

PRAISE, BLAME, AND ORACLE: THE RHETORICAL
TROPES OF POLITICAL ECONOMY

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Abstract

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What I call the three master tropes of political economy (*praise*, *blame*, and *oracle*) are employed to demystify the writings of economists from the classical tradition epitomized by the moralist philosophy of the rhetorician Adam Smith, to the neoclassical schools proffering mathematical models to explain and predict, professing an infallible “science of economics.” Ideological and materialistic, economic writings are especially concerned with private and public virtue, and thus they are inherently epideictic because they employ value-laden rhetoric to shape human behavior by strengthening attitudes and beliefs about how material outcomes are ideally achieved, including in the purportedly value-free domain of neoclassical and modern mainstream economics. My key terms are a heuristic to better comprehend the range of disagreement in political economy, which belies a movement from social and historical rhetorical concerns (inductive reasoning) to logic-bound abstract methods of investigation (deductive rationality). Praise and blame are the tropes used to hone in on qualities worthy of honor or dishonor (the good, true, and beautiful) in economic affairs, including goals, methods, and the basic building blocks of analysis (thus, the rhetoric) of various economic schools of thought. Oracle refers to a special brand of knowledge production in classical political economy that is

demonstrated by the re-telling of creation myths and the rereading of history in search of the origins of human economics. Modern mainstream economics (an offshoot of neoclassical schools) employs the oracle to promise accurate prediction of the future by way of oblique signs found in complex mathematical models, but it ironically uses an inductive postulate of classical economics as a deductive (and uncontested) first principle—namely, the notion of individual self-interest as the prime motive of human behavior. I argue that the rhetoric of political economy is forever proving opposites, concerned with dramatic antithesis and reversals, a conflict that remains on the forefront of philosophy, rhetoric, and political economy, and which concerns the contrastive pairs of science versus social science, individualism versus collectivism, states versus markets, socialism versus capitalism, and finally, political economy versus a science of economics.

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Dedication

This is dedicated to my wife, Stephanie, and daughters, Jera and Ariane, for their love and encouragement, for doing double duty on chores, and for inspiring me through their dedication to their own projects and goals.

Prologue

Political Economy is Rhetorical in Praise, Blame and Oracle

Political economy (the “It” in this paragraph) is a study of human life’s most visceral needs, opulent excesses, horrid nightmares and fanciful dreams. It investigates the causes of staggering poverty and immense wealth, practical concerns and ethereal ideation.

Paradoxically, the rhetoric of political economy seeks to unite human endeavors even while it divides through definition and unequal shares. It struggles to understand how the components of material wealth can be further reduced to our social roles, our work, income, nation, geography, sex and race. It is metaphoric (no free lunch), metonymic (invisible hand), synecdochic (Gross Domestic Product), and ironic (jobless recovery).¹

It is a rhetoric that seeks to explain, praise, blame, and predict. As it defines, it also blurs human roles in the production and distribution of wealth. It explains the causes of material outcomes by using contrasting values, premises, methods, and goals. It is the art of small and large justifications of “what is,” and, based upon these ontological assessments of the present, envisions “what was” and “what should be.” It conversely praises and blames the very same things. Greed may be good or bad, unemployment intolerable or necessary, benign or malignant, systemically constructed or inevitable. It pronounces oracles about the future, and reads the past to explain the present. It is social by default because it is also about justice, virtue, and civil harmony. It asks, “Who gets what and why?” Fairness, by whatever standard, is a virtue, and it must strive for this or

¹ These are Kenneth Burke’s four master tropes of rhetoric: metaphor/perspective, metonymy/reduction, synecdoche/representation, and irony/dialectic (*Grammar of Motives* 503).

“virtue is dead, and humanity is lost!” Hyperbole (and rhetorical amplification) is required.

To define political economy is to invite disagreement—like rhetoric, it is a proving of opposites (see Burke *Rhetoric* 45). In *The Oxford Handbook of Political Economy*, Barry R. Weingast and Donald A. Wittman point to the many meanings of political economy, from Adam Smith’s “science of managing a nation’s resources as to generate wealth,” to Karl Marx’s “how ownership of the means of production influenced historical processes” (3).

For much of the twentieth century, the phrase political economy has had contradictory meanings. Sometimes it was viewed as an area of study (the interrelationship between economics and politics) while at other times it was viewed as a methodological approach. Even the methodological approach was divided into two parts—the economic approach (often called public choice) emphasizing individual rationality and the sociological approach where the level of analysis tended to be institutional. (3)

These authors “view political economy as a grand (if imperfect) synthesis of these various strands,” which captures the long-standing polarity between focus on individuals or institutions, but may understate the scope of dissent, even if limiting the developments to the twentieth century.

The range of disagreement in political economy is indeed staggering, and despite calls for consensus, the amount of dissension since the earliest days is not lost to Robert Malthus, who wishes it were otherwise:

In a science such as that of political economy [more morals and politics than mathematics], it is not expected to be that an *universal* assent should be obtained to all its important propositions; but, in order to give them their proper weight and justify their being acted upon, it is extremely desirable, indeed almost necessary, that a considerable *majority* of those who, from their attention to the subject, are considered by the public as likely to be the most competent judges, should agree in the truth of them. (3)

Over the years, the need to justify theories and practice within the small cloister of fellow economists and “competent judges” has spilled over into the need to convince the general public of some prevailing truths. For economists this has not been easy, and the proving of opposites in matters of such grave importance often perplexes the public: ²

The contest of economic ideas is ongoing. Controversies, discord, even bitter confrontations, pervade economic debate. This makes the subject interesting, albeit difficult, to study. It is frequently perplexing to members of the general public who, not unreasonably, expect economists to get their act together and speak with a more unified voice. (Stilwell 367)

Poverty and riches, individual agency and social motivations, induction and deduction, history and mathematics, perfect equilibrium and recurrent crisis, the list goes on and on. Where there is room for agonistic struggle, contrasting pairs insinuate themselves along the various fault lines between each version of the dismal science.

² Robert H. Frank remarks on the distrust that formed in earnest over one hundred years ago in *The Economic Naturalist Field Guide: Common Sense Principles for Troubled Times*, and notes “the general public continues to regard economists with suspicion” (1).

Political economy, like agonistic tragedy and drama, is concerned with reversals of circumstance, and thus partakes in rhetoric full of irony. Oscar Wilde, as usual, ahead of his time, captures an important truth about the dramatic tensions and social conflicts wrapped up in this contentious discipline:

Miss Prism. Cecily, you will read your Political Economy in my absence. The chapter on the Fall of the Rupee you may omit. It is somewhat too sensational. Even these metallic problems have their melodramatic side.

Cecily. (*Picks up books and throws them back on the table.*) Horrid Political Economy!

--Oscar Wilde, *The Importance of Being Earnest*, act 2. (qtd. in Cohen 1)

Horrid and melodramatic, political economy may not be so “academic” and distant as it first seems (could Cecily’s tantrum be an ironic ripple in response to the fall of the Rupee?). When the economy, like a benevolent but unruly cherub, dips, crawls, sneezes, hiccups, or worse, convulses, stumbles, or crashes, the reverberations knock around the orchestra pit in a chorus of expletives, panic, and blame. When things are good, the music is sweeter, and the dimpled cheeks of the winged seraph shine rosy with prosperity, promise, and praise. In good times and bad the future is scary because it is unknown, or it is hopeful because it is yet untainted; the prosperous and desperate all turn to the oracle to see if the future brings more happiness or less strife.

At the time of this writing, spring 2009, the crisis in the world economy has many wondering what went so wrong, and there has been not a little bout of expletives, panic,

and blame.³ Government leaders and wealthy business people seek the guidance of their venerated economists to help pin the blame on one another (even themselves!), or someone or something further aloft, and before long they shower praise amongst themselves for their foresight and resolve to make tough decisions. Then they begin to predict and forward scenarios favorable to a return to material well-being.⁴ This pattern of rising and falling economic fortunes, praise and blame of ideas and people, promise and prediction of recovery (or more grief), is as old as political economy itself, and though not exclusive, this trio—praise, blame, and oracle—are obligatory topics and modes of argumentation in political economy.⁵ My hope is to apply these key terms as a heuristic for a fresh approach to the rhetoric of economic writings that can help students of rhetoric and economics (or both) understand both the style and substance of what Thomas Carlyle called “the dismal science” (Carlyle qtd. in Coats 72).

