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THE VIRTUOUS DISCOURSE OF ADAM SMITH: A Liberal Regard for Prevailing Prejudice

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Abstract:

Recent academic work has attempted to change the interpretation of Adam Smith from the founder of free-market economics to a proponent of something much more akin to the modern welfare state. This paper will attempt to refute those approaches by analyzing Adam Smith's views on strategic politeness.

The paper will show that Smith advocated an approach for political discussion that utilizes strategic yielding and caution when necessary. Smith related the approach to that of the Athenian official Solon who put forth laws that attempted to be "the best that the people can bear." The approach can lead one to moderation, non disclosure, or fudging of extreme views. According to Smith, there was virtue in considering and at times yielding to the prejudice of the public.

The cautious nature of Smith's approach has been misinterpreted in modern literature. Smith's caution is being taken for mild to moderate interventionist support. While the works and ideas of Adam Smith remain foundational to modern economics the interpretation of Smith is changing. This paper defends the interpretation of Adam Smith as a strong proponent of liberty based on his strategic approach.

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> When he cannot establish the best system of laws, he will not disdain to ameliorate the wrong, but like Solon, when he cannot establish the best system of laws, he will endeavour to establish the best that the people can bear.
>
> — Adam Smith

Section 1: Introduction

When the light of liberty shines too brightly, it can cause a painful blindness. Such was the way that the French Physiocrat Dupont de Nemours described the effects of propounding liberty too vigorously and bluntly. Dupont later described Adam Smith as a cautious champion of liberty—one who dimmed the light when necessary. This paper explores Smith's moderate, Solonesque approach to his political philosophy.

Smith's political philosophy demanded regard for public opinion. Public opinion and prejudice would impact the scope of political philosophy and likewise political philosophy held the potential to impact public opinion. Political philosophy held the potential to move individuals beyond their flawed beliefs. But, in regards to public opinion, a philosopher's logic can only accomplish so much. Thus, when Smith advocated a specific approach for political discussion in regard to the public opinion, he recommended strategic yielding and caution when necessary. The approach involves a willingness to mull through and respect the surrounding views and can lead one to moderation or fudging of extreme views or simple non-disclosure of extreme views. According to Smith, one needed to accommodate his views given the prejudice of the public. Prudence called for political figures or philosophers to obscure, hedge,[1] conceal, or temper their radical beliefs. Smith dealt with the theory of rhetoric, but we can see

[1] Henderson (2006) explores Smith's hedged statements and shows Smith's aim at being polite to his audience.

that in practice Smith's thoughts on the matter were much more than just theory. Many look at the *Wealth of Nations* (henceforth *WN*) to show Smith's more interventionist side. But, there is ample evidence that Smith himself practiced strategic moderation when writing the *WN* which would hinder the interventionist interpretation of Smith.

An understanding and awareness of how Smith applied his strategic approach in the *WN* reinforces his historic free-market legacy. Smith has a very nuanced and sophisticated take on liberty that too often does not get the study and attention it deserves. Modern scholarship has brought forth a deeper understanding of Smith's approach, but it often leads many to conclude that Smith appears to be less aligned to the liberty principle than his standard reputation suggests. While the scholarship is at times erudite and the nuances brought forth are often very insightful, the frequent conclusion is that one who puts forth a more nuanced view of liberty is less of a proponent. That conclusion is not necessarily correct. The analysis of Smith's moderating approach is not an attempt to prove that Smith did not support or believe in the more interventionist policy statements he made. Instead, it should help provide a context for reading Smith's more interventionist statements.

Smith's moderation and partial concessions towards the public's prejudice was applied in one direction. His published works and correspondence make clear that he is aware of the prejudice against radical free-market views. From Smith's approach it appears that when he conceals, he conceals his free-market views. Smith is consistently worried about the prejudice against his radical free-market views and tries to lessen the likelihood of his views being cast aside as ideological extremism. The approach stands in

contrast to the trend in Smith scholarship represented by Samuel Fleischacker, Gavin Kennedy, Ian McLean, and Emma Rothschild, who suggest a more social-democratic reading of Adam Smith (Fleischacker 2004; Kennedy 2008; McLean 2006; Rothschild 2001).[2] Because Smith's rhetorical approach involved strategic concessions away from radical free-market ideas, one should realize that the scope for intervention within his system might be dramatically more limited or hesitant than some extrapolations conclude.

An array of evidence will be lined up to argue that Smith strategically moderated his free-market ideas, and that he also explicitly wrote about the approach. The strategic approach presented by Smith will be shown to be one where the judgments, prejudices, and thoughts of others are treated with a gentle respect. It is an approach of an individual who is both humble with respect to the certainty of their judgment and strategic in winning some sympathy and influence with those who would bridle at fiercer judgment and argumentation. The approach is occasionally given some attention in the modern literature, but the implications of such an approach are rarely if ever brought to the conclusions they seem to support. The interpretation of this aspect of Smith's approach is not entirely new, in fact some who were close to Smith talked about Smith in such a fashion.

The lack of attention in the modern literature to Smith's moderating approach can skew inferences drawn from his works. The approach Smith discusses is not a mere footnote in the Smithian tradition; it shaped a good portion of the work he accomplished. When Smith spoke of the approach, he spoke with reverence and admiration. In Smith's

[2] For more on the modern interpretation, see Tribe (1999, 610).

section on virtue in *The Theory of Moral Sentiments* (Henceforth *TMS*) he provides the exemplary case for the moderating strategic approach—Smith highlights that the approach was taken by the great Athenian lawmaker Solon. To understand the approach taken by Smith a brief overview of Solon will be given. In addition, Smith's other statements regarding the approach will be analyzed to provide insight into how it impacted Smith's writings.

