

TRADE AND LANGUAGE : ADAM SMITH' S RHETORIC OF PERSUASION

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Introduction.

Adam Smith set down a theory of language functions and linguistic communication which is relevant to economic behavior. Smith points out in WN that the division of labour and cooperation are a natural consequence of the persuasive use of language. At its most basic, persuasion is a common linguistic strategy by which a speaker not only tries to convince a listener to perform a determined task, but rather convinces the listener of the fact that the task at hand is in her own best interest (Brooks and Warren, 1970). Interestingly, Smith assumes this persuasive use of language to be the stimulating factor behind exchange, or trade. In addition to this persuasive communication, Smith outlines another type of interaction, which I will refer to here as empathetic-inferential communication (Bach and Harnish, 1979), by which a speaker transmits her feelings or intentions to other speakers using a plain or uncoded style of speech. This particular type of communication, contrary to the persuasive variety mentioned earlier, would be considered the type used in *free* or *civil* conversation. The claim that language and the division of labour are inherently linked to the concept of persuasion originates from Smith and implies, as a necessary consequence, the idea that language is a method of communication employed for social cooperation. And whereas in persuasive communication, the speaker receives a greater benefit than the listener, it is assumed that in the empathetic style of communication, the linguistic exchange is equal. This present article illustrates that both language and trade require the empathetic use of linguistic communication.

This paper is organized in two distinct parts. In the first section, the theoretical framework is laid regarding the functions of language, as Smith has them envisaged, and their relationship to the division of labor. And although this idea is original to Smith, the broader topic itself has been eluded to many times, as far back as the Ancient Philosophers, and more recently by William Petty and Bernard Mandeville. Nevertheless, the notion that persuasion is intrinsically linked to the division of labor is a concept exclusive to Smith. Moreover, the existence of the two types of communication, persuasive and empathetic, is established in Smith, in which both styles of communication are compared in relation to the behavior of exchange or trade.

In the second section of this article I will argue that both exchange, or trade, and linguistic communication have their roots in the empathetic style of interaction outlined previously. After all, it is the empathetic style that favors both speaker *and* listener in an *even* exchange, while persuasive communication necessarily assumes a greater benefit for the speaker. Obviously, the notions of contractual interaction and trade must imply some sort of mutuality, if not trade would not occur. And even though one participant may come out of the deal with a greater benefit than the other, this is a matter of perspective and dependent on the point of view of the participants in the interaction¹.

1. Smith's rhetoric of persuasion and economic behavior.

¹ Throughout the remainder of this article we will cite the *Glasgow Edition of the Works and Correspondence of Adam Smith* from Liberty Fund Press, Indianapolis, 1982. A list of abbreviations extracted from Smith's works includes the following:

Vol. I	TMS	<i>The Theory of Moral Sentiments.</i> D.D. Raphael and A.L. Macfie (editors).
Vol. II	WN	<i>An Inquiry into the Nature and Causes of the Wealth of Nations.</i> R.H Campbell and A.S. Skinner (editors).
Vol. IV	LRBL	<i>Lectures on Rhetoric and Belles Lettres.</i> J.C. Bryce (editor).
Vol V	LJ	<i>Lectures on Jurisprudence.</i> R.L. Meek, D.D. Raphael, and P.G. Stein (editors).

The relationship between the communicative use of language and economic behavior appears for the first time in Adam Smith (WN, I.ii), in which Smith links language with the economic behavior of the exchange of goods, or trade. Throughout the course of his essay, Smith illustrates the relationship between the seemingly unrelated topics of language, moral conduct and economic policy. Effectively, the outcome of this relationship results in a theory of the functions of language and linguistic communication that later appears in TMS, LRBL, LJ and WN, and later serving as the corner stone of Smith's theory concerning moral sentiments, or human conduct in general, and economic behavior. The *Theory of Moral Sentiments* is fundamentally supported by the theoretical requirement known as the propriety of speech (McKenna, 2006), while economic behavior implies a dependence on persuasion, a communicative use of language.

1.1 Division of labor and its relationship to persuasive communication.

Smith's views on the division of labor are anything but new to economists. Nevertheless, in Schumpeter's 1954 work (p.187-88), more than a casual reference is made to the scholarly antecedents to Smith's claims regarding labor and language. Nevertheless, after a careful scrutiny of the literature, I will demonstrate herein that the association between the use of language and the division of labor is, indeed and indisputably, original to Smith.

Among the precedents mentioned in Schumpeter (1954) is a reference to Plato's *Republic* (369-370 BCE). More recently, Gloria Sapienza (2001) insists not only in the manifest influence of Plato ("unmistakable echo of Plato"), but also an unambiguous similarity to the works of Xenophon (*Cyropedia*, VIII 2, and *Oeconomicus* II 14-18). Additionally, Sapienza points out that the division of labor as a cause of productivity is inconsistent with the works of both Plato and Xenophon. Notwithstanding, while Smith

describes the manufacturer division of labor, Plato and Xenophon deal exclusively with the division of labor by individual activities (cloth makers, shoe makers, tailors etc). Moreover, neither in Plato nor in Xenophon is even a nonchalant association made between the division of labor and language.

