

BOOK REVIEWS

Leonidas Montes, *Adam Smith in Context: A Critical Reassessment of Some Central Components of His Thought* (Basingstoke and New York: Palgrave Macmillan, 2004), pp. xii, 186, \$69.95, ISBN 1-4039-1256-4

The title of this book describes its contents very precisely. Leonidas Montes surveys an array of central issues in Smith's thought, with extremely close attention to how those issues might be illuminated by the context of Smith's work. "Context" is used broadly: Montes considers the context of Smith's own writing, taken as a whole, the context of the eighteenth-century debates in which Smith participated; the context of the philosophical traditions to which Smith was responding, and the context of the tradition of commentary upon Smith. The first three of these contexts are used as a direct clue to what Smith himself meant to say, the last of them is used for the same end indirectly: by prying apart the concerns of Smith's commentators and successors from Smith's own concerns. The goal of all of these investigations is to help us re-think the nature of Smith's economics, and perhaps to learn from Smith about how we might do economics today. Montes, himself an economist (although trained also in history), seems especially interested in this last point: in how Smith's work, properly understood, could change the conception economists have of their work. If so, however, part of his promise remains unrealized, a fact to which I will return below.

Montes takes up four main issues, beginning with the so-called "Adam Smith Problem": how Smith's *The Wealth of Nations*—in which human beings are supposedly governed entirely by self-interest—can be reconciled with his *Theory of Moral Sentiments*, in which human beings are supposedly governed largely by sympathy. Many modern scholars dismiss this problem, noting that "sympathy," for Smith, does not mean benevolence, hence, it does not conflict with self-interest, that Smith uses sympathy primarily to account for moral judgment rather than moral motivation, and that self-interest is not in fact the only human motivation in either *The Wealth of Nations* or *Theory of Moral Sentiments*. Montes is not so fast to dismiss the supposed problem, but his concern in this chapter is primarily with the reception of Smith, and the distortions it has often introduced into how we read Smith. Montes gives the most detailed account I have ever encountered of how and why scholars came to maintain that there was a problem in the relationship between the *Theory of Moral Sentiments* and *The Wealth of Nations*, beginning with the introduction of this issue by German scholars in the nineteenth century and proceeding right up to its recent treatment in James Otteson's 2002 book on Smith. Montes's own view of the problem is a little unclear, but he seems (rightly, in my estimation) to regard it as mostly overblown. He does, however, believe that a consideration of the problem leads us into important areas where scholarly work is still necessary: above all, on the various meanings that the word "sympathy" can take for Smith.

One criticism he makes of the current Smith literature is that, in its attempts to dismiss the Adam Smith Problem, it has emphasized the role of sympathy, in Smith's moral theory, as a ground for moral *judgment* while playing down its role in moral *motivation*. Montes thinks that sympathy clearly does serve as a source of moral motivation as well as moral judgment, for Smith, but that this point does not re-instate the Adam Smith Problem. Since Smithian sympathy is not benevolence but a general capacity to share the feelings of other human beings, it can (and does) operate upon, and limit, the self-interest upon which we act in the economic sphere, along with all our other feelings.

I find this an excellent and very helpful insight, but would add that the distinction between moral judgment and moral motivation is not as sharp in Smith as it is in many other moral theorists. For Smith, our primary motivation, when we try to act morally, is to earn a favorable moral judgment of our action in our own and others' eyes: to be "praise-worthy," in Smith's terms. Anything that contributes to our ability to judge morally, therefore, will also shape our moral motivations. So in some sense our capacity to sympathize with other human beings will certainly have an effect on the motivations we cultivate within ourselves—we will want to have just those motivations with which we could sympathize if they were motivating other people—but it may nevertheless be true that the capacity for sympathy plays its main, *direct* role in Smith's theory as a basis for moral judgment.

The second and third issues that Montes takes up are the role of virtue and propriety, respectively, in Smith's moral philosophy. In both cases, Montes brings his thorough and deep knowledge of classical sources to bear on Smith's texts, arguing for instance—against some prominent current scholars—that Smith's "propriety" is more closely related to Cicero's "officium" than to Cicero's "decorum." At the same time, he makes some larger points: that Smith's theory of virtue is evidence for a strong civic humanist strain in Smith's thinking, against the view that Smith follows the rival natural jurisprudential tradition alone, and that Smith's emphasis on "propriety," and conception of it as based on a sort of autonomy ("self-command") and directed towards the carrying out of duty, shows that he was far more a deontologist than a consequentialist in ethics, a proto-Kantian rather than a proto-utilitarian. I agree fully with the second point, which I have emphasized in my own work but which Montes develops more fully than I have done, but remain somewhat skeptical of the first point. That Smith's *moral* views may be deeply rooted in the same virtue tradition to which the civic humanists looked is not enough to show that Smith shared the *politics* of the civic humanists, and it seems clear to me that Smith expresses a deep suspicion, throughout his work, of the basic civic humanist conviction that participation in a polity is conducive to virtue. Participation in the market largely replaces participation in politics, for Smith, as a way for people to develop self-command; virtue for him is a private, not a public, matter.

Montes's final issue is the appropriate relationship between Smith's economic science and Newtonianism. In a superb chapter, he first shows how Newton's own methodology can be understood in many different ways, suggesting that Newton did not himself think that his emphasis on mathematics in astrophysics should be a model for scientific work in all areas, and then argues that Smith cannot be regarded as a subscriber to the mathematical sort of Newtonianism, although he may rightly be

considered a Newtonian in some broader sense. The larger point here is that it is a mistake to enlist Smith in the service of a highly mathematical conception of economic method. Smith's economics is messier and more essentially imprecise than that. Montes contrasts Smith with Walras, arguing persuasively that the latter had Platonistic predilections—shared by many later economists—that were entirely alien to Smith.