Section 2: Smith's Statements about the Strategic Approach of Solon

In the *WN* and *TMS* Adam Smith mentions Solon on three separate occasions. In two of the statements Smith highlights Solon as one who created law that "though not the best in itself, it is the best which the . . . times would admit" (Smith 1776, 543).[3] While Solon isn't a name often heard today, he has been cited with reverence by men ranging from Plato to James Madison (Lewis 2006, 1). Solon was a figure known to many scholars during, and just preceding, Adam Smith's time. Authors such as Hume, Hutcheson, Mandeville, Bentham, Gibbon, and Malthus have all made mention of Solon in their works. Hume even refers to him as "Solon, the most celebrated Sages of Greece" (Hume 1742). In Smith's context, Solon was a known figure. The philosophers of Smith's day understood both who Solon was and what he stood for.

Solon was entrusted with immense power in 594 BC as the chief Athenian official. Adam Smith noted that he "encouraged trade and commerce" during his reign (Smith 1763, 231). Solon's time in power was filled with challenges. He was forced to

[3] The third reference to Solon is on page 777 of *The Wealth of Nations* and it refers to a particular law of Solon.

deal with fierce factions and clashing ethical views that threatened the functioning of community life. While not giving in to any and all demands, Solon is recognized as a great reformer who achieved what gains he could while still keeping factional conflicts at bay. Solon greatly opposed tyranny, but did not use his power to become overlord and completely wipe away all of the entrenched policies of Athens. Instead, Solon compromised and worked with the prejudices against him in an attempt to move towards better policies. Solon felt there was potential for Athens to prosper in moving their policy in the right direction without resorting to an overlord's decree. In his own poetry, Solon revealed that he felt he was successful in his mediation (Ehrenberg 1967, 70). Instead of taking individual advantage of the power he was given and turning into a self-glorifying autocrat, Solon sorted through the opposing viewpoints and eventually surrendered his authority and became an Athenian legend.

Like the great Athenian Solon, Adam Smith promoted a way of thinking that showed a possibility for reconciliation with political opposition. Smith did not simply castigate those in power for their folly; instead, his rhetoric shows how he was joining with those in power. Like Solon, Smith compromised and worked with the prejudices against him in an attempt to move towards better policies. Armed with economic reforms, he wrote as though he was to some extent a part of the legislator's team, cooperating in the aim of making a better polity, society, and country. While Smith wanted to greatly diminish the legislator's role, he did not call for a complete eradication of the legislator. Smith's system allowed the legislators to maintain the dignity of their important role. Nonetheless, it should not be downplayed that Smith still attempted to

show them the errors of political planning and control. Like Solon, Smith's writings have an air of mediation. Both Adam Smith and Solon saw the need for economic reform while acknowledging and treating with some respect the likely prejudices of others.

Smith wrote of Solon's strategic approach in the *TMS*. Smith shows great admiration for men who treat political economy like Solon. It is not coincidental that Solon is mentioned in Smith's section on virtue. The virtue Smith sees in the approach of Solon is contrasted with what Smith calls "the man of system." Smith's attack on the man of system is one of his well-known passages, yet despite this, Smith's praise of Solon's approach receives little attention. Rather than just reading into what Smith criticizes about the man of system, a more complete picture starts to develop when we look at Smith's support of the contrasting approach.

Smith's direct references to Solon praise the strategic approach of humility, moderation, and concealment of radical beliefs. Smith's praise and approach stand in stark contrast to the man of system. Smith identified the approach as one taken by a man of "humanity and benevolence" (Smith 1759, 233).[4] The section looks at one who respects, but does not necessarily agree with, the current order of the state's governance. Respect for the current order does not mean acquiescence. Smith is careful to make it clear that respect is far from saying that the order is always correct, "Though he should consider some of them as in some measure abusive, he will content himself with moderating, what he often cannot annihilate without great violence" (Smith 1759, 233).

[4] This passage is actually part of an addition to *TMS* that Smith made after the first edition.

Smith praises a cautious approach of doing only the best one can to change the order of society when the general prejudice is against them.

Smith is suggesting that there often is something wrong with the established order, but there is a right way to pursue improvement and enlightenment. He calls for man to use "reason and persuasion" (Smith 1759, 233) while trying to "conquer the rooted prejudices of the people" (Smith 1759, 233). Smith believes that a Solonesque man of humanity and benevolence

> will accommodate, as well as he can, his public arrangements to the confirmed habits and prejudices of the people; and will remedy as well as he can, the inconveniencies which may flow from the want of those regulations which the people are averse to submit to. When he cannot establish the right, he will not disdain to ameliorate the wrong; but like Solon, when he cannot establish the best system of laws, he will endeavour to establish the best that the people can bear (Smith 1759, 233).

Smith advocates gentleness and respect for the prejudices of those who are keeping the wrong policies in place. According to Smith, having regard for such prejudices is essential to any philosophical account of potential public arrangements. Those who give advice and those who take action must do the best they can when entrenched views stand in opposition. One must be firm and incisive at times, but careful and strategic when facing a strong and opposing prejudice. The approach of Solon, establishing the best the people can bear, is the approach Smith feels is befitting of a man of humanity and benevolence.