Schumpeter goes on to cite William Petty as another intellectual precursor to Smith. Indeed, one can find several allusions to the manufacturer division of labor throughout Petty's economic papers. In *Another Essay in Political Arithmetick* (1682) Petty characterizes the earnings gained from the manufacturer division of labor in the following manner:

(1)

The gain which is made by manufacturers, will be greater, as the manufacture itself is greater, for in so vast city manufacturers will beget one another, and each manufacture will be divided into as many parts as possible, whereby the work of each artisan will be simpler and easier; as for example. In the making of a watch, if one man shall make the wheels, another the spring, another shall engrave the dial plate, and another shall make the cases, then the watch will be better and cheaper, then if the whole work be put on any one man.

Additionally, Petty was concerned with issues of language and grammar, eventually publishing "A Dictionary of Sensible Words". In his years as professor at Oxford, Petty formed part of the same prestigious circle as linguist and mathematician John Wallis and mathematician and philosopher John Wilkins. Together these three would, in due course, go on to partake in a project regarding universal language. Even so, Petty never establishes any indication of a relationship between the division of labor and language.

Smith's immediate predecessor, Bernard Mandeville, in his work entitled *The Fable of the Bees* (1732), describes the trade activity necessary to acquire a dress:

(2)

What a bustle is there to be made in several parts of the world, before a fine scarlet or crimson cloth can be produced, what multiplicity of trades and artificers must be employed! Not only such as are obvious, as wool-combers, spinners, the weaver, the cloth-worker, the courier, the dyer, the setter, the drawer, and the packer; but others that are more remote and might seem foreign to it.

And even though Mandeville addresses the topic of language to a certain extent in his satire (vol. 2, Dialog VI), arguing in favor of a persuasive function of language, one could search in vain for even a passing link between language and the division of labor. For that, we must turn now to Adam Smith.

The relationship between the communicative use of language and the division of labor in Smith is not an explicit matter. Even so, Smith's economic and linguistic theories do provide sufficient substantiation which supports this associative claim. Such claims have been defended in Wärneryd (1995) and Alonso-Cortés (2007).

Smith, in WN, points out that the division of labor could have been the logical consequence of language:

(3)

The division of labour... is the necessary, though very slow and gradual consequence of a certain propensity in human nature... the propensity to truck, barter, and exchange one thing for another. Whether this propensity be one of those original principles in human nature... or whether it be the necessary consequence of the faculty of reason and speech, it belongs not to our present subject to enquire.

Although in the preceding passage, WN suggests that both reason *and* speech are responsible for the division of labor, further sections of WN, as well as other essays by Smith, are less ambiguous about this association, concluding that this division is ultimately dependent on persuasion.

Moreover, Smith defends the position that both the division of labor as well as language and cooperation are exclusive traits to human beings²:

(4)

It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contracts.

According to Smith, animals acquire what they want from other animals or man by way of adulation. And while man as well uses this technique, the habitual mode is by persuasion (WN I ii.):

(5)

He will be more likely to prevail if he can interest their self-interest in his favour, and show them that it is for their advantage to do for him what he requires of them. 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... so it is the same trucking disposition which originally gives occasion to the division of labour.

This same account for the division of labor and money is repeated in LJ (p. 56):

(6)

If we should enquire into the principle of human mind on which this disposition of trucking is founded, it is clearly the natural inclination every one has to persuade. The offering of a shilling, which to us appears to have so plain and simple meaning, is in reality offering an argument to persuade one to do so and so as it is for his interest. Men always endeavor to persuade others... and in this manner every one is practicing oratory on others thro the whole life.

To recapitulate then, Smith's argument consists of the following:

1. The division of labor emerges from man's propensity to exchange.
2. The propensity to exchange results from persuasion, or communicative use of language.

² Both the division of labor and cooperation and exchange are exclusive to the human species. Chimpanzees and cappuccino monkeys of the same social group will commit themselves to the cooperative hunt (Stanford, 1999; de Waal, 2000), but the non-human primates do not make use of the division of labor (Wilson, 1975). What is more important still, neither chimpanzees nor the cappuccino monkeys understand the actions of the other in that cooperation (Chalmeau, Visalberghi and Gallo, 1997)

3. Hence, the division of labor is a development originating in persuasion, a communicative use of language.

Smith's theorem³, which understands the division of labor as a result of the communicative use of language, has struck a chord not only in the Economic Sciences, but in Linguistics as well. As follows, language for Smith is a manifestly communicative and cooperative system, as opposed to Condillac's (1746) idealization which understands language as merely an instrument which facilitates thinking, and disparate to Humboldt's (1836) conception of language as a *Weltanschauung* (or *world view*). Later, the communicative character of language that Locke assumed in *An Essay on Human Understanding* is directly acquired from Smith. Saussure (1916) the father of modern Linguistics confirms years later Smith's assertion that language is indeed a social action.

The link between linguistic communication and the division of labor, or specialization, introduces language as a phenomenon of social cooperation. Smith makes it known that only where this is division of labor will there also be communication as a requirement of cooperation.

