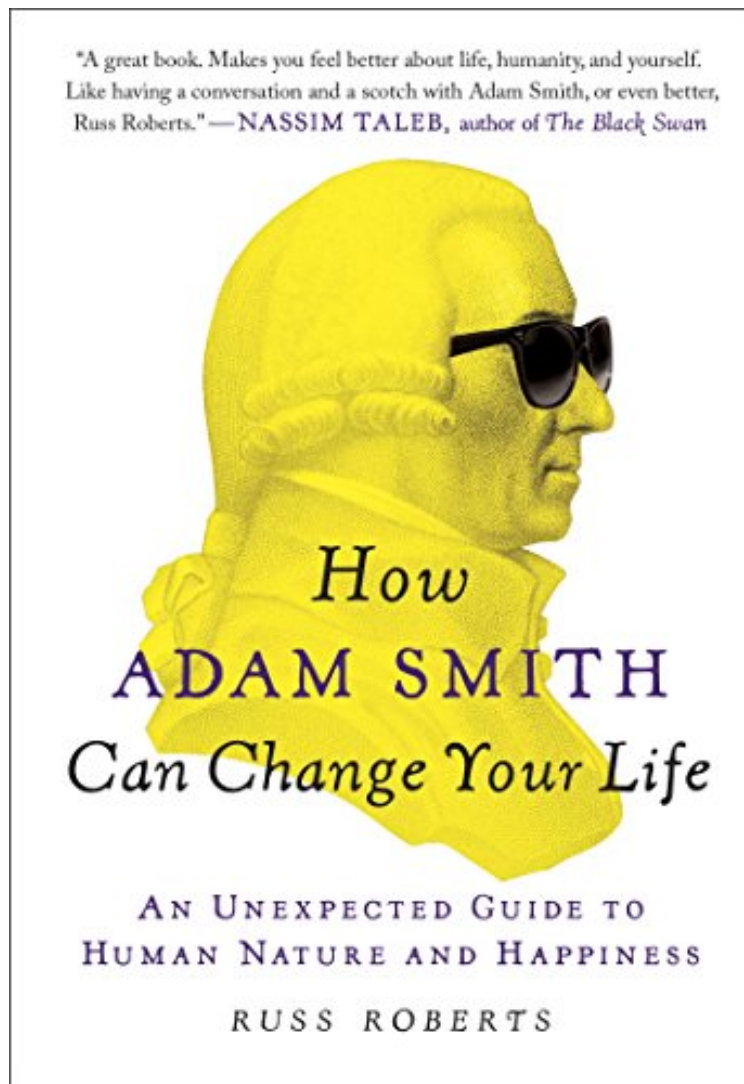


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## How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness

Russ Roberts

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**Russ Roberts : How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness** before purchasing it in order to gage whether or not it would be worth my time, and all praised How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness:

3 of 3 people found the following review helpful. Love Locally, Trade GloballyBy Shawn KleinRuss Roberts's new book on Adam Smith is part introduction/summary and part self-help. Roberts takes a fresh look at Smith's The Theory of Moral Sentiments to see what we can learn about how to make our own lives better. Along the way, we

are introduced to Smith's ideas of morality, economics, and human nature. While I am familiar with Smith's TMS and his approach to morality, I am no expert and the refresher of key elements and ideas was most welcomed. To understand Smith, one needs to return to him again and again. Like many profound thinkers, his insights seem obvious once you get them, but before that you need to go back to Smith many times to grasp what he is getting at. Roberts takes Smith's insights and applies them to how one lives his or her own life. How should we think about the pursuit of material wealth and good? How do we treat loved ones, strangers? And what does that treatment say about us? One of the more interesting sections is where Roberts looks at what an understanding of Smith can tell us about making the world a better place. He doesn't focus on grand gestures or big plans. It is more about the little things we each do every day: smiling at the store clerk, being honest and trustworthy, or being good at one's work. All of these are things that are good to do, and they also help make the world better. Appealing to Smith's idea that social norms and civilization evolves out of the aggregation of all the actions we all take, the more good actions we do, the better the world gets. We show other people what counts as goodness. We encourage other people to good. We reinforce our own habits of acting well. Conversely, when we do bad things — even small, seemingly minor things — we make the world a little worse. Roberts also examines the "Adam Smith Question": how to reconcile the apparent (and I think seriously overplayed) inconsistencies between TMS and *The Wealth of Nations* (WN). The latter is supposedly focused on humans as self-interested actors while the former focuses on the so-called altruistic virtues of love, sympathy, and justice. Roberts's response is that TMS is about how we interact with those we know and care about it: our personal interactions. WN is about our market and commercial interactions which are mostly with strangers and usually are one-off. Smith isn't using a different theory of human nature; he is focused on understanding human nature in different contexts, so the focus is different. The nice way Roberts sums this up is: "Love Locally, Trade Globally." This is a quick, easy read; worthwhile for anyone interested in Smith, morality, and those interested in how to live better in their own lives. Warning: It will make you want to go and read Adam Smith.