Smith elaborates with what he sees as a contrasting character—the man of system. Smith puts forth the two types, Solon versus the man of system, as forming a contrasting pair. Smith writes, "The man of system, *on the contrary*, is apt to be very wise in his

own conceit" (Smith 1759, 233 emphasis added). The famous passage on the man of system warns us against a kind of error, but in doing so it also helps clarify the contrasting approach of Solon.

> The man of system . . . is often so enamoured with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest *deviation* from any part of it. He goes on to establish it . . . [without any regard] to the strong prejudices which may oppose it. He seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess board . . . [Some] idea of perfection of policy and law may no doubt be necessary for directing the views of the statesman. But to insist upon establishing, *and upon establishing all at once*, and in spite of all opposition, *every thing which that idea may seem to require*, must often be the highest degree of arrogance (Smith 1759, 233-234; emphasis added).

Because the man of system is contrary to the approach of Solon, Smith is directly stating that when it comes to policymaking and policy discourse, he sees possible virtue in making deviations from the principles otherwise generally right and enlightened.

The man of system's arrogance comes from his desire to implement his ideal designs without accommodation of others' preferences. The arrogant man of system wants to change the entire system all at once without room for any deviation. He feels that he knows best in all cases despite the prejudices of the people who are opposed to his ideas. In clear contrast, the approach of Solon encourages compromise and working with the prejudices that may stand in opposition to one's own ideas. Smith believes individuals should have some general idea of what the perfection of policy would look like, but to insist upon its implementation without deviation is arrogance—a highly detested trait in Smith's semantics. For Smith, actual application and establishment—and

repeal or abolition—of laws and regulations requires an art form far different from determining one's ideal.

Smith not only understood the strategic approach of challenging the current order of society while respecting the prejudices of the day, but he also understood it as a virtue. In these passages of *TMS*, Smith is stating that when it comes to designing a system for society and changing public policy, the approach of Solon is to stay true to one's idea of perfection, but when necessary one must be willing to deviate from his perfect plan in order to remedy the situation the best he can. From his direct references to Solon in *TMS*, Smith is shown to be in support of an approach that respects the surrounding prejudice against one's ideas.

Smith's ruminations about the approach of Solon can also be found in the *WN*. In the fourth book of chapter five, one can link the Solonesque approach recommended in the *TMS* and the approach taken in the *WN*. In this section on bounties, Smith not only refers directly to the approach of Solon, he also explains a potential application of the approach.

Smith had a number of reasons for disliking the bounties and restrictions on corn trade. He begins his digression on the corn bounties as follows, "I cannot conclude this chapter concerning bounties, without observing that the praises which have been bestowed upon the law which establishes the bounty upon the exportation of corn, and upon that system of regulations which is connected with it, are *altogether* unmerited" (Smith 1776, 524 emphasis added). Thus, Smith started his discussion on bounties with a harsh and uncompromising stance that the praises given to bounty laws are completely

incorrect. Further, Smith goes on to examine four reasons why the restrictions are as contemptible as he claims. First, he explains how the price mechanism helps encourage efficient use of the corn. Second, he explains that limiting trade reduces real wealth. Third, he shows that restricting trade increases the potential for a drastic market shortage because all surpluses are avoided. And finally, Smith shows how the restrictions prevent all of Great Britain from being a storehouse or middleman for corn trade and thus lose all associated advantages.

After explaining his four reasons why the restrictions are undesirable, Smith provides his policy prescription, "If bounties are as improper as I have endeavoured to prove them to be, the sooner they cease, and the lower they are, so much the better" (Smith 1776, 542). But then, at the very end of the section, Smith turns his attention to a recent change in the corn laws. Smith states that the new system is "in many respects better than the ancient one, but in one or two respects perhaps not quite so good" (Smith 1776, 541). After spending an entire section denouncing the current bounty system found in Great Britain, Smith acknowledges the recent change as having some merit, but he still finds serious flaws with the law.

At the very end of his discussion on corn bounties, the Solonesque Smith shines through. He finishes the entire section by stating, "With all its imperfections, however, we may perhaps say of it what was said of the laws of Solon, that, though not the best in itself, it is the best which the interests, prejudices, and temper of the times would admit

of" (Smith 1776, 543).[5] Smith says we must acknowledge some of the prejudices of others and compromise accordingly, deviating from the best possible policy towards one that is at least liberalizing in relation to the previous status quo. While having already written his harsh section on bounties Smith was not going to take back his statements about the ideal policy in this case, but he was willing to endorse recent changes. The reference to Solon, found in a section suggesting problems with and potential changes to public policy, is very similar to the statement about Solon found in the *TMS*.

Section 3: The Importance of Approach According to Smith

One can find additional discussion about strategic approach in Smith's *Lectures on Rhetoric and Belles Lettres* (Henceforth *LRBL*). For years Smith taught courses in style and argumentation. Obviously he had great awareness of the strategic options available to authors. In the lecturers, which of course are not a proper work prepared for publication, Smith proposes two styles in attempting to make a proposition convincing—the didactic and rhetorical (Smith 1763b, 62, 89, 149).[6] While Vivienne Brown has concluded that one cannot decisively fit Smith's *WN* into either the rhetorical or didactical discourse (Brown 1994, 19), Smith's discussion on the rhetorical and didactic provides direct evidence that he is well aware of how particular strategies are utilized for different purposes.

