

Postmodern 'Readings' of Adam Smith's 'Discourse'

James E. Alvey*

Brown, Vivienne. *Adam Smith's Discourse*. London: Routledge, 1994, Pp. ix + 243, ISBN 0-415-08160-2 (hbk), ISBN 0-415-09593-x (pbk).

Shapiro, Michael. *Reading 'Adam Smith'*. Newbury Park: Sage Publications, 1993, Pp. xxxvi + 140, ISBN 0-8039-4584-1 (hbk), ISBN 0-8039-4585-X (pbk).

In this review article I want to look at two recent books on Adam Smith which use modern literary theory as their methodology: Michael Shapiro's *Reading 'Adam Smith'* and Vivienne Brown's *Adam Smith's Discourse*. The publication of Brown's book catapulted her into celebrity status within history of economic thought circles. Though the primary reason for her success seems to have been the alleged novelty of her approach, Shapiro's was actually the earlier, more thoroughly postmodern book on Smith. My interest in these works arises from my long term research on Adam Smith, rather than from any interest in modern literary theory. In Shapiro's case, Smith is clearly just a tool to showcase his prowess at postmodernist writing. In Brown's case, however, there appears to be at least some genuine interest in Smith as a thinker.

Let me start with Shapiro's *Reading 'Adam Smith.'* This is the latest in a series of books written by Shapiro. The immediate predecessor was called *Reading the Postmodern Polity: Political Theory as Textual Practice*. In the inexplicably long introduction to Shapiro's book on Smith, the "series editor," Morton Schoolman, describes the book as "in keeping with [Shapiro's] work in poststructuralist and postmodern theory" (p. xiv). Shapiro is clearly a postmodern.

Even though Shapiro claims that Smith does not understand his writing in this way, he describes Smith's writings as various types of conversations, discourses, or narratives. Shapiro refers to "the discourse on political economy that Smith helped to establish" (p. xxx), presumably through the *Wealth of Nations*. Smith is described as a "critical theorist" who attacked the existing "conversation on value" and established a new "discourse on political economy" (p. xxx). Smith's "discourse on moral sentiments," namely the *Theory of Moral Sentiments*, "functioned as an accommodative narrative that welcomed the new industrial society" (p. xxxii). Smith's theories of history are described, amongst other things, as "historical narratives" and "materialist narratives" (pp. 13, 81, 123).

Shapiro constantly refers to the writings of such contemporary (primarily literary) theorists as Ricoeur, Derrida, Lacan, Foucault, Deleuze, Guattari, Lyotard, Merleau-Ponty, Greimas, Mauss, Baudrillard, Bourdieu, and others. What methodology is employed by such theorists? Shapiro asks "how are we to read" Smith (p. xxxiii)? Shapiro replies that "the reading will be confrontational¹ rather than pious" (p. xxxiii). Similarly, he states that "the treatment here is confrontational. Smith is not being constructed within the 'hermeneutic ideal,' the interpretive approach within which the commentator identifies wholly with the writer's work" (p. xxix).

Shapiro explicitly admits that his "focus is not on finding the authentic Adam Smith, whether consistent or contradictory" (p. xxvi). Nor will he attempt "to strip away false or inconsistent representations [of Smith] in order to isolate the 'real' Smith" (p. xxvii). In the

opening sentence of Shapiro's preface it is nonchalantly stated that "[t]his is not a book about Adam Smith in the usual sense of the word *about*, for it is neither a comprehensive explication of his views nor a careful tracing of the sources of them" (p. xxv emphasis in original). According to Shapiro, what he does in his book is what no one has done before, namely, to "catastrophically confront" Smith: "Smith's texts have yet to experience the catastrophic confrontation they deserve. A *catastrophe* in its etymological sense is a 'turning down.' [Smith] must be turned down by those who want an effective, politicized understanding of modernity" (p. xxv). While this is not a promising beginning, I persevered in the hope that there might be something of interest buried in the book. Fortunately, this did turn out to be the case. But first, I need to outline some of the problems with Shapiro's *Reading*.

Much of Shapiro's writing is devoted to outlining late twentieth century postmodern theories and concerns. Although Shapiro claims that he will be "alternatively placing Smith within both his and my terrains" (p. xxix), the emphasis is clearly on the latter. In other words, the *Reading* is actually a statement of the postmodern terrain, or principles, rather than a statement of Smith's terrain. As someone interested in Smith, Shapiro's various statements about postmodern views appeared to me to be digressions. But in retrospect, I see now that these statements are necessary for Shapiro's purpose. It is on the basis of his understanding of these postmodern theorists, that Shapiro engages in his "catastrophic confrontation" with Smith (p. xxv).