It seems rather surprising then that studies which have dealt with the topic of language in Smith (Berry, 1974; Plank, 1992; Dascal, 2006) never make any mention of the communicative use of language and the division of labor. As a matter of fact, some of the most important theoreticians in 20th century Linguistics vehemently defend the notion of language as a function of social cooperation, but avoid even a simple

³ Bazerman (1993) claims that WN is a project based on rhetoric, but does not explain how persuasion is a method of communication nor what type of communication is involved in persuasion. It is important to note that Smith's rhetorical grounding has nothing to do with the claims introduced by Deirdre McCloskey (1985, 1994).

reference to Smith. Gardiner (1931, 1951) Bloomfield (1933) and Bühler (1934, 1990) all recognize that language is a method of communication by which an emitter/speaker exercises some influence over a receptor/listener. Particularly, Gardiner insists in the cooperative character of language, which he believes is rooted in the social nature of man and the dependence that each individual has on one other. Only Bloomfield (1933, §2.2) associates language and the division of labor, but evades any citation of Smith.

With language:

(7)

Each person has at his disposal the strength and skill of every person in the group. The more the persons differ as to special skills, the wider the range of power does each person control. Only one person needs to be a good climber, since he can get fruit for all the rest; only one needs to be a good fisherman, since he can supply the others with the fish. The division of labour, and, with it, the whole working of human society is due to language.

1.2 The two styles of communication in Adam Smith

The connection between the communicative use of language and the division of labor is anything but random. As it happens, Smith formalizes a theory of the functions of language, preceding his economic policies, which sanction this association.

In LRBL⁴ Smith characterizes three functions of language: communicative, narrative and esthetic. This communicative function can be further distinguished into two types: (i) persuasive communication and (ii) sympathetic, or empathetic, communication. Persuasive communication corresponds to the model of language conceived by Plato and Aristotle (Figure 1) which understands language as an instrument of man, i.e. an organon to inform about things, while the sympathetic or empathetic variety is consistent with the current model of inferential communication

⁴ LRBL have been studied by J.C. Bryce (1992), A. Skinner (1983), W.S. Howell (1975) and Salvucci (1982).

(Bach and Harnish, 1979). In the following sections, 1.2.1 and 1.2.2, we will address both kinds of interaction.

1.2.1 Persuasive, or Machiavellian, communication

The theoretical justification for persuasive communication takes its inspiration from the classical notion of language as an *instrument*, or *Rhetoric* as it were. This model holds that language is a tool used by an emitter, or speaker, to relay information as well as to appeal to or influence the behavior of the receptor, or listener. In contemporary studies, this idea has been espoused by such linguists as Gardiner, Bloomfield, and Bühler. Karl Bühler (1934 and 1990) goes even a step further, comparing non-human animal signals to this persuasive use of language. After all, both animal signals and language do influence or appeal to the receptor: “*In human and animal communication with signs, it is the appeal that first and most exactly becomes evident to the analyst, namely in the behavior of the receiver*” (Bühler, 1990, 38). Bühler refines this notion, claiming that it is rhetoric which is responsible for the appellative function of language. More recently, Dawkins (2006, 282) confirms Bühler’s comparison and claims that: “*A nightingale’s song is not information, not even deceitful information. It is persuasive, hypnotic, spellbinding oratory.*” Thus, it seems that according to these authors, even animal signals qualify as rhetoric or persuasive communication. However, these authors do not mention the important fact that in both animal and human communication, the emitter and the receptor do not obtain mutual benefits since naturally, they do not share common interests. In human rhetorical communication, the speaker is not trusted because of what he says, but rather due to his ethos, which can be feigned. It is for this reason precisely that this mode of communication can be called Machiavellian.

Machiavelli, in *The Prince* (chapter XVIII), recommends that the governor simulate a trustable character: “ *it could be easily shown how many treatise of peace, and how many engagements have been made null and void by the faithfulness of princes. But it is necessary that the prince should know how to color this nature well, and how to be a great hypocrite and dissembler. For men are so simple that the deceiver will never lack dupes.*”

It should not seem striking then that Smith (WN, III.ii.), following Machiavelli and de Mandeville (1720, part 2)⁵ admits that persuasion is at the service of the proprietor who is versed in such use of language: “*The pride of man makes him love to domineer, and nothing mortifies him so much as to be obliged to condescend to persuade his inferiors.*” In LJ (iii.60) Smith goes on to assert that persuasion requires seduction: “*for there is always some seduction necessary to persuade.*”

In TMS (VII 4), there appears, time and time again, the notion that moral conduct, the desire to be believed and to persuade, is a natural desire that underlies both the capacity to produce language and commercial exchange. And of all the affronts which a person might suffer, the worst is that of being thought a liar, since this accusation diminishes our capacity to persuade:

(8)

The desire of being believed, the desire of persuading, of leading and directing other people, seems to one of the strongest of all our desires. It is the instinct on which is founded the faculty of speech, the characterized faculty of human nature. No other animal possesses this faculty, and we cannot discover in any other animal any desire to lead and direct the judgment and conduct of its fellows... Great ambition, the desire of superiority, of leading and directing, seems to be altogether peculiar to man, and speech is the great instrument of ambition, of real superiority, of leading and directing the judgment and conduct of other people.