[5] It should also be noted that this sentence was not in the first addition of the *Wealth of Nations*, but was added most likely in the second edition most likely after meeting with Burke who pushed the new bill through the House of Commons (Viner 1965, 26–27). The second edition of the *Wealth of Nations* was published in 1778.

[6] See Brown 1994, 16–18. Brown notes that Smith also discusses oration, historical, and narrative discourses.

> The [Didactick] proposes to put before us the arguments on both sides of the question . . . and has it in view to perswade no farther than the arguments themselves appear convincing. The Rhetoricall again endeavours by all means to perswade us . . . Persuasion which is the primary design in the Rhetoricall is but the secondary design in the Didactick (Smith 1763b, 62).

Smith goes into more depth on what he means by the didactic and the rhetorical, but the passage above highlights an important insight when thinking about Smith's approach in the *WN*. In both the rhetorical and the didactic, Smith acknowledges that persuasion is a part of the discourse. Even in a narrative there seems to be some form of persuasion (Smith 1763b, 149). The different approaches can cause different effects on one's audience, and the communicator must be aware of how his words will impact his audience. Smith has "at the very least an awareness that what one wishes to say or write to others is shaped by the demands of the audience one envisions and by the constraints of the medium in question" (Griswold 1999, 41). From Smith's lectures on rhetoric, which were given well before *WN* was written, we can conclude that Smith is concerned with the proper approach of the author and that the strategic approach is indeed a part of the oration or writing.

For Smith, the rhetoric of oration and writing was an immensely important subject. John Millar reportedly stated that Smith felt it prudent to study rhetoric over traditional logic and metaphysics (Griswold 1999, 41). Smith's time spent working with ideas on rhetoric date back to at least the late 1740's. During Smith's time as a professor at Glasgow, Smith had transitioned into a position that focused more on moral philosophy, politics, and jurisprudence. But, Smith's private class, which each professor used for "a course on a subject of special interest to himself" (Smith 1763b, 9), remained

on the topic of rhetoric. He gave a great deal of attention to the stylistic approach of authors and orators and, as Samuel Fleischacker concludes, "we have good reason to think that Smith himself considered the proper literary presentation of his arguments to be essential to what he was doing" (Fleischacker 2004, 14). Even without regard to any of Smith's other works or correspondence, *LRBL* makes plain that Smith was cognizant of employing a strategic approach in writing.

Although Smith's statements about strategic approaches in *LRBL* do not refer to Solon or his approach, there are some passages that directly tie in the concepts Smith would latter discuss in the *WN* and *TMS*. For instance, In *LRBL* Smith acknowledges that it may be prudent to partially "conceal our design" (Smith 1763b, 147). At times, one should also worry about the "practicability and honourableness of the thing recommended" (Smith 1763b, 146). And finally, one takes into consideration that the audience "may either have a favourable or unfavourable opinion of that which he is to prove. That is they may be prejudiced for or they may be prejudiced against [the view the author is attempting to prove]" (Smith 1763b, 147). From a few of the lectures given by Smith, a Solonesque conclusion comes forth; in any work, the audience impacts the approach of the author. The author, according to Smith himself, must be careful to employ a suitable approach.

Smith promoted caution and respect due to the power of ideas. Most importantly he recognized the potential inflammatory response of the public to ideas that parted with the status quo. In his 1751 letter to William Cullen Smith highlights his concern for public perception, "I am afraid the public would not be of my opinion; and the interest of

society will oblige us to have some regard to the opinion of the public" (Smith 1977, 6). One particular example of Smith's caution comes from his *History of Astronomy* (Henceforth *HA*). In *HA* it is clear that Smith is attuned to the problem of public prejudice. He is aware that philosophers who face bias against their ideas must be cautious. In *HA* Smith states,

> In Ancient times some philosophers of the "Italian school" taught their doctrines to pupils only under the seal of the most sacred secrecy, that they might avoid the fury of the people, and not incur the imputation of impiety (Smith 1980, 56).

In analyzing this statement in *HA* Montes and Schliesser (2006) conclude that Smith knew that "even the most free societies . . . can respond negatively to the activities of philosophers."[7] To implement or even discuss real change in the rules of a society will certainly cause emotions to run high—Smith never downplayed this reality.

Smith understood the conflict that existed between philosophical ideas. His time at Oxford required Smith to render multiple sides of philosophical debates. The approach of his education in conjunction with his emphasis on rhetoric and public perception made Smith a man with a warm temperament in line with Solonesque ideas.

One can also see the importance of the approach of Solon by looking at Smith's moral philosophy. The parallel can be seen when Smith invokes ideas of coordinated sentiment through his concept of sympathy. Smith often explains coordinated sentiment with synchronous figures of speech. The coordinated sentiment is shared, it exists as a common experience, much like the beat of a chant or melody of a song, neither mine, nor

[7] Montes and Schliesser also point out that Smith makes a very similar claim in *WN* (Montes and Schliesser 2006, 333). Smith states that the schools of the philosophers "were not supported by the publick. They were for a long time barely tolerated by it."

yours, but ours. The role of sympathy and our individual development through experiencing these coordinated sentiments is pivotal to Smith's moral theory.

In judging an action, at each turn we consult our sympathy with a spectator that is natural or proper to the occasion. We are concerned that our sentiment beats along with those around us. For example, when our disagreeable passions inflame us to an extreme, the only consolation man can receive is that others' sentiments beat in tune with our own. However, as Smith states,

> He can only hope to obtain this by lowering his passion to that pitch, in which the spectators are capable of going along with him . . . These two sentiments, however, may, it is evident, have such a correspondence with one another, as is sufficient for the harmony of society.