Implausible as it first seems, the least eristic of Aristotle’s speech genres, epideictic speech, provides the basic framework for a rhetorical analysis of political economy.

³ And violence, unfortunately: I just heard a report of protesters being beaten by riot police at the G-20 summit in the London Financial District today, April 1, 2009.

⁴ Alan Schwartz, former CEO of Bear Stearns, and speaking for his tribe, hits all the key points: “But these things do occur with some regularity, and we haven’t ever figured out how to stop the next one from happening. I’m sure we’ll figure out how to prevent something like this from happening again. Wall Street is always good at fighting the last war. But these things happen and they’re big, and when they happen everybody tries to look at what happened in the previous six months to find someone or something to blame it on. But, in truth, it was a team effort. We all fucked up. Government. Rating agencies. Wall Street. Commercial banks. Regulators. Investors. Everybody” (qtd in *House of Cards* by William D. Cohan 450).

⁵ Liaquat Ahamed, writing about booms and busts (and incidents of praise and blame) in *Lords of Finance*, notes “these bubbles and crises seem to be deep-rooted in human nature and inherent to the capitalist system. By one count there have been sixty different crises since the early seventeenth century—the first documented bank panic can, however, be dated to A.D. 33 when the Emperor Tiberius had to inject one million gold pieces of public money into the Roman financial system to keep it from collapsing” (14).

While a broad range of rhetorical arguments are found in all forms of literature, including political economy, epideictic qualities (civic, celebratory, admonitory, literary, educational, and pleasurable) deserve some inspection for any study concerned with the rhetorical nature of written texts that attempt to define common values and direct social behavior—the very goals of political economy. In the next chapter I will address praise, blame and oracle’s relationship to classical and modern rhetoric in earnest, but first I want to convince you that the rhetoric of political economy is rooted in pervasive patterns of praise, blame, and oracle across boundaries—a true rhetoric of philosophical economic materialism.

In Robert Heilbroner’s *Teachings from the Worldly Philosophy*, he selectively reviews the history of economic thought, noting a pattern of praise and blame beginning with the teachings from the Bible. He summarizes that usury earns vehement denunciation, but notes with curiosity that

[i]t is the ambivalence with which the writers from both the Old and the New Testaments speak about wealth—at once admiringly and with contempt. Why should this have been: More interesting, why should it continue to be: Why do we “understand” the ambivalence regarding wealth, despite the enormous gulf between that ancient period and our own? (5)

Indeed, why so much dissension and praise and blame for the self-same wealth generating behaviors? And why the Janus-faced sorrow and joy? Heilbroner surmises that this is because wealth has always been a proxy for power, which is always “feared, resisted, and worshiped” (5), but over the course of time, despite the risk to one’s salvation, amassing wealth began to become an acceptable motive “that, if not especially

honorable,” was soon seen as a force for social progress (6). Heilbroner points to Aristotle’s distaste for the profit motive in *Politics Book I*, where I find praise and blame to be the key topics he uses to amplify in economic affairs:

Of the two sorts of money-making one . . . is part of household management, the other is retail trade; the former is necessary and honorable, and latter a kind of exchange which is justly censured; for it is unnatural, and a mode by which men gain from one another. The most hated sort, and with reason, is usury, which makes a gain out of money itself, and not from the natural use of it. (qtd. in Heilbroner 8)

The world of Aristotle, with its noble economy of household management, and virtue so closely tied to parentage and militant heroism (among other adored Attic attributes) could not stomach a community of retailers on the take. But how times, attitudes, and the rhetoric can change, responding to the tension between honorable and dishonorable economic behavior that remains a living and unanswered question today.

At one level, political economy asks what is the natural state of humanity, and how commerce affects the community as a whole. If you ask the *Oxford English Dictionary* to give a comprehensive meaning of *political economy* that includes the well being of society, you might feel shortchanged:

- a) the branch of economics dealing with the economic problems of government; (b)
= ECONOMICS n. 2 (now rare).

This definition acknowledges the political (“economic problems of government”) but awkwardly suggests that the *government’s* economic health is at stake. Moreover, the second definition (“now rare”) discourages equating it with economics proper. This

confuses the purpose of political economy and draws boundaries too tightly to be of use, but adding the definition for *economics* covers more ground:

The science or art of household management; domestic economy; (also) a treatise on this subject. (OED)

After Aristotle's noble endeavor, home economics, there is a reference to the political ("domestic economy") and writings ("treatise") on the topic. In common parlance, economics and political economy are hard to separate, given, for example, that political appointees act as "economic advisors," national policy touches international markets, and economic writings are often complexly weaved with political issues but rarely employ the term political economy. My point is that in many respects the terms are essentially interchangeable, so why talk about the political and not just the economy?

If the economy is shorthand for everything that matters to humans—food, shelter, community, pleasure, progeny, play (add yours here)—political economy links the satisfaction of these needs to the actions of the state. It directly assigns government authority the responsibility to use political means to meet human needs. James A. Caporaso and David P. Levine point out that political economy first grew to full stature in the eighteenth century to keep pace with the growing complexity of production and distribution of goods for satisfying human wants (1). Off the farms and into the industrial towns, people experienced less self-reliance, along with diminished importance of home economics and a greater importance on state economics as citizens. "[T]he head of state rather than the head of the household" became charged with managing public want satisfaction (Caporaso and Levine 1). Given this, citizens of a state have a stake and, perhaps, a voice in material outcomes. Citizens and leaders discuss and argue about how

products of labor and the gifts of the earth are allocated, and what actions (if any) the state should take to influence economic outcomes. Beyond debating the virtues or vices of the profit motive, the proper role of the state has been a perennial topic in political economy since Adam Smith first observed the problem of fulfilling essential social needs not addressed by private capital (and which he believed states are obliged to remedy).

In *Introduction to Political Economy*, Charles Sackrey, Geoffery Schneider, and Janet Knoedler direct their efforts to help readers understand the difference between political economy and mainstream economics:

Political economy . . . is more concerned [than mainstream economics] with the relationships of the economic system and its institutions to the rest of society and social development. It is sensitive to the influences of non-economic factors such as political and social institutions, morality, and ideology in determining economic events. It has a much broader focus than [mainstream] economics.

(Riddle, Shackleford, and Stamos qtd. in Sackery, Schneider, and Knoedler vii).

Early classical economists, they argue, “roamed far and wide” and placed few boundaries on their investigations of “how people produced their livelihood and how they divided it up” (viii). By contrast, modern mainstream economics borrows its ethos from the physical sciences and the scientific method, rarely venturing outside of “things that are not readily measurable or appropriate for quantitative model building” (viii). The authors argue what a less theoretical and more politically cogent discussion of economic principles might bear, asking for example, how vast income inequality with material consequences might be explained without resorting to mainstream explanations about how capitalism equates to political freedom (and works for everyone), and using instead a

Marxist approach grounded in a different conception of political economy. So, for example, instead of explaining how immense gaps in wealth among the poorest and the richest peoples occur by a process of economic natural selection (survival of the fittest), these authors believe it is more accurate to say that “[t]his is the case because our laws allow it,’ and pointing out that “lawmakers make rules of the capitalist game that allow individuals to accumulate vast fortunes” (17). Here, as Heilbroner stresses, the “political” nature of material wealth and poverty is privileged in contrast with the mainstream “theoretical” branch of economics that praises income inequality as essential to a healthy economy. This is also important to my study, because the very term “political economy” has fallen out of use in favor of simply “economics,” which I believe obscures the role of the political state to take responsibility for economic outcomes. In “Toward a Political Economy of Rhetoric,” Victor Villanueva argues that

the role of rhetoric, according to [Kenneth] Burke,’ is the demystification of the ideological. The role of political economy is the demystification of relations tied to the economic. If we’re to understand where we are and what is happening to us—maybe even to affect it—we need the tools provided by both. But we think of “economics’ as a numbers game. And we humanities types tend to fear numbers. (56)

This is particularly unfortunate for attempts to understand how economics contributes to racial and social inequality because the rhetorical reproduction of ideologies about “gender, race, class, age, nation, and religion, or any other of the axes of difference,” cannot be understood without an understanding of the economic (Villanueva 64). The numbers that lock out so many non-economists and even other economists who do more

social and less quantitative work must be recognized as a rhetorical trope designed to gain assent.

