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BOOK REVIEWS

Jeffrey T. Young, ed., *Elgar Companion to Adam Smith* (Cheltenham, UK: Edward Elgar, 2009), pp. xxv, 374, $215. ISBN 978-1-84542-019-2.

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Adam Smith simply will not stop residing in our professional and intellectual lives, and when someone's ideas become the stuff of common conversation, digressions and qualifications become elided. Meaning crystallizes, both in the sense of becoming more clear, but also in the sense of hardening. This process, both verbal and ideological, has changed the collective concept of Adam Smith from a discursive analytical historian into a pithy aphorist—and a utilitarian, at that. The essays in the *Elgar Companion to Adam Smith,* edited by Jeffrey T. Young, bring the clicks and hums of Smith's original words back to life. It is welcome; Smith's work has not maintained its popularity merely because one can shoehorn his economic agents into something like the Arrow–Debreu model of general equilibrium—Smith is a fine observer of human behavior, and a joy to read. In the process, the *Companion* restores the timbre of Smith's words as well as arguments long left behind or forgotten.

The book is a collection of essays that vary greatly in style and approach, although in most cases a reader will benefit from having had some exposure to literary criticism. As the title indicates, the book intends to be a companion to Smith's corpus. The *Theory of Moral Sentiments* gets a share of time greater than it might have in the past; Dierdre McCloskey begins the volume with "Adam Smith, Last of the Former Virtue Ethicists," in which she argues convincingly that Smith's virtues expand beyond prudence. McCloskey cites Smith: "That system ... which makes virtue consist in prudence only ... seems to degrade equally both the amiable and respectable virtues, and to strip the former of all their beauty, and the latter of all their grandeur" (*TMS,* p. 307).[1]

Vivienne Brown's "Agency and Discourse: Revisiting the Adam Smith Problem" adds additional breadth to Smith's vision by asserting that the agents in *Theory of Moral Sentiments* are fundamentally different from those in *Wealth of Nations*. The former, Brown argues, are *moral* agents shaped like human beings with inscrutable motivations and inclinations, inaccessible to judgment; while the latter are *economic* agents—when Smith refers to owners of capital, he is actually referring to Owners of Capital, not people who happen to own capital, and Owners of Capital behave in a particular way—they respond to prices and profits. Despite the deterministic behavior of the agents in the *Wealth of Nations*, Smith is not asserting that people's actions are determined, but modeling economic behavior as such.

Despite the healthy dose of moral philosophy, this is a book written by economists, and among Smith's works, economists are perhaps unsurprisingly most interested in

[1]McCloskey also exhibits a good economist's distaste for corner solutions: "Five or seven [virtues], after all, is a mean among N = 1 and N = 170 or 613, if not a particularly golden one" (p. 12).

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the *Wealth of Nations*; its contents and arguments receive most of the consideration in the *Elgar Companion*. Within these essays, Smith's work is reconsidered in a way that challenges an uncritical acceptance of the *Wealth of Nations* as unmotivated reasoning, and brings to light and attempts to resolve paradoxes that arise from the not-infrequent contradiction or qualification within.

The two most disparate approaches to the *Wealth of Nations* rest firmly in the center of the book. Amos Witztum's ''Wants versus Needs: A Smithian Model of General Equilibrium'' provides a useful reminder that canonical economics and its efficiency results could have gone very differently indeed had the analytical members of the profession used different assumptions. Warren Samuels's ''The Invisible Hand,'' although radically different in tone, scratches at foundations in a similar fashion by problematizing its eponymous concept with a barrage of unanswered (and unanswerable?) questions. Samuels' essay occasionally borders on unreadable from its application of catalogue,[2] but when one applies the critical lesson to the rest of everything economists hold dear, the interstices between our certainty expand apace.

Several of the latter essays in the book serve to place Smith within an historic context, reducing the horizon of *The Wealth of Nations* from the universal to the particular. Salim Rashid's ''Adam Smith and Economic Development'' makes a convincing argument that, contrary to Viner's point, Smith may be many things, but he does not fare well as a contributor to economic development. Rashid paints a picture of Smith as a very accurate portraitist of the economic system within England at the time, but as someone who observes his own particular circumstances and mistakes them for natural law. Glenn Hueckel's essay on polemics and the corn bounty reinforces this by casting the *Wealth of Nations* as a work with vision both grand and limited; the coherence of Smith's system at times had to bow to his polemical intent: affecting British economic policy of his day.