The confrontation is "catastrophic" because Smith is alleged to have fundamentally opposed views to postmoderns. Rather than having a "politicized" view, Smith writes "depoliticizing narrative[s]" (p. 72; see also pp. 52-3, 81-2). Further, most of the substantive views of the postmoderns are rejected by Smith. The postmodernists reject the notion of a *summum bonum*, a best society for human well-being, and even the notion of a human nature, and a common sense. Indeed, according to postmodernists there is no clear line between human and non-human. Shapiro argues that one of the benefits of postmodernism is that it accepts no clear distinction between "man" and "animal," and between "man" and "machines," it:

speaks of an uncertainty that Adam Smith and others seeking the distinguishing human characteristics never manifested [F]ictional genres would succeed, where much of the ... canon has failed, in recognizing both the fictive quality of the human identity and the pressures to which the fictions [the novel, *Tarzan of the Apes*, and the film, *Blade Runner*] have been responding. (p.101 emphasis in original, see pp. 89-102 generally)

One must "relax the pressure to discover what humanity is ultimately about, ... [one must] tolerate the ambiguities" (101, see also 129, 131). Put simply, postmodernism argues that there is no human nature: "Foucault [a representative postmodern] has asserted that the self is almost infinitely malleable" (p.130). Postmodernism rejects the view that there are objective "facts," including facts about humanity (pp. 49, 126). The consequences of such assumptions are that postmodern "politics ... cannot be a function of the discovery of a common sense ... [it must] abandon the very idea of an objectively good human order" (p. 129, see also pp. 121, 130). By contrast, Smith's project was largely to spell out what the constituents of human nature were and under what conditions it would flourish. I have argued that Smith does have a vision of "an objectively good human order" (Alvey 1995). Clearly postmoderns rejects Smith's starting point.

What else does the postmodern reject? According to Shapiro, postmodernism rejects the view that human passions are harmonious. The point where the "confrontation" with Smith reaches its climax is the discussion of Smith's view of the generally harmonious nature

of the passions. The "confrontation" is at two levels: substantive and stylistic. As this is given such prominence by Shapiro, I will treat it here at some length, beginning with the substantive "confrontation."

According to Shapiro, Smith had a view of nature "that would guarantee harmonious living" (p. 107) and that "human embodiment and the trajectory of desire it produces aim persons towards sociable 'ends'" (p. 105 but cf. p. 108). It is this socially harmonious view of Smith that is contrasted with Sade,² "who saw cruelty not sympathy as a natural human orientation and more generally saw desire as antisocial" (p. 105). Sade is given high marks because, for him, there is "no way to build a social bond based on a like-mindedness with sensuous origins" (p. 121). Smith's tendency to see socially harmonious human desires "situate[s] him in an almost direct confrontation with a tendency in social theory that runs from [Smith's] contemporary, the Marquis de Sade, through Freud to some contemporary postmodern theorists, especially Foucault and Lacan" (p. 105).

Now let me turn to the literary "confrontation." Smith's view that the passions are harmonious is linked to his writing style by Shapiro: "Smith assumes a natural agreeableness resident in the social domain and he assumed that it could be accessed through the correct writing style" (p. 40). Smith wrote "accommodative narrative[s]"; his writing is "harmony-oriented" (pp. xxxii, 40). While this point is made several times,³ the full importance is reserved for the final chapter of the *Reading* where Smith is compared to Sade. Sade's antisocial theory is matched by a writing style which employs "reversals," "outrageous juxtapositions," and a "counterdynamic" (pp. 120, 123). It is claimed that there is a parallel between the substance and the form of the writings. Hence, discourse analysis has real significance.

Let me comment upon these two "confrontations" in turn, beginning with the substantive confrontation. Shapiro's interpretation that Smith sees only a harmonizing tendency in human passions is simplistic. Like any thinker worthy of the name, Smith recognized both harmonizing and non-harmonizing tendencies in human passions. Generally, hatred and resentment are regarded as non-harmonizing passions, and Smith treats them at length in the chapter called "Of the unsocial passions," and elsewhere (*TMS* I.ii.3, see also Part II throughout). These passions are "necessary parts of the character of human nature" (*TMS* I.ii.3.3). While Smith argues that these "unsocial" passions may indirectly serve useful social ends, they may not. Resentment serves as a means of detecting breaches of justice and leads to the desire to punish the offender. If the offender is punished in the appropriate manner, the gratification of resentment tends to produce "the correction of the criminal and the example to the public" (*TMS* II.i.1.6). It may have retributive, rehabilitative, and deterring effects. But Smith points out that when people are angry punishment will often be excessive (*TMS* II.i.2.5; II.i.4.4; II.i.5.8). Further, punishment should only follow if the offending party did so with "improper motives" (*TMS* II.i.3.1). Clearly the harmonizing tendency of "unsocial passions" is a problem in Smith's account.

