

James Gray

Review Article

Adam Smith Two Hundred Years Later*

This study of Adam Smith consists of ten essays, most of which have been published before, including two that appeared in *The Dalhousie Review* in the Autumn issue of 1962 and the Spring issue of 1967. The author, Clyde Edward Dankert, who was born in Ontario, is a retired professor of Economics now living in Hanover, New Hampshire, close to Dartmouth College where he taught for thirty-six years.

As befits a professor in retirement, Dr. Dankert's style is leisurely, and his treatment of the subject judicious and wise. Unlike some economists, he pays close attention to matters purely literary and philosophical, and he quotes with approval Philip Wicksteed's belief that the prophet and the poet are on a higher level than the economist. One of his most valuable essays, moreover, is on "Adam Smith as Literary Stylist", where he reveals more than a nodding acquaintance with various practitioners of eighteenth-century prose. He tells us that Smith was a slow, deliberate writer who preferred to dictate to a secretary while he paced from one end of the room to the other. This practice may account for the discursive and repetitious quality of *The Wealth of Nations*, *The Theory of Moral Sentiments* and most of the rest of Smith's writings. Professor Dankert notes that his sentences run from nine to 258 words in length.

Adam Smith gave lectures on rhetoric and belles-lettres at the Universities of Edinburgh and Glasgow, where he instructed his students in the art of writing simply, directly and effectively. In one of these lectures, he declares that there are four main requisites for successful authorship: a thorough knowledge of the subject, the arrangement of one's ideas in a logical sequence, propriety, and expressiveness. Unfortunately, as Professor Dankert shows, "What he taught by precept he did not always demonstrate by example". Yet that much more polished stylist, Edward Gibbon, spoke of *The Wealth of Nations* as containing "the most profound ideas expressed in the most perspicuous language". If quotability is a standard by which we may judge an author's style, certainly Adam Smith, with his fondness for epigram, can be ranked fairly high. Two of Professor Dankert's essays give generous samples of such statements, a few of which have found their way into modern dictionaries of quotations.

* *Adam Smith: Man of Letters and Economist*. By Clyde E. Dankert. Hicksville, New York: Exposition Press, 1974. Pp. ix, 297. \$10.00

One of the students who heard Adam Smith's lectures at Glasgow in the academic year 1759-60 was young James Boswell, who describes him as an unusually approachable person, devoid of "that formal stiffness and Pedantry which is too often found in Professors". At the end of his course of lectures, Smith presented Boswell with a certificate on which he stated that his pupil was "happily possessed of a facility of manners" — a compliment Boswell received with enthusiasm and repeated with relish. Although Professor Dankert does not tell us that Boswell once considered Adam Smith as a possible subject for a full-length biography, he makes some interesting references to the apparently strained relationship between Smith and Dr. Johnson. Both Johnson and Boswell found Smith's partiality for David Hume indefensible, and Smith is reported to have said that "Of all writers antient and modern, he that keeps the greatest distance from common sense is Dr. Samuel Johnson".

Johnson was not, of course, a professional or even a semi-professional economist. Although he wrote an authoritative Preface to Richard Rolt's *Dictionary of Trade and Commerce*, his views on wealth and international business matters are those of an intelligent observer rather than a monetary expert. As Professor Dankert points out, the matters on which Johnson and Adam Smith would have agreed are rather commonplace: thrift is good, wasteful spending is bad; the purpose of accumulating riches is usually to parade riches; poverty is a great evil, but idleness is worse. Their ideas differed, however, in some important respects. Johnson contended, for instance, that "the prosperity of the people is proportionate to the number of hands and minds usefully employed", while Smith believed that "the most decisive mark of the prosperity of any country is the increase of the number of its inhabitants". Professor Dankert diplomatically suggests that neither of the great men was right in this instance. *How much* is produced is more important than *how many* hands and minds are usefully employed; and Smith's principle is dependent upon an ever-increasing wage fund, the source of which is hardly inexhaustible.

Both Johnson and Smith were opposed to slavery on economic as well as humane grounds. As for emigration, Johnson was emphatic that it was bad for the nation, and he saw no value in the establishment of colonies. Smith did not oppose emigration, but he was critical of the way in which Mercantilism had vitiated the economic affairs of the colonies. On the whole, Johnson favoured a balanced economy, believing that agriculture should never be sacrificed to the interests of commerce and manufacturing. Empire-building, he thought, was an undesirable policy, and he favoured, instead, the establishment of a self-sufficient state at home.

While sharing Johnson's confidence in agriculture as the most productive type of human employment, Smith placed strong emphasis on manufacturing, with the scope it affords to the domestic division of labour, and on international trade, which serves the interests of both the homeland and the developing countries. Yet he was opposed to the bounty on the exportation of wheat, while Johnson supported it. Both men recognized the value of economic self-interest, though both conceded that the individual quest for riches might have harmful effects. As Johnson expressed it, in *Rambler* 53, "too much eagerness of profit hurts the credit of the trader".

It is interesting to find both the great economist and the Great Cham discussing some problems which Galbraithian theories have conditioned us to consider exclusive to the "affluent society" of our own day — such matters as the influence of advertising, which has the effect, at times, of creating what Johnson called "artificial" desires. Smith believed that, while dealers might "sometimes decoy a weak customer to buy what he had no occasion for", the evil was not of dangerous proportions. Both agreed that a much greater threat to society was posed by such things as war profiteering. Their notions of an ideal, balanced economy were similar. As Smith phrased it, "Consumption is the sole end and purpose of production", and "the cheapness of consumption and the encouragement given to production" are "precisely the two effects which it is the great business of political economy to promote".