This one example of Smith's concern for coordinated sentiment shows that Smith understands how the passions of one can upset another when not tempered. The ability for society to move synchronously in some form of harmony relies on the idea of coordinated sentiment that works its way throughout Smith's moral theory. Smith's emphasis on synchronous behavior can be seen in appendix 1, which highlights Smith's use of synchronous metaphors.

Smith later connects the idea of the synchronous beating of our passions to the temperance and potential implementation of extreme policy views.

> If you would implant public virtue in the breast of him who seems heedless of the interest of his country, it will often be to no purpose to tell him, what superior advantages the subjects of a well-governed state enjoy; that they are better lodged, that they are better clothed, that they are better fed. These considerations will commonly make no great impression. You will be more likely to persuade, if you describe the great system of public police which procures these advantages, if you explain the connexions and dependencies of its several parts, their mutual subordination to one another, and their general subserviency to the happiness of society; if you

> show how this system might be introduced into his own country, what it is that hinders it from taking place there at present, how those obstructions might be removed, and all the wheels of the machine of government be made to move with more harmony and smoothness, without grating upon one another, or mutually retarding one another's motions (Smith 1759, 185).

In a very Solonesque fashion, Smith explains that the only hope for achieving the best possible outcome is to provide a practical approach to the reality of a situation. We must be aware of our audience and put forth our ideas with the proper tone or pitch so that we have the best chance at actual persuasion. In addition, one should note that Smith's focus is on achieving *more* harmony and *more* smoothness in the motion of society. Smith explains that the wheels of government and all society must have some synchronicity in order to achieve a beneficial outcome. Just as when Smith explained how our disagreeable passions could inflame us beyond what the sentiments of others can beat along with, Smith explains practical persuasion as involving something less than our extreme view of perfection. We must aim merely at more harmony to change policy for the better. We must be aware of coordinating our sentiments with those around us in order to not generate inflamed response from the public.

Section 4: Letters from Dupont

A letter written by the Physiocrat Dupont de Nemours[8] provides a secondary link to Smith's view of the Solonesque strategic approach. While already having developed some thoughts about the Solonesque approach in *TMS*, *LRBL*, *HA*, and *WN*, Smith's late addition to *TMS* on the man of humanity and benevolence is closely linked to Dupont's

[8] For more on Dupont's Letters see Prasch and Warin (2009)

letter. Smith's addition to *TMS* in the 1790 edition provides the most direct and explicit endorsement of the Solonesque approach. Just two years before his final additions to *TMS,* Dupont de Nemours had written Smith discussing an approach to writing that respected the opinions, intentions, and prejudice of the general public. The additions to *TMS* very closely parallel statements in Dupont's letter.

Dupont de Nemours's 1788 letter came to Smith just after Dupont had published a book on the trade relations between France and Britain. Dupont's letter was written with a tone that leads one to infer that Dupont believed Smith would support his approach. But, without having to read between the lines of the letter, one can summarize the letter as Dupont explaining the lack of straightforwardness in his recently published book.

In his letter to Smith, Dupont stated that he was very concerned with the growth of liberal ideas. The letter remarked that Dupont's recent book was written with the strategy of being very kind to the intentions of the public and he "avoided shocking the prejudices of [his] readers head on." In addition, Dupont admits that there are some faults with his work that are "unknown and some of which are voluntary." He is basically asking Smith to tolerate some areas of the book as fudged statements or half-truths. Dupont not only deliberately made the exoteric faulty, but he writes as though Smith will naturally understand why he would have some voluntary faults into his own book. Purposefully having errors in one's work would seem require immediate explanation. However, in this case, the reason was obvious to both Dupont and Smith. From his letter, it is clear that Dupont did not dare pursue or press some ideas for fear

that his readers would immediately be turned off to all his ideas. It is also clear that Dupont felt Smith understood the concept of his esoteric moderation.

Dupont's letter also shows that he eased his readers into more radical ideas. In order not to blind his readers, Dupont tempered some of his ideas and paid great attention to his approach. He states that he was cautious with ideas and applauded the reader's intentions and views before "displaying the preferable views which followed." Dupont feared that his extreme free-market policy advice would "not be either read, or listened to, but they would risk disparaging good principles" if he provided them in a straightforward manner. Being overly direct about free-market principles could cause recoil; such a strategy would probably delay the move toward liberty. As Dupont said, "Like hitting the eyes with too lively a light, they would return to blindness." The metaphor is striking, in that it suggests that the liberty principle is the essence of enlightenment, but that such enlightenment must be gradual.

Dupont was especially careful because he was a public figure. He knew he had to be careful with the truths he discussed and developed in his book. But Dupont made it clear that his book did not completely disclose his heart's true feelings. His current status impelled him to be aware of how his words may impact the cause he believed in. He seems to envy the ability to write without any strategic awareness of the prejudice around him. He states to Smith, "When I was private man, I was more audacious." But as Dupont understood his situation, and as he explained to Smith, the proper strategic approach for a radically liberal regime was to conceal, compromise, embellish, and evade when writing, so as to give their ideas a chance.

His letter to Smith is stated to be an apology for such a timid approach, but it could more accurately be described as a justification of why his approach was proper. The real regret that Dupont is expressing is that his liberal views need to be concealed, hedged, and moderated.