Secondly, there is an even more non-harmonizing passion: pride. Smith says that "[t]he pride of man makes him love to domineer" and this "love of domination," he regrets, "is natural to mankind" (*WN* III.ii.10; *LJ* (A)iii.130). It is on this basis that Smith is so pessimistic about the alleviation of the greatest injustices in society. Recall Smith's pessimistic views about the rulers of society: "The violence and injustice of the rulers of mankind is an ancient evil, for which ... the nature of human affairs, can scarce admit of a remedy" (*WN* IV.iii.c.9). The "violence and injustice" of political rule does not end even in commercial society. Further, the "love of domination" leads to the institution of slavery: "The pride of man makes him love to domineer, and nothing mortifies him as much as to be obliged to condescend to persuade his inferiors. Wherever the law allows it, and the nature of the work can afford it, therefore, he will generally prefer the service of slaves to that of

freemen." (WN III.ii.10) It is probably because slavery arises from this innate human passion that Smith is so pessimistic about the prospect of abolishing slavery. He acknowledges that it has been abolished in some places, but "it is not likely that slavery should ever be abolished [completely], and it was owing to some peculiar circumstances that it has been abolished in the small corner the world which it is now" (LJ (A)iii.114; see also 114-6). Finally, this passion leads to international imperialism. A lot of Smith's attention in *The Wealth of Nations* is devoted to the danger to international peace represented by the selfish and monopolizing designs of merchants and manufacturers. While mercantilism can be overthrown, the threat represented by rulers is permanent (WN IV.iii.c.9). Neighbouring states "live in continual dread and suspicion of one another" because "the laws of nations," or what we call international law, "is often little more than pretence" (TMS VI.ii.2.3). It is because Smith views the desire to oppress as innate that he pessimistically concludes that the best that one can hope for is a balance of military strength (WN IV.vii.c.80). It is clear then that Smith is not simply a theorist who posits harmonious human passions. Shapiro's substantive "confrontation," being based on an insufficient grasp of Smith's complexity, is misguided.

Let me turn to the second "confrontation": Shapiro's contrast of the literary styles of Smith with Sade. Sade is given high marks for style but Smith is not (pp. 124-5). Smith's writing style is supposed to be too placid. Quoting from the *Lectures on Rhetoric* (LRBL i.135), Shapiro says that Smith "urges writers to regulate the emotionality of their style, to 'lop all exuberances and bring it to that pitch which will be agreeable to those about him'" (p. 40). Again quoting from the *Lecture on Rhetoric* (LRBL i.14), Shapiro claims that "Smith eschews all figuration and rhetoric, arguing that figures of speech are ornamental rather than determinative of significance and have the effect ...of making 'one's style dark and perplexed'" (p. 112, see also pp. 106, 125). In Shapiro's view, Smith understood the aim of writing to be "communication and lucidity - short simple syntax, avoidance of elaborate figuration, and so on" (p. 39). "For Smith, the word must be faithful to the object; it must eschew rhetorical flourish, colour, and passion in order to claim its only prize, accuracy" (p. 123). In short, Shapiro claims that Smith would have been "affronted" by Veblen's location of Smith's writing within a storytelling, rhetorical tradition because "Smith believed that rhetoric does not belong in scientific treatises" such as his own (p. 50).⁴ Shapiro argues that Smith uses the plain style because his "notion of persuasion does not... assume that there is a reigning ideology that must be overturned" (p. 40). But Shapiro takes the *Lectures on Rhetoric* too literally and does not properly examine the actual style employed by Smith in his published works, especially his writings on mercantilism. Smith's works contain a range of writing styles, including, at times, metaphor and rhetoric (see Endres 1995b). It is ridiculous to claim, as Shapiro does, that "Smith's writing ... was insensitive to its grammatical, rhetorical, and narrative impositions" (p. 125). I will say more on this theme below.

I cannot resist mentioning one small point before turning to Shapiro's successes. Shapiro states that "[a] lot has been said about the details of Smith's religious and ethical proclivities and his politics" (p. 46). Naturally no references are provided for the statement. But it seems to me that the discussions of Smith's religious views have not been very extensive. The only lengthy general treatment of Smith's religious views, as far as I know, is Minowitz (1993). There is also a projected book by Charles Griswold tentatively entitled *Philosophy, Virtue, and Enlightenment: A Study of Adam Smith*.

Beyond these many failings, Shapiro also makes some intriguing suggestions along the way. I found Shapiro's discussion of Smith's view of history particularly interesting. He refers to Smith's "primarily linear narratives of the changes from early hunter-gather economies to commercial ones" (p. 8 emphasis added, see also pp. 32-3, 55, 82, 104). According to Shapiro, in Smith there is a "natural progression of the art of government, which is a more-or-less materialist version of the evolution of government forms. He sees a

consistent match wherein the mode of government appropriate to the mode of production and exchange always seems to emerge." (p. 8). Shapiro cites Veblen's interpretation of Smith at some length (Veblen 1948, 241-8). Veblen's interpretation deserves much greater attention than it has received in the Smith literature. According to Veblen's interpretation, "there is a wholesome trend in the natural course of things" in Smith (p. 50 quoting Veblen 1948, 241). Smith's theory of history is "both teleological and 'extra mechanical' inasmuch as the sequence through which nature's forces operate has a continuity which can be interrupted" (pp.50-1 quoting Veblen 1948, 243). The teleological elements in Smith's presentation of history are called "linear narratives" by Shapiro; these "legendary or mythic" accounts comprise "historical fables and anthropological fantasies" (pp. 8, 56-7). "In the case of the *Wealth of Nations* much of the mythicization stems from the ontology surrounding Smith's text, one positing a guiding, transcendent universe with purposeful intent" (p. 57). Smith's "virtually unbounded optimism ... guaranteed an order that progressed toward general prosperity and broadly distributed human contentment" (p. 103; see also pp. xxxii, 68).