What I call the three “master tropes” of political economy --*praise, blame, and oracle*—may help demystify the writings of economist from classical tradition beginning with the moral philosophy of Adam Smith, to the cocksure⁶ schools that emphasize the “science of economics” and which use mathematical models to explain and predict. In the 1870s, a new “neoclassical” outlook proposed a pure science of economics, moving the study of general want satisfaction into a calculus of minute changes amongst millions of atomistic consumers and producers (see Heilbroner 199-233). Alfred Marshall’s *Principles of Political Economy* (1890) further moved political economy from moral philosophy and social science to a more remote garret where proper navel gazing could progress without interruptions from humanistic liberal philosophers (see Cohen 18). Despite Marxist, Keynesian, and scholarly attempts to re-invoke social grounds to economic understanding, “[r]eferences to political economy soon disappeared from polite conversation” (Cohen 19). Today, mainstream economics is only beginning to awake to the social and moral costs of treating economics as primarily an ideal mathematical concept. This study will of necessity discuss this transformation of political economy to the science of economics because its rhetoric is shaped through this struggle of identity and purpose. Can the economic be left to the economists? At this writing, the answer appears to be no, and the dramatic reversals of fortune invite a critical conversation to rise like a lion amongst the once sleepy lambs of the marketplace. We cannot afford more

⁶ Granted, this is a “colorful” term, but not merely stylistic, as Deirdre McCloskey has much to say about the rhetoric of a masculine demeanor in modern mainstream economics (see *Knowledge and Persuasion*).

isolation of the economic from real human concerns, and how humans persuade one another is necessary step in this cause. I turn now to how my approach can add a new appreciation and rhetorical understanding of political economy and economics.

Chapter One

Praise, Blame, and Oracle in the Worldly Philosophy of Political Economy

“Look Ma, a Metaphor:” The Stilted Conversation about Economic Rhetoric

My study of praise, blame and oracle is informed by the sparse yet lively literature concerning rhetoric and economics. The way to investigate economic texts rhetorically is not well defined, however, Deirdre McCloskey (formerly Donald McCloskey) has pioneered some good models of rhetorical analysis by applying the terminology of classical rhetoric with the sensibility of contemporary literary criticism. McCloskey's *The Rhetoric of Economics* turns a critical eye to a host of economic genres, and in *If You're So Smart: The Narrative of Economic Expertise*, she investigates the use of metaphors, narratives, ethos, and mathematics in economics to tell a story that persuades. McCloskey holds that the presence of rhetorical stories in economics is not cause for condemnation, or even avoidable, but simply that “a story can be good or bad. When it is bad in economics or other fields of expertise it can do damage” (*If You're So Smart* vii). As our current economic crisis attests, good and bad stories have consequences, so it behooves those of us in the business of language analysis to look closely at the stories they tell. At heart, a conservative neo-classical insider from the Chicago School (see her semi-autobiographical *The Bourgeois Virtues: Ethics for an Age of Commerce*), McCloskey has forged considerable connections between rhetoric and economics, often in the form of loving jabs (great wit is employed in mock Platonic dialogues between mainstream economist Arjo Klamer and McCloskey in *Knowledge and Persuasion in Economics*). McCloskey wants economists to recognize what every English professor knows about economics: It is, like other forms of speech, made

palatable by persuasive tactics. No harm no foul, as McCloskey only wants mainstream economists who rely on mathematical-based scientific methods to recognize what they do in order they might do it better. She does claim that “a rhetorical approach to economics fits better with being human,” noting that the “Method of Science” is not inhumane, but “only one tiny part of being human” (383 *Knowledge*). Her strongest criticism is reserved not for economic theories but to any and all economists who “sneer” at the very idea a humanistic rhetoric of economics, let alone what they will find if they actually look into it:

But you see the rhetorical problem. The argument is again unpersuasive to many in the audience, the many who sneer at the very word “humanistic” and could care less if some Oxford don thinks they are “barbarians.” Surely, they say as their lips curl in contempt, the purpose of all this wearisome mathematics is precisely to get away from the imprecise, touchie-feelie, value-laden, and yes, let it be said, feminine world of words and get over into the solid, precise, masculine world of Science. If such a proud world speaks only to itself, so much the better. The *superbia* yields good pay for talking to ourselves, in the style of pure mathematics. (382 *Knowledge*)

Granted, McCloskey’s work is often biting and satirical, and in this passage she hits the right notes by capturing the “sneer” factor in the corrosive conflict over methods.

Important to my rationale and an original contribution to the conversation, I am attempting to address one cogent critical response to McCloskey from MIT economist Robert M. Solow, who complains that most rhetorical approaches often “stop at the ‘look, Ma, a metaphor’ stage,” which is less than illuminating. He says McCloskey “writes as if

metaphor is a purely literary device for the economist, a way of expressing what he or she already knows,” when the simple truth is that “ a good metaphor is rather a way of finding things out” (34). Regarding the epistemological capacity of metaphor, McCloskey, I believe, thinks this too, and so do I (she disputes any split between substance and style, see Solow 286). More to my point is that an exploration of the master tropes of praise, blame and oracle affords substantive analysis and a look at the rich stylistic idiosyncrasies and consistencies of authors in political economy. My study may indeed be the answer to Solow’s call for a rhetorical analysis of “the connection between particular lines of economic analysis and particular rhetorical conventions” (35). This is especially true, because my work here is attuned to how the various methodologies of economic schools use the rhetoric of praise, blame and oracle. What is more, substantive arguments must all take some rhetorical form, however stylistically appropriate and engaging or vice versa. As a consequence, these strands of economic thought and accompanying systems cannot be neatly divided or evaluated as pieces of only substance or style. A rhetoric of political economy can bind “substance *or* style” to reveal the art of “substance *with* style.”

Rhetoric or Philosophy? Probability or Certainty? Method or Muddle?

I want to secure my study of the rhetoric of political economy in a very old controversy: The battle over methods and the positioning of formal logic as superior to informal reasoning in ascertaining truth. A review of the long-standing split over appropriate methods of reaching truth is illuminating, if not a bit difficult and arcane. Nevertheless, this helps understand how praise and blame spill into disputes over

methods, and the split between what Stephen Toulmin calls rationality (formal logic) and reason (informal logic) (see Toulmin *Return to Reason*). This conflict remains on the forefront of philosophy, rhetoric, and political economy. It is convenient and apropos that these subjects are bound together, because, like a collection of nesting eggs, this big controversy contains other contrastive pairs nested within this larger dispute: science versus social science, individualism versus collectivism, markets versus states, capitalism versus socialism (more will emerge), and finally, political economy versus a science of economics (sans politics and all that that implies--a critical point to my investigation). I want to crack this egg slowly, beginning with a tale of two sages that explores the role of the state in economic affairs. Along the way, comes a closer look at the ancient and modern notions of the nature of virtue so closely allied with economic behavior, the stalemate in the clash of formal logic versus informal reasoning, and what this means to a the conversation among the various methodological schools and rhetorics of political economy.

The Truth, The Whole Truth, and Nothing but Irony

To further explore the rhetorical expanse afforded in political economy, I want to tell two stories, one about Alan Greenspan from the current press, and the other from *Protagoras*, one of Plato's many dialogues about the role of rhetoric and virtue in human affairs. I include Greenspan on the latest economic crisis because his defense of modern capitalism captures topics in an ongoing dispute within political economy past and present—what is the role of the state and the nature of human virtue in economic affairs? Is there a special quality of human nature attuned to (the very reason for) capitalism?