Dupont's letter to Smith is important for analyzing Smith's approach because Smith seemed to paraphrase Dupont's statements into the *TMS*. In particular, the 1790 additions to the *TMS* seem to stem directly from Dupont's letter. In her work *Economic Sentiments*, Emma Rothschild noted the similarity. She notes that Dupont's letter makes a claim that some were "animated even to fanaticism" (Rothschild 2001, 272) and when looking at Smith's *TMS* insertion on the man of system the point is merely extended a few additional words. Smith's version is that the spirit of system "always *animates* it, and often inflames it *even to* the madness of *fanaticism*" (Smith 1759, italics added). In another example pointed out by Rothschild, she notes that Dupont says, "I have avoided shocking directly the prejudices of my readers . . . All public opinion deserves to be treated with respect" (Rothschild 2001, 272). The similarity is Smith comes from his statement of "when he cannot conquer the rooted prejudices of the people by reason and persuasion, he will not attempt to subdue them by force" (Smith 1759, 233). The parallel between the content is distinct. The entire man of humanity and benevolence passage by Smith seems to be mindful of Dupont's letter while supporting his approach and providing the theoretic backing for its virtue. In addition, Smith's statements on the man of system seem to be an extension of Dupont's remark that "if the administration appears itself to want to follow only the principles of a new philosophy, mass prejudice forbids

any success" (Smith 1977, 311–313). Smith's statements are strikingly similar. Smith remarks that the complete implementation of one's own ideal philosophy, without any regard to the prejudice against it, can cause society to move into the highest degree of disorder (Smith 1759, 234). Overall, the similarities lead one to believe that Smith saw Dupont's approach as his own. The radical free-market views, common to both, required some temperance and strategy. Smith felt there was great virtue in avoiding the fanaticism, arrogance, and folly of putting forth radical views with complete disregard for the public's current biases against them.

Section 5: Acceptance of Interventions in Order to Appease

Smith expected that many of his policy ideas would not be implemented because of their extremity. Along a spectrum of support to opposition of interventionist policies, Smith's ideas fall near the tail end of the spectrum. His ideas were radically opposed to coercive measures. Smith was aware of his radical stance. He knew that if the general public opinion centered on the 50-yard line of political thought, then the public would view him as absurdly dancing around in the end zone.[9] At times Smith acknowledged that his extreme views simply wouldn't get anywhere given the sentiments opposed to them. However, in addition to simply acknowledging how radical his stance was, he also concedes that he is willing to compromise and maybe stand somewhere around the twenty yard line. Like Solon, Smith is willing to compromise and attempt to achieve the best that the prejudice opposed to him will permit.

[9] The analogy of football field as the spectrum of political views was one I originally encountered from a presentation by Daniel Klein.

From time to time in *WN* Adam Smith does not hide the fact that he utilizes Solonesque tactics. While many of Smith's anti-interventionist sections are written with fierceness and indignation, there are times when Smith admits he was willing to compromise or back away from his bold ideas.

One case of Smith directly stating his willingness to back away from the radical implications of his theory is his famous prediction about the future of free trade. "To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain is as absurd as to expect that an Oceana or Utopia should ever be established in it" (Smith 1776, 471). Even though Smith put forth this disclaimer, his discussion on the freedom of trade earned him the reputation of being the king of commercial society. While his criticisms were harshly opposed to mercantilist ideas and any regulations that upset the natural course of trade, he had conceded that in practice his ideas could not be implemented to the extreme his theories suggested. He made sure to note that he was willing to moderate and be realistic given the general public's prejudice against his ideas. Smith's concession did not mean that he did not wish to implement free trade entirely, instead he was acknowledging how unacceptable his ideas were to the general public. He was aware that his attacks were radical and his statement about the absurdity of expecting its complete implementation shows that he is willing to make concessions to the principles he put forth.

Smith does not just acknowledge that he might have to compromise and moderate his radical views, he also explains why establishing the freedom of trade would be nearly impossible. Directly following his sentence on Oceana and Utopia, Smith states, "Not

only the prejudices of the public, but what is much more unconquerable, the private interests of many individuals, irresistibly oppose it" (Smith 1776, 471). In Smith's view those with vested interests in the current regulations will certainly stop some potential liberalization. But there are two forces at work that will prevent free trade: private interests and public prejudice. He feels the prejudice of the public is an additional and important obstruction on the path toward free trade, but he is willing to work with it.

The importance of Smith's statements on why it is impossible to establish free trade is twofold. First, Smith utilizes similar vocabulary to his statements about the Solonesque approach. In the Oceana and Utopia paragraph Smith shows concern about the "prejudices of the public," when referencing Solon in *TMS* his concern is the "prejudices of the people," and in his reference to Solon in the *WN* his focus is the "prejudice and temper of the times." The similar language ties a connection between the concern and point of each of the sections. Thus, the Oceana and Utopia section, if not evident in its own right, becomes more closely tied to Smith's views on the moderating approach of Solon.

Second, Smith hints at the idea that changing public opinion, while a significant challenge, holds more potential than hoping free trade will be established through the interests of private individuals. One cannot expect the bias and prejudice in favor of harmful interventions to erode away without some help. The public's bias will need to be tempered and dealt with in order to achieve liberal gains. Overall, Smith's Oceana and Utopia statements support the contention that Smith was radically in favor of natural liberty, but took the strategic approach of Solon in his writing.