This is a very interesting piece of interpretation. It recognizes the teleological element in many of Smith's views of history. Unlike several of Shapiro's comments, this has a good deal of textual support. It is also interesting because it presents a continuity, that some have rejected, between Smith's views on religion in the *Wealth of Nations* and the *Theory of Moral Sentiments*.⁵ Nevertheless, Shapiro's interpretation stresses only one side of Smith's view of history. (This point I have argued in a number of places: see Alvey 1996.) There is another set of pessimistic propositions that are sketched by Smith which are more consistent with a cyclical theory. Provisionally, we can say that Shapiro's *Reading* is patchy but with some merits.

Now let me turn to Brown's *Adam Smith's Discourse*, which follows in the same tradition as Shapiro's *Reading*. Brown's method is sketched in Chapter 1 and developed at length in Chapter 2, "Signifying Voices" (which first appeared separately in *Economics and Philosophy* in 1991). In these chapters Brown explains the postmodernist method which directs her inquiry. She argues that while recent writings on Smith have "ignored developments in literary theory and textual analysis," she will not (p. 2). This statement was obviously made in ignorance of Shapiro's book.⁶ Like Shapiro, she proceeds to analyse Smith's texts on the basis of the new literary theory, based on Derrida, Foucault, and Rorty, which stresses the "textual specificity of historical thought." The approach adopted opposes the traditional view that "the text itself provides evidence of the author's intentions in writing" (p. 3). "Traditionally, it has been assumed that the 'meaning' of a text is given by the author's intentions. According to this view, reading of a text involves the recovery or reconstruction of authorial intention, and this provides the goal, however elusive, of the interpretive process as well as the overarching criterion of assessment." (p. 3) Like Shapiro, Brown says that she will not attempt to ascertain Smith's intention: her book "does not lay claim to uncovering or recovering Smith's own intentions in his lectures and writings" (p. 19). So what is her approach? The postmodern approach "problematizes the process by which meaning is constructed in the process of reading rather than lying immanent in the text awaiting discovery." Further, "[o]nce it is accepted ... that language has a kind of fecundity with a potential proliferation of different readings, it is no longer axiomatic that the 'meaning' of a text is given by authorial intent." Hence, "the 'meaning' of a text is now seen as the product of a process of reading rather than implanted by the author in the act of writing" (p. 3). Strangely, Brown's best evidence for the validity of such a methodology does not appear until the end of Chapter 7 (pp. 196-206) where she discusses the changes in the interpretation of Smith's *Wealth of Nations*. If Brown had made her *Discourse* a summary of how interpretations of Smith's writings had changed, the book would have been very valuable. This was not to be the case.

Instead, what we get in *Discourse* is a full-scale attempt to provide a postmodernist 'reading' of Smith's writings. Brown's particular application of the postmodernist methodology differs somewhat from Shapiro's. Rather than using Smith's *Lectures on Rhetoric* as the guide to Smith's method of writing as Shapiro did, she does her own investigation and concludes that the *Lectures* are misleading. Her *Discourse* "engages with the complexity of the [Smithian] texts, and with their stylistic, figurative and rhetorical forms" (p. 3). There is a good deal of analysis of some of Smith's sentences, especially in Chapter 2. The authorial "voice" is examined at length. Brown argues that there is not one but several authorial "voices." Further, it is argued that each of Smith's texts exists within its own discursive framework. Early in *Discourse* she states that "the issue of the coherence and consistency of Adam Smith's oeuvre is something that has to wait upon the interpretation of texts, and cannot be used as a prior assumption in reading texts. This implies that one text cannot be used to explicate obscure or contentious passages in another text, since this presupposes a unitary intentionality, which is precisely one of the questions at issue." (p. 20) In his *Reading* Shapiro seems to assume implicitly a consistency of Smith's texts, as we saw in his use of the *Lectures on Rhetoric*, to interpret Smith's writing generally. By contrast, Brown tries throughout most of her *Discourse* to show the inconsistencies between Smith's works. Each of "the three main texts" associated with Smith, namely the *Theory of Moral Sentiments*, the *Lectures on Jurisprudence*, and the *Wealth of Nations*, is "read in its own terms and not cross-read through the others" (pp. 20-1). This is done to bolster her claim that it is pointless to attempt to find authorial intent, as there are numerous intentions. While I am not happy with this approach, I am even more disturbed by Brown's inconsistencies, to which I will come shortly.

After examining Smith's works separately, Brown concludes that there is no unified Smith oeuvre. I will leave aside the complexity of the *Lectures on Jurisprudence*, as their style "is more akin to that of the *WN*" (p. 100). Smith's two published works are inconsistent because "the form, style and moral import of the *TMS* and the *WN* carry the reader along different tracks" (pp. 53-4). Brown says that the *Wealth of Nations* is an amoral discourse while the *Theory of Moral Sentiments* is a moral discourse. "*WN* has no place for the moral discourse of *TMS*; in this sense *WN* is an amoral discourse" (p. 46 emphasis added). Indeed, time and time again, in *Discourse* she refers to the *Wealth of Nations* as an amoral discourse (pp. 26, 162, 195, 209, 215, 218).

