other accounts of the class divisions of other economic forms.

In sum then, Smith grounds his class analysis in a particular conception of the economic system or mechanism of commercial society, and this structural base has significant benefits for his analysis. For his economics it meant he was able, for the first time, to separate out and properly analyze profits and class of men to whom profits accrued as a separate economic order, and to analyze the relation between capitalists and workers as a distinct socio-economic relation – indeed the central socio-economic relation of commercial or capitalist societies. For his class analysis it allows us to distinguish class from other forms of social stratification, it precisely pinpoints one and only one basic social cause of class divisions, and it ties class structures and relations to the structures of a given economic system or machine, which usefully relativizes and historicizes the notion. Now that the structural economic foundations of Adam Smith's class analysis have been laid out, we can turn to how the resulting differential positioning of the members of different classes in a commercial society's structural division of labour forms and determines their internally convergent and externally divergent respective character-structures.

(ii) *Smith's General Theory of the Formation of Character-Structure and the Structural Position in Society's Division of Labour.*

How then, for Smith, do the structural economic foundations of class in commercial societies determine not only one's position in the structural division of labour, but also one's character structure in significant and thoroughgoing ways?¹³ According to Smith, human beings' characters are fundamentally shaped and determined by the demands and activities of one's ordinary lives – in particular one's working life. Repeating a quote from above, he writes that “the understandings of the greater part of men necessarily formed by their ordinary employments” (WN V.i.f.50). It is important to understand that the way in which differential positioning in a society's structural division of labour determines and moulds different and distinctive kinds of character-structures is a special case of Smith's much more general thesis that human beings' everyday lives and employments shape and determine their different character-structures.

In this context the first and most obvious point to recognize is that the much broader and more general thesis here imputed to Smith has effects not only for the differences between and similarities within members of groups of people differentially situated within a structural division of labour, but also, and perhaps equally if not more noticeably, for people from their different social and historical

¹³ This discussion owes a lot to Reisman (1976), ch. 3.

conditions such as societies belonging to different historical stages (e.g. hunting or herding societies versus commercial societies), different nations with different customs (e.g. Russia versus France), the different particular work or qualities of the work one performs (such as farmers versus manufacturers, or soldiers versus bureaucrats), and even the according to the different stages of life one is at (e.g. the manner of the old vs. those of the young). These differences are relevant not only for the development of different character-structures of course; they profoundly affect our moral thoughts and evaluations as well. In general, Smith writes:

The objects with which men in the different professions and states of life are conversant, being very different, and habituating them to very different passions, naturally form in them very different characters and manners. (...)

The different periods of life have, for the same reason, different manners assigned to them. We expect in old age, that gravity and sedateness which its infirmities, its long experience, and its worn-out sensibility seem to render both natural and respectable; and we lay our account to find in youth that sensibility, that gaiety and sprightly vivacity which experience teaches us to expect from the lively impressions that all interesting objects are apt to make upon the tender and unpractised senses of that early period of life. (TMS V.ii.4).

[Furthermore, the] different situations of different ages and countries are apt, in the same manner, to give different characters to the generality of those who live in them, and their sentiments concerning the particular degree of each quality, that is either blamable or praise-worthy, vary, according to that degree which is usual in their own country, and in their own times.” (TMS V.ii.7)

Let us look briefly at a couple of examples of each how, on Smith's account, different historical stages, different national cultures, and different specific work-functions affect the formation of people's character-structures, respectively.

One example of a significant difference between members of hunting, herding and commercial societies that Smith discusses is their different degrees of martial character. According to Smith, “martial character flourishes in primitive societies, particularly among shepherds (who have considerable property to defend), and least among hunters (who do not)” (Reisman 1976: 91). Since “contempt of danger, to patience in enduring labour, hunger, and pain” are of potentially vital importance to members of (at least many kinds of) “rude and barbarous nations”, these seems practically universally possessed by the members of these kinds of societies (TMS V.ii.8). Why is this the case? Because “[e]very savage undergoes a sort of Spartan discipline, and by the necessity of his

situation is inured to every kind of hardship” (TMS V.ii.9). He is in continual danger, frequently threatened by starvation and want, and is thereby habituated to every sort of distress and taught never to give way to the passions thus (normally or otherwise) excited (ibid). As a consequence of this upbringing and the resulting effects it has on his character, the savage will tend to be generally insensitive to the feelings of others – as this requires ease and tranquillity from distress ourselves – he expects no sympathy from those around him and at all times exerts powerful emotional self-control (ibid). Thus being “obliged to smother and conceal the appearance of every passion, [savages] necessarily acquire the habits of falsehood and dissimulation” (TMS V.ii.11). Furthermore, Smith writes, the force of love, as seemingly with all emotions, is very weak – which results *inter alia* in a high frequency of arranged marriages in these sorts of societies.

By contrast, the “heroic and unconquerable firmness, which the custom and education of his country demand of every savage, is not required of those who are brought up to live in civilized societies” (TMS V.ii.10). The material situation of even most ordinary workmen in commercial societies are above a kind of poverty and destitution common in countries belonging to earlier stages of development, and their general social and material situation is much more secure. For example, Smith holds that being employed by a manufacturer and the demands of the marketplace to be far less problematic than being at the command of a feudal lord, and the rule of law provides both far greater and more predictable protections to the poor and middling ranks of society than do other, previous, institutions.

The general security and happiness which prevail in ages of civility and politeness, afford little exercise to the contempt of danger, to patience in enduring labour, hunger, and pain. Poverty may easily be avoided, and the contempt of it therefore almost ceases to be a virtue. The abstinence from pleasure becomes less necessary, and the mind is more at liberty to unbend itself, and to indulge its natural inclinations in all those particular respects. (TMS V.ii.8)

Thus, *contra* what is the case among primitive societies, among “civilized nations, the virtues which are founded upon humanity, are more cultivated than those which are founded upon self-denial and the command of the passions” (ibid). Love, as does the display of all other passions more generally, becomes now far more respectable, and thus, not having to constantly conceal one's emotional states, and in fact being able to draw on the aid and compassion of one's fellow men, a “polished people being accustomed to give way, in some measure, to the movements of nature, become frank, open, and sincere” (TMS V.ii.11). It may perhaps be pointed out that this superior sympathetic development is

approved of by Smith, and it is easy to imagine why (especially, interestingly enough, from a Marxist perspective). Whilst education and conditions of life to which “savages” are subject leave them not only in possession of numerous and not insignificant virtues, the very same factors also stunt their development of their sympathetic moral capacities and therefore also as moral human beings. Whereas the different conditions and demands of commercial societies do not produce the same kinds of virtues to the same extent as it does in savages, by enabling and in some ways promoting the development of one's sympathetic moral powers, it also enables and promotes a different set of virtues “founded upon humanity”. Whereas one set of virtues need not necessarily be held to be superior to another, the superior, free and social self-development of one's individual human powers can and should, I think, be held to be of significant value.

Moving on, the effects of different national cultures and customs are also significant to Smith. After all, minor though they may be, they are present and make themselves felt all through a person's life, and one can thus expect them to have effects that are, if not massive in scale, then at least broadly influential. As Reisman points out in this context, “[w]hat is customary and habitual in one country is not necessarily customary and habitual in another” (1976: 88), and Smith affirms this well-established fact:

That degree of politeness, which would be highly esteemed, perhaps would be thought effeminate adulation, in Russia, would be regarded as rudeness and barbarism at the court of France. That degree of order and frugality, which, in a Polish nobleman, would be considered as excessive parsimony, would be regarded as extravagance in a citizen of Amsterdam. Every age and country looks upon that degree of each quality, which is commonly to be met with in those who are esteemed among themselves, as the golden mean of that particular talent or virtue. And as this varies, according as their different circumstances render different qualities more or less habitual to them, their sentiments concerning the exact propriety of character and behaviour vary accordingly. (TMS V.ii.7)

Lastly, turning to the effects of different employments, one factor which I will discuss later when examining Smith's views on the working class in (d), and thus deliberately ignore here, is the effects that an extreme division of labour has on those who work in an area (to Smith, it seems, an area of manufacture) subject thereto. But other examples abound. Generally speaking, it is natural for men of different professions or walks of life to consequently develop different characters-structures, habits and manners, the “objects with which men in the different professions and states of life are

conversant, being very different, and habituating them to very different passions, naturally form in them very different characters and manners” (TMS V.ii.4). To quote just one example before moving on:

We cannot expect the same sensibility to the gay pleasures and amusements of life in a clergyman, which we lay our account with in an officer. The man whose peculiar occupation it is to keep the world in mind of that awful futurity which awaits them, who is to announce what may be the fatal consequences of every deviation from the rules of duty, and who is himself to set the example of the most exact conformity, seems to be the messenger of tidings, which cannot, in propriety, be delivered either with levity or indifference. His mind is supposed to be continually occupied with what is too grand and solemn, to leave any room for the impressions of those frivolous objects, which fill up the attention of the dissipated and the gay. We readily feel therefore, that, independent of custom, there is a propriety in the manners which custom has allotted to this profession; and that nothing can be more suitable to the character of a clergyman than that grave, that austere and abstracted severity, which we are habituated to expect in his behaviour. These reflections are so very obvious, that there is scarce any man so inconsiderate, as not, at some time, to have made them, and to have accounted to himself in this manner for his approbation of the usual character of this order. (TMS V.ii.5)

Whereas I have here focused on the plasticity Smith attributes to the development of human beings, it must be emphasized that he is far from adhering to a sort of “blank slate”-view whereby e.g. human character-structures, personality traits, and so on are simply the product external stimuli and nothing more. Instead, Smith grounds his views on the psychological plasticity of human nature in a conception of determinate human psychology (e.g. innate drive to seek social rank and status in society, desire to seek agreement with others, etc.) on which the environmental (e.g. the process of socialization, education, etc.) inputs of e.g. different kinds of societies operate to generate differential outputs – thus contributing both to these capacities' ontogenetic development and serving to provide them with determinate inputs. In this conception he is in basic agreement with other key Scottish Enlightenment thinkers (Berry 1997, ch. 4). It is important to recognize that Smith's conception is based, in turn, on a clear conception of the basic equality of innate potentials, and also on a clear idea that it is the differential inputs of e.g. different professions that produce the resulting differences in e.g. manners and character-structures in virtue of and only in virtue of their operation on near-identical innate capacities. Thus, we can see he subscribes to both of what is now called the theses of cultural variety and psychic unity (See Sperber and Hirschfeld 1999). Smith himself expressed his views most

perspicuously in a famous passage of WN:

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were, perhaps, very much alike, and neither their parents nor play-fellows could perceive any remarkable difference. About that age, or soon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarce any similarity. (WN I.ii.4) Many different tribes of animals (...) derive from nature a much more remarkable distinction of genius, than what, antecedent to custom and education, appears to take place among men. By nature a philosopher is not in genius or disposition half so different from a street porter as a mastiff is from a greyhound... (WN I.ii.5)

The nature of these innate capacities in turn enable one to explain how and why differential inputs produce differential outputs – and in particular how and why they produce those and only those outputs that they do (for example how habituation to immorality retards and perverts moral evaluation). And the nature of these innate capacities also sets determinate bounds on what is and what is not possible for human beings and their societies. For instance, Smith believes that a so-called “state of nature” as theorized by e.g. Hobbes, Locke, Mandeville and Rousseau (cf. Essay/EPS 11-12) is not only a historically false construct of atomistically-inclined philosophers, but also psychologically impossible in light of the social nature of human beings. Similarly, in TMS, after having discussed at some length the plasticity which we have just analyzed, Smith goes on to emphasize that although moral judgment may be and often is perverted by different customs of e.g. different nations or societies, this is hardly ever the case for “the general style of conduct or behaviour” (TMS V.ii.14-16, quote TMS V.ii.14). The same chapter is begun by the reflection that since our sentiments concerning beauty of all kinds is highly “influenced by custom and fashion”, our judgments concerning the “beauty of conduct” cannot be “entirely exempted” from these factors either, and immediately stresses that its influence in the moral domain “seems to be much less than it is any where else” (TMS V.ii.1). In this context he singles out habituation to immoral actions as particularly important (TMS V.ii.2). Thus, whereas human nature for Smith is plastic, it is so only as a result of a determinate, equal and universal fundamental

makeup upon which the differential inputs resulting from e.g. living in a different kind of society, or working in a different profession operate to generate different outputs such as generally different character-structures or moral outlooks. This clearly and necessarily separates Smith from earlier and later notions of human nature as a tabula rasa. A last point that may be worth noting in passing is that the same general image of the relation between man and society – that is, cultural variability coupled with underlying psychic unity – is prominent in contemporary work in the human sciences as well:

Today, with a few undistinguished exceptions, it is generally agreed among cognitive and social scientists that cultural variation is the effect, not of biological variation, but of a common biological, and more specifically cognitive endowment that, given different historical and ecological conditions, makes this variability possible. (Sperber and Hirschmann 1999)

To sum up, I have shown that Smith particular theory of character-determination by ones position in the structural division of labour in a society is a special case of his more general conception of character-formation one's everyday life activities – in particular one's upbringing and one's everyday work or labour. More, he allows for a great deal of plasticity, but that this is founded on determinate, limiting/restrictive (i.e. everything is not allowed, and the extent of variation in human nature varies) and largely equal native endowments or capacities. Having thus examined briefly the more general thesis of character-determination by everyday life, surroundings and (particularly working) activity, of which the particular thesis of character-determination by positioning in the structural division of labour is a special part, I turn now to an examination of what Smith meant by the “general interest” of society.

(iii) *What is the “General Interest” of Society?*

The term “general interest” of society is used a number of places in WN, and in particular in the context of Smith's elaborations of either his class analysis (esp. WN I.x.b.25, WN I.xi.p.8-10) or of his use thereof in both descriptive social and political analysis (esp. WN IV.v.b.12, WN IV.viii.c.(.62), and as a component used in normative or prescriptive policy advice (esp. WN V.iii56). Smith's use of the term “general interest” and what he takes it to entail have caused some trouble for his commentators, especially those of the 19th and early 20th centuries who tended to read his works through the lens of later utilitarianism and neoclassical economics. I shall leave this debate aside for now, as both too demanding in terms of space and time in relation to its relevance to our overall concern here. In this section, I intend to show only how it would be a mistake to believe Smith's use of the term “general interest” constitutes a conception of “distributive justice” as he saw it – a term which had a wholly

different meaning to pre-modern thinkers such as Smith. Once this has been done I turn to a tentative analysis of what I believe Smith meant by the term “general interest of society”, and why it is of importance in WN in general, and why it is of importance to his descriptive class theory and normative political theory in particular.

Now it is important to note that Smith does not, in his use of the concept of the general interest of society, present or defend a theory of distributive justice along modern lines. This is not, pace Hont and Ignatieff (1983a) because he held the distribution of property to be strictly unmanageable, unenforceable, or beyond the scope of political theory. Rather, it is because the term “distributive justice” meant something very different in his time than it does now. Adam Smith is one of the last great writers on justice who uses the term “distributive justice” in its pre-modern sense where it is above all a matter of rewarding – especially through honours and political office – virtuous people on account of their merits (as opposed to commutative justice which punishes according to the crime committed and in so doing ignoring merit as a valid factor). This being said, Smith made a number of important contributions to the later development of modern conceptions of distributive justice, which I will leave till below (especially in (d)). The fact that Smith is among the last writers to use the term distributive justice in its pre-modern sense has led to considerable misunderstanding about his work. As Fleischacker (2004: 12-3) writes:

When Adam Smith writes, for instance, that distributive justice cannot be enforced (...), he is today widely understood to mean that distributive justice in its *modern* sense cannot be enforced. Attention to the history of the notion makes clear that he is actually talking about something quite different. (...) [T]he debates of contemporary scholars over Smith's attitudes toward distributive justice depend on giving that phrase a meaning that did not exist in Smith's day.

Examples of these kinds of mistakes include Hont and Ignatieff's (1983a: 24) claim that Smith excluded distributive justice from the appropriate functions of government, Winch's (1996: 100) assertion that in TMS Smith restricted the application of the notion of justice to commutative rather than distributive justice, and Griswold's (1999: 250) note that Smith made the decision to focus on commutative justice rather than distributive justice whilst assimilating distributive justice to the virtue of beneficence (cf. also Griswold 2005). As Fleischacker rightly points out:

These commentators all write as though Smith did something new or controversial – “excluded” something from the notion of justice (Hont and Ignatieff), “restrict[ed]” the notion in some way

(Winch), or made a “decision” to define the concept in an unusual way (Griswold). We are given the impression that, before Smith, there was a tradition that did include distributive justice among “the appropriate functions of government,” that Smith was abandoning, to private beneficence, a task that government was traditionally obliged to carry out. This impression is quite mistaken. “Distributive justice” was already a private virtue, not a job for the state, at the point when Smith inherited the natural law tradition, and it had never, pace our commentators, had anything much to do with the distribution of property. (Fleischacker 2004: 18)

Thus, whereas Smith is not overly concerned with distributive justice in its pre-modern sense – either in TMS, the LJs or WN – this does not mean that he is unconcerned with the distribution of property. Briefly put, the fact that Smith seems unconcerned with distributive justice and on top of this holds it to be unenforceable does not mean that he is unconcerned with, nor that it is beyond the concern of the legislator to advance some plan of/for, the distribution of property in society. Why? Because the notion of distributive justice Smith has inherited and was in fact working with, did not contain this as a concern of *justice* at all. In fact, I believe that the distribution of wealth is a, if not the, core normative concern of WN, and this trivially central to a proper understanding of what Smith means by the general interest of society. More relevantly for our immediate concerns here, however, is a proper clarification of what, for Smith, constitutes the “general interest” of society, as only on such a basis can we properly judge to what extent Smith's later arguments for how different class interests align or oppose that general interest. This is of great importance for understanding his conception not only of the three different classes in commercial society, but also his theory of the state and explanations of state policy.

Beginning with a close reading of certain sections of WN, I will show that what is of primary importance to the “general interest” of society, as Smith is concerned with it in WN, is the increased remuneration and material wealth of the working class. To begin, how do we determine whether or not such a person is well-off or not? According to Smith the labourer “is rich or poor, is well or ill rewarded, in proportion to the real, not the nominal price of his labour”, where the real price of his labour “may be said to consist in the quantity of the necessaries and conveniences of life which are given for it” (WN I.v.9). In short, the real labourer is rich or not in accordance with the extent of his purchasing power and made richer or poorer by the extension or restriction thereof. His fortune is thus “greater or less, precisely in proportion to the extent of this; or to the quantity either of other men's labour, or, what is the same thing, of the produce of other men's labour, which it enables him to purchase or command” (WN I.v.3, cf. LJ(A) vi.7-8, 33-4 and 36, LJ(B) 206 and 215 and *ED/WN* 12 (in

LJ)).

Now, Smith asks, is the improvement in the lives of “the lower ranks of the people” he sees resulting from the economic growth of commercial societies “to be regarded as an advantage or as an inconveniency to society?” (WN I.viii.36). Smith, famously, states his position on the matter as follows:

The answer seems at first sight abundantly plain. Servants, labourers and workmen of different kinds, make up the far greater part of every great political society. But what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. (WN I.viii.36)

After this observation, however, he goes on to provide a further three arguments for why the legislator has good reason to want to promote the wealth of ordinary workers. First up is the equity argument (WN I.viii.36) whereby it is argued that it “is but equity (...) that those who feed, cloath and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged” (WN I.viii.36). Second is the population argument whereby Smith argues that better rewarded labour will lead to population growth and help prevent under-stocking of labour (WN I.viii.37-40). Thirdly, he gives the industry argument whereby it is argued that higher real wages will lead to more effective and harder workers (a) because they will have greater bodily strength, and (b) because they will have realistic hopes of bettering their condition – a prime human motivator in Smithian psychology. Thus “[w]here wages are high, accordingly, we shall always find the workmen more active, diligent, and expeditious, than where they are low” (WN I.viii.44). In fact, Smith goes on to point out later in the very same paragraph, in these situations, and especially when they are paid by the piece, workers tend in fact to overwork themselves, and notes that each particular trade seems to have its own particular kind of infirmity caused by overwork. In fact based on this he advises wise manufacturers to take care to prevent their seasoned workers from so overworking themselves out of concern for their own long-term interests.

We should note that all of this accords well with the two aims of political economy, “considered as a branch of the science of a statesman or legislator”, posited in WN:

1. “to provide a plentiful revenue or subsistence for the people”, and
2. “to supply the state or commonwealth with a revenue sufficient for the publick

services”¹⁴

It follows from the conjunction of (1), the empirical fact that the vast majority of people belong to the working classes, and the fact that a plentiful level of revenue or subsistence is already in the hands of the other two classes, that the proximate or direct concern of the Smithian legislator will be to maximise the real wealth of the members of the working class. This conclusion seems to accord with Aspromourgos's (2010: 10, cf. also 209) claim that Smithian political economy has “as its normative or prescriptive purpose, the growth of consumption per capita, for the bulk of the population”. As Smith puts it in his *Early Draft of Part of the Wealth of Nations*:

the high price of labour [which amounts to highest possible real wages or real consumption of workers] is to be considered not merely as the proof of the general opulence of society which can afford to pay well all those whom it employs; is to be regarded as what constitutes the essence of public opulence, or the very thing in which public opulence properly consists. That state is properly opulent in which opulence is easily come at, or in which a little labour, properly and judiciously employed, is capable of procuring any man an abundance of all the necessaries and conveniences of life. Nothing else, it is evident, can render it general, or diffuse it universalle through all the members of the society. (*ED/WN* 12 (in LJ))

Smith was not unique in his day in supporting the rise in real wealth of working-class people. However, he was the first to propose it as the primary economic aim of policy and the principal measuring rod by which policy is evaluated, as well as the first to accompany it with by far the best and most satisfactory descriptive economic and political theory of the century (Aspromourgos 2010: 213).