0 of 0 people found the following review helpful. A guide to life and much more  
By mike Russ  
Roberts is brilliant and the host of EconTalk podcasts that are incredibly informative, engaging, and diverse. Here he brings his easy, comfortable, and clear style to explain, as the title says, how Adam Smith's *Theory of Moral Sentiments* can change your life. At once an explanation of Smith's lesser known philosophy of personal life and an explication on how to live a good life (translating Smith to our times), this is a profoundly meaningful book, made so especially by Roberts's direct clear style.

0 of 0 people found the following review helpful. It is a pretty good book for distilling the "Theory" and the stories ...  
By Robert Kirk  
Not what I was expecting, but as the author said, reading Adam Smith's "other" book wasn't what he was expecting either. It is a pretty good book for distilling the "Theory" and the stories and advice are actually quite good. I'm not sure which type of reader would really enjoy this but I tend to focus on business books, economic books, and other books on the markets and I enjoyed this book.

A forgotten book by one of history's greatest thinkers reveals the surprising connections between happiness, virtue, fame, and fortune. Adam Smith may have become the patron saint of capitalism after he penned his most famous work, *The Wealth of Nations*. But few people know that when it came to the behavior of individuals — the way we perceive ourselves, the way we treat others, and the decisions we make in pursuit of happiness — the Scottish philosopher had just as much to say. He developed his ideas on human nature in an epic, sprawling work titled *The Theory of Moral Sentiments*. Most economists have never read it, and for most of his life, Russ Roberts was no exception. But when he finally picked up the book by the founder of his field, he realized he'd stumbled upon what might be the greatest self-help book that almost no one has read.

*How Adam Smith Can Change Your Life*, Roberts examines Smith's forgotten masterpiece, and finds a treasure trove of timeless, practical wisdom. Smith's insights into human nature are just as relevant today as they were three hundred years ago. What does it take to be truly happy? Should we pursue fame and fortune or the respect of our friends and family? How can we make the world a better place? Smith's unexpected answers, framed within the rich context of current events, literature, history, and pop culture, are at once profound, counterintuitive, and highly entertaining. From the Trade Paperback edition.

"An earnest, accessible introduction to Smith's ideas on the nature of virtue and happiness."  
— *The Wall Street Journal* "A remarkable book... Mr. Roberts's witty, candid take on Smith is filled with his own wisdom. Gurus, theologians and economists alike might learn a thing or two from him and the first modern economist."  
— *The Wall Street Journal's Washington Wire* "Roberts skillfully blends modern examples with Smith's original."  
— *Financial Times* "A wonderful new interpretation of Adam Smith's *Theory of Moral Sentiments*... A model of intelligent popularization and a great tool for teaching and learning... (Russ) is a great translator of economic ideas into the language of everyday life, and this book is a prime example of how very valuable that skill can be."  
— Yuval Levin, *National Review* "I loved it. A wonderfully readable appreciation of Smith's ingenuity. You can't fail to be entertained."  
— Clive Crook, *BloombergView* "Can economists teach us how to live a good life? When the economists in question are Adam Smith and Russ Roberts, the