In other words, Brown accepts the charge of the early German commentators, who formulated *Das Adam Smith Problem*. This puts her at odds with virtually all of the important commentators during the last thirty years or so (see Winch 1978). Of course, some commentators, such as Lux (1990), agree with her. Even if one does not accept postmodern approaches to "reading," one may still be interested in the problem that Brown raises. It means that her *Discourse* claims a methodological and substantive novelty. What evidence does Brown give for this controversial substantive conclusion?

Brown says that the "*TMS* is an account of how moral judgments are made" (p. 27). Moral action requires "the moral agent" to take, "an active part" (p. 25). This requires "an imaginary change of situation between the moral agent and the relevant other" (p. 27). Hence, "[t]he primary and emblematic metaphor of the moral discourse of *TMS* is that of the 'impartial spectator'" (p. 24). The moral teaching of "inner debate" with the "impartial spectator" Brown links to the Stoics (p. 76). While I found the latter point new, there is nothing unusual about the general direction of her argument thus far.

Then Brown constructs two pairs of Smithian virtues and uses them as the focus of her study of Smith's view of morality. On the one hand, Brown discusses benevolence and self-command. She argues that these virtues require a dialogue with the "impartial spectator". On the other hand, Brown claims that prudence (meaning frugality and economic calculation) and

justice (meaning fair play within just rules of behaviour) do not involve continual dialogue with the "impartial spectator." Hence, the former pair are "higher" moral virtues (pp. 26, 46), while the latter pair are "lower-order" virtues (pp. 5, 26, 33, 54, 76, 93, 100, 140, 162, 209-10). This hierarchy is traced by Brown again to the Stoics. It is interesting that she puts considerable stress on the role of the Stoics: there is a "deeply Stoic tone" in much of the *Theory of Moral Sentiments* (p.74). In any event, this all sounds quite reasonable.

It is the next two claims that get Brown into trouble. Firstly, she claims, most of the time, that these "lower" virtues have no moral content. "[O]nly those virtues that are subject to this dialogic process are truly 'moral virtues,' the other virtues belong in a lower, *amoral* order" (p.33 emphasis added). Justice and prudence "although clearly denominated as virtues ... stand outside the discourse signified as moral discourse by the arguments of the *TMS*" (p. 46). In other words, Brown claims that there are amoral virtues. I cannot understand the notion of an amoral virtue. In any event, these amoral virtues are especially important as she has in mind the commercial virtues that suffuse the *Wealth of Nations*. Economic agents and economic activity "occupy a shadowy, twilight space in the moral universe, somewhat outside of moral discourse proper" (p.52 see also p.211).

Secondly, Brown claims again and again that the "impartial spectator" does not appear in the *Wealth of Nations* (pp. 26, 46, 52, 162, 188-9). It is on the basis of these last two claims that she arrives at the same conclusion as the early German commentators. It seems clear then that, according to Brown, the *Wealth of Nations*, and Smith's political economy, cannot be part of the "moral sciences." This is at odds with those who see "Smith's treatment of political economy as one of the moral sciences" (Clark 1993, 335; see also Fitzgibbons 1995 throughout).

Brown's controversial conclusion, rejecting as it does the interpretive scholarship of recent years, warrants close scrutiny. Let me make two sets of comments on Brown's analysis. Firstly, her own claims are inconsistent. At times, Brown seems to grasp that commercial virtues must have a moral status that is positive, not amoral. She states that "all the virtues are underwritten by the moral force of the impartial spectator's approval" (p. 34). Rules, including rules of justice "have a certain moral force ... because they embody approved responses" by the spectator (pp. 36-7, see also p.48 n.42). Prudence is the virtue of the businessman: the latter exercises self-command over his desire for immediate gratification so that he may enjoy more later. Brown agrees that "where 'self-love' is approved of [by the 'impartial spectator'], it includes a moral dimension" (p. 97, see also p. 98). This is the case with prudence. Hence, the virtue of prudence cannot be amoral. Note also her references to the "'amoral' status of *WN*," and to the "basically amoral discourse" of the *Wealth of Nations* (pp. 215, 218). Through my "process of reading" of *Discourse*, I was led to conclude that Brown was contradictory in her views of Smith's hierarchy of virtues.⁷

Secondly, Brown's conclusion that the *Wealth of Nations* and the commercial virtues are amoral cannot be sustained. Textual fidelity is not stressed by postmoderns; nevertheless I cannot resist pointing out that Smith does refer to the "impartial spectator" in the *Wealth of Nations* (*WN* V.iii.90; see also I.i.2). Further, as we have seen in her own concessions from time to time, all of the virtues have a moral content. For an excellent reply to Brown's claim that the commercial virtues are amoral, see Kleer 1993. If one abandons Brown's view that commercial actions are amoral, and claim that they display "lower" but genuine virtues, then the *Wealth of Nations* is no longer an amoral discourse. Further, the massive disjunction between the *Wealth of Nations* and the *Theory of Moral Sentiments* disappears. But if you take this step, then a lot of Brown's substantive claim to novelty disappears.