Since Smith thinks we should seek to increase the material wealth of the working class and since, for reasons we will later discuss, Smith believes that this only increases in societies of economic growth, that they are not very high in stagnant or stagnating societies, and decreases where the “funds destined for the maintenance of labour [are] sensibly decaying” (*WN* I.viii.26), it follows that his primary goal is to secure maximum levels of economic growth. Indeed, his policy advice is geared towards just that end. The “general interest” of society, thus construed, effectively amounts to the securing of the greatest possible rate of growth, consistent with other, prior, necessities¹⁵.

Whereas this subject is one that cries out for more thorough treatment than that which we can

¹⁴ *WN* IV.1. We can safely ignore (2) for our purposes here.

¹⁵ This proviso is important, for it allows for the importance of inter alia national defence and so on taking priority .

here afford, I think it is nevertheless perhaps just sufficient to allow us to continue with the main focus of this work – namely Smith's class theory and its importance. Two things should now be clear from the above. First, Smith's overarching normative concern in WN crystallizes into a concern for the increased material wealth – i.e. in the increase of the real wages – of the working class. Second, this concern is not taken by him to be a matter of “distributive justice”, as that notion had a very different form and content from that of the equivalent word used today. The first point, in turn, requires a search for the greatest possible extension of the market and of economic growth. Thus, we now have a somewhat clearer notion of what the notion of the “general interest” of society is held to contain, and therefore also of the necessary foundations for determining whether or not the individual and collective interests of the members of different classes in commercial societies align, converge or oppose this stated goal of Smith's – which is an important part of Smith's overall analysis of class, state, and legislation and policy. Let us now look more closely at Smith's individual characterizations of these three classes.

(b) Landlords

Let us first begin with the class of landlords, landed gentry, or “country gentlemen”, as Smith sometimes calls them. Here we will first consider their position in the economic system or machine of commercial society, corresponding as it does to their position in its structural division of labour and its own particular source of income. Once this is done we will move on to detail the effects this position has on the cognitive and moral development of its members and its consequences – inter alia and especially on their suitability for public office and administration, their structural class interests, and their efficacy in politics and public deliberation broadly construed.

In terms of their structural function in the economy of commercial societies, the class of landlords governs and distributes the use of land, pure and simple. The form of income therefore accruing to them is the rent of land, which “enters into the composition of the price of commodities” (WN I.xi.b.8) just like wages and profits, albeit in a different way. Unlike the rates of wages and profits, which determine the natural price of a commodity and are thus causes of a commodity's price, rent is instead an effect of a commodity's price relative to what needs to be spent on the necessary wages and profits. This point is important and I will return to it below when discussing the connection between the landlords' class interests and the general interest of society. We should note that under feudalism – a sub-stage of the agricultural age preceding commercial society – the landlord class/the nobility fulfilled another socially critical function – namely that of military defense both of the nation and of local groups of its inhabitants. This role has largely fallen away in commercial societies – or will

do so in societies still on transitioning to the commercial age.

Landlords, living off the rent of land, land which they need not improve on their own and which, besides, improvements on which are often the product of the workers there themselves (WN I.xi.a.2, cf. also WN III.ii.7 for discussion of landlords in a different socio-historical situation, and whose limitations had additional effective causes) naturally lack any of the mental demands that come with having to plan and/or execute any projects of their own, nor any opportunity to exercise deliberating or problem-solving skills. It is worth noting in this context, and for future reference concerning the effects of an extreme division of labour for those working-class professions affected, how Smith links the lack of mental application with indolence.

They are the only one of the three orders whose revenue costs them neither labour nor care, but comes to them, as it were, of its own accord, and independent of any plan or project of their own. That indolence, which is the natural effect of the ease and security of their situation, renders them too often, not only ignorant, but incapable of that application of mind which is necessary in order to foresee and understand the consequences of any publick regulation. (WN I.xi.p.8)

One example of the common ignorance of landlords is his stressing how much more common it is for landlords to settle for less than the “natural” rent of land as opposed to the farmer settling for a rent higher than the “natural” level (WN I.xi.a.1). More, even in socio-historical situations where they are not distracted by e.g. warfare, the class of landlords are seldom able to make sensible economic decisions such as improving their land (as opposed to e.g. conquering or purchasing additional tracts):

To improve land with profit, like all other commercial projects, requires an exact attention to small savings and small gains, of which a man born to a great fortune, even though naturally frugal, is very seldom capable. (WN III.ii.7)

In fact, to Smith, this ignorance extends even to a proper knowledge of their own class interests. Indeed, because their class interests are inextricably connected to those of the general interest of society, when it comes to deliberations on public policy the class of landlords/proprietors “can never mislead [the public], with a view to promote the interest of their own particular order; at least, if they have any tolerable knowledge of that interest” (WN I.xi.p.8)(for examples of how their lack of such knowledge results in supporting policy that is strictly not in their interests see inter alia WN I.x.c.25,

WN IV.ii.21 and WN IV.v.23).

Being in general content with the “humble renown” the “propriety of his ordinary behaviour” affords him – qua a man born into rank and status – the typical landlord, lacking any significant skill or ambition to acquire any, is furthermore “unwilling to embarrass himself with what can be attended either with difficulty or distress” (TMS I.iii.2.5). Interestingly, the above description of the effects of the landlords' way of life on their mental faculties is disturbingly convergent with Smith's account of the effects of an extreme division of labour on the mental abilities of the working class (see e.g. WN V.i.f.50), as we will discuss later (in (d)).

The fact that, unlike the class of merchants and manufacturers and the class of wage labourers, the members of the landlord class need do neither any form of proper labour – indeed, as Smith writes, there are societies in which “[t]o trade was disgraceful to a gentleman, and to lend money at interest, which at that time was considered usury and prohibited by law, would have been still more so” (WN V.iii.1) – nor engage in, plan, or carry out any plans or projects of his own, of any kind, does, however, leave them with plenty of free leisure time. This, coupled with the fact that riches, power and rank and status are theirs by birthright, means that they can indulge themselves in “extravagant vanity” (Reisman 1976: 92)¹⁶. As Smith describes the paradigmatic landlord or “country gentleman”:

The elegance of his dress, of his equipage, of his house, and household furniture, are objects which from his infancy he has been accustomed to have some anxiety about. The turn of mind which this habit naturally forms, follows him when he comes to think of the improvement of land. He embellishes perhaps four or five hundred acres in the neighbourhood of his house, at ten times the expence which the land is worth after all his improvements; and finds that if he was to improve his whole estate in the same manner, and he has little taste for any other, he would be a bankrupt before he had finished the tenth part of it. (WN III.ii.7)

The cognitive or intellectual deficiencies identified among members of the landlord class, including inter alia an inability for prolonged attention and abstract thought, is used in Smith's far earlier critical analysis of Shaftesbury (LRBL I.137-148) – tellingly described as a “nobleman” (138,

¹⁶ Reisman (1976), in his quote on page 92 of WN IV.i.30, in fact makes a mistake in thinking the passage is a discussion of the habits of the landed gentry or landlord class when, in fact, it explicitly states that it is discussing the habits of sovereigns. The passage is actually about spending and the costs of warfare, but for our purposes it begins by discussing “the ancient kings of England” and comparing the state of that country with others, before moving on to talking about “the Chief of Cossacks in Ukraine”, the “French kings of the Merovingian race”, and the “Saxon princes”, before going on to consider the “sovereigns of improved and commercial countries”, which is the part of the paragraph that Reisman's quote is drawn from. Nevertheless, I repeat the quote only because I believe it to be essentially correct as a characterization of the landed gentry as Smith sees it.

148) – as a social theorist and stylistically as an author.

Now if this were all there was to be said – i.e. if landlords were faced with cognitive/intellectual deficiencies and the minor moral problem of childlike vanity and ostentation – the vaguely patronizing view of the landlord class as vain, childish and not too bright other commentators (esp. Berry 1997, Buchan 2006 and Rothschild and Sen 2006) have advanced would not be far off the mark. However, attention to a greater range of Smith's writings, especially TMS, reveals a far less sanguine and far more dismal view of the moral character of the landlord class.

According to Smith's ethical writings, landlords, being of the very wealthiest orders of men, face serious challenges – in fact, perhaps the most serious obstacles of any of the three classes – in their development of a virtuous character. Our discussion must necessarily be brief, but a summary treatment in this context will nevertheless prove essential. As Smith repeatedly points out, human beings desire both to be respectable, and to be respected, to be praiseworthy, and to be praised (TMS III.2), and the two are “distinct and independent of one another” (TMS III.2.2). Now, since to “deserve, acquire and enjoy” the respect of others are “the great objects of ambition and emulation”(TMS I.iii.3.2), by the search for social rank and status which Smith believes is a constant of human nature, we are offered two very different “images”, “roads” or ideals by which we can attain this object. On the one hand there is the road of “wisdom and virtue” with the corresponding character of “humble modesty and equitable justice”. Whilst attracting the attention only of “the most studious and careful observer”, whenever it does so it appears both “more correct and more exquisitely beautiful”. On the other hand there's the road of “wealth and greatness” with the corresponding character of “proud ambition and ostentatious avidity” which “forc[es] itself upon the notice of every wandering eye” and appears “more gaudy and glittering in its colouring” (TMS I.iii.3.2). (Smith comes back to this subject *inter alia* in his criticism of Mandeville in TMS VII.ii.4.8-10.) The sentiments we feel for the two (wisdom and virtue vs. wealth and greatness) are distinct, but are usually very hard to distinguish due not, as Lamb (1974) believes, because they often come to the same results for the “middling and inferior ranks”, but to their simple resemblance to one another (TMS I.iii.3.3). Because they are often hard to distinguish, and because wealth and greatness are more easily observed (literally easier to perceive) and thus seen better by more people, public esteem and admiration will often follow wealth and greatness rather than virtue¹⁷. Smith nevertheless insists – on largely stoic grounds – that “perhaps in all cases” the man of virtue is still the better off, for reasons we need not pursue further here (but see TMS VI.iii.31).

¹⁷ The conclusion Smith here sets out to explain may have been inspired by Aristotle's comment that men “in general” think that not only merit, but also and especially for their wealth – although Aristotle attributes this to their lack of leisure (*Politics* 1273a 4-6).

This tendency to confuse and conflate sympathies caused by wealth and greatness and sympathies caused by wisdom and virtue does in fact cause some considerable complications for moral judgment in stratified commercial societies. For the “middling and inferior professions”, according to Smith, it is fortunately negligible, as behaving virtuously will commonly be followed by due professional success. “[L]uckily for the good morals of society”, Smith reflects, the former and not the latter are the “situations of by far the greater part of mankind.” (TMS I.iii.3.5-8). Consequently, the difference of being motivated by the desire to be respected and praised on the one hand, and the desire to be(come) respectable and praiseworthy on the other, is of little practical consequence and thus seems not to cause significant problems for their moral development (i.e. there is no great temptation to follow one over the other). By contrast, for the rich and powerful “superior stations” – and here I think it is clear that he is referring particularly to the class of landlords or landed gentry¹⁸ – things are very different, as the requirements for achieving large(er) quantities of wealth, power and influence – the objects typically sought by those seeking respect and praise rather than respectability and praiseworthiness on account of their greater effects thereon – frequently requires and encourages one to act contrary to virtues such as justice and benevolence, with the result of significantly skewing others' sentiments (cf. especially TMS I.iii.2.5). Perhaps this is why landlords are later described as “proud and unfeeling” persons later in the text, and as seeing “the oeconomy of greatness” as a matter of “baubles and trinkets (TMS IV.i.10).

The challenges produced by the conjunction, first, of the attractions that the second “road” to increased rank and status hold for the landlord class, coupled with the mental deficiencies resulting from the consequences of their position in the structural division of labour, cause significant problems for their development of wisdom or (almost any, excepting perhaps courage) virtue. Rather than engaging in demanding tasks, plans or projects, he shuts himself up in court foppery and conspicuous consumption:

To figure at a ball is his great triumph, and to succeed in an intrigue of gallantry, his highest exploit. He has an aversion to all public confusions, not from the love of mankind, for the great *never look upon their inferiors as their fellow-creatures*; nor yet from want of courage, for in that he is seldom defective; but from a consciousness that he possesses none of the virtues which are

¹⁸ In all likelihood, I believe it to be most likely that Smith intends this analysis to hold for those very wealthy and powerful regardless of whether or not their source of income is rent or profits – i.e. regardless of whether or not they are landlords or merchants and/or manufacturers. However, whereas it would likely hold only for *some* merchants and manufacturers – viz. those and only those whose wealth and greatness reach a significant height – it also seems likely that he intends it to hold for *all* landlords due to the fact that these are uniformly extremely wealthy in commercial societies.

required in such situations, and that the public attention will certainly be drawn away from him by others. He may be willing to expose himself to some little danger, and to make a campaign when it happens to be the fashion. But he shudders with horror at the thought of any situation which demands the continual and long exertion of *patience, industry, fortitude, and application of thought. These virtues are hardly ever to be met with in men who are born to those high stations.* (TMS I.iii.2.5, my emphases.)

All of this being said, for all the moral failings engendered by their socio-economic situation, landlords are at least, “of all people, the least subject to the wretched spirit of monopoly” (WN IV.ii.21). A typical merchant or manufacturer will fear, and seek by all possible means (including legal and political in the sense of policy) to prevent, the establishment of potentially competing endeavors and projects in his vicinity. “Farmers and country gentlemen”, by contrast,

are generally disposed rather to promote than to obstruct the cultivation and improvement of their neighbours farms and estates. They have no secrets, such as those of the greater part of manufacturers, but are generally rather fond of communicating to their neighbours, and of extending as far as possible any new practise which they have found to be advantageous. (WN IV.ii.21).

In short then, the class of landlords are susceptible to vices such as pride, meanness and vanity, and will typically fail to develop any significant attributes or virtues – e.g. patience, industry, fortitude and application of thought on the one hand, and justice and beneficence on the other – relevant to and important in commercial societies. Although he may well be courageous, this is not a virtue much in demand in peaceable commercial civilization(s). However landlords do not necessarily have insurmountable problems with prudence or self-command. More, significantly, wealthy landlords are defective in their love of mankind, seeing their social inferiors as less than fully human fellow-creatures. Perhaps this is why Smith writes of how “the proud and unfeeling landlord views his extensive fields, and without a thought for the wants of his brethren”, and is nevertheless driven by an “invisible hand”, as he must be, to “without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species” (TMS IV.i.10).

This added dimension to Smith's treatment of the landlord class reveals an almost dismal view of the development of individual landlords as moral creatures which demands a revision to the much milder received view of e.g. Berry (1997), Buchan (2006), and Rothschild and Sen (2006). On my amended account, Smith sees the landlord class as largely without any virtues, completely lacking all

of the most important ones in commercial society, strongly cognitively and motivationally deficient, and lacking any of the natural human love of mankind for their perceived inferiors. One point of clarification is warranted. My criticism is that the general picture Berry, Buchan and Rothschild and Sen paint of Smith's conception of the landlord class is incomplete and thus, as a whole, false. Trivially, because these key elements are missing, the whole they compose is not only incomplete, but, in fact, if mistaken for an adequate general characterization of Smith's conception of the landlord class, strictly incorrect. As my run-through above of one such key missing element, coupled with a demonstration of its relevance for understanding Smith's overall picture of the landlord class, has shown, this is unfortunately the case.

As a result of these numerous deficiencies of the landlord class, administrative offices must necessarily be left to those from the others two classes – viz. the “middling and inferior ranks”. This is of little consequence to the landlord class, however, as they (fortunately) seem to have little interest in staffing these themselves in any case:

In all governments accordingly, even in monarchies, the highest offices are generally possessed, and the whole detail of the administration conducted, by men who were educated in the middle and inferior ranks of life, who have been carried forward by their own industry and abilities, though loaded with the jealousy, and opposed by the resentment, of all those who were born their superiors, and to whom the great, after having regarded them first with contempt, and afterwards with envy, are at last contented to truckle with the same abject meanness with which they desire that the rest of mankind should behave to themselves. (TMS I.iii.3.5)

We have now examined the structural and developmental bases to which the members of the class of landlords, landed gentry, or country gentlemen are subject, and gone on to detail the cognitive and moral effects that Adam Smith takes them to have on the human beings within them. Consequently, we can now turn to an examination of this class' economic and political interests, as well as their efficacy in politics and political deliberation.

Why are the interests of the landlord class seemingly inextricably bound up with that of the “general interest” of society, according to Smith? To Smith their class interest “is strictly and inseparably connected with the general interest of the society” because “whatever either promotes or obstructs one, necessarily promotes or obstructs the other” (WN I.xi.p.8). We can perhaps reconstruct the argument he advances through WN I.xi.p.1-8 as follows:

- (1) It is in the class interests of (the members of) the landlord class – qua that class living off the rent of land – to maximize the real rent of land.
- (2) “[E]very improvement in the circumstances of the society tends either directly or indirectly to raise the real rent of land, to increase the real wealth of the landlord...” (WN I.xi.p.1). This includes
 - (a) the extension and improvement of cultivation,
 - (b) the rise of the real price of the “rude produce” of the land,
 - (c) the increased productivity of labour in manufactures, and
 - (d) the increase in the “real wealth” of society, i.e. any increase in the quantity of useful labour employed.
- (3) Every decline or deterioration in the “circumstances of society” tends, conversely, to diminish the real rent of land and thus also to diminish the real wealth of the landlord. This includes
 - (a) the neglect, decline or deterioration of cultivation,
 - (b) the fall in the real price of any part of the produce of land,
 - (c) the rise in the real price of any manufactures (e.g. from the decay of manufacturing art or industry), and/or
 - (d) the declension of the real wealth of society.

Therefore

- (4) It is always in the class interests of (the members of) the landlord class to further and promote all improvements in “the circumstances of society” – and, by the same token, it is also in their interest to seek to prevent or forestall any and all decline or deterioration thereof.

The argument is perhaps clear enough thus reconstructed. However, it is not altogether immediately clear how and why it is the case that the interests of the landlord class thus shown to be inextricably connected with the “circumstances of society” are thereby also rendered “strictly and inseparably connected” with the “general interests” of society – a concept that at least sounds like a distinct notion. However, given our prior elaboration of what Smith means by society's general interest, the connection should be rendered more visible. The factors included under “circumstances of society” as per 2(a)-(d) and 3(a)-(d) above are all factors which either constitute or promote general economic growth. This, in turn, Smith believes will increase the material wealth of the poor and the wage labourers. Since this is the case – i.e. since the increase of the material wealth in particular of the poor working class constitutes the general interest of society, since that seems either identified with or to at least necessarily promoted by an improvement of the “circumstances of society” (see II.a.iii above),

and since the class interests of (the members of) the landlord class are inextricably connected with the “circumstances of society” – the class interests of (the members of) the landlord class are thus “strictly and inseparably connected” with those of the general interest in Adam Smith's thought.

Given the fact that they have an abundance of leisure time, probably the greatest individual hoards of individual external goods such as wealth, power and rank and status, in commercial societies, and that their interests line up perfectly with the general interest of society, a Smithian thinker has good reason to hope that they are highly influential in the formation of public policy. This, however, due largely to the cognitive deficiencies – but also, to some extent, their moral vices – is not the case. For one, due to the fact that their position in the structural division of labour results in severe cognitive deficiencies, as detailed above, landlords are usually rendered incapable of the mental efforts required to properly identify their own interests, and then to judge whether or not a particular piece of policy or legislation is apt to further it or not. For another, the fact that these mental abilities, coupled with significant external goods, are properly developed in another powerfully influential class – namely that of merchants and manufacturers – means that they are often persuaded or tricked into supporting legislation and policy which, though masquerading as furthering the general interests of society, are in reality meant only to promote the particular interests of either the class of merchants and manufacturers in general, or some particular segment thereof. Finally, it also deserves mentioning that, even where these problems could or perhaps in part are overcome, the landlord class still has problems combining and organizing in order to promote their class interests when compared to the class of merchants and manufacturers. This is due both to their cognitive deficiencies outlined above, and to the fact that unlike merchants and manufacturers who are crowded into dense cities and can thus easily meet up, landlords live far apart in both space (physical distance, so hard and complicated to meet up) and time (the time taken for communication to go back and forth being thus significantly higher). As Smith puts it, landlords

have commonly neither inclination nor fitness to enter into combinations; and the clamour and sophistry of merchants and manufacturers easily persuade them that the private interest of a part, and of a subordinate part of the society, is the general interest of the whole. (WN I.x.c.25)

Thus, even though it is the case both that their interests line up excellently with the general interest, and they have the requisite external goods for substantial political influence and efficacy, the psychological character-structure resulting from the position in the structural division of labour – strong and homogenous as it is in this order of men – renders them largely unable to pursue their own

interests in a proper fashion.

Now, for a last point, Smith holds that one can in fact become a member of the class of landlords other than through birth, marriage and/or military promotion. It is possible for a sufficiently wealthy merchant or manufacturer to become a landlord proper by simply purchasing sufficient tracts of land and living off the rents. The motivations for doing so are obvious: the class of landlords enjoys greater social rank and status, the life of a rentier is more comfortable and less demanding than any other in a commercial society, and life in the countryside is, according to Smith, more pleasant and enjoyable. By doing so he takes up the very same position in the structure of the economic mechanism of commercial society and thereby also takes the corresponding place in its structural division of labour. However, in accordance with Smithian developmental psychology we should expect such a merchants or manufacturer to still carry with him the virtues and intellectual abilities he acquired as a member of the class to which he belonged for most of his working life. And this is just what we find in Smith's discussion of the matter:

Merchants are commonly ambitious of becoming country gentlemen, and when they do, they are generally the best of all improvers. A merchant is accustomed to employ his money chiefly in profitable projects; whereas a mere country gentleman is accustomed to employ it chiefly in expence. The one often sees his money go from him and return to him again with a profit: the other, when once he parts with it, very seldom expects to see any more of it. Those different habits naturally affect their temper and disposition in every sort of business. A merchant is commonly a bold; a country gentleman, a timid undertaker. The one is not afraid to lay out at once a large capital upon the improvement of his land, when he has a probable prospect of raising the value of it in proportion to the expence. The other, if he has any capital, which is not always the case, seldom ventures to employ it in this manner. If he improves at all, it is commonly not with a capital, but with what he can save out of his annual revenue. Whoever has had the fortune to live in a mercantile town situated in an unimproved country, must have frequently observed how much more spirited the operations of merchants were in this way, than those of mere country gentlemen. The habits, besides, of order, oeconomy and attention, to which mercantile business naturally forms a merchant, render him much fitter to execute, with profit and success, any project of improvement. (WN III.iv.3)

As we can see, this passage brings together a number of elements previously discussed, including how landlords are not accustomed to use their money to invest, how they are unused to partaking in plans and projects, how they typically fail to improve their lands, and how they are

cognitively and morally ill-equipped when compared to merchants and manufacturers. What is important for us to realize is that, in structural terms, this is an instance of class mobility to Adam Smith, though the effects that prior class location has on the person(s) involved remain the most significant (consistently with his developmental psychology as per II.a.ii above).