answer is a definitive yes. Roberts shines a fresh light on Smith's ideas about morality and human nature and finds that these 18th century ideas hold up remarkably well in the 21st century. This is a fun, fascinating, and original book that will challenge you to become a better version of yourself. — DANIEL H. Pink, author of *Drive* and *To Sell is Human* "A great book. Makes you feel better about life, humanity, and yourself. Like having a conversation and a scotch with Adam Smith, or even better, Russ Roberts." — NASSIM TALEB, author of *The Black Swan* "Russ Roberts has taken a brilliant but difficult classic—Smith's *Theory of Moral Sentiments*—and written an engaging and inspiring meditation on virtue, friendship, and happiness. The result is a wonderful guide to living a good life." — JONATHAN HAIDT, author of *The Righteous Mind* "Adam Smith was not just an economist; he also had penetrating insights into human nature that informed his rich, subtle, and revolutionary approach to moral philosophy. Russ Roberts combines a deep understanding of what Smith was on about with a fluent writing style to bring out the surprisingly modern implications of Smith's thinking." — MATT RIDLEY, author of *The Rational Optimist* "Russ Roberts has done us all a great service in capturing the essence of Smith's wisdom about the emotional and psychological foundations of both the good life and a successful economy. This book is a pleasure to read and, what's more, Adam Smith almost certainly can change your life." — DIANE COYLE, author of *The Soulful Science*

About the Author Russ Roberts is the John and Jeannette De Nault Research Fellow at Stanford University's Hoover Institution. He hosts the award-winning weekly podcast *EconTalk* and is the author of three economics novels, including *The Price of Everything: A Parable of Possibility and Prosperity*. He is also the co-creator of the Keynes-Hayek rap videos, which have been viewed over seven million times on YouTube. His twitter handle is @econtalker. Excerpt. copy; Reprinted by permission. All rights reserved. Also by Russ Roberts: "To Sharon Chapter 1 What is the good life? Religion, philosophy, and modern self-help books grapple with the question, but the answer is elusive. Does it mean being happy? Or is it about wealth and professional success? What role does virtue play? Does the good life mean being good? Does it mean helping others and making the world a better place? Two hundred and fifty years ago, a Scottish moral philosopher addressed these questions in a book with the unglamorous title *The Theory of Moral Sentiments*. The book was Adam Smith's attempt to explain where morality comes from and why people can act with decency and virtue even when it conflicts with their own self-interest. It's a mix of psychology, philosophy, and what we now call behavioral economics, peppered with Smith's observations on friendship, the pursuit of wealth, the pursuit of happiness, and virtue. Along the way, Smith tells his readers what the good life is and how to achieve it. The book was a success in its day. But today *The Theory of Moral Sentiments* is virtually forgotten, dwarfed by the reputation Smith achieved with his second book. That book, *An Inquiry into the Nature and Causes of the Wealth of Nations*, published in 1776, made Adam Smith forever famous and gave birth to the field of economics. While few people still read *The Wealth of Nations*, it's undeniably a famous book, a classic. Fewer still read or have even heard of Smith's other book, *The Theory of Moral Sentiments*. For most of my career, I hadn't read it either. That's a bit awkward for an economist to confess. You'd think I would have read both major books by the founder of my field. But until recently, I knew very little about *The Theory of Moral Sentiments*. In fact, for most of my career, I never heard anyone mention Smith's other book, the not-famous one, the weird one with the daunting title that didn't sound like it had much to do with economics. My relationship to *The Theory of Moral Sentiments* changed when my friend Dan Klein at George Mason University suggested that I interview him about it on my weekly podcast, *EconTalk*. I agreed, thinking it would get me to finally read the book. I did at least own a copy—I had bought it maybe thirty years earlier, thinking that an economist should at least own both of Adam Smith's books. I took it down off my shelf, opened the book to the first page, and began reading. How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Forty-two words. A long sentence by modern standards. I had to read Smith's opening sentence twice before I understood what he was saying: that even though people can be pretty selfish, they do care about other people's happiness. Makes sense. I kept reading. I read the first page. Then the second page and the third. I closed the book. A second confession—I had no idea what Smith was talking about. The book appeared to begin in midstream. Unlike *The Wealth of Nations*, which is delightful and engaging prose from the get-go, *The Theory of Moral Sentiments* is very slow going. I had a moment of uneasiness—maybe I shouldn't have agreed to the interview. I wasn't sure I could figure out what this book was about. I was going to embarrass myself. I thought of asking Dan to cancel. I pressed on, hoping to find my footing. I started over. Eventually I began to get a feel for what Smith was up to. A third of the way in, I was hooked. I lugged it to my daughter's soccer games and devoured it at halftime and when my daughter wasn't playing. I started reading excerpts out loud to my wife and kids at the dinner table, hoping to get them interested in Smith's ideas about how to relate to others. The margins of the book began to fill up with stars and exclamation points marking passages I had enjoyed. By the time I finished the book, I wanted to shout from the rooftops—it's a marvel, a hidden gem, you've got to read it! The book changed the way I looked at people, and maybe more important, it changed the way I looked at myself. Smith made me aware of how people interact with each other in ways I hadn't noticed before. He dispenses timeless

