time a learned discussion on Say's Law breaks out among the cognoscenti, ask yourself what exactly you know about capital markets in eighteenth-century rural France or shipping losses in the North Atlantic, and have some empathy for the poor sugar merchant transitioning from cane to beets and the would-be cotton merchant learning his trade from the *Encyclopédie*.

Evelyn L. Forget
University of Manitoba

Christopher J. Berry, *The Idea of Commercial Society in the Scottish Enlightenment* (Edinburgh: Edinburgh University Press, 2013), pp. 266, $120. ISBN 978-0748-64532-9.
doi: 10.1017/S1053837215000309

In his latest book, Christopher Berry comes back and expands on previous contributions. Since his *The Idea of Luxury: A Conceptual and Historical Investigation* (1994), *Social Theory and the Scottish Enlightenment* (1997), and his successive contributions to the subject matter, Berry has fed scholars of Adam Smith, David Hume, Adam Ferguson, and the Scottish Enlightenment with rigorous and original research. *The Idea of Commercial Society in the Scottish Enlightenment* sums up previous research analyzing the social, political, and economic context of the Scottish Enlightenment phenomena. But it also adds new insights.

The first chapter already sets out the importance of "improvement" as a guiding line in this intellectual adventure. Berry argues that luxury—that complex and symbolic idea—is as real as any market product. In sum, his book is not about metaphysics. It is about reality. In this sense, Berry is as pragmatic as Smith or Hume would be. However, the real meaning and context behind improvement are the aim of this book. Berry sets the scene by introducing the legal, economic, and religious framework of Scotland, the importance of the five Scottish universities, and the relevance of all those intellectual clubs and societies. Improvement was not only an intellectual or an academic exercise. It was an interwoven and complex social phenomenon that represented a way of thinking and living commercial society. Recalling John Millar's famous passage—Montesquieu as the Bacon, and Smith as the Newton of the Scottish Enlightenment—Berry sums up the importance of Francis Bacon and Isaac Newton for the Scottish 'literati.' If they were the intellectual heroes for the Scots, John Locke set out a morality of property that also played an important role. Berry concludes that commercial society was articulated and developed within the tension of economics and politics, virtue and commerce, and law and history.

If the first chapter places the scenario, the function begins with the "four stages" theory. This stadial theory—from hunting, pasturage, and agriculture up to commerce—was perceived as a scientific aspiration for explaining progress. Based on their successful experience with economic growth, the Scots believed it was possible to develop a grand social theory. In fact, this was Smith's intended plan with his lectures on political economy, ethics, and jurisprudence. Although the four stages theory is not original to the Scottish Enlightenment, what is distinctive are the addition and understanding

of its fourth stage, commerce. The comprehension of the transit from a feudal society to a commercial society, from a rude to a cultivated or civilized society, is crucial to grasp and assess their account of social development. The emergence of commercial society is an important theme for Smith's *Wealth of Nations*, Hume's *History*, Millar's *Historical Views,* and William Robertson's *View of Progress*. If natural history provides the setting for this transition, complex and even divergent ideas will surface. Berry proposes to focus on the interplay between liberty and commerce as related but independent ends by themselves.

The Scots appreciated and valued their transit to commercial society. They were proud of living and leading the "age of commerce." Not in vain: Edinburgh, the Athens of the North, was civilized and free. Certainly there was a cultural feeling of keeping up, and even competing, with the English. If, in Scotland, they would refer to themselves as part of Great Britain, in England, they still felt they were only English. This cultural difference helped in fostering competition; and also progress. After the *Act of Union* of 1707, there was a transition even with their language (Hume would say that he knew how to write well in English, but could not speak that well). The social and economic improvement the Scots witnessed was there, so their experience joined with their intellect. The Scots rightly felt that they had not only developed, but also improved. And the move, as Berry suggests, from "rule by men to rule by law" (p. 48) is the foundation of this fascinating social, economic, political, and moral process.

Indeed, Berry begins the next chapter by emphasizing the importance of morality for commercial society. He introduces Smith's idea of liberty and commerce as the "two greatest blessings men can possess." On the latter, the division of labor is in the beginning of Smith's *Wealth of Nations* (*WN*). But the pin factory is much more than a simple example of efficiency. We know that the "technological" idea of division of labor is not original to the Scots. Yet the "sociological" one is distinctively Scottish. Exchange, as the foundation of economics—or, better said, political economy—is a propensity in human nature. As Newton did not know what gravity was, Smith is also quite realistic in claiming that exchange exists and has existed among humans. The "propensity to truck, barter and exchange" is inherently human. Nobody has seen a dog exchanging "fairly and deliberatively" a bone with another dog. In this sense, Berry argues that everyman is a merchant (no wonder why Napoleon, perhaps relying on Smith's quote in *WN* IV.vii.c.63: 613, would have famously considered England as "a nation of shopkeepers").

Then the polemical debates around self-love and egalitarianism are briefly presented, giving place to some interesting arguments about poverty and its context. As modern commercial society brought about material comforts and joy, the moralizing appeal of austerity and poverty was fading. The Scots did not see anything good or worthy in poverty. In a way, as Berry suggests, commercial society banished the 'monkish virtues' and moved beyond the ancient republics. It was the triumph of wealth over virtue. But this triumph, as the literati knew well, had its nuances.