Taking up perennial topics in political economy and philosophy, likewise, is *Protagoras*, because it is partially about the nature of virtue and how it is taught, but the larger story contains arguments about what methods of inquiry are more virtuous. Because political economy is closely aligned to philosophical questions, I invoke Heilbroner's somewhat accidental title⁷ to his brief history of economic thought (*The Teachings from the Worldly Philosophy*) because for me it captures the connection between the age old questions of philosophy about the "good" and how they are applied when moved from the realm of pure ideation to the concerns of human material well-being. As a method of public persuasion and teaching, political economy and philosophy share a predilection to muse about human nature and virtue. Thus, in my estimation, political economy carries on a rhetorical conversation or contest built upon and about age-old (and by nature cross-disciplinary) philosophical questions of the good and true, and the honorable and virtuous.

Alan Greenspan (1926--) lauded for his acuity as chairman of the US Federal Reserve from 1987 to 2006, and Protagoras (ca 490-420 BCE), credited sophist, famous for his dictum that humans are the measure of all things (Sprague 11), are an illustrative pair—contrastive and similar. Both famous in their own times, and both considered venerable sages with a retinue of admirers; one questioned by the impish Socrates in Plato's dialogue *Protagoras* regarding whether virtue can be taught, the other by a congressional committee in front of the world press about the lack of virtue that may

⁷ Heilbroner recounts an amusing story to explain: "I was aware that the word 'economics' was death at the box office, and I racked my brains for a substitute . . . I told [my editor] about my title difficulties, and said I was thinking of calling the book *The Money Philosophers*, although I knew 'money' wasn't quite right. 'You mean "worldly,"' he said. I said, 'I'll buy lunch'"(xiii).

have caused of the fiscal crisis of 2008 (and counting). Each clings to retain his gravitas and sagacious graces, but both are confronted with specific challenges to their methodologies and worldviews. Protagoras, a representative practitioner of eloquent and moving speech, is prodded by the tiresome Socrates, a master of definition and the dialectical method. Greenspan, a defender of mainstream neo-classical economics, is before a US Congressional committee eager for answers in the wake of an economic meltdown of epic proportions. While Protagoras has his hands full with the needling Socrates, the Socratic gadfly for Greenspan and mainstream economists is their previous insistence that something like this could not happen.

Greenspan, in response to questions about his support for deregulation of financial markets, says “that's precisely the reason I was shocked, because I have been going for 40 years or more with very considerable evidence that it was working exceptionally well” (Corn). I am reminded of the over-confident daredevil who jumped out of an airplane without a parachute, but who nonetheless exclaimed halfway down “so far, so good.” In an attempt to defend his record, Greenspan concedes, "I made a mistake in presuming that the self-interests of organizations, specifically banks and others, were such as that they were best capable of protecting their own shareholders and their equity in the firms" (Corn). In other words, he underestimated human error, greed, and folly in business leaders. Contrary to neoclassical models that assume self-preserving rational behavior, banks and other financial institutions sunk their own enterprises in a shortsighted pursuit of quick profits. Greenspan is perplexed that these majestic eagles of finance would soil their own nests. (unlike Lionel Robbins in Milonakis and Fine 271). Self-preservation,

reputation, and fealty to the firm are instincts bankers and business leaders were supposed to carry in spades. Of this presumptuous moral streak, one commentator writes:

In fact, it was always a matter of ideology for Greenspan, a libertarian champion. In 1963, writing in Rand's "Objectivist" newsletter, he noted, "It is in the self-interest of every businessman to have a reputation for honest dealings and a quality product." Regulation, he maintained, undermines this "superlatively moral system." Self-governance by choice, he said, would be more effective than governance through government. Regulation, Greenspan maintained, was the enemy of freedom: "At the bottom of the endless pile of paper work which characterizes all regulation lies a gun." (Corn)

Greenspan invokes the god-term⁸ "freedom" as higher value and first premise to justify his belief in voluntary compliance as a "superlatively moral system." This harkens Adam Smith's notion of the difference between positive and negative virtues, the former of which are voluntary and governed by public opinion, and the latter requires compliance and redress by punishment (Kennedy, Gavin 68). There is a long-standing use of Adam Smith by any number of economic schools who seek the moral ethos of Smith, substantively or by dubious pedigree (see Milonakis and Fine 283-4). In fact, Adam Smith, often invoked as a source of uncanny wisdom by mainstream economics to justify laissez-faire, believed banking too important to leave unregulated (Kennedy, Gavin 161). Smith chronicler, Gavin Kennedy, comments upon the misapplication of Smith's ideas

⁸ A "god term" Richard Weaver says is "that expression about which all other expressions are ranked as subordinate and serving dominations of powers" (212). Likewise, Burke says "freedom and necessity," are two primary generalizations that "characterize the quality of motives . . . names for the ultimates of motivation" (74).

when it comes to positing an always beneficial or benign social consequence of self-interested behavior:

These developments all look very neat and comforting, until the waywardness of human behavior enters into the picture (or, as Pufendorf expressed it elegantly, “it being much more easie to fansie perfect Men than to find them”). And Smith does not dodge the blemishes to the happy picture given by many modern tutors of his allegedly benign model caused by people pursuing their self-interest, though it is remarkable that his detailed comments on the misbehavior of people in economic systems have attracted so little comment. The self-interested actions of individuals do not always have benign consequences claimed by enthusiasts for his use of the metaphor “an invisible hand.” Smith provides many counter-examples (there are over 50 cases in Books I and II alone) to a supposedly universally benign invisible hand benefiting society in the universal way that modern economists claim (though never by him). (162)

Nevertheless, Greenspan holds the natural instincts of people are preferable to the coercive power of the state, at least until something really terrible happens to show this axiom to be more Ayn Rand than Adam Smith, more smug than accurate, more ideology than science, perhaps, much more like political economy than the science of economics. This leaves Greenspan in a paradoxical bind. “In other words, whoops—there goes decades of Ayn Rand down the drain” (Corn). If orthodox economic models fail to account for, and are rendered mute because of, human error, what good are the models?⁹

⁹ Frank Knight, a defender of “and outright deductive approach” says that the science of economics is “no less real or arbitrary,” than the natural sciences, but the difference “lies in the purposiveness of human behavior, and the fact that ‘human behavior is affected by

More close to the recent crisis, it is assumed that CEOs and bankers want their companies to survive. No wonder Greenspan was perplexed—how did he end up blaming human behavior when rational human economic behavior, the optimizing *homo economicus*¹⁰, is the cornerstone of neo-liberal economics?

This may be a contradiction, but it is perhaps more revealing as dramatic irony, which, Kenneth Burke says

arises when one tries, by the interaction of terms upon one another, to produce a development which uses all the terms. Hence from the standpoint of this total form (this “perspective of perspectives”), none of the participating “sub-perspectives” can be treated as either precisely right or precisely wrong.

(*Grammar* 512)

As part of Burke’s dramatisitic method, *irony* is paired with dialectic because even as participants in the debate (or dramatic situation, as Burke would have it) take sides in one aspect of the dispute, the audience must see all “sub-certainties” as “neither true nor false, but *contributory*“ (*Grammar* 513). Burke seizes upon this strong dialectical movement to encompass both sides as a necessary synthesis of contradictions:

As an overall ironic formula here, and one that has the quality of “inevitability,”

we could lay it down that ‘what goes forth as A returns as non-A.’ This is the

error’ in a way that natural phenomena are not. As a result, the function of economic principles is ‘to describe an ideal, not a reality’” (Milonakis and Fine 234).