⁵ Bernard Mandeville (1729, Part 2). Mandeville denies that language serves to know the thoughts and feelings of the speaker, but in a phase preceding the evolution of the faculty of language, two beasts would have understood each other without the need for language.

Smith (TMS, I 3.ii) offers the example of King Louis XIV to illustrate his claim concerning superiority: *“The sound of his voice, noble and affecting, gained those hearts which his presence intimidated.”*

Persuasion drives not only exchange and the division of labor, but rather society itself, and does so with greater brawn than sympathy is capable of wielding. For society, asserts Smith (TMS, II2 iii), does not offer assistance out of legitimate generosity or selflessness, but manages to survive: *“among different men, as among different merchants, from a sense of utility, without any mutual love or affection..., it may still be upheld by a mercenary exchange of good offices according to an agreed valuation.”*

1. Situation of time and space in the speech act (A):

[Smith narrative]

↑ Represents or symbolizes (symbolic or representative function)

2. Em -----> 3. E_i -----> 4. Rc

Expresses a state of
the Em(itter)

Persuades the Rc to change
his conduct

(*expressive function*)

(*Persuasive function: *didactic,
deliberative and judicial in Adam Smith*)

Figure (1): Model of the instrumental use of language or “Machiavellian communication model”. (Plato, Aristotle, Smith, Gardiner (1931 and 1951), and Bühler (1934 and 1990).

The speaker/emitter (Em) directs an expression E_i, derived from a common language L, to a receptor/listener in which the expression refers to objects or states in a time-space context in order to influence the listener. This act of communication can be modeled as the function **F** (**Em**(itter), **E**xpression), **Rc**(receptor), **O**(bject), **S**(pace-time)).

In the model proposed in Fig 1, speech is the expression of some characteristic, be it biological (man or woman), psychological (state of being), social or individual, in relation to the speaker. In Aristotle's *Rhetoric*, the emitter's speech conveys the trustworthiness (or lack thereof) of the speaker; naturally, she must demonstrate a good ethos in order to establish a certain trust with the receptor (*Rhet.* 1356). From the listener's perspective, however, the speech is persuasive because listeners are "incapable" of inferring (Aristotle, *Rhet.* 1357a).

The narrative function deals with the description of objects and facts (LRBL, 12), while the esthetic function has as its main objective to entertain or interest the listener. This esthetic function can be sub-categorized into two different forms: prose and poetry. Poetry, which precedes prose, accompanies music and diversion and is common to all inhabitants of every municipality, regardless of the socio-cultural or socio-economic status of the populace. Prose, on the other hand, is a convention of trade and commerce, and represents the communicative style found in commercial contracts: "*No one ever made a bargain in verse; pleasure is not what he there aims at*" (LRBL, 23).

It is critical to bear in mind that, in persuasion, the speaker intends to domineer and *seduce* the listener. Modern rhetorical theory (Cleanth and Warren 1970, 288) characterizes persuasion as "*the art, primarily verbal, by which you get somebody to do what you want and make him at the same time, think that this is what he had wanted to do all the time.*" It should not seem remarkable then to learn that persuasive oratory was readily and abundantly exploited in the trade arrangements made by the 18th century English colonists with the indigenous population of the Continent. The North American historian Wilbur Jacobs (1972, 52) elaborates on this ever so common procedure:

(9)

The astute merchant used to keep a careful watch of the credit he would give. His purpose was to keep his Indian clients in a perpetual state of debt. But in order to get from his victims the largest number of pelts, the trafficker would have to fawn over and dazzle the best warriors with nice and flattering words. Although the Indians enjoyed the colorful rhetoric of the camp diplomacy, they never full let themselves be completely seduced by such words. They would examine with care the unclear intentions of the one speaking. But no trafficker could permit himself to ignore the art of the camp oratory, because it constituted an important factor in capturing the adhesion of the Indians.

For sure, this technique in trickery by the tradesmen was censured by Smith in WC (I.x.c.) when referring to the monopoly that the industrial corporations had in European cities, in striking contrast to the laborers, farmers and landholders of the era:

(10)

They have commonly neither the inclination nor the fitness to enter into combinations; and clamour and sophistry of merchants and manufacturers easily persuade them that the private interest of a part, and a subordinate part of the society, is the general interest of the whole.

Persuasion, nevertheless, is a consequence of freedom. The lord who dominates his workers by slavery does not persuade, for he does not negotiate. When Adam Smith depicts the disadvantages of slavery versus the advantages of the free worker, he observes that with worker independence, salaries turn out less costly than to have the same work done by a slave. But worker independence demands negotiation, which contrasts significantly with the desire to dominate and direct others. Such desire to dominate prevails over persuasion in order to negotiate:

(11)

The love of domination and authority over others, which I am afraid is natural to mankind, a certain desire of having others below one, and the pleasures it gives one to have some persons whom he can order to do this

work rather than be obliged to persuade others to have to bargain with him, will forever hinder this from taking place⁶.