In sum, then, the class of landlords, for Smith, takes up a functional role and corresponding position in the structural division of labour in commercial societies whereby they collect rent on land worked, maintained and managed by others. As a result, they collect substantial external goods – wealth, power, and rank and status – though at significant cost to their internal ones. Lacking nothing, and having no need to do any sort of work or mental exercise of any kinds, they naturally become slow, indolent, and unable to properly assess their own interests or the effects of legislation or policy thereon. Whereas it might *prima facie* seem that their moral character is not too lacking – acknowledging that they may be brave and that their worst and most common vice is childlike vanity (which doesn't sound all that bad) – upon more extensive reading it becomes clear that, due to the requirements of social advancement in the context of large quantities of wealth and greatness (cf. the two roads above), the challenges to developing a properly moral character are considerable indeed – perhaps more so than for any other class. Thus we have occasion to present and defend a broader and far less sanguine view of the landlord class than that of other relevant commentators. Even though their interests as rentiers are closely aligned with and connected to the general interest of society, landlords are rarely properly aware of this fact, and are furthermore often misled by the more intelligent and persuasive members of the class of merchants and manufacturers. The same cognitive deficiencies make it the case that members of this class of men are largely useless as public servants – and in any case largely disinterested in the job as it requires actual mental effort – and significantly limits their potential for public deliberation and political influence. We shall turn now to the class of merchants and manufacturers.

(c) Merchants and Manufacturers

The class of merchants and manufacturers consist of those economically active agents in commercial societies who derive their incomes from the profits of stock (cf. WN I.xi) – what Marx and others would later call the capitalist class. Now, in order to earn proper profits on stock, the merchant or manufacturer has to invest wisely in projects that will return the highest available yields – both to stay in the game and not be out-competed by his peers, and in order to distinguish himself in the search for wealth, power, and (particularly importantly in Smithian motivational psychology) social rank and

status. It is primarily the competitive drive among the class of merchants and manufacturers which, for Smith, drives the progressive economy of commercial societies. As Smith himself writes: “[T]he plans and projects of the employers of stock regulate and direct all the most important operations of labour, and profit is the end proposed by all those plans and projects” (WN I.xi.p.10). Accordingly, to Smith they are “the heroes of *The Wealth of Nations* – of the epic of increasing opulence which is at the heart of Smith's economic thought” (Rothschild and Sen 2006: 328). In passing, we should mention that, in accordance with the variety of different plans and projects engaged in, merchants and manufacturers, like workers, are a more diverse category than that of landlords (see below and below II.d, as well as their description in Rothschild and Sen 2006).

Now, due to their functional roles in the economy of commercial societies, merchants and manufacturers are – indeed, must be – “during their whole lives (...) engaged in plans and projects” (WN I.xi.p.10). If they should ever cease to do so, they must either find an alternative source of income or forgo one altogether. More than this however, their economic engagement is highly active. Not only is the merchant or manufacturer constantly engaged in different plans and projects, many of which, such as long-distance trade, “commit [his capital], not only to the winds and the waves, but to the more uncertain elements of human folly and injustice, by giving great credits in distant countries to men, with whose character and situation he can seldom be thoroughly acquainted” (WN III.i.3). He is also required to constantly supervise, evaluate and seek to improve his projects throughout their duration, largely regardless of what in particular those projects are. As a result of these demands their functional role in the economy of commercial society and their structural position in the division of labour, a member of the class of merchants and manufacturers, if he is to distinguish himself relative to e.g. members of his own class or members of the landlord class, must, at least inter alia:

acquire dependants to balance the dependants of the great, and he has no other fund to pay them from, but the labour of his body, and the activity of his mind. He must cultivate these therefore: he must acquire superior knowledge in his profession, and superior industry in the exercise of it. He must be patient in labour, resolute in danger, and firm in distress. These talents he must bring into public view, by the difficulty, importance, and, at the same time, good judgment of his undertakings, and by the severe and unrelenting application with which he pursues them. Probity and prudence, generosity and frankness, must characterize his behaviour upon all ordinary occasions; and he must, at the same time, be forward to engage in all those situations, in which it requires the greatest talents and virtues to act with propriety, but in which the greatest applause is to be acquired by those who can acquit themselves with honour. With what impatience does the man of spirit and ambition, who is depressed by his situation, look round for some great

opportunity to distinguish himself? No circumstances, which can afford this, appear to him undesirable. He even looks forward with satisfaction to the prospect of foreign war, or civil dissension; and, with secret transport and delight, sees through all the confusion and bloodshed which attend them, the probability of those wished-for occasions presenting themselves, in which he may draw upon himself the attention and admiration of mankind. (TMS I.iii.2.5)

However, his attention and mental and physical powers are always concerned solely with – and thus, at least insofar as economic considerations are concerned, strictly restricted to – his own selfish or self-interested concerns (see WN I.xi.p.10), a matter which we will show to be of some relevance shortly.

The requirements of his functional role in the economy and his position in the structural division of labour – thus demanding considerable mental and physical exertion, keen attention to empirical detail and the gathering of information and knowledge, as well as frequent opportunity for creativity, invention and the use and development of one's problem-solving skills – has the result of producing a class whose mental faculties are, seemingly by leaps and bounds, by far the greatest in commercial societies. This, as I have shown above (II.a.ii), is, for Smith, not at all a matter of sorting the hereditary wheat from the chaff, but, on the contrary, a matter of differential circumstances, education, and everyday work operating on and through largely identical native endowments to generate differential character-structures. These abilities are not without limitations – in particular due to the limited scope of their concern, as noted above, to their own private interests. Smith, comparing the class of merchants and manufacturers to the landlord class, sums the matter up elegantly:

As during their whole lives they are engaged in plans and projects, they have frequently more acuteness of understanding than the greater part of country gentlemen. As their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about that of the society, their judgment, even when given with the greatest candour (which it has not been upon every occasion) is much more to be depended upon with regard to the former of those two objects, than with regard to the latter. Their superiority over the country gentleman is, not so much in their knowledge of the publick interest, as in their having a better knowledge of their own interest than he has of his. (WN I.xi.p.10)

Thus, whereas they have keen knowledge of their own interests, and all the requisite abilities to evaluate the effects of public legislation and policy thereon, they are generally lacking both in interest and ability in judging the general interest of society (cf. WN IV.i.10). This last, however, is of less

importance than it might be due to the fact that their particular interests, which are those they largely seek to promote, are never the same as, and always opposed to, those of the general interest in any case.

But what of the paradigmatic virtues and vices of the class of merchants and manufacturers? As with the landlord class, these are again the results of their functional role in the economy of commercial society and their matching position in the structural division of labour. In general, Smith notes, “great fortunes” are gathered by merchants and manufacturers not by luck or fortunate circumstances (only), but “in consequence of a long life of industry, frugality, and attention” (WN I.x.b.38). Thus required to take good care of their affairs, the merchant or manufacturer must develop the virtues of prudence, of self-command, and seemingly also a sense of justice (TMS I.iii.3.5¹⁹). These are the paradigmatic virtues of the class of merchants and manufacturers in consequence of (1) the fact that they are the virtues the members of this class must seek to cultivate in themselves in order to be successful in their economic lives, and (2) the fact that their everyday work both affords opportunity and positively demands the exercise and development of these character-traits.

On the other hand, the paradigmatic vices of merchants and manufacturers are also precisely those one would expect from an order of men whose sole constant focus of attention is on advancing their own plans and projects in an attempt to further their own interests – often at others' expense. Recall, as we noted above, that the plans and projects with which merchants and manufacturers are constantly engaged are precisely and always their own and nobody else's. Consequently, they are often subject to “mean rapacity” (IV.iii.a.9), to a spirit of monopoly or monopolizing spirit (see *inter alia* and esp. WN IV.ii.16 (cf. 21), IV.ii.38, IV.ii.43, IV.iii.c.9, IV.iii.c.10 IV.iv.1, and IV.vi.61-3), and to “avarice and ambition” (WN V.i.a.2). Presumably, this undermines to some extent their development of beneficence.

The aforementioned “spirit of monopoly” however, is not as simple as being *merely* an expression of the limited scope of attention and concern generated by their position in the structural division of labour. It is also an expression of a merchant or manufacturer's functional position in the economy of political society both *vis-à-vis* other merchants and manufacturers, and *vis-à-vis* the other classes, “ranks” or “orders” of men. As Smith duly points out: “[m]erchants and manufacturers are the people who derive the greatest advantage from th[e] monopoly of the home market” (WN IV.ii.16 and IV.iii.a.10), as he goes on to affirm throughout WN. Objectively speaking, the “spirit of monopoly” displayed by merchants and manufacturers is jointly a product of their individual (e.g. a wool manufacturer seeking to prevent the establishment of competitors close by, cf. WN IV.ii.21) and

¹⁹ Here I notably interpret merchants and manufacturers as at least generally falling under the “middling” of the “middling and inferior” stations.

corporate interests (e.g. a group of manufacturers seeking protection on a home market, cf. WN IV.ii.16), as well as the cognitive and motivational demands of their position in society. In turn, these are the products of their functional roles and corresponding locations in the structural division of labour in commercial societies.

At this point it may be of interest to consider Reisman's (1976) reconstruction of Smith's ideal of the “prudent man”, whom Reisman interprets as a sort of idealized businessman or merchants/manufacturer:

1. He is practical, down-to-earth, and single-minded in his pursuit of prosperity. Thus, in general, he avoids riotous gatherings, keeps out of day-to-day politics except as a means to advance his own individual or collective interests, and though scrupulously observing cultural and societal norms he is generally neither particularly sensible nor compassionate.
2. He is able to evaluate new investments clearly and competently. He is also able to defer present for future enjoyment, and is acutely aware of his risk of falling down into the working class, and of his desire to rise in social rank and status.
3. Partly as a result of 1 and 2, he generally avoids unnecessary risks.
4. He is honest at all (or almost all) times, as his continued success will often be dependent on others' trust, which in turn is best maintained by acting in a trustworthy manner.²⁰

Thus, Reisman (1976: 95), I believe correctly according to our outline above, summarizes the matter we have been discussing in the following manner:

like Weber, Smith identified the capitalist entrepreneur as being hard-working, rational, honest, ascetic in his preference of abstinence to ostentation, possessing business acumen and an ability to weight future against present utilities. (...) [T]o Smith [this constraint] was material: years of activity as a businessman cannot but breed habits of frugality, industry, and self-command, as without these no individual can survive and prosper in business...

Having thus laid out the character-structures of merchants and manufacturers – complete with their paradigmatic virtues and vices – resulting from their functional roles and positioning in the

²⁰ Reisman 1976: 93-5. See inter alia and esp. (in respective order of relevance) TMS VI.i.9, VI.i.13, VI.i.14, VII.ii.2.9, and VI.i.6. We should note that nothing about the “prudent man” as described by Smith restricts the notion in any strict manner to members of the class of merchants and manufacturers per se. As he notes in other work, particularly in WN, it is perfectly possible for ordinary working men to become prudent characters and even, given the correct circumstances (especially the requisite levels of wealth and independence), to become merchants and manufacturers in their own right.

structural division of labour in commercial society, we turn now to their individual and collective (class) interests. How then, do the individual and collective interests of the class of merchants and manufacturers – including, as it does, their interest(s) in monopoly and their “monopolizing spirit” – line up with the general interest of society according to Smith? As Rothschild and Sen correctly point out, Smith sees the interests of merchants and manufacturers as “not identical with, and (...) often opposed to, the [general] interest of the society” (Rothschild and Sen 2006: 328). Smith himself pursues the matter back to the functional roles merchants and manufacturers play in the economy, pointing out that:

the rate of profit does not, like rent and wages, rise with the prosperity, and fall with the declension of the society. On the contrary, it is naturally low in rich, and high in poor countries, and it is always highest in the countries which are going fastest to ruin. The interest of this third order, therefore, has not the same connection with the general interest of the society as that of the other two. (WN I.xi.p.10)

In short, since the rate of profit is not directly related to the rate of growth – as, for instance wages and rent are – and is, in fact, at least often inversely proportional thereto, the class interests of merchants and manufacturers are not positively related to those of the general interest of society. This being said, it would be hasty to claim that the class of merchants and manufacturers are seen as enemies of economic growth in general – a claim Smith never makes. In fact, given their drive to increase their own wealth as much as possible, they must surely support the growth of at least their own businesses in particular and their own industries in general. In light of this fact it seems highly unlikely that members of the class of merchants and manufacturers would ever organize together deliberately with the stated goal of decreasing growth, as they for instance would and do in order to minimize the wages of labour. The point I think we should draw from this, however, is precisely the one Smith himself does – namely the crucial moment that the interest of merchants and manufacturers is does not have the same connection with the general interest of society as those of the other two orders. In other words, unlike for the landlord and working classes, we have no good reason to expect merchants and manufacturers to seek to further the general interest of society.

In addition to this, however, it is also the case that the interests of particular individuals and groups or factions of merchants and manufacturers are often opposed to the general interest of society. For instance:

[t]he interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the publick. To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the publick; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens. (WN I.xi.p.10, cf. also WN IV.iii.c.9)

Accordingly, it is always in the interest of individual merchants or manufacturers to seek to “narrow” or restrict competition, and similarly for organized factions thereof. It is thus that merchants and manufacturers are subject to the “spirit of monopoly” discussed above, and this goes not just for the home market, but for the quest to dominate and monopolize foreign markets as well (cf. *inter alia* WN IV.ii.43-4, IV.iii.a.10, IV.iii.c.9-10 IV.iv.1 and IV.vii.b.49, IV.viii, and V.i.e.4, and this thesis III.b). As Smith consistently repeats, all such narrowing of competition retards growth and development, and thus works against the general interest of society. Furthermore, since the wages of labour constitute an expense to be minimized (WN I.viii.11), merchants and (especially, for obvious reasons) manufacturers seek by any available means – directly economic, legislative, political – to reduce the wages of labour as near as possible to the minimum subsistence level (WN I.viii.11-15). Importantly, Smith insists that wage regulation, when it “is in favour of the workmen, it is always just and equitable; but it is sometimes otherwise when it is in favour of the masters”, citing law requiring masters to pay their workers in money rather than goods as an example of the former (WN I.x.c.61). Thus working against the rise and for the minimization of wages, merchants and manufacturers tend to work against the general interest both directly as such, and also indirectly insofar as higher wages lead to, *inter alia*, more efficient and harder work (cf. II.a.iii above).

In sum then, the interests of the class of merchants and manufacturers is never the same as the general interest of society since profits bear nothing like the same positive relation to economic growth as that of rent and the wages of labour, and they are frequently directly opposed to the general interest because they seek by all available means to increase the prices of their goods and minimize the wages of labour, and because in order to do this – in particular, in order to accomplish the former – they seek various forms of protection such as monopolies, tariffs and trade barriers which retard and forestall economic growth and development (see below III.b.). As such, Smith writes:

The proposal of any new law or regulation of commerce which comes from this order, ought

always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same with that of the publick, who have generally an interest to deceive and even to oppress the publick, and who accordingly have, upon many occasions, both deceived and oppressed it. (WN I.xi.p.10)

In light of their problematic relation to the general interest of society – what Smith identifies most clearly as his primary normative metric in WN – it becomes of significant importance and interest to determine whether or not they wield significant social and political power. This, he notes, is unfortunately very much the case. Being, as they are, constantly engaged in plans and projects merchants and manufacturers have a keen knowledge both of their own interests, and of the effects that legislation and policy will have thereon. As a result of this in conjunction with their superior cognitive abilities as discussed above, they are often able to persuade the technically wealthier and more powerful members of the landlord class to support their policy recommendations and bona fide efforts to promote the general interest. Thus, comparing them to the landlord class, Smith writes that:

Their superiority over the country gentleman is, not so much in their knowledge of the publick interest, as in their having a better knowledge of their own interest than he has of his. It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the publick, from a very simple but honest conviction, that their interest, and not his, was the interest of the publick. (WN I.xi.p.10)

In fact, Smith points out numerous examples where merchants and manufacturers have misled members of the landlord class in just such a way (see inter alia WN I.x.c.25, WN IV.ii.21, and WN IV.v.a.23). Indeed, as we shall go on to show, the interests of the class of merchants and manufacturers are the ones primarily catered for in both domestic and foreign policy – much to the detriment of the general interest as well as the particular interests of both the other classes (cf. WN IV.ii.43-4, IV.iv.1 and IV.vii.b.49, IV.viii, and V.i.e.4).

Lastly, in his discussion of the wages of labour Smith details how members of the class of merchants and manufacturers organize and plot in order to ensure that wages (a) never increase, and (b) approach as close as possible the bare minimum for survival and reproduction – a joint function of their class interests to minimize the wages of labour and their acute awareness of that interest. In doing so they have a myriad of means at their disposal – greater initially bargaining power, tacit agreements,

explicit agreements, greater clout in the public sphere, as well as appeals to legislative and political (in the sense of policy) tools. For this see *inter alia* and in particular WN I.viii.11-16.

Now, as we have seen above, sufficiently wealthy merchants and manufacturers can become landlords, and as we shall see below both impoverished landlords and merchants and manufacturers are forced to become members of the working class if they are to remain participating agents in the economy of a commercial society. But how, according to Smith, does one become a merchant and/or manufacturer, and who becomes such? It seems to be first the slightly better-off independent workmen who, on accumulating sufficient wealth, can collect enough materials both for their own work and for one or more others, which they then employ. Supposing he reaps sufficient profits, he can then expand production until he becomes more and more a master manufacturer and/or merchant (WN I.viii.20).

In sum, then, the class of merchants and manufacturers is hugely important for Smith's understanding of the dynamics of commercial society in both its economic and political aspects. Deriving their wealth from the profits of stock, they are the primary motor force driving economic progress in commercial societies via their ambition for higher social positioning. Being constantly engaged in plans and projects to just that effect, they are the most mentally able of the three classes, in order to be successful they must develop industry, frugality and attention, and cultivate the virtues of prudence, justice, and self-command. Relatedly, they also have a keen awareness of their own particular and sectional interests – though not always of the general interest – and of the influence that various legislation and policies will have thereon (which is, in turn, related to both their spare time and their well-developed cognitive capacities). Their vices, on the other hand, are those one would expect from a class of men throughout their lives concerned mainly with furthering their own particular interests, namely mean rapacity, avarice and ambition, and a spirit of monopoly – all, it seems, threatening the virtue of benevolence. Also as a result of their external goods, the fact that they have free time, and their superior cognitive abilities, merchants and manufacturers are able to wield significant deliberative and political force – often by tricking members of the landlord class (who, as a general rule of thumb, have greater external goods) to support them in their endeavors, often to their detriment and to the detriment of the general interest of society. The joint facts that this class seems both by far the most powerful and effective, and has interests never aligned with, and often directly opposed to, the general interest, haunts Smith's practical policy advice throughout WN – as we shall see especially in Parts III and IV below.

(d) The Working Class

The working class, or the class of wage labourers, makes up the vast majority of the members of a commercial society, according to Smith. Their source of income is the wages advanced to them for their labour by either landlords, merchants and manufacturers, or some combination thereof. They are the ones who work, manage and maintain the lands of the landlord class (where this has not been subject to capitalist organization), and they are the men who carry out the plans and projects of the class of merchants and manufacturers. They are thus in crucial ways dependent on these other two classes and their wealth for their income – a fact which is important both for the determining of the wage rate and for determining when their share of the national income will rise or fall (for all of this see WN I.viii). It is perhaps worth pointing out that Smith construes this class broadly so as to explicitly include independent, self-employed and semi-self-employed workers of one sort or another – what Marxists and many other class theorists would later label the petty-bourgeoisie. He holds these to be included under the rubric of the class of wage labourers even though he claims that they instantiate both roles – that of master manufacturer and worker – and thus also includes both of the two distinct sources of revenue, profits and wages (WN I.viii.9). This being said, Smith insists that these cases are rare and exceptional to commercial society (WN I.viii.10) – probably as an attempt to justify their assimilation to a strictly distinct category as a maneuver of simplifying abstraction.

Having determined their functional role in the economic system or mechanism, we can now go on to consider the effects that the corresponding position in the structural division of labour has on the members of this class. To begin, let us recall Smith's comment that "the understandings of the greater part of men necessarily formed by their ordinary employments" (WN V.i.f.50), and our summary of Smith's general theory of character-structure and character-development in II.a.ii above. Just as we have shown with the above two classes, their position in society's structural division of labour also has profound effects on the nature and development of the personalities of working-class persons. This being said, however, one point it is important to keep in mind is that, as we have seen in part above and will see more clearly soon, the effects of different positioning in the structural division of labour varies across the three different classes Smith discusses in the context of commercial societies. For example, these effects are far more extreme and uniform among the landlord class than they are among the class of wage labourers. In this particular case this is due to the fact that the structural position in the division of labour enjoyed by landlords renders them all doing virtually identical tasks or work (i.e. not much at all as far as work is concerned) over the course of their lives, whereas wage labourers may do either of a range of different particular labours all within the same structural position in the division of labour in the economy. On a Smithian account of character-structure and character-development shaped chiefly by a person's everyday activities (cf. II.a.ii above) it is natural that a greater convergence in actual

everyday activities or work (including lack thereof) leads to stronger homogenizing tendencies than conversely – and thus that the effects of position in the structural division of labour has on the members of different classes roughly tracks the extent to which this structural position determines the content of their everyday life activities. As a result of all this, it is natural to expect Smith's characterizations of working men of different sorts to be more varied and sophisticated than the ones he gives landlords and also perhaps than the ones he gives merchants and manufacturers.