¹⁰ A term John Stuart Mill defined as “a being who desires to possess wealth,” but he qualified his stance by “treating political economy as a partial and approximate science, whose premises and deductions need to be modified by non-economic factors and the results of other social sciences” (Milonakis and Fine 31). Neo-liberal *homo economicus* is a self-contained unit, a pleasure-seeking calculator shorn of political and social ties.

basic pattern that places the essence of drama and dialectic in the irony of the “peripety” [*peripeteia*], the strategic moment of reversal. (Burke *Grammar* 517)

*Political economy as a force of rhetoric tied to dialectically opposed positions is forever caught in ironical binds and unsettled disputes—(it is both A and not A) because in the long run it is a rhetoric of moral (philosophical) materialism and not a syllogism-friendly science amenable to formal logic. Demonstrating this sub-conversion to new perspectives, Greenspan, the former magnet of praise must accept blame, or at least diffuse it.*¹¹ As David Corn reports,

Greenspan said he had been “partially” wrong to believe that [derivative] swaps did not need regulation. But he did seek cover by claiming he had not been alone in screwing up: “The Federal Reserve had as good an economic organization as exists. If all those extraordinarily capable people were unable to foresee the development of this critical problem...we have to ask ourselves: Why is that? And the answer is that we're not smart enough as people. We just cannot see events that far in advance.” (Corn)

Positive economics pays special homage to the practice of reading the oracle from mathematical models, models that can predict even if the models themselves are flawed (see also Friedman “Expected Utility Hypothesis” 70, and McCloskey *Knowledge* 17-). Through the avowed ignorance of the Federal Reserve, Greenspan hints at the limits to a neoclassical promise of accurate prediction, but he maintains it is not the models that need to be improved—it’s the people who use them. If this were not the case, these ideas

¹¹ This moment shares an ironic (an apropos) bond with Greek tragedy, especially *Oedipus*, in which “the answer to the Sphinx’s riddle is “man,” meaning that he himself is the cause of his woes (Vernant and Vidal-Naquet 318).

might have to be abandoned. Of course, agreement in economics is always partial if not isolated in schools of thought and organizations, and plenty of “smart people” thought contrary:

But not everyone got it wrong. In the late 1990s, regulators at the CFTC wanted to regulate swaps. Gramm, Greenspan and others—including senior members of the Clinton administration—did not. Following the Enron debacle, Feinstein took a run at this. But Greenspan and Bush administration officials said no. And it was not an issue of smarts; it was a matter of ideology. (Corn)

I will have more to say further along about the ironic presence of a zealous ideological streak in a purportedly value-neutral neoclassical economics (see Stilwell 148). Moving from true certainty to a form of “certainty of like-minded others” Greenspan attempts to hedge his losses here by invoking a kind of consensus among his cohorts, even as he must acknowledge the flaws in this one-sided model. There is always enough blame to go around, and Greenspan’s error is diffused among a host of economists and policy makers whose first instinct is to allow “markets”¹² to run their course without government interference. In a testament to the rhetorical power of mainstream economic ideas, wishful thinking and convenient profits created the illusion of a “Washington Consensus” that allowed contrary voices to be ignored or stilled.

¹² The rhetorical richness of the word is taken up by James K. Galbraith, in *The Predator State*, where he says that “the word market is a *negation*,” elusive by design, since it is equated with freedom but, unlike physical institutions of the state, it is not located anywhere in particular and it cannot be judged or argued with. “It is a word to be applied to the context of any transaction so long as that transaction is not directly dictated by the state. The word has no content of its own because it is defined simply, and for reasons of politics, by what it is not” (19).

You can have your human error, and uncertainty, Greenspan seems to say, but leave me my models that are sufficient in all but this respect. Like the skydiver without a parachute, Greenspan thinks the decades long experiment in deregulation showed no signs of any problems (at least if you don't count billions spent during these years to shore up banks, auto companies, and other "too big to fail" enterprises that did in fact fail—see Ha-Joon Chang *Bad Samaritans*), and with the exception of a final hard landing (hardship and pain for millions of the world's people—see Naomi Klein's *Shock Doctrine*), things went rather swimmingly. Irony and contradiction indicate that pure Logic (the domain of non-contradiction and unquestionable premises and conclusions) has left the building. Enter rhetoric to make sense of the broken syllogisms of modern mainstream economics.

What Socrates? More Irony?

Flip back some two thousand years to Plato's *Protagoras*, another moment rich with contradiction and irony, and with some significant (if not coincidental) areas of interests to the rhetoric of political economy. Socrates has come to find out why Protagoras believes virtue can be taught. Socrates visits Protagoras at a gathering of the intellectual elite, furnishing an audience to referee and share in the dispute. Protagoras' achievements as man of wisdom are legion (see Sprague), but as a representative giant upon whose shoulders a class of newly emerging sophist stood (rhetoricians who charge fees) he is made the butt of Plato's humorous jabs; his voluminous diatribes and artful digressions are chastised even as they are marveled at. Like Greenspan, he is about to undergo a rigorous challenge to his elevated status and his methods.

To show that virtue can be taught, Protagoras considers whether to respond in the form of a story or reasoned argument. The choice is between informal narrative or formal logic, or “mere” rhetoric against a more rational method of investigation,¹³ and he decides a story is more pleasant¹⁴ (320c). Susan Jarrett sees this as a demonstration of Protagoras’ ability to astutely cater his discourse to his audience and his attempt to merge creative solutions that are compatible with an earlier social order:

As an old man among young men, he chooses an entreating narrative over dry argumentation as the most effective way of showing that civic responsibility can indeed be taught, Socrates’ objections to the contrary. Protagoras employs here parataxis, a syntactic structure characteristic of “primitive” story telling, including the Homeric epic poems. Free from the tighter bonds of its “logical alternative,” the loose association of clauses without hierarchical connectives or embedding is considered to be a less sophisticated organization than hypotaxis, the highest expression of which is Aristotelian propositional logic . . . [Protagoras] blurs the line between *mythos* and *logos*, spinning off moral arguments from straightforward narrative. These are not the repeated maxims and lessons of customary behavior learned through the oral tradition, but rather *new* solutions to the problems of social organization posed by democracy.” (Jarrett 51)

¹³ This makes the contrastive pairs analogical/experience versus analytical/experiment.

¹⁴ Ironic, because this seems to confirm Socrates’ notion of the pleasure principle he proposes later in the dialogue. If seeking the good is synonymous with seeking pleasure, then either Protagoras has chosen well by choosing the story, and he triumphs in the debate, or he has chosen poorly through ignorance. If he has done the later, he has miscalculated the relative pleasure and pain that may come about through his choice—a lack of the very skill he would require to teach virtue according to Socrates.

Linking Protagoras' method with Homeric poetics is useful to my view of this narrative as positing an alternative to dialectical syllogistic practice.¹⁵ Choosing this particular narrative highlights the importance of informal logic and reasoning to rhetorical inquiry and pedagogy, which seeks guidance through (though not a slave to) historical and cultural antecedents. Protagoras offers a way to view the real felt need for human cooperation (politics) as part of a set of competencies imparted to humanity by the gods. He re-tells the Greek creation myth in which Prometheus and Epimetheus are charged with bestowing upon all mortal creatures suitable strengths and advantages to ensure their protection and survival. Epimetheus, eager for the job (but a dolt of sorts) uses up the powers he has been provided on all the other beasts and leaves humankind without the proverbial urn to relieve oneself. No shoes, no weapons, no clothes, no beds (and thus, no economy and no virtue I would add).

Prometheus therefore, being at a loss to provide any means of salvation for man, stole from Hephaestus and Athena the gift of the skill in the arts, together with fire—for without fire it was impossible for anyone to possess or use this skill—bestowed it on man. In this way man acquired sufficient resources to keep himself alive, but had no political wisdom. (321c-d)

Indeed, no political wisdom yet, and with fire (technology) and art (skill) there is much to be done, but without politics, there can be no long-lasting concerted effort. In the meantime these scattered groups set up alters to the gods and developed through their art

¹⁵ As we know, Aristotle systematized the methodology of knowledge production, devising fallible and infallible categories of truth. The enthymeme represents a persuasive approach to truth finding where knowledge is by nature inconclusive, and invites the audience to finish the thought, to join the sentiment, to complete the attitude. For things that cannot be known beyond doubt (unlike a full proof (foolproof?) syllogism) there must be persuasion (Ch. 2 *Rhetoric*).