Smith explicitly moderated another extreme view—his view on British imperialism. By Smith's calculations, Great Britain would actually benefit by simply cutting political ties with the colonies.

> Great Britain would not only be immediately freed from the whole annual expence of the peace establishment of the colonies, but might settle with them such a treaty of commerce as would effectually secure to her a free trade, more advantageous to the great body of the people (Smith 1776, 617).

But Smith does not put forth this idea as his actual proposal. He attempts to obscure and muddle his view before putting it forth in his writing.

Smith discusses at great length the problems inherent in the settlement of the colonies, including the general costs and the tendency to establish monopolistic trade relations; his discussion on the costs of the colonies ranges nearly uninterrupted from page 571 to 617. But then Smith distances himself from the potential proposal his evidence supports. He uses language that seemingly takes the author's opinion on the matter off the table. Smith mocks any attempt at proposing such a radical policy as releasing the colonies, "The most visionary enthusiast would scarce be capable of proposing such a measure with any serious hopes at least of its ever being adopted" (Smith 1776, 617). Then Smith, without himself directly becoming such a visionary enthusiast, describes the policy in terms—not of his opinion or his proposal for the situation—as a matter of fact that he is trying neither to support nor deny. Smith claims that "If [a complete release of the colonies] was adopted" then the outcome would be "advantageous to the great body of the people" (Smith 1776, 617). Smith clearly views the release of the colonies as a favorable policy, but is sensitive to the national prejudice.

He is aware that any suggestion for the release of a colony is "always mortifying to the pride of every nation" (Smith 1776, 617). He puts forth the extreme view that releasing the colonies would be beneficial, but obscures his own tie to the extreme view and shows a willingness to moderate.

When Smith continues his discussion on the colonies near the end of *WN*, his direct statements against keeping any attachment to the colonies persist. But, he continues his trend of showing a fair amount of caution with his radical remarks regarding the colonies. He often commits only to the stance that "if" the colonies have some certain effect on Great Britain "then" Great Britain should release the colonies. The if-then statements seem to be simply a matter of style, but seem out of place given the fervor with which Smith shows that the if statement's are always true. For example, in the last paragraph of the *WN*, Smith is adamant that the costs of the colonies are higher than the benefits derived from them. But, Smith does not state that because of their great cost the colonies should be released, instead Smith writes that, "If any of the provinces of the British empire cannot be made to contribute towards the support of the whole empire, it is surely time that Great Britain should free herself" (Smith 1776, 947). Smith seems to lay his cards on the table, but then Smith distances himself to some extent from an admittedly radical stance by seemingly removing his judgment from the situation. Once again, Smith understood how bold his ideas were and he understood that such radical ideas needed to be put forth and implemented with great caution and respect for common views.

Section 6: The Real Adam Smith

When Smith explicitly explains that he is willing to back off what his theory might suggest, he does so to appease the more interventionist prejudice against him. His worry about coming across as a resolute free-market philosopher is evident. He acknowledges the concern and suggests a potential compromise. One should take note that when Smith tells us he is making a concession, it is explained as being a result of trying not to seem too closely aligned with an extremely liberal view. There is some evidence that Smith's attempt to distance himself from seeming extremely liberal extends beyond his direct statements that he is willing to moderate some of his radical conclusions. But, the evidence does not point to an interpretation of Smith as a doctrinaire advocate of laissez-faire. However, one can infer that when Smith is worrying about the "practicability . . . of the thing recommended" (Smith 1763b, 146) and considering if it may be prudent to partially "conceal [his] design" (Smith 1763b, 147) he is worried about seeming too closely aligned to the liberty principle. Thus, when Smith claims that the virtuous man of humanity and benevolence "will accommodate, as well he can, his public arrangements to the confirmed habits and prejudices of the people," (Smith 1759, 233) one must infer that to Smith this means accommodating to the more interventionist views surrounding him. The cases where Smith essentially admits that he is backing away from a more extreme policy are put forth as concessions to the public's prejudice against him.

The Solonesque view of Smith in his public works is not a new one. The friends, peers, and colleagues of Smith understood the compromising spirit of Smith's public

statements. Dugald Stewart claimed Smith was "cautious with respect to the practical application of general principles" (Rothschild 2001, 62). Dupont de Nemours regards some of Smith's more interventionist claims to be "a sacrifice which he thought he must make to the popular opinions of his country" (Rothschild 2001, 66). According to his friends the public Adam Smith was prudent in putting forth his more extreme thoughts.

The Solonesque approach taken by Smith opened the door for multiple interpretations of Smith. As Jacob Viner states, "An economist must have peculiar theories indeed who cannot quote from the *Wealth of Nations* to support his special purposes" (Viner 1927, 207). Nonetheless, Smith was very concerned with how *WN* would be received. Even though Smith obscured his work, he felt that the reception of his work had "been much less abused than [he] had reason to expect" (Smith 1977, 251). Smith had expected the public to find more offense in his work than they had. Even with his public moderation, he felt his radical views would shine through in extreme contrast to the public bias.

Smith in private was reportedly more liberal and less reserved. In his private correspondence Smith is willing to admit that *WN* is a harsh criticism of the entire system of British policy. In his public statements he attacks some British policy, but at times he uses reserve and never summarizes his arguments as an attack against British policy. The two sides of Smith are evident when one compares his private statement that *WN* was really a "very violent attack . . . upon the whole commercial system of Great Britain" (Smith 1977, 251) to his public sentiments that *WN* was designed to help the policy of

Britain. In the private gatherings and in his private correspondence, Smith's tone and content show Smith to have an additional persona that exists behind his public face.