For example, Smith argues that the “common ploughman,” because he is less accustomed to social intercourse as a result of his solitary workday and thus “more uncouth” and “less accustomed to social intercourse” than an urban mechanic, “though generally regarded as the pattern of stupidity and ignorance,” is “seldom defective” in his often highly complex judgments regarding his materials and instruments of labour. In comparison to the urban mechanic his overall level of understanding is actually “generally much superior” due to the fact that the mechanic's “whole attention from morning to night is commonly occupied in performing one or two simple operations” (WN I.x.c.24).

We shall soon venture on to discuss the cognitive and moral aspects of the consequent character-structure of wage labourers, but before we do so there are two things that are most remarkable about Smith's writings on the working class which need to be brought out. First, there is the incredible feat of performing a genuine revaluation of values in the Nietzschean sense in political theory by which Smith (no doubt later buttressed historically by growing working-class militancy) first of all takes political thought from the widespread view that the poor were poor due to moral and cognitive deficiencies, thus deserved to stay poor, and in fact needed to be kept poor and deferent to their lords. Secondly, he is able to do this, in large part, because he presents an alternative view as to what poverty is, the causes of poverty in society and the division of labour, and its subsequent effects on the individual. In order to show that this is the case – i.e. in order to argue that Smith really does present a radical re-conception of the working class – I will show how Smith presents a view of ordinary working men on which they are innately equal to their “betters”, both cognitively and morally competent and virtuous beings, and discusses and recommends a remedy for the one major factor he sees as serving to undercut these potentials.

To Smith, ordinary workmen – though a more varied class than the other two owing largely to their greater variation in everyday tasks and activities – are seen as remarkably intelligent and moral beings. For instance, by stressing that the machines in manufacturing are often invented by the workmen themselves, as well as owners and overseers, (LJ(A) vi.41-2, LJ(B) 217-8, *ED/WN* 16-20 and *WN* I.i.8-9) he emphasizes the creativity and ingenuity of ordinary working class people (Fleischacker 2005: 76). Furthermore, he repeatedly stresses the native equality of all men, arguing that the difference

between e.g. the philosopher and the street porter are initially almost exactly the same, and that the consequent differences they develop are the result of differential education and day-to-day activities (unlike with e.g. different kinds of dogs). The key upshot of this is that individual inequality is largely the effect of the division of labour in society rather than vice versa (WN I.ii.5-6, cf. Also LJ(A) vi.47-9, LJ(B) 218-222, *ED/WN* 26-31 and II.a.ii above). Thirdly, we should also note that, far from being an isolated passage or fragment of argument, we find this point to be a common thread running throughout WN – most particularly Part I. He writes, for example, that “species of labour” requiring “uncommon degree of dexterity or ingenuity” are reasonably compensated higher than others precisely because they are not the result of lucky natural talents, rather, “they can seldom be acquired but in consequence of long application” and thus deserve remuneration for time and labour thusly employed (WN I.iv.3). Fourthly, whereas establishment ideology of his day saw the poor as naturally indolent, Smith stresses that in fact the converse is the case and that they are naturally apt to overwork themselves (WN I.viii.44). To the common view that the poor should be prevented from purchasing luxuries and improving their material station in life, Smith replies *inter alia* with the equity argument (see II.a.iii above), and by criticizing kings and ministers, who “are themselves, always, and without any exception, the greatest spendthrifts in the society”, for meddling with affairs of private people whom they have no competent knowledge of (WN II.iii.36). Lastly, Smith also goes some way towards defending the alcohol consumption and the religious sects poor tend towards, arguing in the former case that man “is an anxious animal, and must have his care swept off by something that can exhilarate the spirits” (LJ, 425 and WN IV.iii.c.8), and in the latter case that, though “disagreeably rigorous and unsocial” at least provide community and moral guidance (WN V.i.g.10-12) – though we should note that in both cases he is far from defending these practices as such.²¹

On top of this it we should point out that Smith in particular emphasizes the abilities of (more) independent workmen – a species of workmen which, probably not coincidentally, he holds to increase with the increased real wealth of the working class (see WN I.viii.48). He claims of more independent workmen that they work harder and are less liable to bad company, and that they are more so the greater their independence (WN I.viii.48). More, he holds that freer labour, such as that employed by active capital rather than rent surplus²², is in general far more efficient and productive (WN II.iii.12). As a result of this the gradual shift from an economy dominated by the feudal nobility to an economy driven by merchants and manufacturers has significantly increased growth and development (WN

²¹ This paragraph owes much to Fleischacker 2004, esp p. 62-8.

²² A matter worth noting, which we will not have occasion to examine in proper detail here, is the fact that Smith sees the relation between merchants/manufacture and worker as far freer and less oppressive than the master/servant relation between a worker and a noble or landlord.

III.iv.4-18) and thereby brought about – without either of the two classes consciously intending it – a “revolution of the greatest importance to the publick happiness” (WN II.iv.17). On top of this, commercial society, by increasing the wealth of the working class, and by increasingly replacing feudal relations of production with those between merchants and manufacturers on the one hand and workers on the other, itself leads to increases of freedom and independence for the working class (see inter alia WN III.iv.4-18). This is of particular importance for their moral and intellectual development – that is, their cultivation of “wisdom and virtue” – as there is nothing so likely “to corrupt and enervate and debase the mind as dependency” (LJ(A) vi.6, cf. also LJ(B) 205 and 328).

Their cognitive virtues being accounted for, what of the moral competence of working according to Adam Smith? Well, first of all we should note what has already been noted above, namely that Smith sees ordinary working men as hard-working, creative, productive, and rightly concerned to better their condition. Further, Smith's model of the “prudent man” discussed in II.c above seems at least partly applicable to workers – especially the more independent ones and those on their way up along the continuum Smith stresses between workers and merchants and manufacturers. To the extent that these are significant virtues of men in commercial societies, working men seem fairly well developed as moral animals. On top of this, in stressing the native equality of human capacities, this includes their moral capacities as well – i.e. their potentials for goodness and virtue, as well as their opposites. By stressing the native equality of such endowments together with a general theory of character-development accounting for resulting differences in terms of different and, to a large extent social, inputs, he is making a powerful assertion of moral equality which became powerful tools to his egalitarian followers such as Condorcet (Rothschild 2002, esp. p. 209).

And there is still more to be said. First of all we should recall Smith's analysis of the “two roads” we discussed with reference to the landlord class in II.b above. Members of the working class, undoubtedly belonging to the “middling and inferior ranks”, face none of the systemic institutional biases to drive them towards a vicious mode of moral existence faced by the immensely rich and powerful. As with the class of merchants and manufacturers above, their way of distinguishing themselves in society must ultimately go via developing industry, frugality and attention, and by cultivating the virtues of prudence, justice, and self-command (TMS I.iii.3.5). Thus they have, at least prima facie, all the moral potential of merchants and manufacturers, and none of the problematic and perverting influences felt by landlords. Furthermore, full moral development – at least for the more social and humane virtues – requires, for Smith, only quite weak conditions in order to be satisfied. These summarize roughly to a normal family life, being free from fear and deprivation, and being decently socialized as a child on to adulthood. This is well within the reach of a sufficiently prosperous

member of the middling and inferior ranks, should their real wealth be sufficient that is (Griswold 1999 and Lindgren 1973, esp. ch. 3). From the perspective of benevolence it is interesting to note that workers are unaffected by the spirits of monopoly or “mean rapacity” Smith identifies in merchants and manufacturers – a point that clearly must be said to count in their moral favour.

Given what we just discussed, it seems true, as Himmelfarb (1984) writes, that perhaps even more important than the egalitarian policies he was keen to promote and the primary concern with the material bases of well-being and human development of the working class, was the “image of the poor” implicit – and I would say in an highly important way underlying and supporting – these concerns:

These were the “creditable people, even of the lowest order,” who *deserved* more than the bare necessities of life, the “sober and industrious poor” who were the proper beneficiaries of a proportionate system of taxation, the “lowest ranks of the people” who would become more, not less, industrious as a result of higher wages and who would benefit, morally and materially, from a progressive economy. (Himmelfarb 1984: 62)

It is not surprising, she notes, that Smith should be so concerned for the poor of his day – this was common enough. Rather, it

is more interesting is his confident assumption that the overwhelming number of the poor were in fact sober and industrious. (...) It was because the poor were presumed to have the same virtues and passions as everyone else, because there were no innate differences separating them from the other classes... These “creditable” poor were capable and desirous of bettering themselves, capable and desirous of exercising the virtues inherent in human nature, capable and desirous of the liberty that was their right as responsible individuals. (Himmelfarb 1984: 62-3)

This conclusion, echoed by Fleischacker (2004), is well warranted by Smith's writings on the working class, as well as his broader moral and psychological theory. Smith, as he have shown above, asserts an extremely strong and robust form of innate cognitive and moral equality (while simultaneously accounting for resulting diversity), he takes pain to stress the ingenuity and inventiveness of working-class people, he controverts the negative elements of the ideology of his day, he especially emphasizes the freest and most independent workmen (those least subject to the control of their masters), and even goes to some length to defend the particular habits and practices viewed as vicious in his day (and probably also quite problematic in our own). This can truly be said to constitute

a revolution in the way the working class was conceived in mainstream social and political theory²³.

Having said all this for and about the cognitive and moral capacities of ordinary working men, Smith points out one clear and increasingly grave factor operating to the contrary – viz. the cognitive effects of an extreme division of labour²⁴. This factor, notably, occurs only in commercial societies – and there almost only in manufactures. As Smith himself writes:

In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a very few simple operations; frequently to one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life. Of the great and extensive interests of his country, he is altogether incapable of judging... (WN V.i.f.50)

Thus, to Smith, an extreme division of labour, by denying the exercise of deliberative, creative and problem-solving skills, denying a broad range of activities, as well as offering no demands on focus or prolonged mental exertion, renders these cognitive abilities vastly underdeveloped. He is “as much mutilated and deformed” mentally as a man who has lost his limbs is physically (WN V.i.f.60). This, unfortunately, renders those workers subject to these conditions cognitively deficient both in matters of private life, and proper consideration of the national interest. Furthermore, those subject to such an extreme division of labour are equally rendered incapable of certain other virtues, including the martial virtues such as courage:

²³ Note the phrase “*mainstream* social and political theory”. As Hill (1991) and Israel (2001) have demonstrated, other earlier radical writers such as Müntzer, Winstanley, Van Den Ended, Spinoza, Radicati etc. openly asserted and defended similar views concerning the cognitive and/or moral abilities of ordinary peasants and artisans long before Smith. By contrast, the mainstream of “moderate” enlightenment and conservative writers of various bents tended to hold otherwise. What Smith seems to have done is to bring these views, at least in part, into the political mainstream, a significant achievement (cf. Himmelfarb 1984).

²⁴ Smith's general views on the division of labour are complex and developed and altered over time. For a good overview of this development see Meek and Skinner (1973).

The uniformity of his stationary life naturally corrupts the courage of his mind, and makes him regard with abhorrence the irregular, uncertain, and adventurous life of a soldier. It corrupts even the activity of his body, and renders him incapable of exerting his strength with vigour and perseverance, in any other employment than that to which he has been bred. His dexterity at his own particular trade seems, in this manner, to be acquired at the expence of his intellectual, social, and martial virtues. (WN V.i.f.50)

And since commercial societies tend toward economic growth, and since economic growth is largely a function of the extension of the division of labour, it follows that commercial societies will tend toward increasingly severe mental retardation of the working classes. This is so especially in the area of manufactures where the division of labour can be increased far more than in agriculture – with all the positive effects on economic growth and development and negative effects on the development of individuals thereof. Thus:

in every improved and civilized society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it. (WN V.i.f.50)

This stands in stark contrast to almost glowing view of ordinary working men Smith puts proffers in other societies – viz. societies of hunters-gatherers, herders and farmers (cf. e.g. WN V.i.f.51).

As regards the analysis we have outlined above, a few points demand proper emphasis. First, the negative cognitive and moral (but especially cognitive) effects here identified are not the effects of a division of labour as such, only of a division of labour of a particularly extreme variety. According to Smithian historical analysis we have a division of labour in societies of herders, and societies of farmers at the very least – and as he goes on to pinpoint in WN V.i.f.51 no members of these societies experience the detrimental effects with which he is here (i.e. Book V of WN) concerned. Secondly, it follows from this that a division of labour of this kind thus seems only to arise in properly commercial societies, as it is only in these societies where the division of labour has been carried far enough for it to cause the damage Smith describes. Thirdly, this is the case (a) because of the uniquely strong drive towards extending the division of labour in commercial societies, and (b) because the division of labour, Smith writes, is carried the furthest in manufactures (and impossible to extend similarly in agriculture) (cf. e.g. WN I.i.4), it is here and here only that the effects of an extreme division of labour

are felt. We see this recognized throughout WN, for example when Smith writes that “country workmen” must continuously apply themselves to many different particular trades and tasks (WN I.iii.2), or when he notes that in comparison to the urban mechanic or manufacturing worker, an average country worker's overall level of understanding is actually “generally much superior” due to the fact that the mechanic's “whole attention from morning to night is commonly occupied in performing one or two simple operations” (WN I.x.c.24).

At this point we turn to consider two subjects in the literature which have come up regarding this analysis of Smith's: Whether or not, or to what extent, this theory can be considered either a precursor to or an early version of a theory of alienation along the lines of those found in Humboldt or Marx; and whether or not this analysis necessitates a division of Smith's considerations on the division of labour into two more or less irreconcilable views. I shall argue in favour of a negative to both of these questions.

Let us begin with the question of alienation. Now, contemporary scholarship generally recognizes Adam Smith in particular and “Scottish sociology” in general as important precursors to later Marxist thoughts not only on political economy, but also on wider questions of history and sociology (see especially Meek 1967 and 1977). One of those wider sociological questions concerns the negative effects that the development of industrial capitalism has on those subject to it – particularly the working class. In connection with this a number of writers have identified Smith's analysis concerning the negative cognitive effects of an extreme division of labour either as a form of, or as an early and influential precursor to, later Marxist developments of a theory of alienation, with subsequent discussion and debate (see inter alia Viner 1965, West 1969, Lamb 1973, West 1974, Himmelfarb 1984 and Hill 2007²⁵ and 2010). I believe that the above analysis of Smith's does not constitute a proper theory of alienation along the lines of either Humboldt or Marx, but for now I will restrict my discussion to Marx. We can first of all safely ignore Marx's earliest theory of alienation developed in CHDS through OJQ and the CCHRI as this was developed before he had read Smith, and clearly unrelated to any considerations on labour or the labour-process, strictly speaking. We therefore turn to the later theories first developed in EPM and utilized under differing terminologies thereafter. According to these writings, Marx identifies four kinds of alienation:

²⁵ It might be thought unfair to to Lump Hill, especially her 2007 paper, in this category given that she here goes to great lengths to expose the differences between Smith's and Marx's thoughts on the effects of the division of labour. Though it is not apparent in her 2010 paper, my point against at least her 2007 paper is mostly conceptual: Smith does not have anything that can be said to amount to a theory of alienation proper insofar as his discussion on the division of labour and its adverse effects on workers is concerned.

- (1) Alienation from the Product of Labour: in capitalist production the worker reproduces and strengthens (by accumulation) the social structures that keep him in bondage and which control and condition his life and existence, becoming an alien power over and above him (EPM, p. 324-5).
- (2) Alienation from Productive Activity: Since the worker's work and its content are determined solely by factors outside and seemingly independent of the worker it (i) becomes “external to the worker, i.e. does not belong to his essential being [as a creative and self-directed being.]” (EPM, p. 326-7) (ii) it is involuntary or forced labour, and (iii) the worker's activity belongs to another (McLellan (1970) p. 220).
- (3) Alienation from Species-Essence: Because of the above forms of alienation one is alienated from one's species-essence (i) because one is estranged from one's species-essential need for conscious self-directed activity, (ii) because one's individual life is estranged from one's species-life and (iii) because the latter is turned into a mere means of the former but only in an abstract form (i.e. the state). One does not see our human need for conscious self-directed action, or the necessity and extent to which our lives and actions are interconnected in the social relations and institutions we continually reproduce; as a result man is alienated from his full human essence (EPM, p. 328-9).
- (4) Alienation from Others: To the extent that man is alienated from his (social) product, productive activity and human essence, he is also alienated from other men, if only because the above are forms by which men are alienated from one another (EPM, p. 330-1). If the worker “regards the product of his labor, (...) as an *alien, hostile*, and powerful object which is independent of him, then his relationship to that object is such that another man – alien, hostile, powerful and independent of him – is its master (EPM, p. 331).²⁶

Since, as it follows from this analysis, types (3) and (4) are consequences of types (1) and (2), we need be directly concerned only with the relation (or not) between Smith's analysis and alienation of types (1) and (2). As should be clear, at a bare minimum alienation of type (1) is concerned with the consequences of the social relations of capitalism as such – relations Marx discusses in terms of dominance, bondage and control (other issues notwithstanding, West 1964 makes this point well). Relatedly, alienation of type (2) is concerned with the effects of working or of the work-process under such relations. As should be clear from Smith's analysis outlined in Book V of WN and our reconstruction thereof above, Smith is concerned with the wholly distinct question of the negative effects that working under an extreme division of labour has on the labourer – a question which is not

²⁶ See Ollman (1971) ch. 18-22 I have omitted discussion of the capitalist's alienation (See Ollman(1971) ch. 23) due to considerations of relevance. This, and all the rest written here about Marx's theory of alienation draws heavily upon Rækstad (2010).

directly sensitive to the social relations this work is performed under, at least not for Smith. Whereas Marx, in EPM, does discuss the negative consequences of an extreme division of labour with reference to Adam Smith, this has no strict relation to his theory of alienation proper as reproduced above.

Since Smith's analysis of the negative effects of an extreme division of labour and Marx's theory of alienation are concerned with the effects of two distinct kinds of things, it is hard to see any acceptable reason why we should consider them variants of the same sort of theory, or how we can consider the former a direct source for or influence on the latter. There are, however, a few points of similarity: They are both concerned with inevitable consequences of modern commercial society or capitalism on the working class in particular; these negative effects are (at least primarily) social and psychological in nature; and, interestingly, they both feature a “description of the mutilation and deformed essential character of human nature” (Lamb 1973: 278). Whereas Lamb (1973) has argued that there are elements of frustration, inequalities of power and indeed dominance of and powerlessness of workers at least in some sense in commercial societies as Smith describes them, and that there are also elements of a conception of self-estrangement (albeit very different from that of Marx as detailed above), these are not the things with which Smith is here concerned, and in at least the latter case not what Marx's theory of alienation is concerned with either. The few similarities there are are of course interesting, but they in no way warrant identifying Smith's appreciation of the negative effects of the division of labour as a kind of or as a predecessor of a theory of alienation along the lines of Marx's²⁷.

Moving on, to what extent do the predominantly negative views Smith expounds on an extreme division of labour in Book V of WN vis-à-vis the positive account he gives in Book I necessitate a division of his considerations into two distinct views which are more or less consistent? West (1964), for one, has argued that the analyses Smith gives of the effects of the division of labour on human intelligence in Books I and V of WN respectively contradict one another insofar as the analysis in Book I seems to entail and assert an increase in or expansion of people's cognitive abilities as a result of an increasing division of labour, whereas that of Book V entails and asserts the converse, also as a result of an increasing division of labour. According to West, all three consequences of the division of labour Smith discusses in WN I.i(esp. 5-11) should increase workers' cognitive abilities: the increase in dexterity “presumably has a favourable effect on his intelligence” (West 1964: 24) (WN I.i.6), it is an “implication” (West 1964: 24.) of the fact that time is saved in passing from one labour to another (WN

²⁷ I am not sure whether or not the same can be said for Smith's account of domination and servitude to which servants, serfs and slaves are subject. His particular discussion of these matters seems at least superficially similar to elements also found in Humboldt and Marx. This is an interesting point which deserves attention which I do not have occasion to give here. For now I will only note that I do not exclude the possibility that Smith may have developed something akin to a theory of alienation in this analysis. All I have here been arguing is that his analysis specifically of the extreme division of labour can amount to no such thing.

I.i.7), and the “conclusive case for the favourable effects upon intelligence and alertness” (West 1964: 25) is made in Smith's argument that increased mechanization and improved machinery in general is largely the effects of an increased division of labour restricting workers' attentions to only one or two things (WN I.i.8-9). By contrast, the analysis in Book V, as reproduced above, insists that an increased division of labour inevitably leads to workers being (a) unable to appreciate or properly partake in rational conversation, (b) conceiving properly generous, noble or tender sentiment, or (c) form properly considered just judgments in private life, and (d) completely incapable to considering the general interest of his nation or society²⁸ (cf. WN V.i.f.50). West goes on to acknowledge how this duality is consistent throughout Smith's work, including the LJs and TMS, and goes to some effort in attempting an ultimately unsuccessful reconciliation (West 1964: 26-32). I, however, shall argue that no reconciliation, partial or otherwise, is necessary since there is no contradiction in Smith's views to begin with.