In spite of the fact that three types of persuasion are distinguished in LRBL, Smith never specifies which type governs trade agreements (see figure 1). Nonetheless, there is no doubt as to whether deliberative persuasion is employed in this commercial exchange. In this type of persuasion, the persuader tries to sway the second party gradually, especially when there is some prejudice toward the speaker by the second party (LRBL, 24).

1.2.2 Empathetic or inferential communication

Together with the Machiavellian, or persuasive, model of communication, Smith presents yet another prototype of communication, which I will call here *empathetic communication*. In this model, communicative speech is characterized by the objective of the speaker to awaken the interest, ideas, thoughts or sentiments of the listener in a mutual way. To obtain this end, the speaker must codify his speech with certain stylistic traits: perspicuity⁷, clarity (non-ambiguity), relevance and propriety. These stylistic properties of rhetoric elaborated by Smith permit the listener to recognize or infer the intention of the speaker.

Of course, a certain mental capacity must also accompany these stylistic properties in order for the listener to surmise the intention of the speaker. This capacity is known as sympathy and it is what allows a sentiment to resonate from speaker to listener and make the listener *feel* for the speaker. In contemporary psychological

⁶ Hegel would surely agree (1807: B.A. 3) since the essence of lordship is “the opposite of what it wants to be”.

⁷ In LJ ii.46 he explains that the ambiguity and uncertainty with regards to language in which contracts were written in the past damaged the validity of the contracts. Uncertainty with regards to language signifies that the language itself does not allow the intentions of the contracting individuals to be seen. As a result, the communicative speech used in contracts should follow a strict style.

terminology, this is more commonly known as empathy, which is defined by Eisenberg (2000, 678) as: “*the capacity to adopt the role of the other and adopt alternative perspectives of oneself*”. And while sympathy causes some effect in the other, it is not necessary that she adopt the same perspective as the speaker.

This empathetic-inferential model of communication appears in Locke, *An Essay on Human Understanding* (III i&ii.). As opposed to the models in which language is understood as an instrument or tool by which some information is conveyed, or other communicative models grounded in persuasion, Locke claims that the objective of language is merely to communicate the ideas and thoughts of a speaker to a listener:

(12)

The comfort and advantage of society, not being to be had without communication of thoughts, it was necessary, that man should find out some external sensible signs, whereby those invisible ideas, which his thoughts are made up of, might be made known to others.

Locke insists in two decisive points: (1) that thoughts are private and unavailable to other minds and, thus, true communication between two individuals is impossible; and (2) that common language is imperfect (*Essay*, III, viii-x). Accordingly, Smith later makes his own assertion on the topic stating that, “*language is uncertain*” (LJ).

In order to arrive at communication vis-à-vis language, pertaining to the inner sphere of the speaker in which neither the true meaning of the speaker’s words is known nor the intention of the speaker⁸, Locke puts forth strategies which allow meaning to be inferred (step (ii) of the empathetic communication model found in (Fig. 2): These

⁸ The reason for the discord between linguistic communication and the intentions of the speaker could lie in how language evolved in relation to empathy’s evolutionary tract. Language evolved culturally at a greater speed than the mental capacity required to grasp the concept of empathy which has a genetic, neurophysiological base, and whose evolution would have taken place over a greater span of time. Not allowing one’s intentions to be manifest is a form of self-protection and has value related to survival and biological efficiency, or fitness.

strategies are: (i) common use strategy⁹, or propriety of word use (*Essay*, II. xxii. 9 and III, ix. 8). Even so, Locke specifies that “*no body having an authority to establish the precise signification of words*”, and determines that this common use is insufficient; (ii) strategy of reference: words refer to perceivable phenomena by the speaker and listener involved in the speech act (*Essay*, III. ii. 5); (iii) common knowledge strategy: the listener attributes the same meaning to the words by analogy (*Essay*, III, ii.iv); (iv) strategy of constant connection between ideas and sounds (*Essay*, III. ii. 6). Furthermore, Locke (*Essay*, IV, xvii.4) suggests that there must be some capacity inherent to the listener which allows her to infer the communicative intention of the speaker:

(13)

Tell a country gentlewoman that the wind is south-west, and the weather is louring, and like to raine, and she will easy understand, it is not safe for her to go abroad thin clad, in such a day, after a fever: she clearly sees the probable connexion of all these, viz. South-west wind, and clouds, rain, wetting, taking cold, relapse, and danger of death.

Locke goes on to say that the mind “*either very desirous to inlarge its knowledge, or very apt to favour the sentiments it has once imbibed, is very forward to make inferences, and therefore often makes too much hast, before it perceives the connexion of ideas...*”. This inferential capacity is the fundamental component of empathetic-inferential communication, which demands relevance of the expression; in other words, that the listener is able to easily deduce the inferences that allow the communicative intentions of the speaker to be identified.

⁹ Common use due to tacit consent (III.ii.8), or convention, is the foundation of meaning in David Lewis (1969).