Dupont de Nemours argues that the genuine Smith is the private Adam Smith. In Dupont's 1788 letter to Smith, Dupont justified why his own remarks were not as fiercely in favor of liberty as he would hope. Later in his life, Dupont made similar remarks about Smith. Dupont felt that Smith compromised, fudged, and concealed some of his real thoughts on liberty due to the contrasting public prejudice. He explained and justified Smith's works as qualified in order to avoid severe judgment. Just as Dupont's 1788 letter had defended the temperance in his own work, Dupont defended Smith's restraint. Dupont explains that Smith understood the need to make sacrifices to the popular opinions of his country. Dupont felt that the private Smith would not have put forth such interventionist ideas "in his own room or in that of a friend" (Rothschild 2001, 66–67). Those privileged few who dealt with Smith in his private gatherings may have been the only ones who had access to the genuine Smith.

Dugald Stewart argued that the genuine or real Adam Smith was the prudent and reserved public man. Stewart claimed that the more extreme private Smith was more speculative. Stewart claimed that Smith really did not believe in such extreme views. However, as argued by Emma Rothschild, Stewart's claims were given in self-defense during a frenzied time of unease. Stewart's words were first read to the Royal Society of Edinburgh in the same weeks that the sedition trials began. The sedition trials targeted those individuals whose writings were calculated to inflame the public's disapproval of the state. Rothschild convincingly shows that Stewart was on the defensive. He was

trying to show the moderation and neutrality of his own views and those attached to him—mainly Adam Smith's (Rothschild 2001, 56–58). The evidence from Dugald Stewart therefore seems a bit skewed and unreliable. The only real defense of the public Adam Smith is that he was the one who wrote his public works. Even though there is not much corroborating evidence that Smith's genuine belief was perfectly in line with his public works, clearly the evidentiary burden must rest on those who would like to argue that the genuine Smith would have been heartier with his views on liberty.

The Solonesque approach taken by Smith in his public works complicates the question, who was the real Adam Smith? Being that Smith is over 200 years deceased the question is basically impossible to prove irrefutably. After all, Smith was "the great eclectic" (Viner 1927, 199). The public Smith was prudent and heeded the conservative views of the public. Meanwhile, the private Smith put forward more direct support of freedom. Understanding which persona the real Adam Smith was should greatly impact our reading of his works and theories. While there is still debate over the real Smith, in light of the Solonesque interpretation, the burden shifts so that it is perhaps equal for those who view the real Smith as the public Smith and those who view him as the private Smith. The interpretation places an additional burden on those scholars who pull interventionist ideas from Smith's prudent and public statements. The evidence is strong that Smith believed in the Solonesque approach and applied it to his work. Thus, many of Smith's interventionist asides and statements should be taken with a grain of salt. One must read between the lines. While definite conclusions are hard to conjure up when one reads between the lines, one will often find reason to be more hesitant about the more

interventionist readings of Smith. Exactly how much the approach of Solon impacted Smith's work is up for debate. However, there still remains an evidentiary burden with those that argue against the interpretation of Smith as a radical, albeit nuanced, proponent of liberty.

Section 7: Conclusion

Smith revered and implemented the strategic approach of Solon. He moderated and treated the judgments, prejudices, and thoughts of others with a gentle respect. Smith was very concerned with the anti-liberty prejudice he faced. The evidence leads one to conclude that Smith somewhat concealed and skewed his allegiance to the liberal cause in order to establish the best policies the people could bear.

While this view of Smith is not new, it does seem to go under-emphasized in the modern literature. Certainly it stands opposed to the current trend that pushes a social-democratic reading of Adam Smith. But, further than that, an understanding of Smith's approach should at least cause us to pause when considering Smith's thoughts. For example, one could look to George Stigler's famous paper that concludes that "Smith makes very little of inept government conduct" (Stigler 1965). Maybe with the Solonesque lens of a Smith's approach, the limited amount of specific attacks against the legislator starts to make more sense. One could argue that Smith may have been aware of the ineptitude of the men in government and the perverse incentives in specific situations, but he just did not focus on it much. Maybe Smith did not see the ineptitude as clearly as modern public-choice scholars do, but it is possible he saw it more than he let on. In

addition, the Solonesque view might also shed light on the reasons why Smith was so concerned with his unfinished writings and why there seems to be such inconsistency in Smith's works. While none of these ideas are analyzed and proved, they do raise the point that there are many thoughts and insights about Smith that can potentially be redirected when one looks into Smith's strategic approach.

Adam Smith tried to tackle some of the most important questions in economics. The ideas he put forth remain relevant and the issues he dealt with still resonate throughout modern economics. His approach to the questions was graceful, thought out, and nuanced. Adam Smith had a deep understanding and love of liberal ideas, but he also understood the impact of the context around him. Smith's approach caused Jacob Viner to admit that it was refreshing to "return to the *Wealth of Nations* with its eclecticism, its good temper, its common sense, and its willingness to grant that those who saw things differently from itself were only partly wrong" (Viner 1927, 232). Smith put together a good number of brilliant insights, but he understood that at times it was proper to dim them. Maybe that is why Smith got what he wanted after all—for us to see the light of liberty, but not be blinded by it.

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