“articulate speech and names, and invented houses and clothes and shoes and bedding and got food from the earth” (322a). Along with the power of speech (a necessary but insufficient condition), in terms of early economics, this represents an epoch in meeting material needs, even if just the necessities. Speech, skill, and technology are put to use, but they are not enough, because humans remain scattered, and without the means to achieve cohesion they cannot defend themselves from the wild beasts. Zeus “fearing the total destruction of our race,” Protagoras continues, “sent Hermes to impart to men the qualities of respect for others and a sense of justice, so as to bring order into our cities and create a bond of friendship and union” (322 b-). In the thinking of modern and classical political economics, political institutions of the state are a necessary prerequisite to any kind of economic system, and especially modern capitalism¹⁶ (see Stilwell 355). Material outcomes in the ancient polis and modern nations are contingent on rhetoric to shape the rules. This is consistent with Burke’s extension of the role of rhetoric to social cohesion, which “lies outside the realm of strictly true-or-false propositions” (44):

The term “rhetoric” is no substitute for “magic,” “witchcraft,” “socialization,” “communication,” and so on. But the term rhetoric designates a *function* that is present in the areas variously covered by those other terms. And we are asking only that this *function* be recognized for what it is: a linguistic function by nature as *realistic* as a proverb, though it may be quite far from the kind of realism found in strictly “scientific realism.” For it is essentially a realism of the *act*: moral,

¹⁶ William Greider says modern capitalism is a “wondrous machine,” with “great power and creativity,” but this machine “appears to be running out of control toward some sort of abyss” (12). Greider seems to pick up the thrust of the parable, supporting active management, political foresight, and democratic resolve to manage this behemoth (see Greider *One World*).

persuasive—and acts are not “true and “false” in the sense that the propositions of “scientific realism” are. (44)

Remarkably fortunate for my desire to connect ancient and modern socio-economics to rhetoric, Burke is talking specifically about the rhetorical work in shaping economic conditions within human societies, citing how “magic” (rhetoric) may place restrictions on gaining excessive wealth by associating this wealth with malign witchcraft (45). “Economic conditions” and the tension between individual and social motivations are important “matters of rhetoric,” Burke says, because “nothing is more rhetorical in nature than a deliberation as to what is too much or too little, too early or too late; in such controversies, rhetoricians are forever ‘proving opposites’” (44-5). Nothing says more about what is too much or too little, too early or too late, than political economy.

Returning to the Greek myth, the paucity of human gifts is augmented by an innate sense of justice and mutual respect, the meaning of which must be debated and performed among citizens and not simply deduced between two philosophers. Using Burke’s terms, this is the function and act of rhetoric in a socio-political economic domain. Protagoras, in what Susan Jarrett sees as a zeal for democratic plurality (51), says “no one may be a layman [of virtue] if a state is to exist at all,” and in a rebuke to Socrates’ cult of esoteric knowledge amongst initiated philosophers, he adds “all are teachers of virtue to the best of their ability, and so you think that no one is” (327-8 323). The kernel of this creation myth of virtue and politics is that humans have the capacity and impetus to praise and blame in matters of social justice. Rhetoric and virtue are also imbricated. Everyone decries vice and the absence of virtue, Protagoras claims, because this human flaw, unlike many others, can be removed through instruction (323e).

Socrates complicates this straightforward narrative by dialectically deconstructing Protagoras' concept of a single notion of virtue. It is many distinct things, Socrates suggests, and not a single thing. Wisdom, Temperance, Courage, Justice, and Holiness, are all shown by Socrates to be virtues (329d--), but which at times are contrary to one another if not understood as separate means to achieve truth and honor in the pursuit of the good, which is, when he boils it down, desire for pleasure and avoidance of pain (355b-). Here Socrates' argument shifts to methods of determining which actions lead to honor and the good (pleasure) and which actions lead to evil (pain). Socrates says to teach these virtues a technique must be devised to judge the actions most likely to derive pleasure and avoid pain:

[S]ince our salvation in life has turned out to lie in the correct choice of pleasure and pain—more or less, greater or smaller, nearer or more distant—is it not in the first place a question of measurement, consisting as it does in the consideration of relative excess, defect, or equality? (357a-b)

Some two thousand plus years later, this notion was taken up by political philosophers John Locke and David Hume, and then by social philosopher, Jeremy Bentham, whose highly developed utilitarian theory lead to more explicit versions of a pleasure principle operating in individual economic decisions.¹⁷ Remarkably, Socrates' virtue seeking individual in the name of honor and the highest good pre-empts the existence of the

¹⁷ "Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*. It is for them alone to point out what we ought to do, as well as determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to the throne. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it" (Jeremy Bentham qtd. in Milonkais and Fine 19).

utility optimizing pleasure-seeking individuals so critical to modern mainstream economics.

Ironically, Socrates ends by proving what Protagoras first claimed but is now unwilling to concede, that human evil (lack of virtue, error, and pain) is the result of ignorance, a clear lack of knowledge, and thus it *can* be taught:

It seems to me that the present outcome of our talk is pointing at us, like a human adversary, the finger of accusation and scorn. If it had a voice it would say, ‘what an absurd pair you are, Socrates and Protagoras. One of you, having said at the beginning that virtue is not teachable, now is bent upon contradicting himself by trying to demonstrate that everything is knowledge—justice, temperance, and courage alike—which is the best way to prove that virtue *is* teachable. If virtue were something other than knowledge—which is what you are urging Socrates—then it will be most surprising if it cannot be taught. Protagoras on the other hand, who at the beginning supposed it to be teachable, now on the contrary seems to be bent on showing that it is almost anything other than knowledge, and this would make it least likely to be teachable. (361a-b)

Socrates, as proxy audience to his own debacle, concedes that the debate has sunken into “utter confusion” (361c), but the stalemate provides a proving of opposites with an ironic twist, all made possible by the odd dance between Protagoras and Socrates, each trying to lead and neither willing to follow. The result is a strange reversal of positions brought about by a refusal to reevaluate earlier positions.¹⁸ On the plus side, Socrates has

¹⁸ As Pereleman and Olbretchs-Tyteca note in their modern rhetoric, “Since two propositions are not incompatible but become so as the result to of a certain determination of notions with respect to particular circumstances, the techniques making

eliminated the contradiction by which various acts might be good or evil by defining virtue to mean calculated pleasure-seeking, and in so doing, he has undermined Protagoras' claim to know how to teach virtue ("What skill, or branch of knowledge it is, we shall leave off till later" 357b), while, ironically, proving that virtue can be taught. Socrates' conclusion predictably plays upon a special Socratic irony, as it seems that he does not intend to reach this conclusion ("Protagoras . . . please don't think that I have any other purpose in this discussion than to investigate the questions which continually baffle me" 348c—even if Plato certainly must!), and thus, he is shown to be more able to synthesize the elements of the controversy into a single whole, even if unable to reach some potent truth everyone can appreciate and agree upon.