In Chapter 4, "Markets, Law and Politics," the importance of the rule of law is stressed. Hume's famous account of justice as an artificial virtue is an example of the pragmatism and realism behind these social philosophers. Berry reminds us that this is especially evident when we turn into politics and its relationship with individual

liberty, public goods, and vested interests. Smith refers to "that insidious and crafty animal, vulgarly called a statesman or politician" (*WN* IV.ii.39: 468). Obviously they don't have any illusions about human nature (just remember Hume's prudential knave); less about those who participate "in the management of publick affairs" (Smith has several dry comments on this). Distrust, or, at least, wariness, is also a part of their philosophical stance to promote the rule of law. The Scottish philosophers knew well that human beings are only too human.

Next we come into the thorny issue of liberty. Berry has argued that the Scottish literati are not dogmatic. On the contrary, they are open-minded and aware of our human limitations. Chapter 5 begins with the idea of liberty under the rule of law. It is not the Stoic idea of tranquility or *ataraxia*, or the republican duty to participate in the public realm. Of course Smith argues that everyman is to be "left perfectly free to pursue his own inteterest his own way" (*WN* IV.ix.51: 687). This would be what Berry labels as "the modern liberty of choice" (p. 128). But liberty is not simply and only about negative liberty. When we come to justice, Smith said we can be just by sitting still. Granting this as the ground, there is something else: morality. That is why Berry claims that commercial society is not an "ethics-free zone" (p. 130).

Then we arrive to the tension between self- and public interest. At this stage we cannot forget that in his *Wealth of Nations,* Smith carefully uses the word "frequently" when referring to the beneficial consequences of the invisible hand. Therefore, there is not always a cause-and-effect relationship between self-interest and public benefit. There are exceptions, so Berry aptly refers to "a modern moralized economy." Commercial virtues like industry, frugality, hard work, and politeness are much more than only necessary to economic progress. They belong to, one could argue, a commercial way of life that demands not only material progress, but also an ethical behavior. The Scottish knew that plain *laissez-faire* was not the solution. Aware of the many benefits of the free market, they also foresaw some of its problems. If commerce polishes and softens barbarous manners, other pressing concerns came into sight. The "dangers of commerce," the title of the next chapter, gets into this crucial issue.

Since Aristotle, we know that a *polis* is a community of free men, and each person is a *zoon politikón*. That is, we are social animals who live and develop with others. We are not a simple or theoretical *homo economicus*. The social nature of human beings was a shared premise within the Scottish Enlightenment. But they also warned about the extremes to which this premise might lead. When Smith referred to Jean-Jacques Rousseau's *Second Discourse* in his "Letter to the Authors of the Edinburgh Review" (1755), he not only ironically linked Rousseau to Bernard Mandeville, but he also defined his *Discourse on Inequality* as the result of "the true spirit of a republican carried a little too far." Smith was expressing a concern for some extreme republican arguments that could finally hamper liberty. Within the birth and success of commercial society, it is this debate around liberty—between an individual and a citizen, between rights and duties—that pervades the luxury debate. As Berry underlines, it is the tension between the negative concept of liberty and the republican understanding of liberty as civic or political activity. It could be argued that for Smith, negative and positive liberty are intertwined, complementing each other.

Adam Ferguson, who in his *An Essay of the History of Civil Society* (1767) forged the Hayekian dictum of "human action, but not human design," is certainly more aware of the dangers of commercial society. In other words, he is more republican. The standing army debate was a hotly debated issue that put Smith and Ferguson on different sides. Ferguson was a leading advocate of the militia cause. Smith, in his *Wealth of Nations*, defended the merits and convenience of a professional army. Ferguson felt that Smith had betrayed their cause, so he wrote him a letter after the publication of his *Wealth of Nations*. This fascinating story is a symbolic representation of the clash between economics and politics, and the preeminence of the former. It is not a coincidence that Smith would refer, in the last book of his *WN*, to the "revenue" and "expenses" of the "commonwealth." In a way, the republican political discourse was overshadowed by economic facts. Berry goes through the context of this debate, arguing that Smith would finally incline for commercial society.

The book is, as Berry argues, "about" improvement. The emergence and superiority of commercial society, with its pros and cons, are the underlying theme of Berry's book. The luxury debate is in the background. And Smith's defense of true liberalism, with its complexities and nuances, is the final message. Liberty, rule of law, and institutions are the key concepts to understand what is actually meant by 'improvement.' The Scots were aware that commercial society was not an ideal world, but they knew it was the best possible world.

Berry's book reflects the maturity and elegance of somebody who knows his subject. Complex ideas are expressed in simple language. Although most of recent scholarship is used, and incidentally criticized, Berry does not need to show off his intellectual command of the literature. He navigates through the context of the Scottish Enlightenment, writing with the simplicity that only the knowledge of the original sources provides. After reading this story of improvement and commercial society, one wonders how little things have changed in the twenty-first century. The true liberalism of the Scottish Enlightenment faces the same challenges, and the same threats. Similar intellectual debates and dilemmas linger disguised in our society. If we are living a fifth stage of improvement—our society of knowledge and information—the pragmatism and realism of the Scottish Enlightenment are still relevant for contemporary social sciences. Especially for economics.

Leonidas Montes
Universidad Adolfo Ibáñez

Wayne A. Leighton and Edward J. Lopez, *Madmen, Intellectuals, and Academic Scribblers: The Economic Engine of Political Change* (Stanford: Stanford University Press, 2013), pp. 209, $29.95. ISBN 978-0804-78097-1.

doi: 10.1017/S1053837215000267

In *Madmen, Intellectuals, and Academic Scribblers*, authors Wayne Leighton and Edward Lopez provide an economic framework to understand the role of ideas and interests in political change. The title itself borrows from Friedrich Hayek and