To start off, West's first point about increased dexterity seems speculative at best, and since it has no basis in Smith's writings – in fact Smith states the exact opposite in WN V.i.f.50 – can perhaps be safely discarded from consideration. But what about the other two points? It seems quite plausible that the narrowing of focus and attention to a few tasks (the last point), as well as increasing the intensity of this focus (the second point), both lead to an increased ability and thus likelihood for the average worker to be competent and capable of coming up with technical improvements in machinery.²⁹ So far so good. But is this inconsistent with the views expressed in Book V? Let us begin with a technical point West ignores. According to our analysis above, it is not the division of labour – or even the increase in the division of labour – per se that generates the negative effects on workers' cognitive capacities Smith discusses in Book V of WN, whilst by contrast is it the division of labour – and the increase in the division of labour – per se that generates the positive effects discussed in Book I. Rather, it is only a particularly extreme form of the division of labour that produces these negative effects.³⁰ As a result of this, agricultural workers are spared altogether from them, as we have shown above.

We turn now to two other points worth considering in the context of the consistency of these two analyses: the particular coherence of the views of Books I and V from the point-of-view of technical innovation, and the more general question of the coherence of the views of Books I and V

²⁸ Interestingly, West (1964) misses this point completely, whilst reproducing the other three in full quotation.

²⁹ Both Rosenberg (1965) Reisman (1976) have correctly drawn attention to Smith's views on motivation as an important factor in innovation. However, since this is not strictly related to the question of workers' cognitive abilities to begin with, we put this issue aside for now.

³⁰ This point is a minor correction only, since obviously the three positive effects Smith discusses are more strongly felt as the division of labour increases, and thus also most strongly felt where it has reached its greatest extent.

from the point-of-view of workers' general cognitive abilities. West (1964) seems to conflate the two, whilst both he and Rosenberg (1965) seem only really concerned with the former. As I will show, there is no inconsistency in Smith's views in either of the two.

Let us first consider the technical question that Rosenberg (1965) addresses. He correctly points out that, as Smith expresses particularly clearly in the *Early Draft*, inventive capacity for Smith “cannot be assessed or measured in absolute terms; the concept is meaningful only in relation to the complexity of existing technology and the degree of imagination required in order for new “breakthroughs” to occur” (Rosenberg 1965: 133). Whereas the increased focus and intensity may better equip the worker for making small improvements and additions to existing machinery, these very same factors serve to narrow his attentions to one or two things only with the result of making him less and less able to “draw upon diverse areas of human knowledge and experience and to combine them in a unique fashion” (ibid: 134), as is needed for greater inventions and for which Smith believes philosophers are especially well-equipped (cf. WN I.i.9). Thus, whereas the division of labour might render the average worker less able to perform larger-scale inventions to an increasingly complicated world of machinery and technology, it might equally make him more capable of and likely to contribute in smaller and more local ways, and for essentially the very same reasons – viz. the narrowing and intensifying of his working efforts and focus as a result of an increasing division of labour. Thus, there is obviously no necessary contradiction as far as Smithian analysis goes.

There is, however, more to be said than this. Just as Marx once criticized liberal theorists for considering men only as consumers, and not as complete human beings, so West and Rosenberg seem only to treat humans' cognitive capacities for technical improvement,³¹ rather than thinking of them as beings with broader moral and cognitive potentials and capacities in the way Smith did. Unfortunately, this narrowness of their views obscures the point with which Smith was most concerned in this part of Book V, namely the *general cognitive degeneration* of working men as a result of the division of labour, *regardless of its effects on technical innovation*. As Smith clearly states, none of the points of concern mentioned in WN V.i.f.50 and as reproduced in (a)-(d) above are directly concerned with the question of technical innovation. Instead, they jointly express a broad range of concern for the general cognitive and moral abilities of workers subject to an extreme division of labour. Point (a) is concerned with workers' abilities for rational deliberation and communicative interaction, point (b) is concerned with their individual moral abilities, point (c) is concerned with their judgments about their personal lives and affairs, and point (d) is about their political abilities and efficacy (we will thus have occasion

³¹ In fact Rosenberg (1965: 128) explicitly states that he will be concerned, in his refutation of West's charges of inconsistency, with the effects of the division of labour only as it relates to “the determinants of inventive activity”.

to return to this last issue below). Clearly, none of these worries of Smith's are about technical innovation. In fact, what he is worried about is that a man should have “the proper use of the intellectual faculties of a man” as a basic minimum for a decent human life (WN V.i.f.61). In fact this accords well with the moralist basis of Smith's political thought (cf. I.a. above). He therefore recommends public education even if the state were to derive no advantage (economic or otherwise) whatsoever therefrom (ibid). These faculties need not be related positively to e.g. an increase in focus or dexterity and their independently positive effects on minor technical improvements. As Smith goes on to write in the very same passage concerned with (a)-(d), the worker's “*dexterity* [!] at his own particular trade seems (...) to be *acquired at the expence of his intellectual, social, and martial virtues*” (WN V.i.f.50, my emphases)³² – the latter of which being what he is worried about here. While on the one hand the intellectual, social and/or martial virtues *may* be relevant for workers' innovative abilities, this in no way seems a necessary consequence, as there is no necessary or obvious link between minor technical improvements on the one hand and more general moral and cognitive abilities on the other. In fact, Smith notes these two effects of the division of labour in both Books I and V, side by side: in Book I he notes the effects of an extreme division of labour when comparing manufacturing to agricultural workers (WN I.iii.2 and WN I.x.c.24), and in Book V he writes that he sees the two kinds of effects as deriving from the very same cause, and that the one is acquired at the expence of the other (WN V.i.f.50).

In sum then, Smith holds the problems deriving from an extreme division of labour to affect manufacturing workers and manufacturing workers only – and of these only those who are subject to it in a sufficiently extreme form – and there are no contradictions between the views expressed concerning the effects of the division of labour in Books I and V of WN either as regards the question of technical improvement, or as regards broader cognitive capacities (and their relation in turn to the issue of technical improvement). As such, Smith's analysis of the negative effects of the division of labour here discussed gives no occasion to assert any inconsistency in his views on the division of labour.

Moving on, I would like to emphasize two things about his views on the moral and cognitive capacities and abilities of working class men. First, *ceteris paribus* (in this case, in the absence an extreme division of labour), Smith holds members of the working class to be cognitively acute, as well as morally competent – indeed full of moral promise in ways that e.g. members of the landlord class are

³² Both Winch (1978: ch.5) and Perelman (1989) correctly draw attention to the importance and political relevance of this decline in the martial virtues. However, since it is a minor point insofar as the character-structure of the working classes is concerned – and since it seems to Smith to be jointly the product of a more peaceful and compassionate society, and of an extreme division of labour – we may safely leave it beyond the above brief mention.

not. Provided sufficient levels of material wealth and personal independence – both natural consequences of economic growth as generated in commercial societies – these ordinary working people have all the prerequisites for living well-developed cognitive and moral lives. Thus we can see how an egalitarian moralist's commitment to the development of wise and virtuous persons cashes out in terms of a commitment to the “general interest” as per II.a.iii above. Secondly, there is one major barrier to fulfilling this structural promise – and that is the technological advancement generated by the very same economic mechanisms. It is important for Smith to offer a remedy to this, insofar as it gets in the way realizing the first point mentioned. Having thus completed our analysis of Smith's views on the cognitive and moral capacities of working class men as a result of their functional role in the economy and their concomitant position in the structural division of labour of commercial society, we turn now to a consideration of the working class' interest and its relation to the general interest, and then to their political abilities and efficacy.

What, then, is the connection between the interests of working men and the general interest, and to what extent is this class or the members thereof politically effective as a social force? The interest of working man, according to Smith:

is as strictly connected with the interest of the society as that of the [landlord class]. The wages of the labourer, it has already been shewn, are never so high as when the demand for labour is continually rising, or when the quantity employed is every year increasing considerably. When this real wealth of the society becomes stationary, his wages are soon reduced to what is barely enough to enable him to bring up a family, or to continue the race of labourers. When the society declines, they fall even below this. The order of proprietors may, perhaps, gain more by the prosperity of the society, than that of labourers: but there is no order that suffers so cruelly from its decline. (WN I.xi.p.9)

As the quote makes clear – and as should be clear from what we have written about Smith's conception of the general interest in II.a.iii above whereby economic growth increases real wages and decline reduces them – there is a strict connection between the interests of the working class and the general interest as construed by Smith. Since maximal growth and development is proximate goal sought after in order to promote the general interest of society as per II.a.ii above, and since the rate of wages – which determine the real wealth of workers and which they thus want to see maximised – is proportional to the rate of growth, and since this will diminish (and they will suffer the worst) during economic decline, the interests of the members of the working class are always closely aligned to that

of the general interest.

However, as with the class of landlords, the average worker is usually “incapable either of comprehending that interest, or of understanding its connection with his own” (ibid). This is largely due to the fact that (a) after a normal working day he lacks the time and energy needed for political activity and the prolonged thought and consideration it requires, and (b) because the effects of an extreme division of labour – already extensive in commercial societies and becoming more so – render him cognitively unfit for such tasks in any case:

His condition leaves him no time to receive the necessary information, and his education and habits are commonly such as to render him unfit to judge even though he was fully informed. In the public deliberations, therefore, his voice is little heard and less regarded, except upon some particular occasions, when his clamour is animated, set on, and supported by his employers, not for his, but their own particular purposes. (ibid)

Workers are, for instance, often mobilized by their employers in order to defend particular restrictions and tariffs on trade in order to protect the owners' monopoly and advantages, to the long-run detriment of the workers' real wealth and wages. These limitations notwithstanding, Smith does not see workers as totally oblivious to their own interests, nor to the moral aspects of production and distribution, and thus acknowledges and discusses their participation in class struggles of both offensive and defensive natures (see esp. WN I.viii.11-16, esp. 13). However, as Smith makes clear, the superior external goods wielded by the class of merchants and manufacturers (in particular wealth, which Smith explicitly sees as translatable into political advantage as per WN I.v.3, cf. also LRBL ii.43)), their superior clout in civil society, and their greater influence on government – both legislation and active policy – mean that workers' efforts are (to Smith) inevitably doomed to failure. This illustrates the perhaps excusable lack of foresight on Smith's part as to how the working class struggle would go on to shape the Western world in countless different ways for the betterment of the working classes – often at the cost of restricting and controlling the market in fundamental ways.

Thus their limitations as far as external goods go, as well as their lack of free time (both to engage their mind in politics, organize, and really do anything apart from work), and cognitive deficiencies resulting from an extreme division of labour render the class of wage labourers largely politically impotent on Smith's view.

Finally, how does one become a member of the working class? The answer is simple, by having no significant property from which to collect rent, and from having no significant capital to invest for

profits – in other words, from lacking means of production. Though rarely a subject of discussion in Smith, apart from those born into this station, this is what becomes of merchants and manufacturers whose plans and projects fail to bear sufficient fruits, and to impoverished landlords.

In conclusion, as I have shown Smith presents a view of the moral and cognitive powers of ordinary working men which was completely out of step with the dominant modes of discourse of his time, a view which was nothing short of revolutionary for political thought (see Fleischacker 2004). On Smith's view, provided they receive the necessary social (free time, absence of an extreme division of labour) and material (sufficient real wealth) prerequisites, working men can achieve full moral development and be fully able cognitive/intellectual beings. This being said, he points out a major recent obstacle to this – viz. n extreme division of labour and its damage – and takes steps to ameliorate its effects. I have shown though, that this theory cannot be assimilated to anything like a theory of alienation, and that it occasions no contradiction with his other conclusions about the effects of the division of labour. Moving on, Smith's view of working men admits of greater individual variation than e.g. his analysis of the landlord class, in light of the fact that the effects of their position in the structural division of labour is less significant for the actual working lives they lead (which are far more diverse for the former than the latter). Their interests are as closely aligned with the general interest as that of the class of landlords, but their lack of spare time and cognitive abilities (again, due to an extreme division of labour) render them politically ineffective in general, and they are frequently taken advantage of by merchants and manufacturers out to secure their own particular interests.

To sum up: Smith presents a thorough and consistent class theory founded on the tripartite foundation of a conception of the economic machine or system of commercial society, a general conception on the development of human character and character-structure, as well as an understanding of a society's general interest. Having explicated each of these elements in turn, we have shown how Smith's account of the three classes in commercial societies builds on these components to create a remarkably systematic class analysis. Each of the three classes occupies a distinct functional role in the economic structure of commercial society, and correspondingly takes on the equivalent position in society's structural division of labour. This, in turn, moulds their individual characters (though, of course, not exclusively) and produces in them different sets of paradigmatic virtues and vices, as well as affecting their cognitive or intellectual abilities. These cognitive and intellectual abilities, in conjunction with (and in part also in turn determined by) the distribution of external goods – in turn a product of roles in the economic system – determine their political efficacy and thus capacity to influence state legislation and policy. People's position in the economic structure also determines their

structural and factional interests – which bear differing relations to the general interest. The different classes' particular class and factional interests, in conjunction with their political efficacy, is a significant influence on and determinant of state policy. This is of considerable importance in understanding Smith's general views on the state, his particular analyses of different pieces of government legislation and policy, as well as for the tensions inherent in his general political theory. It is to these issues we may now turn.

III. Class and Adam Smith's Theory of the State

In his analyses of government or the state³³ Smith provides a set of elements of significant theoretical import for the descriptive component of his overall political theory which are employed with admirable explanatory power *inter alia* and especially in the LJs and WN. As I will soon show, Smith's class theory plays an essential part in this descriptive component of his political theory.

In this part I will seek to establish two principal theses in each of this part's sections: (a) that, pace some commentators (especially on WN), Adam Smith's class theory constitutes perhaps the most important element in his understanding of government, and (b) that Smith succeeds in putting his class and state theory to good explanatory use in his analysis and explanation of state policies such as labour law, trade law, and wider foreign policy. This is vitally important to the vision of the best form of commercial society a practical legislator can approach, for if governments are, as Smith and numerous later thinkers believed, always at least in part a tool of the ruling class, then it seems to plausibly follow that one can expect little or nothing positive from its actions in terms of bettering the condition of the lower class(es) – the key normative commitment enshrined in the general interest (cf. II.a.iii).

(a) Fragments of a Theory of the State

Does Smith have a fully worked-out theory of the state's functions and mechanisms along the lines of what we today call “state theory”? The answer has to be no. However, what we do find is a number of reflections or elements which add up to a general conception of how “governments” function in each of the four different stages of society Smith distinguishes. Here we will be concerned only with his analysis of government in commercial societies, and thus there are three key elements we will analyze in detail a little later. First, in (i) and (ii), we will discuss Smith's account of the moral vices and Epistemic limitations faced by politicians in commercial societies. At the end of this we will show how this limited picture – which we find in some commentators such as Fleischacker (2006) – is critically inadequate as an account of Smith's views on politics and government in general. We thus turn, in (iii), to providing the component these commentators miss or neglect entirely, namely the importance on Smith's class theory and class influence on political power.

(i) The Epistemic Limitations of Politicians.

³³ For the purposes of this work I will use the terms “state” and “government” synonymously.

According to Adam Smith, any legislator or politician – along with every other human being – faces significant and unavoidable epistemic limitations. It is a well-known fact that Smith has and employs a theory of knowledge which is clearly particularistic and contextual. Since our concern is limited to its direct relevance for political decision-making, we will offer only a brief summary of this, after which we turn to examine its relevance for what Smith has to say for government, the legislator, and politics broadly construed.

Smith holds, on broadly empiricist grounds, that persons in general know and understand particular instances much better than generalities. Furthermore, people know and understand their own particular interests the best, then those of close friends and family, and so on and so forth until they have only a very rough and often inadequate understanding of those of strangers (cf. esp. TMS VI.ii.1.2). We see this reflected in his account of ethical development whereby Smith informs us that our conception of general moral rules is “founded upon experience of what, in particular instances, our moral faculties (...) approve, or disapprove of” (TMS III.4.8, cf. also TMS III.4.7 and TMS IV.2.2). Relatedly, he claims that proper judgment requires “exact” attention to “small savings and small gains” (WN III.ii.7), which in turn is connected to one's interest in doing so (WN II.ii.7, WN IV.v.b.25 and WN V.iii.56).³⁴

Thus it seems that according to Smithian epistemology we cannot expect any legislator (and the same, incidentally, can be said for the head of any organization, be it church, corporation, or other) to better know and judge of, at least inter alia, the interests of distant other people (i.e. everyone not their family, friends and associates), their moral judgments, and judgments concerning questions of investment and employment of capital and labour. As a result of their lack of knowledge and/or personal interest in the relevant particular cases and contexts, they simply lack sufficient epistemic access to relevant factors. We can thus understand why Smith, on epistemic grounds, argues that legislators should not attempt to influence particular choices of investment or employment of capital and/or labour (WN IV.ii.10 and WN IV.ix.50-1), and why they should not attempt to restrain individual consumption they consider vicious (WN II.iii.36).

However, one thing which should be immediately noted is the restricted nature of the practical import this thesis has for Smith's resulting strictures on advised and advisable government policy. As Fleischacker (2005: 234) has rightly pointed out, “[n]othing follows from this about government duties other than those supposed to promote economic growth [at least if we ignore detailed meddling with individual luxury consumption] (...), context makes clear that he means only that such freedom [to

³⁴ This sections relies heavily on the work of Lindgren (1969 and 1973) and Fleischacker (2005)

pursue one's own interests] is the best way to pursue economic growth” as a result of which Smith is “not proclaiming a libertarian principle of government in general”. Smith's general epistemology and its consequently postulated limitations on the knowledge and evaluative competence of politicians is thus perfectly consistent with extremely widespread state action, including “interference” in the free market, pursued for goals other than economic growth. The principles and arguments he uses to justify such activities will have to be dealt with elsewhere (but for some discussion see Skinner 1995 and 1996, ch. 8). For now, all that is important to keep in mind is the one key conclusion Smith draws from his above-discussed particularistic epistemology, namely that individual economic agents – or at least workers and merchants and manufacturers, seemingly not landlords (see *inter alia* WN III.ii.7) – are better suited than politicians to judge particular economic investments, as a result of which they will, in general, make better investments and thereby better promote maximal economic growth and best further the general interest of society³⁵.

Having considered the epistemic limitations faced not just by politicians in commercial societies, but indeed by politicians in all societies (though we have only considered its import for commercial societies)³⁶, we can see clearly why, as briefly mentioned above in I.a, something of the scale and complexity of inter-stadial historical change is beyond the ken of any Smithian legislator. We can also draw further conclusions from what has here been developed, such as the need for openness and publicity in public affairs in order for all individuals to have access to the requisite information for best pursuing their own particular work, and the generally beneficial effects one might expect from increased autonomy (e.g. one would expect a worker to work better if left largely to himself than if step-by-step directed by a manager more distant from his particular work) as briefly mentioned in II.d. Lastly, we should again point out that this epistemic thesis, at least in and of itself, in no way necessitates a commitment to general laissez-faire prescriptions. Thus, we turn now to Smith's discussion of the moral vices of politicians, and the matter of class influence and political power

(ii) The Moral Vices of Politicians.

We may recall from earlier discussion that Smith holds both that sovereigns are the greatest spendthrifts of society, among their numerous other moral failings, and that this consequently, at least in part, renders them unfit for the moral instruction and supervision of their population(s) (WN

³⁵ Interestingly, this elaborates a similar point found in Aristotle's *Politics* 1263a25-9.

³⁶ Actually this point may be of some significance, since Smith holds both that landlords have little general interest in improving their land and its cultivation (WN III.ii.7) and that landlords are generally severely cognitively and morally retarded (see II.b above), the same epistemic limitations may not necessarily have the same practical import to feudal or agricultural societies dominated by the class of landlords rather than the class of merchants and manufacturers. We leave this point for now, as it is beyond the scope of our present discussion.

II.iii.36). Unfortunately for those attracted to politics as a vocation, however, Smith has much more to say about the matter than this. Whereas there are those who, like Winch (1978: 159-60), try to argue that politics, on Smith's account, at least may be among the highest of human achievements, I will argue, in agreement with *inter alia* Brown (1994) and Fleischacker (2005), that such a reading is tendentious at best. In other words I will show that Smith believes politics to be, overall, a morally corrupt – as well as a morally *corrupting* – line of work due largely to the persons attracted to it as such, and to the effects holding such as position of high fame and power.

Let us begin with the way in which political office is selected for – that is, which kinds of persons are attracted to seek out politics and political office as a career, and which kinds persons who are generally selected for this role. In particular, let us start with Smith's analysis of the kind of person who is typically attracted to politics. Smith considers two main sorts of candidates, those from the landlord class, and from the class of merchants and manufacturers. About those from the middling ranks, presumably the class of merchants and manufacturers, Smith writes the following:

With what impatience does the man of spirit and ambition, who is depressed by his situation, look round for some great opportunity to distinguish himself? No circumstances, which can afford this, appear to him undesirable. He even looks forward with satisfaction to the prospect of foreign war, or civil dissension; and, with secret transport and delight, sees through all the confusion and bloodshed which attend them, the probability of those wished-for occasions presenting themselves, in which he may draw upon himself the attention and admiration of mankind. (TMS I.iii.2.5).

By contrast, for the wealthier and more powerful landlords, the “man of rank and distinction”, he notes how they already receive their desired propriety, their lack of important and relevant virtues, their consciousness of this fact, and on top of all this their disinterest in remedying the situation – as a result for which they are both wholly unsuited for and largely disinterested in pursuing politics as a vocation – or indeed any proper vocation whatsoever (See II.b above). As a result of this, Smith notes, in:

all governments accordingly, even in monarchies, the highest offices are generally possessed, and the whole detail of the administration conducted, by men who were educated in the middle and inferior ranks of life, who have been carried forward by their own industry and abilities, though loaded with the jealousy, and opposed by the resentment, of all those who were born their superiors, and to whom the great, after having regarded them first with contempt, and afterwards

with envy, are at last contented to truckle with the same abject meanness with which they desire that the rest of mankind should behave to themselves. (TMS I.iii.2.5)

Now we should note that of the two rather undesirable alternatives it is the former of the two Smith holds to actually staff governments in commercial societies. Furthermore, it is not quite clear whether or not Smith, at the beginning of the former of the two passages quoted above, means “depressed” by his situation is to be taken as a merchant or manufacturer being situationally depressed *relative* to the average landlord, or whether it is relative to other merchants and manufacturers. In any case what is clear is that those attracted to public office seek mostly to distinguish themselves in the eyes of the world in the search for positive approbation or vanity. Vanity, in conjunction with the phenomenon I call “positive bias”³⁷, is, according to Smith, the cause of human ambition. Ambition, in turn, is one of the strongest motivating factors in all of Smithian psychology – so strong, in fact, that it is pinpointed as the chief driving force behind economic growth in commercial societies insofar as it is the main driving force behind the ever-increasing search for maximum profits on behalf of the class of merchants and manufacturers (see TMS T.iii.2.1-11, III.6.7, VII.ii.1.5, and cf. WN II.iii.31).