advice about how to treat money, ambition, fame, and morality. He tells the reader how to find happiness, how to treat material success and failure. He also describes the path to virtue and goodness and why it's a path worth pursuing. Smith helped me understand why Whitney Houston and Marilyn Monroe were so unhappy and why their deaths made so many people so sad. He helped me understand my affection for my iPad and my iPhone, why talking to strangers about your troubles can calm the soul, and why people can think monstrous thoughts but rarely act upon them. He helped me understand why people adore politicians and how morality is built into the fabric of the world. And even though he's the father of capitalism and wrote the most famous and maybe the best book ever on why some nations are rich and others are poor, Adam Smith in *The Theory of Moral Sentiments* wrote as eloquently as anyone ever has on the futility of pursuing money with the hope of finding happiness. How do you reconcile that with the fact that no one did more than Adam Smith to make capitalism and self-interest respectable? That is a puzzle I try to unravel toward the end of this book. Besides the emptiness of excessive materialism, Smith understood the potential we have for self-deception, the danger of unintended consequences, the seductive lure of fame and power, the limitations of human reason, and the unseen sources of what makes our lives both so complex and yet at times so orderly. *The Theory of Moral Sentiments* is a book of observations about what makes us tick. As a bonus, almost in passing, Smith tells us how to lead the good life in the fullest sense of that phrase. The details of Smith's own life are fairly mundane. He was born in the village of Kircaldy, Scotland, in 1723. His father died a few months later. At the age of fourteen, Smith went off to school at the University of Glasgow, then Oxford, returning to lecture at the University of Edinburgh before being appointed at the University of Glasgow in 1751, as a professor first of logic and then of moral philosophy. His mother and unmarried aunt joined him in Glasgow at the house provided by the university. In 1763 he left academic life for a more lucrative job tutoring the wealthy young Duke of Buccleuch. This must have been a rather dramatic change of pace for the forty-year-old Smith, giving him an intimate look at the lifestyles of the rich and famous of his day. For two and a half years, Smith traveled in France and Switzerland with the boy and, along the way, met some of the great European intellectuals of the time, including Voltaire, Francis Hutcheson, Quesnay, and Anne-Robert-Jacques Turgot. After returning from Europe, he spent the next decade in Kircaldy and then London, working on *The Wealth of Nations*. In 1778, Smith moved from London to Edinburgh to live with his mother and several cousins. That same year he was appointed one of the five commissioners of customs in Scotland, leading a bureaucracy that sought out contraband and collected duties, or what we now call tariffs. Perhaps the most influential defender of free trade in the history of political economy spent the last years of his life reducing the flow of smuggled goods and collecting taxes for the government from importers. Other than his time in Europe, Smith appears to have led what most would call a particularly unexciting life. He was a lecturer, a professor, a tutor—three jobs that are renowned for being removed from what might be called reality. Joseph Schumpeter wrote, "No woman, excepting his mother, ever played a role in his existence: in this as in other respects the glimmers and passions of life were just literature to him." Schumpeter exaggerated a bit, but Smith never married. He died in 1790 at the age of sixty-seven. Such was Smith's outer life. What about his inner life? No journal or diary survived Smith's death—he asked that all his private papers be destroyed. With a few exceptions, most of his letters are spare and businesslike, even when he is writing his best friend, the great philosopher and his fellow countryman David Hume. How could a man of Smith's seemingly limited experience plumb the depths of human interaction and manage to dredge up any insight? We know he managed to do so because we have *The Theory of Moral Sentiments*. First published in 1759, the book went through six editions, the last one published in 1790, the year of Smith's death, when he made substantial revisions to the text. In a sense, *The Theory of Moral Sentiments* was Smith's first and last book. I think I know why he revised it late in his life, at a time when he was doing little serious scholarship that has survived. Once you start to think about human motivation and the bright and dark side of humanity—what Faulkner called the "human heart in conflict with itself"—it's hard to think about anything else. Trying to understand your neighbor and, in turn, yourself really doesn't get old. It's a brand-new set of data every day to chew on and explore if you're interested—all those interactions with friends, family, colleagues, and strangers. Reading *The Theory of Moral Sentiments*, you realize that morality and the meaning of life and how people behave haven't changed much since the eighteenth century. A wise-enough man can reach across more than two centuries, get your attention, and teach you a thing or two about yourself and what's important. Adding to the delight is that Smith can really write. He's ironic, funny, and eloquent. When he hits his stride and warns you about getting too involved with fancy gadgets that fit in your pocket, you feel like you've found a secret source of wisdom. It's like discovering that Bruce Wayne, that successful man about town, has even more to share with the world and that his hidden side may be a lot more interesting than his public persona. So why is *The Theory of Moral Sentiments* such a secret? Smith's road map to happiness, goodness, and self-knowledge is an old road map. The language is a little bit dusty, betraying its eighteenth-century origin. More than that, it's a road map that takes a lot of difficult twists and turns. The book occasionally doubles back on itself, and you find yourself in a spot you feel you've visited before. It isn't the easiest going for the modern reader. Smith was writing an academic treatise, in intellectual competition with other authors with their own theories of human motivation. Most of those authors—writers like Bernard Mandeville and Francis Hutcheson and the