The complication of Smith's most famous work within the last two-thirds of the *Elgar Companion* complements the depiction of Smith in the first third as an ethicist; clearly, Smith is not the hewn and polished obsidian core of the First Fundamental Welfare Theorem. What, then, is he? The last essay, Steven G. Medema's ''Adam Smith and the Chicago School,'' presents ''the 'Chicago Smith' of Stigler et al.'' and the Smith of the ''Good Old Chicago School''—''a bit more eclectic and pragmatic'' than the Benthamite version. While the latter has more depth, both doppelgangers are mere economists. The *Elgar Companion* successfully argues that Smith was neither a Walrasian nor a Marshallian, exactly, and allowing the *Wealth of Nations* to serve as the boundary for Smith's thought on human and social behavior impoverishes our reckoning of one of the most exciting and influential thinkers on how people work.

The single greatest absence in the *Companion* is none of the authors' or editor's doing: Smith's burning of his notes regarding his final work on jurisprudence, and the missing third leg of the stool—this lack is palpable in the *Elgar Companion*, and one cannot but wonder what might have been had his system been completed. This reviewer looks forward to continued research on the *Theory of Moral Sentiments* and Smith's *Lectures on Jurisprudence,* and the continued synthesis of Smith's larger theory of human behavior.

[2]I count nine explicitly enumerated lists, which does not begin to exhaust the catalogues therein.

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The world as articulated and pondered by Adam Smith is herein rendered vital and compelling, more so even than in the author's original works. These essays take his vision and refract it, each a facet of a prism that provides a rich and detailed view into a body of work of complexity and coherence that holds up shockingly well under time and close inspection. The Adam Smith with whom one leaves the *Elgar Companion* is very different from that resident of the popular imagination, though—the Smith presented here has more depth of hue, finer brush strokes; his is the original work to the popular picture postcard, and an opportunity to see an original through so many eyes is a valuable one indeed.

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Gavin Kennedy, *Adam Smith's Lost Legacy* (Basingstoke, UK, and New York, USA: Palgrave Macmillan, 2005), pp. xvi, 285, $105. ISBN 978-1-4039-4789-5.

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This book is yet another in the long-standing lament over the mischaracterization of Smith's ideas in the popular discourse. The particular myths that have so exercised Prof. Kennedy are the familiar charges that Smith saw economic activity as driven solely by self-love and that he advocated an unqualified *laissez faire* policy stance, leaving no role for government beyond that of a "minimalist 'night watchman'" (p. xiv). In response, Kennedy offers us "corrective comments from [Smith's] life and Works that reveal his actual, not mythical, but very Scottish, contribution" (p. xvi). To that end, the book is divided into four sections, beginning with a brief biographical treatment, then turning to the familiar elements of Smith's work in the order they appear in his lectures, moving from *Moral Sentiments* through the *Lectures on Jurisprudence*, to *The Wealth of Nations*. The last receives, by a wide margin, the greatest attention, comprising more than half the book. Curiously, these four sections rest atop an underlying structure divided into four introductions and fifty-seven chapters, no single element longer than six pages and most a good deal shorter. Because this sequence of tiny vignettes cannot accommodate an integrated, coherent exposition of a complex analytical framework, many of the unifying links that are the hallmark of Smith's thought are lost in this disjoint expository structure.

Consider, as just one of many possible examples, the treatment accorded Smithian justice. In chapter 15 we learn of just two motives to adhere to the strictures of justice: authority and the weaker inducement arising from the slow operation of reason in grasping the utility of the principle for the maintenance of social order. We do not learn that the previous chapter's comment regarding Nature's reliance on instinct to ensure the preservation of the species has a parallel application in the context of justice as well. Our desire to aid in the punishment of the wrongdoer arises from our natural and immediate fellow-feeling with the resentment felt by the person harmed, tempered of course by our judgment of the wrongdoer's motive. But even this is not enough. To further "enforce the observation of justice," even the wrongdoer is formed to expect punishment: "Nature has implanted in the human breast that