Indeed, although Smith believes the wise merchant or manufacturer will usually take a strictly instrumental view towards political involvement (see II.c), he also concedes that political office, in any historical period, affords great potential and allure to ambitious men in search of widespread fame (as per the normal human desire for positive approbation). I suspect that this appears so – and, indeed, plausibly so – to Smith because of the very real social power associated with political office, and also because of the necessary fame and renown which inevitably accompanies whoever is in such a position. In this connection we should remind ourselves of the “two roads” mentioned in II.b, whereby men will tend to seek either “wisdom and virtue” or “wealth and greatness”, and how popular affections will more often follow the latter as it is less contestable and, crucially, far easier to tell. This seems clearly the case for political office and, as far as ease of telling, real power, and added fame goes, very strongly so. These considerations seem to accord well with the rather vague formulation that “men desire to have some share in the management of public affairs chiefly on account of the importance which it gives them” (WN IV.vii.c.74).

If these considerations give us good grounds for believing that politics may well be highly attractive to the vain and ambitious for the fame and power – if not, perhaps, the direct financial

³⁷ Briefly put, the tendency to go along with positive sentiments much stronger and more readily than with negative sentiments, cf. Rækstad 2011, section (c).

benefits³⁸ – it bestows, this conclusion seems amply confirmed in Smith's writings on the subject. For one he notes how the “easy empire over the affections of mankind” is so strong as to render “the fall from greatness so insupportable” (TMS I.iii.2.6). Even if the former politician, great leader, or whatnot “was to spend the remainder of his days, under the protection of a powerful and humane people, in a state which in itself should seem worthy of envy, a state of plenty, ease, leisure, and security, from which it was impossible for him even by his own folly to fall”, the very fact that he is “no longer to be surrounded by that admiring mob of fools, flatterers, and dependants” and “no longer to be gazed upon by multitudes, nor to have it in his power to render himself the object of their respect, their gratitude, their love, their admiration” seems nevertheless to render the fall from the fame and power of high political office hard to bear in and of itself (ibid). Indeed, this is followed by a staunch warning against the negative effects the surrender to ambition that causes the search for high political office:

That passion, when once it has got entire possession of the breast, will admit neither a rival nor a successor. To those who have been accustomed to the possession, or even to the hope of public admiration, all other pleasures sicken and decay. Of all the discarded statesmen who for their own ease have studied to get the better of ambition, and to despise those honours which they could no longer arrive at, how few have been able to succeed? The greater part have spent their time in the most listless and insipid indolence, chagrined at the thoughts of their own insignificancy, incapable of being interested in the occupations of private life, without enjoyment, except when they talked of their former greatness, and without satisfaction, except when they were employed in some vain project to recover it. Are you in earnest resolved never to barter your liberty for the lordly servitude of a court, but to live free, fearless, and independent? There seems to be one way to continue in that virtuous resolution; and perhaps but one. Never enter the place from whence so few have been able to return; never come within the circle of ambition; nor ever bring yourself into comparison with those masters of the earth who have already engrossed the attention of half mankind before you. (TMS I.iii.2.7)

So not only does politics tend to attract those most ambitious in the search for fame and power, it is also highly addictive in its effects – potentially so as to ruin one's life afterward. And it also entails significant sacrifices to anyone wishing to live “free, fearless, and independent”. It is therefore not true,

³⁸ In fact this allows us to square Smith's account of the attractiveness of politics to some with his otherwise puzzling claim that the “prudent man” stays largely away from it except for instrumental reasons. Whereas politics, to Smith, is considered attractive to the vain and ambitious – and thus able to satisfy our desire for positive approbation, perhaps too well – it need not be conducive to good business as far as more extensive commitments go, or promote any of the virtues Smith finds significant. Thus, politics as a vocation seems both attractive and unattractive as a vocation to merchants and manufacturers, though for different reasons.

as Fleischacker (2005: 232) writes, that “[w]hat “dazzles” about political office is in reality worth no more than what dazzles in lottery prizes”. In fact what “dazzles” seems strongly desired, and perhaps – though, as Smith warns, not perhaps in the extreme quantities entailed by high political office – also desirable in at least some measure, namely power, fame and social rank and status³⁹.

This, however, is not the end of the story. Once in a position of political power and influence, and quite apart from the addictive nature of such a position, the politician is faced by a number of other social factors tending to engender in him very specific moral vices. We may first of all note the general contradiction Smith sees between the search for wealth and greatness and thereby public admiration (to be respected and praised) on the one hand and the search for wisdom and virtue (to be respectable and praiseworthy) on the other as per the “two roads” already discussed (see also *inter alia* TMS III.2.32, and VI.iii.25). Since politicians are motivated above all by the search for and continued possession of public esteem and admiration we should not be surprised if they face serious challenges in terms of vices and vicious actions, with no distinctive moral upshots. Indeed, Smith mentions not a single virtue or positive character-trait promoted by or associated with politics as a vocation. Although this does not mean that politicians uniformly or even generally lack them – politics might just not promote anything special in this regard without being overall detrimental to the development of most of them – it is worth noting *vis-a-vis* both classical writers and Smith's contemporary republican writers; to whom politics was both highly noble as a vocation and highly ennobling as a practice which produced in its participants virtuous character-traits. The complete absence of anything like this in Smith is significant.

Now, what specific vices does political position tend to engender? Political position, carrying with it great fame and admiration, and “great authority over the sentiments and opinions of mankind” being “very seldom without some degree of (...) excessive self-admiration”, tends to make prominent leaders “ascribe to themselves both an importance and an ability” beyond that which they actually possess (TMS VI.iii.28). In particular, when accompanied by early successes, such over-estimation of one's abilities can lead to potentially disastrous consequences (TMS VI.iii.29).

On top of this, politicians are easily attracted by a “spirit of system” and this sometimes comes

³⁹ Fleischacker (2005) makes this judgment after a brief discussion on a piece of policy advice Smith gives (WN IV.vii.c.74) on how to handle American politicians which, incidentally, does nothing to alter the grounds for our above evaluation and Fleischacker's mistaken judgment. Fleischacker's claim seems correct if read as a derogatory description of the proposed action towards American politicians, but this is not the claim he (i.e. Fleischacker) makes. Fleischacker is clearly attempting to make a true and much more general statement about *Smith's* attitudes towards *political office in general*, and what Smith believes dazzles people thereby, and this both entirely distinct and much broader claim is not supported by the passage in question, nor by any of the pieces Smith's analysis of political office. In fact what I have claimed as the prime motivation for seeking political office – fame, as an object of ambition – fits well with Smith's proposed advice, which is to give American politicians “a new method of acquiring importance, a new and more dazzling object of ambition” by tempting them with seats in parliament. Only such a temptation, Smith believes – one appealing to ambition – would make it likely that they would submit to continued British rule.

at the expense of their sympathies toward others, thus rendering them, though “men of the greatest public spirit (...)[,] not very sensible to the feelings of humanity” (TMS IV.1.11). Often lacking the particular detailed knowledge of the ways in which policies will affect individuals, their interests, and their sentiments (see III.a.ii below) – and furthermore being, as all people are, aesthetically attracted to systems which are both simple and beautiful as well as appealing in terms of utility – working politicians are particularly liable to be seduced by what Smith calls the “spirit of system” (TMS VI.ii.12-8). This is especially so when he is not properly directed by “humanity and benevolence” to respect the already existing “powers and privileges even of individuals” which in turn would lead him to seek to moderate by “reason and persuasion” if and where possible rather than seek to “annihilate” or “subdue them by force” (TMS VI.ii.16) in an effort to create a perfect system according to a particular preferred social theory (TMS VI.ii.17).

Lastly, although Smith notes leaders and politicians can be brave when the situation requires and ambition attracts them (TMS I.iii.2.5, WN IV.vii.c.74), he also notes that ambition for political position and the legal immunity it later provides can drive men to abominable actions in order to attain it (TMS I.iii.3.8).

What then, in sum, are the moral vices of politicians according to Adam Smith? First of all politics is attractive above all as an object of ambition, as a result of which it will tend to attract those most concerned with this. Ambition, in this case a search for specifically fame and power, tend to lead away from a concern with wisdom and virtue, which clearly does its participants no moral favours. More, the extreme quantities of positive approbation political office potentially yields can prove highly addictive. In addition to this, once having achieved political position politicians will tend to develop exaggerated views of their own importance and abilities, as well as develop an unhealthy love of system at the cost of their attention to the feelings and sympathies of their subjects. Lastly, it is also significant that, unlike a vast number of his sources, Smith attributes to politicians and politics as a vocation no additional virtues of distinctly morally edifying nature. However, Smith clearly does leave open that politicians may seek public service out of “public spirit” in turn motivated “altogether by humanity and benevolence” (TMS VI.ii.16). Thus, claiming that Smith sees politics as maybe among the highest of human achievements as per Winch (1978: 159-60) is tendentious at best. Importantly though, space is left for wise and benevolent political leaders, which Smith needs if his political economy in WN is to reach a wise and benevolent legislator willing to promote the general interest politically.

Before we move on I would like to show that and why the picture we have so far presented *pace* inter alia Fleischacker (2005, ch. 11, esp. p. 229-36) remains woefully incomplete as a reconstruction

of Smith's descriptive account of government in commercial societies. Thus, before I turn to the critical missing piece of the puzzle, I will briefly mention some important reasons why the above picture as so far reconstructed is found wanting. Preliminarily, I should warn the reader that these criticisms will only briefly be sketched, referenced, and then referred to the section below in which I treat the individual matters at hand in proper detail. This is done to avoid unnecessary repetition as, for obvious reasons, the many and important uses to which Smith puts his theory of class are the main reasons its exclusion poses a problem for Smith scholarship.

Perhaps most critically, the widespread neglect of Smith's class theory and its use and application in and for his understanding of the state or government in commercial society is that it deprives us of one of his most important tools for understanding and explaining government action – i.e. the formation, selection and shaping of legislation and policy – in commercial societies. Much of Smith's detailed analysis of government policy hinges on liberal usage of his class theory and its postulated relevance for explaining government action. Once this piece is left out of the puzzle, a cornerstone explanatory principle Smith employs in his investigation into what Skinner (1982) has termed the “dynamics” of societies at a particular stage of society is lost, and a proper appreciation of his analysis and explanation of these policies becomes impossible. This includes, importantly, both domestic policy such as the granting of monopolies or his discussion of labour law, as well as foreign policy such as the relations between trade, trade policy and peace and war. This is all explored properly in III.b.

Furthermore, if governments are, as Smith and numerous later thinkers believed, always at least in part a tool of the ruling class(es), then it seems to plausibly follow that one can expect little or nothing positive from its actions in terms of bettering the condition of the lower class(es). This will turn out to be important in Smith, because in commercial societies we are faced with the choice of a highly unequal market or economic mechanism which at least will generate better and more equal outcomes as growth proceeds unhindered by government interference on the one hand, and a government run largely by and for the ruling class of merchants and manufacturers. Crucially, if Smith's class picture of the state is correct it is far easier to follow him in not expecting government to be much use – at least in general – in securing the betterment of the working class through active policy; not due to incompetence or inability, but to unwillingness. This picture is of substantial historical importance because it echoes down through numerous other writers and will significantly contribute to the shaping of later liberal and socialist political theory.

Let us turn now to our proposed supplementing of this view, namely the issue of class influence and political power.

(iii) Class Influence and Political Power

On Smith's view the “necessity” of the state, or government, “grows up with the acquisition of valuable property” (WN V.i.b.3) – that is, with the extension and development of property, and the resulting social inequality. As society's mode of subsistence changes, so do the forms of property, relations of inequality, and the form of government. Government arises because of the social need on behalf of the wealthy to protect themselves – by force and/or the threat thereof – from dispossession by the poor, a function that continues throughout all four ages of society and thus also for commercial societies. A very Marxist conclusion follows from this, namely that wherever there is a (stable or reproducible) structurally unequal society, there must be some form of state or government agency to maintain it as such. And that such an agency is a necessary condition for the continued existence of such societies. It follows from this, in turn, that as commercial societies are in fact stable societies, their governments must be structured in such a way that the privileges of the rich and powerful, i.e. the class of landlords and the class of merchants and manufacturers, must be maintained against the needs of the working class. And for this to be theoretically plausible – that is, for an account of the state in commercial societies to be such that this follows with any degree of plausibility – Smith must provide us with some factor or mechanism which causes it to be the case that one or both of these upper classes exert significantly greater influence than that of the working class. Smith finds this key component in his theory of class itself.

Whereas Smith does discuss the different forms of government under the three traditional headings (derived from Plato and Aristotle via inter alia Montesquieu and Rousseau) – democracy, aristocracy, and monarchy – and notes between them numerous and interesting differences, nowhere does he provide anything that amounts to a proper institutional analysis of these as institutions along the lines of e.g. the model of the economy of commercial societies in WN, or the different astronomical models he discusses in *HA/EPS*. This, the development of state theory proper, is an invention of a later date. But Smith does provide an analysis that takes crucial steps in the direction of this later development, two of which we have already discussed – that is, an account of the inevitable epistemic limitations of politicians as a result of their institutional position, and an account of the moral vices of politicians; an analysis which includes an account of their attraction and selection.

When Smith then turns to discuss the class influences on legislators' actions, these are generally – corresponding to his fundamentally social and deliberative model of man – conceived in terms of their superior or inferior abilities of influencing, through argument or otherwise, a legislator to enact their legislation and adopt their policies. Although it is far too strong to claim that “Smith joined Hume

in believing that civic opinion was the foundation of all forms of government” (Winch 1996: 120), it seems much more acceptable to claim that Smith sees all forms of government as at least to some extent sensitive to public opinion, or, more accurately, the pressures exerted thereby. If people are afraid of their governments, then governments, especially in modern “free” countries where “the safety of government depends very much upon the favourable judgment which the people may form of its conduct” (WN V.i.f.61), are also afraid of their people. Although the influence the members of different classes may hope to achieve are, as we shall see, highly unequal.

Legislators, Smith notes in various places in his historical analyses (such as his discussion of how and why monarchs gradually sought to abolish slavery, under which Smith includes serfdom), are also motivated by non-deliberative strategic considerations as well, but this is a matter distinct from one class or sub-group thereof enacting its collective will via the state by whatever means.

Put differently, having already seen what attracts politicians/legislators to their position(s), which sorts of men are most attracted thereto and why, and the epistemic status and conditions these are subject to as an inherent consequence of their institutional position, we turn now to the main forces acting upon them once in office. Thus, starting from the point-of-view of Smith – one that lacks an institutional analysis of the state, which takes as the basic unit of political theory a model of the legislator (cf. our discussion in I.a), and which sees human nature and society as inherently social and (in some key respect(s)) deliberative – we can now tackle, in a systematic way, the factors underlying effective class influence in commercial societies, and what he has to say about how the members of the different classes stand in this regard.

What, according to Smith, is critical for effective political influence in commercial societies? From what we have seen in II.b-d, four things seem crucial. First, external goods such as money wealth and social power. Money for instance, though not directly equatable with political power, is nevertheless easily convertible into it, and thus a significant factor for determining the final results of political decision-making (WN I.v.3, cf. also the analysis in LRBL ii.143).

Second is free time. Without the requisite time spent not working or tending to e.g. family obligations etc., one will not be able to exert effective political influence for the simple reason that one has no time during which to do so. Not only, if one is to attempt effective political influence, does one need time to exert political influence in some sort of (in fact, largely unspecified) way. One also needs time to gather the necessary information, properly consider and evaluate one's own and the general interest, critically reflect on the relevant arguments, and participate in proper political deliberation or discussion.

Thirdly one needs the requisite intellectual abilities. These include not only a proper awareness

of relevant interests (which can be one's own or the general interest or both or neither), but also an ability to focus on particular issues, a capacity for prolonged mental exertion, the ability to deliberate and partake in political discussion, and the capacity for critical and considered moral and political reflection.

Finally, a fourth factor occasionally mentioned is spatial distance (see e.g. WN I.x.c.22-3). For obvious reasons it is easier to exert effective political influence where one is able to organize to do so in some way, and this is much easier to do if there are more potential organizees with less distance between one another. Not only should we consider the ease and practicability of meeting for discussion, debate and planning, we must also bear in mind the substantial time and cost long-distance communication by mail at the time.

Given these four main factors pinpointed, and given his account of the inextricable ties between property, inequality and government and the key functional role of government in maintaining unequal societies and social structures, Smith needs a conception of the classes in commercial societies on which these factors are differentially distributed such that one or both of the upper classes are significantly better off than the lower classes in regard to the factors requisite for political influence. This, indeed, is to be found in Smith's theory of class as reconstructed in Part II, and as such a focused recapitulation is here in order.

Beginning with the class of merchants and manufacturers, Smith shows how this upper class commands all of the four principal resources required for effective political influence and thus also effective dominance over commercial society. Beginning with external goods – and in this case wealth in particular – it seems clear that whilst they do not command quite the quantity of wealth that the landlord class does, they are clearly identified as part of the wealthy at different places inter alia in TMS and WN and clearly towards the upper end of the “middling” of the “middling and inferior ranks” in other places (including in those same works, as befitting Smith's present purposes). In fact, he writes that “[m]erchants and master manufacturers are, in this order, the two classes of people who commonly employ the largest capitals, and who by their wealth draw to themselves the greatest share of the publick consideration” (WN I.xi.p.10)⁴⁰. As for free time, while they seem blessed with less of this than landlords⁴¹, merchants and manufacturers have little or no substantial lack of this key factor. It is the two last factors that seems the most important to understanding how and why it is the case that merchants and manufacturers are the dominant political force in the politics of developed commercial

⁴⁰ Obviously, we must not conflate wealth with capital here.

⁴¹ For the landlords the sheer quantity of free time available to them seems to be a curse, which seems likely to be the result of not having anything to do which would further their development as wise and virtuous persons.

societies. Constantly engaged in plans and projects requiring skill, focus of attention, prolonged mental exertion, social interaction, attention to detail, etc., merchants and manufacturers have significant cognitive abilities relevant to political influence. And this same employment with specifically *their own* plans and projects frequently renders them acutely aware of their own particular interests, though frequently not of the general interest, which in any case seems of little concern to them generally (WN IV.i.10). To these superior intellectual abilities is married the fourth factor – viz. that as they are often concentrated in urban areas, merchants and manufacturers can more easily organize for focused political influence than can e.g. a scattered nobility (WN IV.ii.21) or rural labour force. The result of all of this is highly significant for a proper understanding of the *politics* of commercial societies according to Smith. These are frequently employed to convince the members of other classes – both their own workers and landlords – to go along with their proposed legislation and policy advice, even though often strictly opposed both to the general interest and the particular interests of these latter classes. Thus the two last factors (superior intellectual abilities and spatio-temporal distance) can be seen as ingredients or contributing causes of the social power of merchants and manufacturers as well due to the fact that they enable them to mobilize a greater portion of civil society in advocating their preferred legislation and policies⁴².

Moving on to the landlord class, Smith clearly identifies these as having the greatest quantities of wealth and free time of any of the orders in commercial societies. Their station in life – that is, their position in the economic mechanism of commercial society and its corresponding role in its structural division of labour – demands no real work of any kind, as a result of which they rarely if ever do any, preferring to leave it to their workmen or to merchants and/or manufacturers (e.g. WN I.xi.p.8). This, however, is not so much a double-edged sword as a sword sharpened along the wrong side of the blade as far as the landlords' political efficacy is concerned. Offering no mental demands or requirements, no need to properly consider one's own or the general interest, and in fact often promoting vicious behaviours and character-formation over virtuous, the members of the landlord class, as a political force, is rendered far less influential than it might be (ibid, and TMS I.iii.2.5). Coupled to this is their difficulty of organization. Being, as they are, a class spread out across the rural landscape, communication and thus deliberation and organization are slow and ineffective, as a result of which what political potential there is significantly diluted. This is not to say, however, that this class is politically impotent, even in commercial societies. It is only to say that it is much less influential and effective than the class of merchants and manufacturers, and that they are often tricked by the latter into

⁴² For an excellent example of how merchants and manufacturers use these abilities for political influence, see WN IV.ii.43. The passage is quoted at length and discussed below under III.b.ii.i.

supporting legislation and policy best promoting their particular interests, rather than their own particular interests and/or the general interest of their society (WN I.x.c.25).

Lastly we turn to the class of wage labourers, or the working class. Unfortunately, on Smith's account this class lacks every single one of the four requisite factors for political efficacy pinpointed above, as we saw in II.d. First of all they are the poorest of the classes, thus lacking any significant wealth of the kind convertible into political power and influence. They also, as Smith explicitly notes, have very little free time during which to engage in the various activities necessary to engage in considered and effective political action (WN I.xi.p.9). This is not to say that they don't do so however, it is only to say that this is often restricted to local areas of dispute such as labour unrest at a given factory or workshop over e.g. wages and conditions – as opposed to more global concerns – and often also to advocate and support legislation and policy on behalf of merchants and manufacturers who have convinced them, usually wrongly, that it is in their own and/or the general interest to do so. Though workers typically have greater moral and intellectual abilities than landlords, this is no longer the case for those workers unfortunately subjected to an extreme division of labour as developing in manufacturing. These find themselves both morally and intellectually mutilated by their day-to-day activities, which in turn we can expect to even further weaken what political influence they have. Whereas rural labourers remain unaffected in this regard, these are, like landlords and unlike urban labourers, hampered by the great distances between them.⁴³ The joint effect of all of these factors is significant: the working class is effectively without political power in commercial society, and almost entirely at the political mercy of the ruling upper classes.