Stoicism—;are long forgotten by most of us, along with their particular visions of humanity. Smith spends a decent amount of space explaining why his theories and insights are preferable to the competition's. So it doesn't read much like a self-help book. It would make me very happy if more people read *The Theory of Moral Sentiments*. There's a wonderful edition still in print that is reasonably priced, and you can read it without charge at EconLib.org. Much of the charm of *The Theory of Moral Sentiments* is in the poetry of Smith's language. He was a great stylist, and that explains part of his success. But we twenty-first-century folk can find old prose daunting—the sentences are often long, and they're structured in ways our brains don't process well without some practice. They take a lot of time and patience. But if you're a little busy, part of my aim here is to give you Smith's insights and some of the best of his writing, just in case you don't get around to reading all of the original. My other mission is to bring Smith's ideas into the present and see how they might be useful to you and me. We all see ourselves as special—and I'm sure you are—but we also have much in common. We have many of the same strengths and weaknesses. So when Smith teaches me something about myself, he often teaches me something about you. And that helps me treat you the way you'd like to be treated and gives you an idea of how to treat me. More than that, Smith was trying to understand what makes us happy and what gives life meaning. These are still pretty useful things to understand. I struggled with how to get Smith's lessons into digestible form. The normal strategy would be to follow Smith's narrative in his book. But it's not a linear narrative, and many of his concerns and topics are not of interest to the modern reader. So I've taken Smith's most relevant insights and organized them into an order that I think is more accessible than the original. I also quote Smith directly whenever I can—I've managed to squeeze in most of my favorite quotes from *The Theory of Moral Sentiments*. But where necessary I've broken them up and offered running commentary explaining the allusions and stylistic peculiarities of a well-educated gentleman of 1759. Unless I note otherwise, all quotes are from *The Theory of Moral Sentiments*. Within those quotes, I will occasionally use brackets [like this] to explain an archaic word or phrase. I've left Smith's spelling as he wrote it. So "labour" becomes "labor"; "honour" becomes "honor"; and "befall" has only one "l." You might be wondering what an eighteenth-century book on morality and human nature has to do with economics, Smith's most famous legacy. Behavioral economists today do their work at the border between economics and psychology, which is very Smithian territory. But most economists in the twenty-first century try to predict interest rates, suggest policies to reduce unemployment and soften its sting, or forecast the next quarter's GDP. Sometimes they try to explain why the stock market went up or down. They're not particularly good at any of these things, and they often disagree on the best policies for getting the economy going. This leads noneconomists to conclude that economics is mostly about money and that economists are not very reliable predictors of the future or the best engineers to be steering the economic engine. Unfortunately, what the media and the public expect from economists is what we are probably worst at—giving precise answers to questions that presume the economy is like some giant clock or machine whose innards can be mastered and then manipulated with some degree of precision. The failure of my profession to anticipate the Great Recession, to agree on how to get out of it, or to predict the path of the recovery should humble all economists. But economics is actually quite useful—it's just not so useful for the things people typically expect from it. When I tell people I'm an economist, they often respond by saying something like "That must be useful around tax time," or "You must know a lot about the stock market." Alas, I am not an accountant or a stockbroker, I explain. But one very useful thing I've learned from economics is to be skeptical of advice from stockbrokers about the latest stock that's sure to skyrocket. Saving you from losses isn't as exciting as promising you millions, but it's still pretty valuable. But the real point is that economics is about something more important than money. Economics helps you understand that money isn't the only thing that matters in life. Economics teaches you that making a choice means giving up something. And economics can help you appreciate complexity and how seemingly unrelated actions and people can become entangled. These insights and others are sprinkled throughout *The Theory of Moral Sentiments*. Money is nice, but knowing how to deal with it may be nicer. A student once told me that a professor of hers said that economics is the study of how to get the most out of life. That may strike some of you, even those of you who majored in economics, as an absurd claim. But life is all about choices. Getting the most out of life means choosing wisely and well. And making choices—being aware of how choosing one road means not taking another, being aware of how my choices interact with the choices of others—that's the essence of economics. If you want to make good choices, you have to understand yourself and those around you. If you want to get the most out of life, understanding what Smith has to say in *The Theory of Moral Sentiments* is probably more important than Smith's insights in *The Wealth of Nations*. Let's get started. Chapter 2 You're sitting at your desk late in the afternoon, working on a spreadsheet for a proposal that has to get finished by tonight. At the same time, you're thinking about how to word the cover letter that will go with the spreadsheet. And somewhere even further in the back of your mind, you remember that your fourteen-year-old has a basketball game tonight and you're not sure how he's going to get there. You're adding a column to the spreadsheet and wondering if your wife can take the kid to the game when a colleague pops his head into your office and asks if you've seen the news. Big earthquake in China, he