I turn now to Brown's second set of contradictions. At the conclusion of her *Discourse* (p. 217) she draws attention to the importance of freedom in the *Wealth of Nations*. Brown then switches to the view, which she has denied throughout, that there is a continuity

between the *Wealth of Nations* and the *Theory of Moral Sentiments*: "Smith's overall discourse [sic.]⁸ is seen as reproducing the structure of the Stoic [moral] hierarchy." She then (p. 218) depicts Smith's view of freedom in terms of Stoicism. But the source is clearly the *Theory of Moral Sentiments* and not anything internal to the *Wealth of Nations*. So Brown's "process of reading" has led her to attribute a consistency which she has earlier denied. To maintain the strict independence of each of Smith's works, what she needed to do was to look only at the *Wealth of Nations* and study the numerous passages in which freedom is discussed.⁹ Brown goes on to conclude her *Discourse* with a series of ironies, but the one with which she concludes the book deserves special attention: "[O]ne of the greatest ironies is that Adam Smith's discourse [sic.] – indebted as it was to Stoic moral philosophy – has contributed to the de-moralisation of economic and political categories and the construction of an economics canon in which moral debate has virtually no place" (p.220). Let me make two comments on this. Firstly, once again, Brown contradicts herself in claiming that there is a coherent Smith *oeuvre*. Secondly, I do not see any irony in her claim that "Adam Smith's discourse ... has contributed to the de-moralisation of economic ... categories." Surely, according to Brown's own argument, the "demoralisation" is the logical outcome of Smith's economic work. As she presents Smith's political economy as not part of the "moral sciences," those post-Smithian economists who made economics such that there is "no place" for moral debate are acting in accord with Brown's own interpretation of the *Wealth of Nations*.

There are some positive things in Brown's *Discourse*. Let me turn to a substantive issue first. Brown's analysis of the economic teaching of the *Wealth of Nations* is quite good. For Smith, capital invested in agriculture is the most productive (*WN* II.v.8-12). After this comes manufacturing, wholesaling, and retailing (*WN* II.v.2, 8-12, 19, 23). By beginning with the analysis of the different contributions of capital to the annual produce of society, Brown has hit upon the correct path to understand Smith's grand theme, economic growth. If anything can summarize Smith's understanding of "the nature and causes of the [changes in the] wealth of nations," it is economic growth. In a short series of pages (pp. 166-91) Brown summarizes the key elements of the *Wealth of Nations*. She shows that the hierarchy of capitals developed in Book II Chapter 5, explains the progress of opulence developed in Book III (and why the actual development of Europe was inverted), the critique of mercantilism and physiocracy that comprises Book IV, and the "invisible hand" passage in particular. For Smith there is a natural order of historical development for any country; in the absence of "politics or state intervention" capital will flow to agriculture, then manufactures, and finally, wholesaling and the export trades (p. 176 based on *WN* II.v.19-23). The "invisible hand" in the *Wealth of Nations* is invoked because it just happens that the natural order of progress that occurs without government intervention is the one that "most enhances the annual revenue"; this order is the most "advantageous to the public interest" (p. 182). The coincidence of private and public interest is explained through this exposition of the progress of opulence. This exposition of the *Wealth of Nations* is one that I fully endorse. Kleer (1992) and I (Alvey 1996) have made similar points elsewhere, before having read her book.¹⁰

But there is more to Adam Smith than what is considered to be "economic science." Now let me turn to the question of style. In *Discourse* Brown does a good job of indicating the different "voices" within the *Theory of Moral Sentiments*. When it comes to the *Wealth of Nations* it is argued that there is only one "voice": there is a "monologic style" in it, even though the work contains "historical, comparative, empirical and conjectural material interspersed with juridicial claims and a sustained criticism of the mercantile system" (p. 191). Brown's view that Smith's economic work has a "monologic style" is a rejection of the interpretive matrix of writing styles developed by Smith in the *Lectures on Rhetoric*. The latter work is used by Endres (1995b) with great effect in his analysis of the *Wealth of*

Nations. Nevertheless, I suspect that Brown is correct (pp. 9-22) when she argues that the *Lectures* do not provide, ultimately, a satisfactory means of interpreting Smith's writings.

Contrary to Shapiro, I argue that Smith's books were both works of literature and persuasion. Hence, I believe that Brown is quite correct to point to some of Smith's work having "an oppositional, ironic or sardonic tone" (p. 132). There is also a nice discussion late in her *Discourse* showing the polemical nature of a good deal of the *Wealth of Nations*. Let us consider one paragraph:

The polemic directed at the merchants and manufactures, the alleged architects of [mercantilism], is well known. Hardly a reference to these groups passes without a barrage of negative terms: 'the clamour and sophistry of merchants and manufacturers' (*WN* I.x.c.25); 'the sophistry of merchants and manufacturers' (*WN* IV.ii.38); 'the impertinent jealousy of merchants and manufacturers ... the mean rapacity, the monopolizing spirit of merchants and manufacturers' (IV.iii.c.9); 'the interested sophistry of merchants and manufacturers' (IV.iii.c.10); 'with all the passionate confidence of interested falsehood' (*WN* IV.iii.c.13). (p. 192)