What then can we surmise from the above about the class influence and political power under commercial society in general? The answer is simple: the state is, in general and *ceteris paribus*, a vehicle for the organized power of the upper classes throughout the history of class societies. In commercial societies, the state, or government, is an institution basically in the hands of the class of merchants and manufacturers and one that will consequently secure and advance their class interests (taking for granted the necessary caveats for different sectoral and other sub-class interests and forces which Smith also acknowledges). The mechanisms Smith discusses have been analyzed above, and as we have seen these are firmly rooted in his class theory. The empirical effects one can expect from the state in light of this analysis – and, thus, how Smith employed his analysis as a piece of empirical explanans – will be mapped out below (III.b).

⁴³ For more on all of this see our discussion towards the end of II.d.

(b) Class in State Policy

As we have already mentioned throughout Part II, Smith's class theory plays an important role in his descriptions of government policy in commercial societies – especially in the LJs and in WN. We shall now turn to some instances⁴⁴ of these in domestic (i) and foreign (ii) policy, respectively. This puts Smith's theory to fruitful empirical work, and provides historical support for his thesis outlined above in II.a. In other words, it provides both confirmation and application of Smith's state theory to contemporary historical phenomena.

(i) *Domestic Policy*

Two aspects of domestic policy clearly marked by class interests and conflict and their subsequent influence on government policy are the areas regulating the wages of labour, and regulations that establish monopolies of some sort – either total or partial – via mechanisms such as the laws of settlement, apprenticeship laws, and the institution of guilds and corporations. We will see how class forces play a key role in determining government policies in both these areas.

(i.i) Labour Law. As we have already noted in Part II, labour conflict concerning wages, work-conditions, etc. is the direct arena of class conflict between workers and merchants and manufacturers. He believes that in the absence of organization, and unless there is significant growth, the master manufacturers will always win this conflict over the workers and their wages will tend toward subsistence. Why? Because they have greater initial bargaining power, easily form tacit and explicit agreements, have greater clout in the public sphere, and can appeal to legislative and policy tools – labour law being one of these (WN I.viii.11-16). Both parties will tend to combine together to advance their interests, but the law treats these very differently, hardly if ever punishing the masters, but suppressing and punishing workers severely (WN I.x.c.61).

In light of the class nature of government in commercial societies, it is only to be expected that subsequent labour laws will be very much in the favour of the merchants and manufacturers. As Smith notes:

[w]hensoever the legislature attempts to regulate the differences between masters and their workmen, its counsellors are always the masters. When the regulation, therefore, is in favour of the workmen, it is always just and equitable; but it is sometimes otherwise when in favour of the

⁴⁴ For a more comprehensive list, see Stigler (1971: 267).

masters. (WN I.x.c.61)

As an example of the former he notes the law requiring masters to pay wages in money rather than goods, and as an example of the latter he notes the laws imposing maximum wages payable to labourers in a given industry. He also complains that the law refuses to punish the masters anywhere near as severely for organizing against their workers as for the converse.

Notably, nothing is said against minimum wage legislation, or regulations concerning working conditions and so on. Such matters seem highly implausible from the point-of-view of Smith's simple state theory, and belongs perhaps to a later age where, for the first time (if we ignore the 1640s, see Hill 1991), the working classes were able to organize and to begin to successfully and significantly improve their situation in capitalist society (though see Thompson 1991). To the extent, however, we can expect these to raise the material wealth of the working class – the greatest thing a Smithian legislator can do to promote the general interest – there are good Smithian reasons for accepting such measures.

(i.ii) Monopolies at Home: Guilds, Corporations and Statutes of Apprenticeship. Since merchants and manufacturers seek to maximize profits and workers to increase their wages, and since restricting competition either wholly or in part will serve to raise market prices above the natural equilibrium price, which in turn raise profits and wages (depending on the sector in question) (see WN I.vii.26-8, and recall also WN I.xi.p.10 and WN IV.iii.c.9, both quoted above in II.c), it is always in the interests of any sector of merchants and/or manufacturers, and sometimes in the interests of workers, to seek to attain some sort of monopoly or restriction(s) against competition – domestic as well as foreign. Though Smith devotes more attention to monopolies on the home market vis-a-vis foreign imports (see III.b.iii.i below), the same basic idea holds true for domestic trade as well. For instance the undertaker in a manufactory is “sometimes alarmed if another work of the same kind is established within twenty miles of him” (WN IV.ii.21). Thus Smith explain guilds, corporations, laws of apprenticeship, and other means of restricting competition, as means by which sections of merchants and manufacturers – but also sometimes of workers – to distort market pricing in their favour, thereby promoting their own sectional interests at the expense of the general interest of society (see inter alia WN I.x.c.18, 22-3). Thus he famously writes in WN I.x.c.27 that

[p]eople of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices.

Some “natural” factors enable extraordinary profits, such as trade secrets and unique natural conditions, and whereas the latter is taken to be inevitable and the former to be only a small problem (WN I.vii.22-4), there are artificial ways of establishing monopolies on which Smith takes a much more severe view. Smith naturally objects to these latter because they inhibit growth and thus get in the way of the economic mechanism furthering the general interest (WN I.x.c.43-59), but also because they're unfair by enclosing them within a particular trade or region (WN I.x.c.43, 58). Monopoly powers, similarly, distort the working of the economic mechanism, enable unfair positions of power for those privileged thereby, and constitute “a great enemy to good management” (WN I.xi.b.5). More, Smith holds that apprenticeship laws violate man's right to employ his labour as he sees fit (WN I.x.c.12, and see also the discussion in 46-), and that traditional arguments appealing to guarding against insufficient workmanship and promoting industry are groundless (13-4). He sums up his position thus:

Let the same natural liberty of exercising what species of industry they please be restored to all his majesty's subjects, in the same manner as to soldiers and seamen; that is, break down the exclusive privileges of corporations, and repeal the statute of apprenticeship, both which are real encroachments upon natural liberty, and add to these the repeal of the law of settlements, so that a poor workman, when thrown out of employment either in one trade or in one place, may seek for it in another trade or in another place, without the fear either of a prosecution or of a removal, and neither the publick nor the individuals will suffer much more from the occasional disbanding some particular classes of manufacturers, than from that of soldiers. (WN IV.ii.42)

This being said, he concedes that, the most powerful social forces being aligned firmly against his general commitment to the freest possible markets, it is unlikely they will ever become a full reality, and will take at best a long time to even approach such a vision (43-4).

Before moving on to foreign policy, some Smith commentators still believe (Blaug 1978, Skinner and Campbell 1976) that Smith opposed the poor laws – perhaps because he opposed other parts of the Acts of Settlement as discussed above. However, the fact is, as other commentators have pointed out (e.g. Himmelfarb 1984 and Fleischacker 2004) Smith never discusses the poor laws themselves apart from their restrictions on persons' movements. From a contemporary orthodox laissez-faire view we would very much have expected him to comment negatively on these. However, from our class-based perspective, and from paying attention to his conception of the general interest and the actual arguments Smith provides above, we can understand why Smith never writes against these parts

of the Acts of Settlement. Since what matters above all to the general interest to be promoted by the legislator, the fact that a branch of government donates material wealth to the poor must almost undoubtedly be seen as a good thing. Further, there is little or no reason according to Smithian political economy for such an action to have negative side-effects. Thus, there are excellent Smithian reasons for supporting various forms of state provisions for e.g. poor, unemployed, the old, the disabled, children, etc., though perhaps they are difficult to square with the simplicity of the class picture Smith paints of government in commercial societies.

(ii) Foreign Policy

For foreign policy, Smith's main focus is clearly on freedom of trade and movement between countries, and on the way governments, under the influence of sections of merchants and manufacturers, and to the detriment of the general interest, wrongly interferes in this. But we also find two very interesting reflections concerning the relation between trade and the prospects of a less violent international community, and on the ways which class interests may promote the exact opposite, and promote a kind of imperialism. We shall discuss each of these matters in turn.

(ii.i) Tariffs, Duties and Restrictions.

Just like merchants and manufacturers seek to secure monopolies and privileges within a nation – and for the very same economic reasons – so too do they seek monopolies against external competition as well. Smith writes that:

as merchants and manufacturers, who being collected into towns, and accustomed to that exclusive corporation spirit which prevails in them, naturally endeavour to obtain against all their countrymen, the same exclusive privilege which they generally possess against the inhabitants of their respective towns. They accordingly seem to have been the original inventors of those restraints upon the importation of foreign goods, which secure to them the monopoly of the home-market.” (WN IV.ii.21)

Not only do merchants and manufacturers come up with these policies in their interest – caring little or nothing for the general interest or for the particular interests of the other classes – they are also frequently able to trick members of the other classes into supporting their policies in the mistaken belief that they are furthering their own and/or the general interest. It is merchants and manufacturers who “derive the greatest advantage from th[e] monopoly of the home market” (WN IV.ii.16 and

IV.iii.a.10) and they are, unfortunately, all too often able to secure the support of landlords or even workers on account of their intellectual abilities (WN I.x.c.25, WN IV.ii.21, and WN IV.v.a.23):

The enhancement of price occasioned by both [corporations and corporation laws, and high duties on imports] is every where finally paid by the landlords, farmers, and labourers of the country, who have seldom opposed the establishment of such monopolies. They have commonly neither inclination nor fitness to enter into combinations; and the clamour and sophistry of merchants and manufacturers easily persuade them that the private interest of a part, and of a subordinate part of the society, is the general interest of the whole. (WN I.x.c.25)

In Letter 248 (Corr) addressed to Rochefoucauld, dated 1 November 1785, discussing Great Britain, Smith expresses the very same sentiments in remarkably convergent language:

In a Country where Clamour always intimidates and faction often oppresses the Government, the regulations of Commerce are commonly dictated by those who are most interested to deceive and impose upon the Public.

Thus, as Smith confirms a number of other places (e.g. WN IV.ii.43-4, IV.iv.1, IV.viii, and V.i.e.4), it is the interests of the class of merchants and manufacturers that is primarily catered for in the trade policies of Europe. Perhaps as a result of this – and here we must recall Smith's warning in WN I.xi.p.10 that merchants and manufacturers have an interest in, and thus often do, oppress and deceive the public – in Letter 233 (Corr) addressed to William Eden, dated 15 December 1783, he feels confident enough to claim that trade regulation in general:

may, I think, be demonstrated to be in every case a complete piece of dupery, by which the interest of the State and the nation is constantly sacrificed to that of some particular class of traders.

In fact, Smith believes the power of merchants and manufacturers over government and government policy-formation to be so complete that he expresses severe doubts about his vision ever being reached, or about how far his recommendation are ever likely to be pursued. The passage deserves to be quoted at length:

To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain, is as

absurd as to expect that an Oceana or Utopia should ever be established in it. Not only the prejudices of the publick, but what is much more unconquerable, the private interests of many individuals, irresistibly oppose it. Were the officers of the army to oppose with the same zeal and unanimity any reduction in the number of forces, with which master manufacturers set themselves against every law that is likely to increase the number of their rivals in the home market; were the former to animate their soldiers, in the same manner as the latter enflame their workmen, to attack with violence and outrage the proposers of any such regulation; to attempt to reduce the army would be as dangerous as it has now become to attempt to diminish in any respect the monopoly which our manufacturers have obtained against us. This monopoly has so much increased the number of some particular tribes of them, that, like an overgrown standing army, they have become formidable to the government, and upon many occasions intimidate the legislature. The member of parliament who supports every proposal for strengthening this monopoly, is sure to acquire not only the reputation of understanding trade, but great popularity and influence with an order of men whose numbers and wealth render them of great importance. If he opposes them, on the contrary, and still more if he has authority enough to be able to thwart them, neither the most acknowledged probity, nor the highest rank, nor the greatest publick services can protect him from the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists. (WN IV.ii.43)

A number of important factors we have discussed above make their appearance in this passage. We see the importance of the private interests of merchants and manufacturers arising from their structural position in the economy, as well as the extent of their influence over their workmen in order to mobilize them in an exertion of social power. We also see the importance of the merchants and manufacturers' cognitive and deliberative abilities, and their dominance of the public sphere. And we also see in concrete – even violent – terms how these factors of class power directly and indirectly influence the particular decisions and general gist of working politicians/legislators. Finally, we note in dramatic terms the awesome strength of Smith's class domination thesis – one which, as I have shown throughout this work, is an absolutely critical element in his social and political thought.

In fact, as a result of the brute fact of the class domination thesis, Smith urges that the legislator must proceed slowly and by piecemeal steps in order to avoid the class of merchants and manufacturers mobilizing against them (WN IV.ii.44). Let us now move to Smith's more speculative ruminations on international relations and foreign policy in a world of commercial societies.

(ii.ii) Cooperation and International Peace. A brief point we need to make, as a set-up for the next

section (ii.iii), is that Smith sees the expansion of international trade in general to be beneficial, at least – and this is very important because, as we shall see in iii.iii, all other things are *not* equal – *ceteris paribus*. This is something Kant would later pick up on in a rare political work (PP), though the latter's discussion remains far inferior to Smith both for its oversimplified approach, its lack of class perspective (and, indeed, as with Kant's work in general, an inattention to genuine social and political theory, in particular its descriptive elements), and its lack of Smith's trademark attention to empirical detail.

The expansion of international trade, Smith believes, will promote international peace ultimately by equalizing different nations' military force. This will happen as a result of the communication of relevant knowledge which inevitably occurs with extensive commercial interaction. In fact Smith hopes this will eventually help put the victims of European foreign policy on a more equal footing militarily, thereby ending once and for all the terrible injustice they have suffered at the hands of their so-called civilizers. As Smith writes iconically:

By uniting, in some measure, the most distant parts of the world, by enabling them to relieve one another's wants, to increase one another's enjoyments, and to encourage one another's industry, their general tendency would seem to be beneficial. To the natives, however, both of the East and West Indies, all the commercial benefits which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned. These misfortunes, however, seem to have arisen rather from accident than from any thing in the nature of those events themselves. At the particular time when these discoveries were made, the superiority of force happened to be so great on the side of the Europeans, that they were enabled to commit with impunity every sort of injustice in those remote countries. Hereafter, perhaps, the natives of those countries may grow stronger, or those of Europe may grow weaker, and the inhabitants of all the different quarters of the world may arrive at that equality of courage and force which, by inspiring mutual fear, can alone overawe the injustice of independent nations into some sort of respect for the rights of one another. But nothing seems more likely to establish this equality of force than that mutual communication of knowledge and of all sorts of improvements which an extensive commerce from all countries to all countries naturally, or rather necessarily, carries along with it. (WN IV.vii.c.80)

However, such a hoped-for goal is at best far off in the future. For now, the commercial European nations may act as they please, while their colonial victims suffer what they must. These policies, however, serve neither the general interest, nor most of the particular interests in commercial

societies, and in accounting for their implementation and maintenance we see one of the finest instances of Smith's theories of class and state at work, a perspective which, indeed, remains relevant and plausible (in barely modified form) to understanding today's foreign affairs (see *inter alia* Chomsky 2010).

(ii.iii) A Theory of Imperialism.

According to Smith, the first modern European colonial efforts were driven by the search for precious metals – especially gold. And, though the projects themselves are in fact highly unprofitable once their costs and risks are factored in, the lure of the “sacred thirst for gold” – and the “injustice of the project” being “sanctified” by the claimed purpose of converting the natives to Christianity – was sufficient to motivate all the early colonial efforts of especially the Spanish in the new world (WN IV.viii.a, esp. 15-22). And he knows exactly what he thinks about these early projects:

Folly and injustice seem to have been the principles which presided over and directed the first project of establishing those colonies; the folly of hunting after gold and silver mines, and the injustice of coveting the possession of a country whose harmless natives, far from having ever injured the people of Europe, had received the first adventurers with every mark of kindness and hospitality. (WN IV.vii.b.59)

Far more interestingly than this is Smith analysis of the monopolistic colonial policies exhibited by European nations towards their colonies – consisting in various restrictions and encouragements on trade between a country and its colony. Here we see Smith developing and employing a distinctly class theory of colonialism or imperialism which builds upon his previously developed theories.

In general, Europe has gained from trading with the colonies in terms of an increase in enjoyments (i.e. the wares imported) as well as an augmentation of industry (WN IV.vii.c.4-8). However, the exclusive trade enforced by European colonial policies reduces such benefits – reducing consumption and cramping industry by interfering with the economic mechanism. (9). Modern European colonies furnish neither soldiers nor tax income to any worthwhile extent (12-3) and are generally extremely expensive relative to the income they generate (WN IV.viii.53). These policies can and do, however, produce particular advantages to individual countries, *vis-a-vis* other countries, as a result of exclusive trading privileges. But this is ultimately a “relative” advantage only, which operates as it “diminishes, or, at least, keeps down below what they would otherwise rise to, both the

enjoyments and the industry of the countries which do not possess it” (WN IV.vii.c.15, cf. WN IV.viii.48), thus “giv[ing] prosperity to the country which enjoys it” solely by virtue of “depressing the industry and produce of other countries” (16, cf. also WN IV.vii.c.56). Thus the colony trade, in order to “promote the little interest of one little order of men [as we shall demonstrate shortly, particular sectors of merchants and manufacturers] in one country, it hurts the interest of all other orders of men in that country, and of all men in all other countries” (WN IV.vii.c.60)

Moreover, such policies are ultimately disadvantageous to almost everyone – workers, landlords, and even the sovereign himself. First of all, mercantilist colonial policy sacrifices absolute advantages, and both increases the rate of profit – which is bad because it subjects the country to an absolute disadvantage in all non-monopolized industries and diverts capital away from what would be more profitable endeavors (18-28, cf. also WN IV.vii.c.81-90). And Smith draws the normative conclusion from this, as the general interest is best served by maximizing economic growth, and as such policies “necessarily renders the whole quantity of productive labour annually maintained there (...) less than they otherwise would be”:

[M]onopoly hinders the capital of that country (...) from maintaining so great a quantity of productive labour as it would otherwise maintain, and from affording so great a revenue to the industrious inhabitants as it would otherwise afford. But as capital can be increased only by savings from revenue, the monopoly, by hindering it from affording so great a revenue as it would otherwise afford, necessarily hinders it from increasing so fast as it would otherwise increase, and consequently from maintaining a still greater quantity of productive labour, and affording a still greater revenue to the industrious inhabitants of that country. One great original source of revenue, therefore, the wages of labour, the monopoly must necessarily have rendered at all times less abundant than it otherwise would have been. (WN IV.vii.c.57, cf. also 49)

But monopoly is also hurtful to the landlord class because it “retards” the natural increase of his rent – because it discourages the improvement of the land – as well as “the price he would get for his land in proportion to the rent which it affords” – because this ratio falls when the rent of interest increases, as it does under monopoly conditions (WN IV.vii.c.58, cf. also II.iv.17).

In fact the only beneficiaries are particular sectors of mercantile profits – which are raised higher than they otherwise would be – by raising the rate of profit, though the total volume of profit is hindered from rising as high as it otherwise would (59WN IV.vii.c.59). In fact, Smith holds, “[a]ll the original sources of revenue” are rendered “much less abundant than they otherwise would be” (60). As

a result of this, it is in every sovereign's interest to oppose monopolies of all kinds in favour of the freest possible markets (WN IV.vii.c.102), at least in general. As Smith puts it: “It is thus that the single advantage which the monopoly procures to a single order of men is in many different ways hurtful to the general interest of the country.” (WN IV.vii.c.62)

According to Smith, it is the class of merchants and manufacturers that has invented and is maintaining colonial regulations:

Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it must be observed, have been the principal advisers. We must not wonder, therefore, if, in the greater part of them, their interest has been more considered than either that of the colonies or that of the mother country. (WN IV.vii.b.49)

Now one might think, given the distinct lack of profitability and the numerous and significant disadvantages of monopolistic colonial policy to workers, landlords and the sovereign power itself, that European governments – concerned, as they should be, by the general interest which is clearly opposed to these policies – would move away from the imperialist line. But government, as we have seen, is subject to the whims of merchants and manufacturers, and

a company of merchants are, it seems, incapable of considering themselves as sovereigns, even after they have become such [They} (...) regard the character of the sovereign as but an appendix to that of the merchant... They endeavour for this purpose to keep out as much as possible all competitors from the market of the countries which are subject to their government, and consequently to reduce, at least, some part of the surplus produce of those countries to what is barely sufficient for supplying their own demand, or to what they can expect to sell in Europe with such a profit as they may think reasonable. Their mercantile habits draw them in this manner, almost necessarily, though perhaps insensibly, to prefer upon all ordinary occasions the little and transitory profit of the monopolist to the great and permanent revenue of the sovereign... As sovereigns, their interest is exactly the same with that of the country which they govern. As merchants their interest is directly opposite to that interest. (WN IV.vii.c.103, cf. also IV.vii.b.11)

Whereas it might seem – and, indeed, Smith believes it is – absurd to build an empire for the sake of providing markets of customers for their exporting industries, it makes perfect sense from the point-of-view of mercantile logic:

To found a great empire for the sole purpose of raising up a people of customers, may at first sight appear a project fit only for a nation of shopkeepers. It is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation whose government is influenced by shopkeepers. Such statesmen and such statesmen only, are capable of fancying that they will find some advantage in employing the blood and treasure of their fellow citizens to found and to maintain such an empire.” (WN IV.vii.c.63, cf. also WN IV.viii.53)

In fact, Smith is keen to insist that it is above all the interests of the producers – by which he means the masters manufacturers, or capitalists – and not at all the interests of the workmen and/or of consumers – that are maintained by Europe's brutal imperialism:

[Master manufacturers] are as intent to keep down the wages of their own weavers, as the earnings of the poor spinners, and it is by no means for the benefit of the workman, that they endeavour either to raise the price of the compleat work, or to lower that of the rude materials. It is the industry which is carried on for the benefit of the rich and the powerful, that is principally encouraged by our mercantile system. That which is carried on for the benefit of the poor and the indigent, is too often, either neglected, or oppressed. (WN IV.viii.4)

It cannot be very difficult to determine who have been the contrivers of this whole mercantile system; not the consumers, we may believe, whose interest has been entirely neglected; but the producers whose interest has been so carefully attended to; and among this latter class our merchants and manufacturers have been by far the principal architects. In the mercantile regulations, which have been taken notice of in this chapter, the interest of our manufacturers has been most peculiarly attended to; and the interest, not so much of the consumers, as that of some other sets of producers, has been sacrificed to it. (WN IV.viii.54)

Smith's theory of imperialism – that is, of the social forces causing or driving European colonial policy – demonstrates the strength and extent to which the interests of the class of merchants and manufacturers is allowed to trump all others', at considerable detriment to the general interest. Though he believes it advisable, Smith believes that unfortunately a colonial power will never give up their dominion over their colonies willingly (WN IV.vii.c.66).⁴⁵

As we have seen, the state according to Smith is in general a vehicle for the particular interests of merchants and manufacturers, usually in opposition to the general interest the legislator should

⁴⁵ This section owes a lot to the work of Noam Chomsky (2002 and 2010).

promote. This, as we will see in Part IV, has profound implications for the ideal form of commercial society Smith will have to envisage as per his method of doing political theory (cf. I.a). Though we shall not explore this matter further, it also has consequences for the pragmatic aspects of Smith's policy advice to legislators, insofar as actual legislators must attend to and consider the social forces arrayed against his purposes.