In *Some Thoughts Concerning Education* and other correspondences, Locke¹⁰ advocates free and civil conversation in which the speakers negotiate and communicate their personal thoughts with the principal objective of obtaining the truth, and not to persuade one another with their ideas.

David Hume (1739), in the same vein as Locke, Hutcheson (1725), and Shaftesbury (1732), put his own personal twist on the study of human communication upon decidedly grounding this phenomenon in sympathy, or empathy. It is worth mentioning that this concept of sympathy in Hume, and likewise in Smith, is equivalent to the broader concept of sympathy as sentiment. Essentially, sympathy¹¹, as Hume envisages this concept (*Treatise*, vol. 2, Book II, section xi), communicates a feeling from one person to another, and which already exists in the person receiving the message. However, communicated sentiment does not emerge automatically, as, for example, does the vibrating sympathy of two guitar strings, but rather the imagination intervenes in order to symbolize the feeling. For this reason, Hume (*Treatise*, II, xii) claims:

(14)

This is the nature and cause of sympathy; and it is after this manner we enter so deep into the opinions and affections of others, wherever we discover them.

Sympathy (i.e. empathy), according to Hume, communicates feeling by way of expression, being perceived in the voice and in gestures (*Treatise*, III i), and produces the causes and effects of fondness, as well as others. The listener, hence, is capable of inferring this passion which ultimately results from sympathy. In this way, empathy can

¹⁰ John Locke (1689), in Locke (1824).

¹¹ Also, Locke uses sympathy as sentiment as a uniting force of society, although this concept does not play an exceptional role; see John Locke, *Economic Writings and Two Treatise of Government*, 1691, vol. 4 from *The Works of John Locke*, London, Rivington, §212.

be understood as a process of communicative inference, and Hume's scheme of empathetic communication itself represents the ideal form of free linguistic communication.

Thus, in his essay "Of Political Society" found in *An Enquiry Concerning the Principles of Morals* (1751), Hume establishes what could be considered the archetype of the conservatory use of language, typical of the Enlightenment:

(15)

The more we converse with mankind and the greater social intercourse we maintain, the more shall we be familiarized to these general preference and distinctions, without which our conversation and discourse could scarcely be rendered intelligible to each other. General language, therefore, being formed for general use, must be moulded on some more general views, and must affix the epithets of praise or blame, in conformity to sentiments, which arise from the general interests of the community.

In the same essay, Hume insists in the necessity to make our sentiments more public and social, especially so if the interlocutor is not an intimate confidant. Conversation, accordingly, is submitted to an ethic norm based on approval or disapproval, as later Smith will go on to pronounce:

(16)

The intercourse of sentiments therefore in society and conversation, makes us form some unalterable standard by which we may approve or disapprove of characters and manners.

The empathetic model of communication by which Hume is inspired, is later adopted by Smith. Concretely, in TMS (VIII4), Smith envisions sympathy, or empathy as it were, as the gear that moves sentiment to expression. Notwithstanding, the objective of sympathy is to direct the conversation, not exchange or trade:

(17)

The great pleasure of conversation and society, besides, arises from a certain correspondence of sentiments and opinions, from a certain harmony

of minds, which, like so many musical instruments¹², coincide and keep time with one another. But this most delightful harmony cannot be obtained unless there is a free communication of sentiments and opinions.

Free communication, for Smith, communicates feelings and opinions, but to arrive at free conversation, Smith asserts:

(18)

We all desire to feel how each other is affected, to penetrate into each other's bosoms, and to observe the sentiments and affections which really subsist there. The man who indulges us in this natural passion, who invites us into his heart, who, as it were, sets open the gates to his breast to us, seems to exercise a species of hospitality more delightful than any other.

This sentimental communication is quite incompatible with the persuasive type communication mentioned earlier, where the speaker wants to exercise some influence over the listener. Sympathy, cites Smith, is not the appropriate means by which to promote the public welfare, nor manufacture, nor trade or commerce (TMS, IV i), but rather persuasion:

(19)

...if you would implant public virtue in the breast of him who seems heedless of the interest of his country... You will be more likely to persuade, if you describe the great system of public police which procures these advantages.

Empathetic communication is the objective of common language (LRBL, 3) by which both speaker and listener make known their personal thoughts. In this same lecture, Smith presents a scenario analogous to a coordination game where two savages negotiate to establish empathetic communication:

(20)

Two savages who meet together and took up their dwelling in the same place would very soon endeavour to get signs to denote these objects which most frequently occurred and with which they were most concerned. The cave they lodged in, the tree from whence they got their food, the

¹² The comparison of mental harmony with musical instruments is first introduced in Hume's *Treatise*.

fountain..., would all soon be distinguished by particular names, **as they would have frequent occasion to make their thoughts about these known to one another, and would by mutual consent agree on certain signs whereby this might be accomplished.**

In LRBL (6, 8, and 11) Smith elaborates further on this empathetic means of communication, according to which conversational language must communicate the sentiments of the speaker (LRBL,6):