Plato, an astute and entertaining puppeteer of his beloved teacher and this most infamous sophist, creates a highly dramatic atmosphere full of tension and comedy:

Here Protagoras brought an end to his long and magnificent display of eloquence. For a long time I gazed at him spellbound, eager to catch any further word he might utter. (328d)

As a "spellbound" Socrates testifies, Protagoras' poetic streams of language inspire awe but not necessarily syllogistic edification. There is something captivating and alluring, but more in the manner of a shiny object to a child, and not serious philosophy that illuminates the mind. In fact, Socrates seems to be lulled into a passive state. In either case, the demonstration of dialectic and rhetoric in tandem makes both interlocutors look somewhat foolish and puerile. Just as economists prefer to use their own methods of

it possible to show that statements are incompatible and the techniques for reestablishing compatibility are among the most important ones in any argumentation" (201). These contortions are accomplished with considerable difficulty (like a Twister game) and to some comedic affect.

investigation (McCloskey says they “sneer”) and appreciate the special tools of their analytical specializations, Socrates tries to coax Protagoras to bring his methods in line with his own:

What they told me, I answered, is that you have the gift of both speaking yourself and teaching others to speak, just as you prefer—either at length, so that you never run dry, or so shortly that no one could beat you for brevity. If then you are going to talk to me, please use the second method and be brief. Frankly, Socrates, said he, I have fought many a contest of words, and if I had done as you bid me, that is, adopted the method chosen by my opponent, I should have proved no better than any one else, nor would the name Protagoras have been heard of in Greece. (334e-325)

Protagoras accedes to the Socratic method (short questions and answers), but only after Socrates threatens to walk out (“It seems it was not my business to remain any longer in the discussions” 335b). As a result, Protagoras loses his edge, and he becomes as bored and listless as a child:

You seem to be bent on having your own way, Socrates, and getting me to give the answers; so to humor you, I will say that on our agreed assumptions it seems to be impossible. (360e)

Although Protagoras is careless with his terms (virtue for example) and revels in the sound of his own voice, he is often profound and shows penetrating intelligence. By contrast, Socrates is mockingly self-effacing and self-amused, and though earnest, he is demanding, hair-splitting, and also childish when he threatens to walk out of the discussion. In the end, Plato seems to show Socrates employing more rigor and precision

with his deductive method, which is ruled by the rule of non-contradiction (and a conflation of motive and agency):

We agreed that each thing has one contrary and no more, that what is done in a contrary manner is done by a contrary agency, that a foolish action is contrary to a temperate one, and that a temperate action is performed with temperance and a foolish one with folly. (332d)

Near the end of the dialogue, Socrates wants to follow-up “with a determined attack on virtue itself and its essential nature” (361c-), showing that there has been no solution, but on the other hand, like a failed experiment, Socrates thinks he knows where to look next. In form and in substance, the contradictory and ironic elements in the dialogue, while lively and entertaining, have failed to succinctly eliminate opposing arguments, much less engage them fully. For Plato, this seems to represent a lamentable outcome of rhetoric and dialectic done the wrong way; a lethal mixture of methods that blows up in the face of the interlocutors. A stalemate is the moment between certainty, or its nearest substitute, a most probable truth, and thus it is invitation to rhetoric.

The clash of sophistical rhetoric and dialectical methodology to truth finding is the subject of Plato’s *Protagoras*, which is strikingly close to the heart of the battle over methods in political economy. This clash is explored in Dimitris Milonakis and Ben Fine’s *From Political Economy to Economics: Method, the Social and the Historical in the Evolution of Economic Theory*,¹⁹ an astute look at “the shifting boundaries between the economic and the non-economic, all set within a methodological context,” and the

¹⁹ The book jacket features a photograph of two sumo wrestlers locked in battle with their huge stomachs pressed together and what appears to be each man attempting to blind one another with their fingers (image credited to Bill Ray/Time Life Pictures/ Getty Images).

story of the “desocialisation and dehistoricisation of the dismal science,” an event that “heralded the separation of economics from the other social sciences at the beginning of the twentieth century” (1). Underpinning this split is the battle over methods and their compatibility. To put a face on the dispute, for me Protagoras represents political economy and Socrates the economic shorn of its political origins. Socrates is the abstract scientist, and Protagoras is the cultural humanist. Protagoras is inductive (mainly) and Socrates is deductive (mainly).

Protagoras, as Plato writes him, embodies the key features of pre-Socratic sophists, “teachers of philosophy, rhetoric, practical knowledge, and verbal skill who were gradually supplanting the poets at the center of the Greek *paideia*” (Swearingen 59). C. Jan Swearingen notes how Plato’s treatment of the sophists in his dialogues critically dramatizes a contrast between “‘true’ *philosophoi* with ‘false’ *sophistai*” in the same tradition of earlier critics of the “new education, “ with “echos of Parmenides’ Way of Truth and Way of Opinion” (59). Protagoras is brought to silence at the end (an achievement by itself?), but if Socrates’ method is superior (as one might expect Plato to claim), then why doesn’t Plato make him a clear victor? Why the muddle? Why the ironic stalemate? In *Rhetoric and Irony*, Swearingen explains that several of Plato’s “dialogues that place Socrates among the Sophists” (*Gorgias*, *Hippias*, *Protagoras*, *Craytus*, and *Theaetetus*) were intended to generate “remedies and antidotes to the sophistic teachings” he viewed as preying upon the gullible with the way of opinion without concern for truth²⁰ (59). According to Swearingen, Plato wants to reform and not abolish rhetoric by attempting to impose the dialectic method and a philosophical

²⁰ One big part of Swearingen’s argument here is Plato’s preference for oral teaching over written, which I need not take up here.

detachment in rhetorical debates. And thus, for Swearingen, the inconclusive nature of these dialogues is not accidental or merely stylistically ironic, but part of Plato's instructive method:

One way of exemplifying the inadequacy of both these *technai* [dialectic and rhetoric], indeed any *techne* per se, is to enact the abuse being described. The result is irony, but an irony which points a finger at the more clear-cut irony of imitating truth. (91)

Swearingen invokes Kierkegaard's "magisterial appraisal of irony," in which doubt is a necessary impetus to an honest inquiry for the truth (91), and so in this context, Plato affirms that Socrates is at least cognizant of this condition when he says that the "present outcome of our talk is pointing at us, like a human adversary, the finger of accusation and scorn. If it had a voice it would say, 'what an absurd pair you are, Socrates and Protagoras'" (361a). Swearingen's appraisal of Plato's irony is as a kind of understanding that can lead to truth:

The Socrates given us by Plato doesn't reach conclusions. Nor does he give the impression that he really knows. Instead, he gives the impression—sometimes playfully, often irritatingly—that he does not know, as he teaches the process of dialectical inquiry through dialogues that are presented as evolving among colleagues. Segments within each dialogue exemplify the failing of this ideal, as assorted tough guys refuse to accept the rules and attempt to refute the rules in word and deed alike. Emphasis on the interlocutory context of the dialectic is also embodied in the characterization of dialectic as the art of "true opinion," and by its juxtaposition with rhetoric as the art of false opinion. The dialogical

dialectic presented by Plato may be viewed as an improved version of the eristic and sophistic dialectician. Aristotle's depiction of rhetoric and dialectic as methodological counterparts (*antistrophani*) attempted silence on the issue of rhetoric's truth, and became the authoritative, definitive alignment for several subsequent traditions. Plato's solution to the dichotomy between dialogue dialectic and rhetoric—to unify both under dialogue—nonetheless continued to influence conceptualizations of philosophical rhetoric, and preserved an awareness of the rhetoric of philosophy. (90)

So this is part of the reason for the split and affinity between philosophy and rhetoric. The ambivalence of Plato is replaced by the view of Aristotle, who, as we know, held rhetoric to be a part of dialectic, but dialectic as a separate means to ascertain positive truths, and rhetoric as a means to reach best probable truths when absolute truth is unreachable in a social context:

For Aristotle, the similarity between rhetoric and dialectic was all-important. According to him they differ only in that dialectic provides us with the techniques of discussion for a common search for truth, while rhetoric teaches how to conduct a debate in which various points of view are expressed and the decision is left up to the audience. This distinction shows why dialectic has been traditionally considered as a serious matter by philosophers, whereas rhetoric has been regarded with contempt. Truth, it was held, presided over dialectical discussion, and the interlocutors had to reach agreement about it by themselves, whereas rhetoric taught only how to present a point of view—that is to say, a

partial aspect of the question—and the decision of the issue was left up to a third person. (Perelman, *The New Rhetoric: A Theory* 1082)

The strong presence of audience in *Protagoras* might point to Plato giving rhetoric its due, or at least a fair trial in the court of his dialogue. On a number of occasions, the spectators participate and try to establish order (“But don’t you see Socrates, [Callias] said. Protagoras is surely right in thinking that he is entitled to talk in the way that suits him, just as much as you are” 336b). The presence of the elite Athenians, the friend to whom Socrates is recounting the events, Hippocrates (the youth who wished to purchase wisdom), and readers (in contradistinction to Plato’s own ironic criticism of writing), all provide an audience to judge the events, and attempt to uphold the goodwill of the interlocutors.