IV. Smith's Vision of the Ideal Commercial Society.

There is a general conclusion that later thinkers who were inspired by Smith took from his work. This is a general preference for letting the freest practicable markets determine economic conditions over that of a constantly interfering and regulating government. Unfortunately this general case is almost always explained either solely in terms of Smith's optimistic political economy, or in terms of his political economy in conjunction with his discussions of the epistemic limitations and moral vices of politicians. If we are to have a proper grasp of this general case, however, Smith's theories of class and state have to be added to the mix. In part, this has been done in III.b, where some of Smith's empirical (explanatory) applications of these were surveyed. In this part we will take our discussion one step further and show how Smith's theories of class and state, combined with his normative commitments and his theories of political economy, all subject to his distinct method of political theory discussed in I.a, combine to generate an institutional vision of the ideal commercial society which Smith holds actual legislators in commercial societies should work their society towards.

In this Part of the thesis I will therefore first, in (a), outline Smith's general argument for the general superiority of free markets or a maximally unfettered (commercial) economic system over one featuring extensive state interference, and then, in (b), go on to show how this general argument, in the context of Smith's method of political theory, grounds the legislator's commitment to a particular vision of the ideal commercial society which his practical policies should aim to move their society towards. The upshot of all of this will be to show how important Smith's theories of class and state were to these significant and above all extremely influential politico-theoretical conclusions.

(a) Smith's General Case for the Superiority of Free Markets over Extensive State Interference.

I believe we can find in Smith a theoretically important and historically influential case for general skepticism about state interference in the economy of commercial societies, except where these are either absolutely necessary, or where these are justified on particular grounds of poverty relief, the general interest, and/or prudential or practical considerations (for the best overview available see Skinner 1995). This argument will be crucial for understanding the later developments of particularly left-wing Smithian thinking as epitomized by Condorcet, Paine, and others. Having now properly reconstructed Smith's theories of class and of the state, we are finally in a position to map out this argument in a proper way.

Briefly put, the argument runs as follows:

1. The legislator ought to promote the general interest (this, of course, follows from deeper normative commitments which we will not go into here).
2. It is possible for the economy of a commercial society to survive and perpetuate itself without extensive government interference.
3. In practice in commercial societies the general interest is constituted, at least to a large extent, by the maximal increase of the real wealth of the working class.
4. The real wealth of the working class increases and is highest, *ceteris paribus*, where rates of economic growth are the highest.
5. Individual workers, merchants and manufacturers are the best at determining which investments will be the most profitable, as a result of which they will best secure the highest possible rates of economic growth.
6. The state, or government, is in general an instrument of the class of merchants and manufacturers, and will, in general and *ceteris paribus*, act in accordance with their interests and/or the interests of various segments thereof.
7. The interests of the class of merchants is never the same as, and almost always opposed to, increasing the real wealth of the working class and therefore also, trivially, to the general interest of society as per 3 above.
8. By 6 and 7 the state cannot in general be relied upon to promote the general interest of society.
9. By 3, 4 and 5 the economic mechanism of commercial society can, and to at least some significant extent does, in effect promote the general interest of society.

Therefore:

10. By 1, 2, 8 and 9 the legislator in and of a commercial society ought to work towards an ideal of commercial society where the economic mechanism is left as unfettered as possible by political and/or other interference – i.e. by letting markets be as free as possible.

Now, 1 and 3 are of course grounded in much deeper and more extensive normative commitments, some of which have only briefly been laid out in II.a.iii above. On the other hand 2 is an important implicit premise for the argument to work at all. Points 4 and 5 follow from Smith's economics, epistemology and motivational psychology, some of which has been examined in III.a.i above. Point 7 follows from Smith's class theory, especially as shown by my examination in III.c, whereas point 6 follows from his theory of the state as laid out above in III.a, esp. iii, and its applications discussed above in III.b. And points 8, 9 and 10 follow from the others. It thus makes

sense when Smith writes, in a manuscript cited by Steuart, that “[l]ittle else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things” (*Account/TMS IV.26*).

In the remainder of the section I will briefly lay out each of the premises above (i.e. *not* 8, 9 and 10) in turn, as some have not yet been mentioned and the remainder will benefit from a short recapitulation and summary. Once this has been done we can move on to (b) where I shall tie all these strands together and see how the above-reconstructed general argument for the superiority of the free market over extensive state intervention, once properly embedded in Smith's method of political theory as per I.a. above, generates a commitment to a model of an ideal commercial society which, in general and *ceteris paribus*, the freest practicable markets, or the economic mechanism the least unnecessarily interfered with.

Let us begin by reminding ourselves that it is at least one of the legislator's main duties to “provide a plentiful revenue or subsistence for the people” (WN IV.1), and that this, as we have shown in II.a.iii, amounts to a practical commitment to the maximal increase in the material wealth of the members of the working class. These commitments do have deeper normative foundations which are worth exploring, but for the purposes of the argument we are investigating here, this will be sufficient.

Turning to Smith's political economy and premise 2 above, one fact especially worth noting is that Smith was among the first to articulate – at least explicitly and with the concrete economic theory to back it up – a view of the economic system of commercial society, what we now might call market or competitive capitalism, as a self-sufficient and self-maintaining system, a mechanism that would keep on rolling regardless – often in spite – of political or other meddling. All of this is grounded in his analysis of value and the tripartite division in the economic mechanism between three different sources of income and the corresponding orders of men that jointly compose such a mechanism (Dobb 1973, ch.1 and Meek 1977, ch.10). The operations of the mechanism, in turn, is driven by ambition, a constant of human nature which drives particularly those able to take up the mantle of merchants and manufacturers to achieve a rate of growth and expansion unseen in other forms of society. Rhetorically he draws upon the language and images of the then-prominent vitalistic biology (Packham 2002), whilst theoretically he no doubt relied on his earlier reflections on the nature of scientific explanations and development (*HA/EPS*)⁴⁶. In particular, the way in which a distinct conception of competition

⁴⁶ Packham (2002) has drawn some interesting parallels between Smith's conception of the free market economy and vitalism as opposed to the mechanistic theories of biology and physiology they sought to displace. The parallels are convincing and enlightening in historical, conceptual and theoretical terms. However, I believe Smith's conception of

produces, from individually competing agents – especially merchants and manufacturers driven by the powerful motor force of ambition – a notion of natural price, a theory of value and with it a theory of distribution and all the rest which enables the unification of all these individual actions in a particular (kind of) mechanism, seems to have been of special importance (O'Donnell 1990, ch.4). This key perspectival insight – envisioning as a composite system, machine or mechanism composed and driven entirely by the psychological driving forces inherent in human nature, gathered together and stabilized by market competition enabling a theory of value to explain equilibrium prices forming the foundations on which the remaining economic paradigm can be built – was no doubt a psychologically potent and both a scientifically and philosophically interesting and progressive step away from the strongly holistic and authoritarian conception of society then prominent. Importantly for our purposes, the implicit premise that the economy of commercial societies *can* and *will* survive independently of extensive regulation and manipulation is an important prerequisite for any subsequent argumentation for the thesis we are here concerned with, namely that, in general and *ceteris paribus*, the freest practicable markets are preferable to extensive government intervention.

As for the theory of wages necessary for premise 4 – the key determinant of the real wealth of the members of the working class – Smith notes that as the interests of manufacturers and workers in wage bargaining are diametrically opposed and of a zero-sum nature, the resulting wage-rate is dependent on the power-relation between these two orders (WN I.viii.8 and 10). As we have shown in II.c, the master manufacturers will always tend to win out in such competition (13), as a result of which wages, *ceteris paribus*, will tend towards a subsistence level (14-5). There is one and only one exception to this, and this is when “the demand for those who live by wages (...) is continually increasing” (17), which in turn can arise only with an increase in stock and/or revenue (16-21). Thus it is not the size of national wealth, but “its continual increase” that causes wages to rise, as a result of which it is in those countries growing rich the fastest – that is, with the maximal rates of growth – that

scientific explanation, as well as the account he gives of commercial society in WN itself and its links to underlying psychological elements and other institutions, is better understood along mechanistic lines. Crucial in this respect is vitalism's (cf Bechtel 2008 p. 206-9) insistence on the need to posit forces or laws of higher-level entities and explanations which are wholly independent of and irreducible to those of lower levels. This seems clearly inconsistent with Smith's thoroughgoing commitment to the search for the psychological mechanisms underlying higher-level social phenomena. That the actual sorts of economic models and explanation offered by Smith seems supported by the fact that the circulation model on which these theories are based is far closer related to a specific kind of mechanistic rather than vitalistic model or explanatory format (cf. Lowry 1974, esp. pp. 439-442 and 443-4), which again coheres well with Smith's own reflections on explanation in *HA/EPS* (esp. IV.19, cf. Also LRBL I.v.33-4, *Considerations/LRBL* 30-45, and TMS I.i.4.2) and Meek's study of Scottish economists' (explicitly including Smith) conception of the economy as an “economic machine” (Meek 1977, ch. 10). An interesting link is drawn between mechanistic forms of explanation in early political economy and in those found in the four-stages views of history (of which there is reason to believe Smith was one of the first to develop and historically the most influential exponent of) in Meek 1976, ch. 6. For more on mechanistic explanation see Machamer et.al. (2000), Craver (2007) and Bechtel (2008).

“the wages of labour are highest” (22).

With wages out of the way, what of Smith's theory of growth? Given his theory of wages or distribution, the next necessary question to ask is how the highest and most sustainable rate of growth can be achieved. Only if a freely functioning commercial-economic mechanism, i.e. a free market, will at least generally ensure the highest rates of growth will an unequivocally positive conclusion follow in favour of free markets over government interference. And this is exactly what Smith provides. In commercial societies the class of merchants and manufacturers, driven by ambition, in turn a manifestation of vanity, is the primary motor force of economic development. They are constantly engaged in plans and projects and competing with their fellow merchants and/or manufacturers to maximize their profits. Constantly engaged in various plans and projects, they develop the requisite virtues and characters to the fullest – in particular their cognitive or mental abilities (cf. II.c above). On top of this, being constantly in charge of and supervising their investments, as well as very interested in their success and constant improvement, they retain the epistemic closeness to their investments and their areas of potential investing that enables them to see how they can best employ and improve their capitals (cf. III.a.1 above on the requisite epistemological foundations of this view). A politician/legislator or government official will typically lack both of these advantages, and is thus unlikely to be able to do anywhere near as well (ibid). The same is true, for a number of different reasons, for the older feudal mode of subsistence or production, and indeed of all lands owned and/or managed by landlords (cf. III.a.i and II.b above). Accepting Smith's account of the economic mechanism of commercial society, his motivational psychology, and his epistemology, he has good grounds for holding to premise 5 above that growth will be highest where investments are determined as much as possible by individual workers, merchants and manufacturers⁴⁷.

As for premise 7, this has been thoroughly examined in II.c above, where we found that merchants and manufacturers, being always opposed to a rise in real wages, and often opposed to a genuine system of free markets (cf. also III.b), have interests therefore never the same as, and often opposed to, the general interest as conceived by Smith. Furthermore, this is of great significance to any legislator in and of a commercial society, because according to Smith the governments of these societies are, in general and *ceteris paribus*, vehicles for the organized interests of the class of merchants and manufacturers and/or particular segments thereof. Not only is this thoroughly grounded in Smith's already-established class analysis (III.a.iii), it is also used to account for an admirable range of empirical explanations of an assortment of wrong-headed or downright vicious government policies

⁴⁷ For more on Smith's economics, apart from the works of Dobb and Meek, see esp. Hollander (1973) and O'Donnell (1990).

(III.b).

And from these premises, of course, the conclusions 8, 9 and 10 plausibly follow. But this is only part of the story. In order to get the whole picture we must embed the argument in his wider method of political theory. Only then can we see how and why what at first glance looks like and argument for one thing over another, in reality becomes the justification for a commitment to a determinate ideal general model for human societies at a certain level of historical development. Consequently, we turn now to Smith's vision of the ideal commercial society.

(b) Smith's Vision of the Ideal Commercial Society.

Recall from I.a. above that Smithian political theory aims at advising the legislator as to the best system of legislation and policy in light of the society-type in which he situated. In particular, Smith, both in the LJs and in WN, aims to provide an image of the best such system available for legislators in a commercial society – viz. an image of the ideal commercial society – which legislators should seek to move their society towards. The key institutions of a “commercial society” according to Smith include a form of market capitalism typified by a large number of small-scale individual capitalists (i.e. persons, never corporations or cartels), and a form of government either monarchical or an aristocratic/minoritarian republic (Smith seems to have believed that any form of government requiring (more) extensive participation was pragmatically out of the question for commercial societies, cf. LJ(A) iv.109-12 and v.48). This form of economy – or this kind of economic system – generates a tripartite class structure or relations of inequality, which in turn deeply marks the resulting form and content of government.

From IV.a above we have a rough outline of his politico-economic conclusions, his theories of class and state, his proximate normative commitments, and the argument they put together. Let's see how this argument plays out in the context of Smith's politico-theoretical method: The legislator in a commercial society should seek to maximize the material wealth of the working class, and he must do so within and only within the confines of the basic structure of his own society. In commercial societies, there are two institutions with the theoretical ability to ensure that this is done: the economic mechanism of commercial society, and the government thereof. The government, Smith tells us, is in the hands of a class with particular interests diametrically opposed to the general interest, and which is thus highly effective in having their particular interests realized in government policy – to the detriment of the benevolent legislator's goals, viz., the general interest. By contrast, the economic mechanism of commercial society can, in spite of its asymmetrical class power, be made to substantially increase the

wealth and independence of working class people under correct conditions – namely conditions of high, preferably maximal, rates of growth. Consequently, since maximal economic growth is best secured by minimizing direct state intervention in the economy of commercial societies, the Smithian legislator has good theoretical grounds for advocating a vision of an ideal commercial society featuring the freest possible markets – albeit with state intervention whenever and wherever sufficiently justified.

But what is Smith's vision in a still rough but more descriptive outline? It is one where the economic system is left as free as is practicable and thus secures high growth. High growth in turn makes workers wealthier, as a result of which they become more productive, more independent, and substantially freer persons. As such they become more able to develop the virtues most prized and promoted in commercial societies – prudence, industry, frugality, attention, moral and political wisdom, Self-command, the amiable “humane” virtues of compassion, beneficence, etc. It is a socially mobile society, where distinctions of ranks are increasingly sensitive to the development of the necessary virtues and characters rather than benefits of birth, contacts or (large or small-scale) physical violence. It is a form of society less and less marked by the deference and servitude that so characterized the master-servant/master-slave relation, and ever-more fully dominated by the far less oppressive contractual relation – a relation in which, thanks to high growth, workers become increasingly less disadvantaged. Government will take care of necessary public provisions – in fact a considerable range from public investments in infrastructure through services to promote the general interest that markets can't/won't provide or can't/won't provide well, and measures to compensate the detrimental effects various developments such as an extreme division of labour have on those affected – as well as protect society from the more frivolous and irresponsible tendencies market speculation tends to generate. Leaving international trade largely free, exceptions included for military and strategic measures of course, it is a society in which increasing contact with other parts of the world will bring a greater array of increasingly affordable luxuries, and which will eventually equalize military might and halt brutal European imperialism. Here one can clearly see the continuity and connections between this strand of classical liberal thought and the later development of libertarian socialism.

Thus, once we embed the argument we reconstructed in IV.a, we can see how the various normative and descriptive elements of Smith's political theory, once properly embedded within his method thereof, generate a commitment to the vision of an ideal commercial society outlined above. Given the basic institutions of commercial societies in conjunction with Smith's above-mentioned theory of history and method of political theory, and given that the argument as reconstructed above yields a general preference for free over highly regulated markets, diagram 1 gives us a helpful visual representation of how this all hangs together:

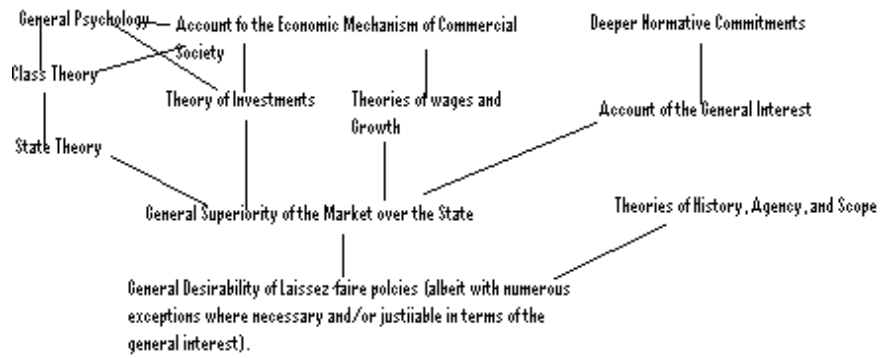


Diagram 1⁴⁸

Whereas we have briefly discussed the elements along the right-hand side, it should be clear that our main focus has been on the elements along the far left-hand side of the diagram. Traditionally, the elements along the middle – viz. the politico-economic ones – have been the most emphasized. As I have shown, however, those on the left-hand side are absolutely vital for Smith's general argument to work properly, and thus also for his vision of the ideal commercial society, and with it his political theory in general, to go through. Since these critical components are so often ignored and almost always under-represented relative to their importance and usage in Smith's work, it is of significant interest to have these laid out in detail and given their proper attention as parts of Smith's edifice. This is what I hope to have achieved in this work.

⁴⁸ The diagram is actually somewhat simplified for the sake of convenience. Smith's theories of history, and agency and scope of political theory, as well as his deeper normative commitments, are all very much related to his general psychology. And his account of the general interest and what it amounts to is again related in specific ways to his account of the basic institutions of commercial societies. However, I do not believe a more detailed version would help very much, and the cost to clarity is probably too great.

Conclusion

There is very little I can write here that has not already been written. Smith developed the most impressive system of ethics in his day, he invented Historical Materialism as incorporating a theory of history and a methodology both of social science and of social and political theory. And all of this was premised on an outlined developmental psychology and keen attention to the available historical and anthropological record. He developed one of the first properly developed mechanistic systems of political economy, and with it the first class theory fit for the new kind of society – what he called commercial society, and what we might characterize as early competitive capitalism. Political theory would never and could never be the same again.

Above we have examined Smith's theory of socio-economic class in detail (Part II), how this theory plays a crucial role in his analysis of government/the state, and how both of these respective analyses are used for Smith's explanations of government policy (Part III). Finally, I have shown how this supplies a necessary component for a proper understanding of Smith's general preference for free markets over extensively regulated ones, and thus also his general case for a maximally laissez faire economic policy, at least *ceteris paribus* (Part IV). As should by now be evident, these elements are vital components of any account of Smith's general social and political theory aspiring to completeness. Not only that, adding as per the above Smith's class and state theories enables us to demonstrate that and how his normative egalitarian commitments are in fact fully consistent with, and indeed also greatly supportive of, his adherence to a commercial economy with very free markets.

All of this should help us greatly both in improving our understanding of Smith's thought, and in understanding just how the elements of moral, social and political thinking we find distributed throughout TMS, the LJs and WN all connect and interrelate. In the above we have demonstrated not only how important the empirical component of his work was to Smith's wider social and political theory, but also how such components can, and I believe should, play similarly important roles in any genuine attempts in contemporary political thinking. Finally, with a more satisfactory account of Smith's theories of class and state at hand, we can begin to see how he influenced later left-wing but severely state-sceptical thinkers such as Condorcet, Paine and Godwin on the one hand, as well as the early theories of libertarian socialism found in e.g. Marx on the other. Only when this is done can we begin to truly appreciate Smith's position and influence in the history of political theory.

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EPS *Essays on Philosophical Subjects*, edited by W. P. D. Wightman and J. C. Bryce, Oxford: Clarendon Press, 1980

LJ *Lectures on Jurisprudence*, edited by R. L. Meek, D. D. Raphael, and P. G. Stein, Oxford: Clarendon Press, 1978 (manuscripts referred to as LJ(A) (dated 1732-3) and LJ(B) (dated 1766), respectively)

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TMS *The Theory of Moral Sentiments*, edited by D. D. Raphael and A. L. Macfie, Oxford: Clarendon Press

WN *An Inquiry into the Nature and Causes of the Wealth of Nations*, edited by R. H. Campbell and A. S. Skinner, Oxford: Clarendon Press, 1976

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