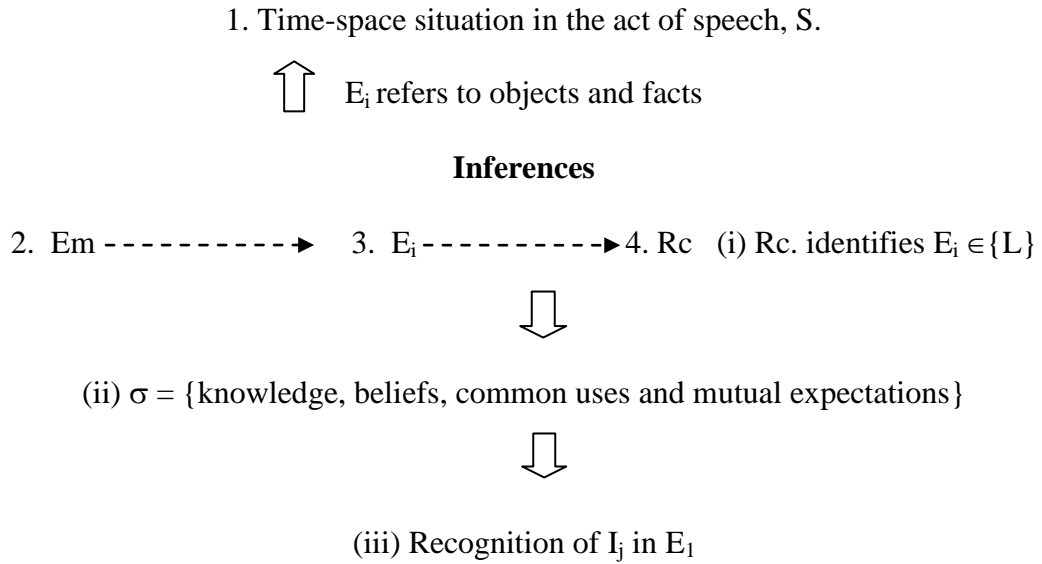
(21)

When the sentiment of the speaker is expressed in a neat, clear, plain, and clever manner, and the passion or affection he is possessed of and intends, **by sympathy, to communicate to his hearer**, is plainly and cleverly hit off, then and then only the expression has all the force and beauty that language can give it.

Therefore, to carry out this communication, speech must incorporate the following stylistic qualities: (i) perspicuity, (ii) brevity, (iii) propriety, and (iv) order¹³. Moreover, so that communication be successful, the speaker must be bound by two ethical requirements: veracity and sincerity.

¹³ Some of these stylistic characteristics were proposed by Theophrastus of Eresus (370-285 B.C.E). Cicero addresses them in *De Oratore* (I. 144): “*oratoris vis facultas in quinque partes distribuitur, ..., inventa non solum ordine... pure et latine loquamur, deinde ut plane et delucide, tum ut ornate, post ad rerum dignitate apte et quasi decore*”. Expression, says Cicero, must be orderly, grammatically correct, clear and proper. The rhetoric of Theophrastus is found now in William Fortenbaugh (1992). Propriety is the foundation of Smith's TMS; see S. McKenna (2006)

Figure 2- *Empathetic-inferential model of communication*¹⁴



Em: speaker; Rc: listener; E_i : expression; L: language of speaker and listener; I_j : intention of speaker.

This model of communication can be represented as the function $F(\text{Em}, E, \text{Rc}, \sigma, S)$; the combination σ contains the choices of a rational speaker which form part of the Theory of Rational Choice.

In empathetic communication, the speaker wants the listener to recognize her intention I_j vis-à-vis the expression E_i . This expression carries the aforementioned

¹⁴ This model of communication has been proposed and elaborated in several Works by Locke (1700), Hume (1731), Smith (1759) and LRBL, Husserl (1900-1901), Austin (1962), Grice (1967), Searle (1969), Bach and Harnish (1979), and Sperber and Wilson (1996).

stylistic conditions: (i) relevance, (ii) propriety, (iii) brevity, (iv) informativeness, (v), perspicuity, or non-ambiguousness. The speaker recognizes I_j by way of an inference process in which the combination formed in σ is comprised of knowledge, beliefs, and common uses as well as mutual expectations with the speaker.

2. Language and trade originate in empathy, not persuasion

One must ponder why Smith adopts the persuasive model of communication for exchange and commerce. An initial justification for this claim may lie in the Theory of Double Intercourse elaborated by Vernon Smith (1998)¹⁵. According to the scenario proposed by this theory, in an exchange between two acquaintances, and between two complete strangers, the exchange which transpires between two strangers requires persuasion, while that which occurs between acquaintances does not. However, there is no internal evidence in Adam Smith's works which support this claim. And whereas Smith never elaborates a precise theory regarding trade, the function of trust with respect to salaries (22), money (23) and trade (24-25) is a recurrent theme found throughout WN:

(22)

We trust our health to the physician; our fortune and sometimes our life and reputation to the lawyer and attorney. Such confidence could not safely be reposed in people of a very mean or low condition. Their reward must be such, therefore, as may give them that rank in the society which so important trust requires. (WN, I.x.b)

(23)

When the people of any particular country have such confidence in the fortune, probity, and prudence of a particular banker, as to believe that he is always ready to pay upon demand such of his promissory notes are as likely to be at any time presented to him; those notes come to have the same currency as gold and silver money, from the confidence that such money can at any time be had for them. (WN, II.ii)

(24)

¹⁵ Vernon Smith (1998) and also Pedro Schwartz (2006).