tells you, tens of thousands are dead. Just as many missing. That's horrible, you reply. Your face shows the sadness you feel. Maybe you get on the Web to find more details. You think for a moment about the factory your firm has in China. Has it been hit? You go back to the spreadsheet, five minutes go by, and your wife calls. She can go to the game after all and will take care of the car pool. She'll text you when your son scores and let you know how the game's going. That's great, you think to yourself; you'll be able to stay late and finish the proposal. It will be good to be home for dinner and not have that report hanging over you. You've forgotten about all those dead Chinese. Well, not exactly. You haven't literally forgotten. If a different colleague stopped by a little later and asked if you've heard the news, you'd say, sure, what a tragedy. Maybe with this second mention you'd think to make a donation to the Red Cross. And you might even make that donation. But after a few minutes, even though you haven't literally forgotten about the Chinese, you won't be thinking about them. You'll be thinking about finishing the proposal and looking forward to dinner and hearing about your son's basketball game. And when your wife texts you that your son is playing well and his team is up by five at halftime, your pleasure in your son's achievement will not be diminished a whit by the thousands dead in China and all the families of the missing, desperate to find their loved ones. Their pain will struggle to penetrate your consciousness. Lying in the dark next to your wife, when she says, horrible, that earthquake, you'll grunt and agree and fall off to sleep without thinking about them for more than an instant. Your rest will be untroubled. But imagine a different sequence of events. This time, when the colleague pops his head into your office, it's to tell you that a medical lab called. You know what it's about. There's a growth on your finger, and the call is about the biopsy. Your heart's pounding as you return the call. Cancer. That means the finger has to go. It's not so bad. It's the little finger. Mastering the guitar will get a little bit harder, but that's OK. You don't even play the guitar. Not much of anything else will be affected, and the doctor assures you that no other treatment will be necessary. He's already lined up the procedure for tomorrow. That night, you lie in bed unable to sleep, anxious, afraid, and wishing that the whole thing was just a bad dream. Writing in 1759, Adam Smith made the observation that we feel worse, much worse, about the prospect of losing our little finger than we do about the death of a multitude of strangers far away. That's human nature, the same in 1759 as it is today. Television and the Web make far-off tragedies more visceral than in Smith's time, but Smith's insight remains true. He starts by imagining the earthquake: Let us suppose that the great empire of China, with all its myriads of inhabitants, was suddenly swallowed up by an earthquake, and let us consider how a man of humanity in Europe, who had no sort of connexion with that part of the world, would be affected upon receiving intelligence of this dreadful calamity. How would a man of humanity in Europe react? He would, I imagine, first of all, express very strongly his sorrow for the misfortune of that unhappy people, he would make many melancholy reflections upon the precariousness of human life, and the vanity of all the labours of man, which could thus be annihilated in a moment. He would too, perhaps, if he was a man of speculation, enter into many reasonings concerning the effects which this disaster might produce upon the commerce of Europe, and the trade and business of the world in general. So yes, says Smith, we'll make a show of caring and express our sadness and maybe even wonder about the effects. We'll make the right noises and the right facial expressions. But these are fleeting: And when all this fine philosophy was over, when all these humane sentiments had been once fairly expressed, he would pursue his business or his pleasure, take his repose or his diversion, with the same ease and tranquillity, as if no such accident had happened. For better or worse, life goes on. Alas, Smith's assessment is generally true for most of us. Smith then imagines how differently we react to the potential loss of one's little finger: The most frivolous disaster which could befall himself would occasion a more real disturbance. If he was to lose his little finger to-morrow, he would not sleep to-night; but, provided he never saw them, he will snore with the most profound security over the ruin of a hundred millions of his brethren, and the destruction of that immense multitude seems plainly an object less interesting to him, than this paltry misfortune of his own. Our ability to feel the pain of others is ever so much smaller than our ability to feel our own pain. I can handle that. But do we really care more about our little finger than we do about the death of an "immense multitude"? That's a little harder to accept. Smith seems to be saying that we are grotesquely self-interested. This seems to confirm a commonly held view that Smith sees the world as driven by selfishness. Smith is often caricatured as a Scottish forerunner of Ayn Rand, who in addition to *Atlas Shrugged* wrote a book titled *The Virtue of Selfishness*. Smith spends a lot of time in *The Theory of Moral Sentiments* talking about various virtues. Selfishness does not make the cut. What Smith does suggest in his famous book *The Wealth of Nations* is that people are fundamentally self-interested, which is not the same thing as selfish. At the very beginning of *The Wealth of Nations*, Smith explains the power of specialization in creating prosperity. Ideally, we specialize and get good at something, relying on the opportunity to get the rest of what we desire from others. But if we are all self-interested, why will my neighbor or a stranger help me out, providing the goods I cannot provide for myself? Smith's answer is a simple one; my neighbor will help me if there's something in it for my neighbor. Trading; offering something in return for my neighbor's help; is how we sustain the power of specialization. Here is Smith on the essence of trade, writing in *The Wealth of Nations*: Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the

meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. Smith continues with one of his most famous sentences: It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-interest; love, and never talk to them of our own necessities but of their advantages. Few would disagree with this fundamental aspect of human nature. It can be hard to remember. So many students show me letters that will accompany their job applications that speak only of how much they've dreamed of working for company XYZ and how much working for XYZ will mean to them. They seem to think that their desire to work for XYZ is sufficient to make XYZ desire them in turn. I always encourage the students to address their employers' self-love and not just their humanity—to come up with some reason XYZ will benefit from hiring them. How would your skills serve the goals of XYZ? Do you have any idea what those goals are? The idea that other people care about themselves is generally a good thing to remember if you want them to do something for you in return. But that's the job market, a pretty mercenary part of our lives. There are plenty of other situations in which we think about something other than ourselves. The very first sentence of *The Theory of Moral Sentiments* makes this point: How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. We care about other people even when there's nothing in it for us. But how much do we care? Smith's example of the Chinese earthquake seems to be pretty consistent with a remarkably selfish view of human nature. But Smith isn't done. He asks: Suppose you could save your little finger by letting a few million Chinese perish. Would you do it? After all, you—like almost every real nonangelic, nonsaintly, merely human person I know—almost certainly finds the loss of a finger more disturbing to your happiness and general outlook on life than the deaths of millions who are far away. But if that's true, then you should be happy to let a million Chinese die to preserve your finger. Yet no civilized person—no "man of humanity," as Smith describes him—would consider such an exchange for an instant. Smith writes that the mind recoils from even imagining such a bargain: To prevent, therefore, this paltry misfortune to himself, would a man of humanity be willing to sacrifice the lives of a hundred millions of his brethren, provided he had never seen them? Human nature startles with horror at the thought, and the world, in its greatest depravity and corruption, never produced such a villain as could be capable of entertaining it. Hillel, the great first-century BCE Jewish sage of the Talmud, asked, "If I am not for myself, who will be for me? If I am only for myself, who am I?" Smith's answer is that if you are only for yourself, if you would save your finger by killing millions, then who you are is a monster of inhuman proportions.