Johnson, strangely enough, had more faith in statistics, or "political arithmetic", as it was then called, than did Adam Smith, who was particularly distrustful of GNP figures, on the grounds that they were not as all-inclusive as they seemed. Perhaps it was a characteristic of Johnson's habit of mind to lean on precise calculations. "The national debt", he once said to Mrs. Thrale, "computing it at one hundred and eighty millions sterling, would, if converted into silver, serve to make a meridian of that metal . . . for the globe of the whole earth." The "good of counting", he informed Boswell, is that "it brings everything to a certainty, which before floated in the mind indefinitely".

Just as Johnson dabbled in quantitative economic theory, so Adam Smith concerned himself with theories of education, about the methods and purposes of which he had much to say in *The Wealth of Nations*. In many respects he himself was, as Professor Dankert points out, an ideal faculty member: "he took his class work seriously; he devoted a great deal of time to research and writing; . . . [and] he participated very actively in administrative work". He was also a diligent and popular student counsellor. Although there were no formal evaluations of teaching in his day, reports from his students indicate the reasons for his success as a professor. Unlike many of his contemporaries and successors, he usually avoided reading his lectures, relying instead on what one of his pupils called "extemporary elocution". His manner was not eloquent, but "plain and unaffected", and he generated great enthusiasm for his subject. His favourite lecture method was to advance a number of clear-cut propositions, often of a paradoxical kind. He had his faults too. He frequently digressed, into such fields as literary criticism, and for the first quarter of an hour, we are told, he always "stuttered and hesitated" until he warmed to his subject. But his strengths were more memorable than his shortcomings. On controversial issues he used "a pro-and-con type of approach, arguing with great vigour in simulated defence of positions contrary to his own". Employing many illustrations, he moved from the simple to the complex and back to the simple again. He also made an emotional appeal to his students, frequently stimulating "their feelings and their aesthetic sense", as well as their powers of reasoning.

Smith's largest class at Glasgow consisted of eighty to ninety students, whom he met each day from 7:30 to 8:30 a.m. and again at 11 a.m., when he tested them on

the lecture given at the earlier hour. Attendance at the second meeting was voluntary, however, and only a third of the class appeared for it. Twice a week he taught a smaller class of more advanced students, and he made himself available for private discussions, often in his own home. Some students, indeed, boarded with him, and received additional lessons and advice free of charge. It is little wonder that, in speaking of the things that motivate professors, Smith cites remuneration (in those days fees were paid directly to professors by their students), professional reputation, and student opinion. Out of experience he declared that the professor "still has some dependency upon the affection, gratitude, and favourable report of those who have attended upon his instructions; and these favourable sentiments", he continued, "he is likely to gain in no way so well as by deserving them, that is, by the abilities and diligence with which he discharges every part of his duty".

Ahead of his time in some respects, Adam Smith argued that student evaluation should, in effect, be the main method of assessing the worth of a professor, who should be paid in proportion to the number of students he manages to attract to his lectures. Excellence in teaching, which, in his view, included up-to-dateness of approach, should be encouraged by suitable financial rewards. The University of Oxford he found unsatisfactory, in this and in other respects, as the professors there, aware that they would get the same pay whether they taught well or badly, tended to neglect their students shamefully. The older universities, in fact, had "chosen to remain, for a long time, the sanctuaries in which exploded systems and obsolete prejudices found shelter and protection, after they had been hunted out of every other corner of the world".

Smith argued further that students ought to have the right to change from one class or section to another without penalty, "in case of neglect, inability, or bad usage". They should also have the right to select their own professors and their own universities. Persons who received scholarships should be able to use them at institutions of their own choice. For the *hoi polloi*, there should be plenty of educational opportunity, with the emphasis on diversification. The worker who is trained merely in the performance of a few simple operations, mechanically repeated from one day to the next, "generally becomes as stupid and ignorant as it is possible for a human creature to become". Education of a variegated kind is not only an antidote to ignorance, but to "the delusions of enthusiasm and superstition" as well. Interestingly, he was opposed to state training and licensing of teachers, as well as to unionization. The people themselves, he argued somewhat idealistically, "would soon find better teachers for themselves than any whom the state could provide".

An advocate of open and free competition in education as well as in manufacturing and commerce, Smith approved of self-help in the development of the intellect. This advocacy was consistent with his view, expressed in his *Theory of Moral Sentiments*, that self-command is the virtue from which all the others "seem to derive their principal lustre". The individual's greatest investment was in himself, though the state, in maintaining a person during his education, study, or apprenticeship, is also an investor in what is now called "human capital". Smith did not, however, "develop in any detail the notion that education could be used

intentionally as an instrument for economic growth. Our author wrote long before the development of 'the economics of educational planning'".

Since 1776, when *The Wealth of Nations* and the American Declaration of Independence vied with each other as the most significant writings of the year, many changes have been wrought, both in the fabric of education and in the nature of world economics. Yet Adam Smith's work is still regarded by some economists and historians "as the greatest landmark in the history of economic thought". The basic issues he dealt with, such as value determination, distribution theory, economic growth, and resource allocation remain basic today. The vocabulary of economics has, of course, expanded, and the world has become more complex. Yet the passage of two hundred years has not reduced the need for the kind of intelligent overview of the subject which Smith, with his exceptional qualities of intellect and his abundant common sense, was able to provide.

Professor Dankert is to be congratulated on his interesting presentation of the many facts of Adam Smith's contribution to eighteenth-century thought, but his proof-readers ought to be hanged for their delinquency. Some editorial care might have been exercised, too, to eliminate repetitions and passages of sloppy prose which tend to mar an otherwise useful book.