A country that has no mines of its own must undoubtedly draw its gold and silver from foreign countries, in the same manner as one that has no vineyards of its own must draw its wines... We trust with perfect security that the freedom of trade, without any attention of government, will always supply us with the wine which we have occasion for: and we may trust with equal security that it will always supply us with all the gold and silver we can afford to purchase or to employ, either in circulating our commodities, or in other uses. (WN, iv.i)

(25)

Commerce and manufacturers, in short, can seldom flourish in any state in which there is not a certain degree of confidence in the justice of government. The same confidence which disposes great merchants and manufacturers, upon ordinary occasions, to trust their property to the protection of a particular government, disposes them, upon extraordinary occasions, to trust that government with the use of their property. (WN, V. iii)

It should be noted that in all these cases, it is not persuasion, but rather trust that drives exchange and commerce.

Another possible answer to the question of why Smith embraces the persuasive model of communication for the exchange of goods could lie in the hypothesis of Machiavellian intelligence developed by Byrne and Whiten (1997), which asserts that human intelligence has its origins in social manipulation, cheating, and malicious cooperation. Smith's prototype of persuasive rhetoric, in fact, is consistent with this concept of malicious cooperation, in that the listener is manipulated to a greater or lesser degree during the exchange of goods. Upon adopting the Machiavellian model of communication, instead of the empathetic prototype, in order to explain the division of labor and the exchange of goods, Smith has failed in providing a satisfactory account for them.

Firstly, the Machiavellian model of communication establishes an unstable cooperation. In reality, this is a means of cooperation in which the participants commit themselves to a type of *prisoner's dilemma*. In one round of the game, an agent A must persuade another agent B, who, later in the second round, must try to persuade agent A.

In both rounds, it should be pointed out that the agent is being persuaded, B and A respectively, cooperate with their persuader to a certain extent. Assuming that the benefit of the persuader is always somewhat more advantageous than the benefit received by the persuadee, a contract of stable cooperation is unlikely to ever emerge from this context. In persuasive communication, then, “talk is cheap”. But exchange, or trade, requires stability, contradicting the suggestion that one of the interlocutors may gain a more valuable result than the other.

In the second place, because communication is established according to the principle of non-profit cooperation which governs language (“ talk is cheap”), only empathetic linguistic communication, which is grounded in the conditions of the veracity and sincerity of the communicative intention, establishes a certain trust between the engaged participants.

Contemporary theories in the pragmatic studies of language, which were inaugurated with Grice (1967), are centered on the assumption that “talk is cheap”, and therefore speakers cooperate”.¹⁶ When, by way of empathy, a link of trust is generated between speaker and listener, a preliminary path is initiated toward social cooperation and the fair exchange which underlie both language and trade. Persuasion is no longer necessary for exchange, since, as Smith claims, persuasion directs and dominates the listener. In fact, if language is an evolutionarily stable system, it is due to the fact that empathetic communication has been imposed over this Machiavellian form of communication, even though this last form has not been altogether excluded. But if Smith’s two savages developed language, it is because, by living together, they would have acted with the trust which empathy produces. In point of fact, an experimental test

¹⁶ Machiavellian communication is a type of secondary communication for human beings. In the usual conversational communication, language is not used as if it were didactic or deliberative rhetoric with the objective to alter the behavior of the listener.

of the prisoner's dilemma revealed that when two players have spoken 30 minutes before the start of the first round of the game, in 74% of the cases, the players do cooperate¹⁷.

3. Conclusions

Adam Smith has made a significant and original contribution to the study of language upon laying the foundation of Locke's claim that language is a communicative means. Upon doing so, Smith justifies that language is a necessary method of communication for social cooperation, whose function is to coordinate the actions of the speakers. In studying language, Smith conceives two means of communication: persuasive, or Machiavellian, and empathetic. For Smith, this persuasive mode is that which eventually gives rise to social cooperation and, hence, the division of labor, while the empathetic variety represents the communication of sentiments, or intentions of the speaker in a veracious and sincere way. Nevertheless, this persuasive, or Machiavellian model of communication is flawed in the respect that it does not permit the establishment of stable cooperation between two speakers, since the speaker obtains more benefits than the listener, and does not fix any notion of trust between the two interlocutors. It is the empathetic means of communication, by not granting any added benefit for either speaker or listener, which fosters trust between speaker and listener and, in essence, gives way to social cooperation which serves as the cornerstone of both language and trade¹⁸.

¹⁷ Robert Frank in *Empathy and Fairness* (2006).

¹⁸ Recent research concerning empathy, such as that which was presented at the Novartis Foundations Symposium 278, *Empathy and Fairness*, Chichester, U.K., John Wiley and Sons (2006), supports the idea that empathy is a cornerstone both cooperation and justice.

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