Brown then proceeds to demonstrate, with extensive quotations, how frequently Smith calls the mercantile doctrine of the balance of trade "absurd" (see *WN* III.i.1; IV.i.17; IV.i.34; IV.iii.c.2). She then argues that "[a]llied to this kind of denigration is the presentation of fundamental mercantile tenants as mere 'popular notions' or 'vulgar prejudices' (p. 192). Again Brown lists several quotations from Smith to make her point (see *WN* L.xi.e.15; IV.i.1; IV.i.5; IV.i.33-4; IV.vi.32). According to Brown, "[w]hat these passages show is that *WN* not only argues analytically against the mercantile system, but further denies it any credibility as an informed system" (p. 193). By contrast, "[t]he system of natural liberty epitomises 'reason' and the working out of the 'natural order of things.' It is 'plain reason' as opposed to 'vulgar prejudice'" (pp. 193-4).

Brown observes a set of sharp contrasts in Smith. "Pairs such as prejudice/reason, sophistry/common sense, disorder/order, unnatural/natural, map out the discursive space in which the system of natural liberty is presented as ... self-evidently superior" for anyone who isn't "blinded by prejudice" (p.194). This set of "binary opposites" has great rhetorical power. "Rhetorically, the effect of this is to heighten the distinguishing characteristics of the system of natural liberty, and set them into sharper focus compared with the main rival system" (p. 194). While the theoretical basis of the system of natural liberty is the "sectoral argument" mentioned above, this argument is "highly complex and abstract" (p. 197). The rhetorical argument of a unity of private and public interest is easier to grasp. But this coincidence of interests depends upon many prerequisites, as the inverted development of Europe demonstrates. It is at this point that Brown discusses the changing interpretations of the sectoral argument of the *Wealth of Nations*. She presents the interpretations of Stewart, Horner, Brougham, Spence, James Mill, Say, Playfair, Buchanan, and McCulloch. The coincidence of private and public interest "by way of the natural order of opulence ... was abandoned" (p. 206). The *Wealth of Nations* was "reconstructed and appropriated by the political economy of the early nineteenth century" (p. 206).

Brown concludes that "the rhetorical claims of *WN* have triumphed over the analytical argument" in the work (p. 197). While her presentation in *Discourse* of the *Wealth of Nations* as a highly rhetorical work may overstate the case somewhat, it certainly is closer to the mark than Shapiro's *Reading*. Brown's point is well taken and is often forgotten by commentators who refer to the *Wealth of Nations* as a strictly "scientific" work which begins modern economic science.

Despite some interesting observations that are offered, I have little doubt that Shapiro's *Reading* and Brown's *Discourse* will not be read in twenty years time. The problem

is their adoption of the postmodernist "fad" (see Endres 1995a, 103) which is especially visible in Shapiro. According to Shapiro, the real problem with Smith is that he does not hold contemporary views. While the "confrontation" between Smith and Sade is at two levels (substance and style), and the different "textual practices" are mentioned by Shapiro (p. 125), it is the disagreement on substance that is decisive.¹¹ It is a fluke that Sade existed so that Shapiro could use the former's views as a point of comparison with Smith. Had Sade not existed, Shapiro's *Reading* would have merely used postmodern theorists as the point of comparison. It is Smith's rejection of postmodern substantive views of human nature, and so on, that leads him to be "confronted" and "turned down" by those seeking "an effective, politicized understanding of modernity" (p. xxv). But Shapiro's *Reading* is written only for postmodernists, namely, those who have adopted a "politicized understanding of modernity."

What if one has not already adopted such a view? For such readers, why does Smith deserve to be "turned down"? How can postmodernists show that they are not merely substituting one form of propaganda for another? Let us quote Shapiro's *Reading* again: "Every conversation is established at the expense of other possible conversations. Just as a new critical perspective [like postmodernism] provides access to that which was formerly inaccessible, it administers silences and blocks access to something elsewhere." (p. xxxi) If postmodernism "administers silences and blocks access" to other ways of thinking, how can it confidently assert that the new silences are not more profound than the old? The quotation above certainly leaves us wondering whether postmodernism isn't just propaganda. If so, why adopt a new opinion when there is an existing one, other than for the sake of faddish change?

As Shapiro decided at the outset not even to try to find the "authentic Adam Smith," it is clear that he could not have taken seriously Smith's claim to have discovered the truth about nature, human nature, and the best form of society (p. xxvi). Shapiro must be already committed to the "fact" that the passions are *not* harmonious, that there is no "objectively good human order" (p. 129), and so on. Shapiro is only interested in "confronting" and "turning down" Smith. A more impressive intellectual exercise than a postmodern deconstruction of Smith would be to try to understand a great thinker, like Smith, as the first stage in liberating oneself from prejudice. After fully grasping the meaning of an author who exists outside of one's own framework, and testing it for internal consistency, the second step to liberation would be to "confront oneself"; by doing so, Shapiro would be using Smith to "confront" postmodernism, and benefiting us all. Only through such a confrontation could a postmodern really be able to answer the charge that postmodernism is a dogma whose only appeal is that it is the current fad.¹² Brown's *Discourse*, being written from within the same genre as Shapiro's *Reading*, suffers from these problems also. Once the search for a coherent authorial intent is abandoned, interpretation is bound to be prejudiced by contemporary views. Rather than seriously opening oneself to something foreign, one is closed to learning anything from outside of one's existing perspective.

