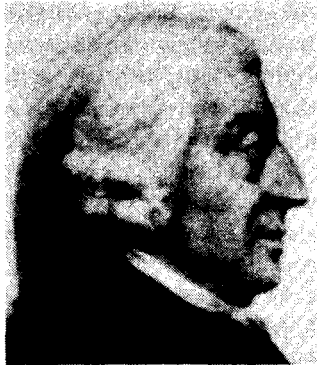


Adam Smith viewed man as an animal

Adam Smith (1723-1790) was a follower of David Hume, and in his *Treatise of Human Nature* (1739), he reduced the power of creative reason to a mechanistic arrangement of sense impressions and denied the existence of an underlying lawfulness to the created universe. Years before Smith's *Wealth of Nations* became popularized, he penned another book, *Theory of the Moral Sentiments* (1759). Here Smith is more honest about his view of man as an irrational hedonistic animal, who lacks the divine power of creative reason and love:

"The administration of the great system of the universe . . . the care of universal happiness of all rational and sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers, and the narrowness of his comprehension; the care of his own happiness, of that of his family, his friends, his country. . . . But though we are endowed with a very



strong desire of these ends, it has been intrusted to the slow and uncertain determinations of our reason to find the proper means of bringing them about. Nature has directed us to the greater part of these by original and immediate instincts: Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sake, and without any consideration of their tendency to those beneficent ends which the great Director of Nature intended to produce by them."

Now, let us briefly look at Smith's "invisible hand" of the marketplace. Since human beings are really governed only by animal instincts associated with pleasure and pain, how do we account for the qualitative and quantitative advancements of the human population? How does Smith account for all the great accomplishments of the human race and all the scientific revolutions generated by man's sovereign power of creative reason? He can't.

In his *Wealth of Nations*, written in 1776 as an explicit attack on the emerging American republic, Smith tells us that man's unique quality is found in his "propensity to truck, barter, and exchange one thing for another."

"It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any species of contracts. . . . Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog. . . . Nobody ever saw one animal by its gestures and natural cries signify to another, this is mine, that yours; I am willing to give this for that."

Perhaps dogs, unlike Smith, are smart enough to know: the invisible paw doesn't exist.

—Lawrence K. Freeman

course to the vain project of *selling everything* and *buying nothing*.

But it is also a consequence of the policy, which has been noted, that the foreign demand for the products of agricultural countries, is, in a great degree, rather casual and occasional, than certain or constant. To what extent injurious interruptions of the demand for some of the staple commodities of the United States, may have been experienced, from that cause, must be referred to the judgment of those who are engaged in carrying on the commerce of the country; but it may be safely assumed, that such interruptions are at times very inconveniently felt, and that cases not unfrequently occur, in which markets are so confined and restricted, as to render the demand very unequal to the supply.

Independently likewise of the artificial impediments, which are created by the policy in question, there are natural causes tending to render the external demand for the surplus of agricultural nations a precarious reliance. The differences

of seasons, in the countries, which are consumers make immense differences in the produce of their own soils, in different years; and consequently in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time in the countries, which are the furnishers, occasion of course a glut in the markets of the latter.

Considering how fast and how much the progress of new settlements in the United States must increase the surplus produce of the soil, and weighing seriously the tendency of the system, which prevails among most of the commercial nations of Europe; whatever dependence may be placed on the force of natural circumstances to counteract the effects of an artificial policy; there appear strong reasons to regard the foreign demand for that surplus as too uncertain a reliance, and to desire a substitute for it, in an extensive domestic market.

To secure such a market, there is no other expedient, than to promote manufacturing establishments. Manufacturers