Montes is an extremely careful scholar, and his understanding of Smith is rich and deep. I find myself in agreement with practically all of his specific conclusions (with the exception of the claim for a significant civic humanist strain in Smith). It seems entirely right to me, in particular, to see Smith's emphasis on propriety and self-command as much like Kant's concern with autonomy, and to understand Smith as deliberately resisting a strictly mathematical conception of economics.

But Montes's cautiousness has some drawbacks, as does, more generally, the cautious method of reading works in context—the method associated with Cambridge historians—that informs this book. On the one hand, it may lead to some marvelously precise insights (the distinction drawn between “benevolence” and “beneficence,” in footnotes to pp. 63 and 106, is particularly good). On the other hand, it can lead its practitioners to miss the forest for the trees. To some extent, that may be true of Montes's attempt to demonstrate that Smith's term “propriety” should be identified with Ciceronian “officium” rather than Ciceronian “decorum.” The point seems plausible enough, but can one really trace Smith's terms definitively to one classical source rather than another? Smith was an eclectic writer, as Montes himself points out (p. 166), capable of identifying his own moral system with both Plato's and Aristotle's systems, and he was also—else we would not be reading him today—an original thinker who used his sources as springboards for ideas he to a large extent developed on his own. To trace Smith's own ideas to their sources therefore to some extent hides the point of his writing: the meaning they have lies as much in ways he re-worked, extended, and challenged his sources as in the ways he carried them forward. Philosophical writing always treads a balance between originality and tradition, between carrying on old ideas and developing them in new ways. Canterbridgean history places too much emphasis on one half of this balancing act, scanting originality even as it refines our understanding of tradition.

One version of this problem is that the Canterbridgean method can dampen a scholar's confidence in his or her own originality. Montes is a scholar with a great deal of original insight, and the suggestions he makes about how we might re-read Smith lead us to think we might be offered a radically new way of conceiving economics itself. Yet in the end Montes says almost nothing to us about how the revised understanding of Smith he proposes might be of use to current economists. What difference might it make if the founder of modern economics had a more virtue-based and proto-Kantian conception of human nature than is usually supposed? What difference might it make if Smith's conception of economics was at odds with the highly abstract, mathematical conception of economics that its practitioners use today? How, concretely, might modern economists change what they do, if they adopted more of Smith's conception of human nature, or of economic method? Montes's book stops just at the brink of answering these questions. (There is a suggestion that Smith would approve of a methodology Tony Lawson has called “retroduction,” but how exactly this works, and how it differs from induction, does not get adequately explained.) One hopes that Montes

will someday step over that brink and venture into the really exciting territory of how he thinks economics should proceed today—of what he thinks he, and his colleagues, might learn from Adam Smith.

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Robert Skidelsky, *John Maynard Keynes, 1883–1946: Economist, Philosopher, Statesman* (London: Macmillan, 2003) pp. xxi, 1021, 30.00, ISBN 0-333-90312-9.

As the publisher's flat statement on the verso of the title page puts it, this volume is "a selection of material taken from" Robert Skidelsky's three-volume biography which appeared between 1983 and 2000. Even though it is more than forty percent shorter than its predecessors, it is still a hefty volume weighing in at four pounds. In his introduction, Skidelsky says that in addition to eliminating and condensing material, "there has been a fair amount of re-writing: resulting from second thoughts, correction of mistakes, welding together the joins between the volumes, and taking account of criticism and later research" (p. xxxi).

The revision has changed the balance of the book. The three-volume edition was already heavily weighted towards the years after 1938: the ratio of pages of text per year, taking 1883–1919 as 1 was 3.5 for 1929–37 and 5.3 for 1938–46. This version comes out more heavily weighted to the last period with ratios of 1:1.6:4.3. However, at least for the periods 1883–1919 and 1920–37 Skidelsky is beginning to look more like his predecessors. (For comparison, the ratios for Harrod's 1951 biography were 1:1.3:2.2, while Moggridge's 1992 effort came in at 1:1.4:2.6.) This imbalance does not make biographical sense. Keynes's wartime position and contributions after 1938 rested on his earlier ideas and achievements; and his long-run importance to economics and, more generally, to political economy, have far more to do with his accomplishments in the inter-war period than in the last eight years of his life.

Naturally, the main line of the story is unchanged. The first three parts carry the story down to the end of 1919. They set Keynes's non-conformist family background and the Cambridge world of Henry Sidgwick and Alfred Marshall that his parents would enter and in which he would grow up. There follows the childhood and adolescence of a very bright first child—guided and egged on by a father who was increasingly less ambitious for himself but formidably ambitious and anxious for his son, who fortunately was more balanced and level-headed than the father—to Eton and King's College, Cambridge. Once in King's, Maynard Keynes's interests and tastes broaden, particularly under the influence of G. E. Moore and the Cambridge Conversation Society or Apostles, some of whom would form the core of Old Bloomsbury. He is a Wrangler, though not of the top rank; he comes second in the 1906 civil service examinations and ends up in the India Office in 1906. Two years later he is back teaching in Cambridge with a temporary lectureship for the recently founded economics tripos. A prize fellowship at King's, with a dissertation on the theory of probability, follows. By 1914 his fellowship and lectureship are permanent; he is editor of the *Economic Journal*, a member of a Royal Commission on Indian Finance and Currency. The war takes him into the Treasury and afterwards to the Paris Peace Conference, from which he resigns to write the *Economic Consequences of the Peace* (1919).