What about the merits of these two books as contributions to Smith scholarship? Unquestionably, Brown's is better, containing a number of good pieces of analysis. Brown's book should have the longer staying power. Yet there is a final question that needs to be asked at this point. Given that these are only blatant examples of a wide phenomenon, one wonders whether all of the writers of such books are genuinely convinced that what they are doing has high intellectual merit. Could any of these writers be merely responding to the dictum "publish or perish"? As Smith has a popularity, at present, which seems unlikely to be sustained – Shapiro (p. xxvi) says that "Adam Smith ... is a media personality" – could it be too much to suggest that many writers are simply surfing a wave?

- * Department of Applied and International Economics, Massey University, Palmerston North, New Zealand. James Alvey completed his PhD at the University of Toronto in January 1996.

Notes

- 1 Shapiro says that Smith must be "confronted" at least fourteen times (pp. xxv, xxvi, xxix, xxxiii, xxxiv, 41, 82, 90, 105, 106, 111, 116, 121).
- 2 As the *Oxford English Dictionary* points out, sadism is a word that arose from the Marquis de Sade, a man who was infamous for his crimes and the character of his writings (which emphasized cruelty).
- 3 "In Smith's views and in his style of writing, then, there is a tendency to pacify the world" (p. 40).
- 4 As Shapiro follows Veblen in referring to Smith's writings as narratives, and so on, he must also be causing Smith to be "affronted."
- 5 Even Minowitz (1993, 14, 129), who sees Smith as an atheist, agrees that there is a difference in the presentation of Smith's views in the two published works.
- 6 There is no mention of Shapiro's book in Brown's list of references.
- 7 In fairness to Brown it must be admitted that, at times, Smith leads one into some confusion. For example, Smith refers to justice, at one point, as a "negative virtue" (*TMS* II.ii.1.9).
- 8 There is no point talking of "Smith's overall discourse" if the parts are fundamentally opposed.
- 9 Forbes (1975, 182-90) could have provided some valuable assistance in this project.
- 10 I read her book during October-November 1996.
- 11 Shapiro's book is not organized around themes like grammar, style, and narrative, with chapters dedicated to each. It is organized around substantive issues, as indicated by its sub-title, "Desire, History and Value."
- 12 For a useful critique of postmodernism, see Pangle 1992.

References

- Alvey, James E. 1995. "Adam Smith's Vision of The Best Regime." Paper delivered to the Annual Meeting of the Canadian Political Science Association, Montreal, 4-6 June.
- , 1996. "A New Adam Smith Problem: The Teleological Basis of Commercial Society." Ph.D. dissertation, University of Toronto.
- Clark, Henry C. 1993. "Women and Humanity in Scottish Enlightenment Social Thought: The Case of Adam Smith." *Historical Reflections/Reflexions historiques* 19 (3):335-61.
- Endres, Anthony M. 1995a. "The Moral and Political Foundations of *The Wealth of Nations*." *History of Economics Review* 24: 103-8.
- , 1995b. "Adam Smith's Advisory Style as Illustrated by his Trade and Policy Prescriptions." *Journal of the History of Economic Thought* 17(1): 86-105.
- Fitzgibbons, Athol. 1995. *Adam Smith's System of Liberty, Wealth, and Virtue*. Oxford: Clarendon Press.
- Forbes, Duncan. 1975. "Sceptical Whiggism, Commerce, and Liberty." In *Essays on Adam Smith* ed. Andrew S. Skinner and Thomas Wilson. Oxford: Clarendon Press.
- Kleer, Richard A. 1992. "Final Causes in the *Wealth of Nations*." Economics Discussion Paper #40, Department of Economics, University of Regina.
- , 1993. "Adam Smith on the Morality of the Pursuit of Fortune." *Economics and Philosophy* 9:289-95.
- Lux, Kenneth. 1990. *Adam Smith's Mistake*. Boston: Shambhala.
- Minowitz, Peter. 1993. *Profits, Priests, and Princes*. Stanford: Stanford University Press.
- Pangle, Thomas L. 1992. *The Ennobling of Democracy*. Baltimore: Johns Hopkins University Press.
- Smith, Adam. 1976a (orig. pub. 1759). *The Theory of Moral Sentiments*. Ed. D.D. Raphael and A.L. Macfie. Oxford: Oxford University Press.

- . 1976b (orig. pub. 1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*. 2 vols. Ed. R.H. Campbell and A.S. Skinner. Oxford: Oxford University Press.
- . 1978. *Lectures on Jurisprudence*. Ed. R.L. Meek, D.D. Raphael, and P.G. Stein. Oxford: Oxford University Press.
- . 1983. *Lectures on Rhetoric and Belles Lettres*. Ed. J.C. Bryce. Oxford: Oxford University Press.
- Veblen, Thorstein. 1948. *The Portable Veblen*, ed. Max Lerner. New York: Viking.