Swearingen’s notion of Plato’s deliberate irony is useful to my attempts to show and explain the clash of praise and blame in economics as suffering from the same cross-methods and cross-purposes, which is exacerbated by a lack of goodwill, or perhaps, even hostility and impatience. Ironic, because Protagoras professes an innate human goodwill in the name of justice and truth, but he is less than magnanimous in acceding to Socrates’ method. Likewise, Socrates is intent on using his own method and having no truck with others, much like modern mainstream economists who sneer at economic schools that include cultural and historical factors to their analysis (Marxists and Institutionalists economists, for example, see Stilwell 207-45). Tussles and Tirades (an “its personal this time” ethos) in political economy are legend, and they commonly involve disputes over methods. For example, the induction verses deduction debate, made famous by “the *methodenstreit* or ‘Battle of Methods,’ which took place between 1883-4 between Carl

Menger and Gustav Schmoller,” pitted Menger’s abstract deductive analysis of individuals pursuing self interest against Schmoller’s inductive approach grounded in historical, statistical, and descriptive reality (105-7 Milonakis and Fine).

The science of economics, a distillation of political economy that retains only a fraction of the original parent tincture, took the study of wealth and poverty and focused on individuals seeking their own economic ends. This puts us back to the pre-polity of Protagoras’ tale. While a scattered humanity without a sense of justice and respect for all members might provide the simple necessities of life, it cannot defend itself in a hostile world, much less produce surplus goods for profit or leisure. The wide-ranging musings of Protagoras, loosely constructed and based in myth, history, and cultural knowledge, is replaced by the careful measurements and definitions of Socrates’ rational method. The politico-social falls to the abstract-scientific. In political economy, the split between methods of argument are striking, as incompatible and cantankerous as the needling rationality of Socrates and the digressive diatribes of Protagoras. As with the entrenched camps of economic schools, neither seems capable of establishing an infallible truth in isolation, and discussion between these methodologies and approaches often ends in an ironic and inconclusive stalemate. Inherent in the rhetoric of political economy is a struggle to gain the high ground in the realm of virtuous and honorable thoughts and actions. Political economy involves a value-laden attempt to shape human behavior through shaping attitudes and beliefs about how material outcomes are achieved. Praise and blame are used to hone in on qualities worthy of honor or dishonor in economic affairs. Employing a special brand of knowledge production is the re-telling of creation myths and reading of history for the origins of human nature in oblique signs. This

reading of the past and prediction of the future is one key aspect of what I mean by the term *oracle*. Mainstream economics is also a rhetoric of values, albeit one that moonlights outside the purity of its scientific methods by taping into the grandiose fables of our culture. In the wake of the most recent economic crisis, praise, blame, and oracle are more palpable now than in recent history.

Chapter Two

The Rhetorical Sensibility in Epideitic Political Economy

In line with Protagoras' claim that all humans have the propensity to instruct in virtue and guide the activity of the polis, Adam Smith's political economy overtly proposes a moral philosophy of commercial relationships and offers stern guidance to those who would lead a moral life as citizens. The demands upon early political economy to explain the commercial revolution pushed philosophical inquiry to its limits, and thus helped give rise to the original prototypical social science attuned to an entire web of interrelationships of producing and consuming goods; in other words, the economic and the non-economic were not yet split into separate spheres, and thus Smith's political economy formed the basis of a unified study (Milonakis and Fine 4). Before exploring Smith's rhetoric in more detail, I think it illuminating to explore some of the theoretical and practical traditions associated the epideitic sensibility in classical and modern rhetoric, as this is the ground floor of social science (and political economy), and good place to further develop what I mean by praise, blame, and oracle.

Praise, Blame and Oracle in Classical and Modern Traditions

The epideitic genre (from *epideixis*: "exhibition," "public lecture," "oratorical display") is characterized by praise (*encomium*) and blame (*psogos*), and boasts a number of famous practitioners in ancient Greece, Isocrates and Gorgias, to name two heavyweights. However, this genre is often viewed as "a poor relation to the more popular deliberative and judicial rhetorical genres" (Pernot 175-6), despite good reasons to see this persuasive mode as more than an ornamental adjunct to "more serious"

rhetorical discourse. Moreover, because epideitic speeches were read in private settings (though often performed in public), and sometimes concerned with entertaining and lighthearted topics,²¹ they gained a reputation for spouting eloquent and entertaining verbal gymnastics without regard to “truth” or “substance.” Despite attempts by scholars to limit the importance, scope, and purpose of epideitic rhetoric, its written form predated and fomented the explosion of prose literature, and its methods of persuasion relied less on logical proofs than on its ability to tap into shared beliefs that needed little to no proof. While the character of epideitic speech elides a single description, its simple preoccupation with moral values and the ethos of the ancient polis produced remarkable works of social persuasion. Implausible as it first seems, the least eristic of Aristotle’s speech genres provides the basic framework for a rhetorical analysis of contemporary public debates in the social sciences, and more specifically in political economy. While a broad range of rhetorical arguments are found in all forms of literature, epideitic qualities (celebratory, admonitory, literary, educational, and pleasurable) deserve some inspection for any study concerned with the rhetorical nature of written texts that attempt to define common values and direct social behavior. Political economy finds a counterpart in classical rhetorical precedents that first defined and appreciated epideitic discourse—the source of persuasion at the heart of praise, blame, and oracle.

Aristotle didn’t invent epideitic, (a.k.a. encomium, invective, funeral oration, declamation, demonstration, panegyric) but he apparently found a need to place it in his

²¹ Aristotle says that praise may be “serious or frivolous” (1366a 29).

rhetorical “art,”²² which is why I begin with his work to introduce classical conceptions of the principles and purposes of epideictic oratory. Aristotle’s penchant for rigorous taxonomical thinking provides a starting point, and his *Rhetoric* subdivides rhetorical occasions into three beautifully simple yet radically circumscribed forms of persuasive speech.²³

<i>Kind</i>	<i>Subject of Argument</i>	<i>Time</i>	<i>Proximate Telos</i>	<i>Ultimate Telos</i>
deliberative	exhortation/dissuasion	future	advantageous/harmful	assembly
judicial	accusation/defense	past	justice/injustice	jury/judge
epideictic	praise/blame	present	honorable/dishonorable	spectator/auditor

Table adapted from Grimaldi (82).

These three distinct rhetorical genres—deliberative (political), judicial (forensic), and epideictic (ceremonial)—are differentiated according to their intended audience, their modes of argument appropriate to each kind, their relationship to time, and their various argumentative goals (ends, or *telos*). Of the argumentative and final ends, I follow Grimaldi and later rhetoricians in calling the argumentative ends (advantageous/harmful, etc.) proper to each genre the “proximate telos,” and the audience as final arbiter of the speech’s success by the term “ultimate telos” (82). In other words, the proximate end of establishing, say, honorable actions through praise and blame is but a step toward the

²² “An art is always grounded in a rational principle . . . consequently art is always able to explain what it is doing” (Grimaldi 4). Thus, Aristotle refutes Plato who calls it a “knack” (see *Gorgias* A2).

²³ As Grimaldi points out, this is similar to Plato’s *Phaedrus* (261ff), but ironically, epideictic is not mentioned here, even though Lysias’ written speech is clearly a declamation/encomium on a popular topic—love.

ultimate goal of persuading an audience. Just what this persuasion might entail is one question I will address in this essay.

Aristotle claims (in another round of neat and tidy threes) that of the “three elements of speech-making—speaker, subject, and person addressed—it is the last one, the hearer, that determines the speech’s end and object” (1358a ff). In the case of deliberative and judicial audiences, there is a decision and action that follows quickly after reaching the *ultimate telos*—a political policy is rejected or accepted because it is deemed good or bad for the state, a defendant is found guilty or not guilty of a crime—but in epideictic speech there is no immediate decision or action required from the audience. For example, the observer of epideictic speech should find that the orator has successfully attributed praise and blame upon some person, place or thing, which confers either honor or dishonor. According to Aristotle, at this point the audience is finished, they applaud (or not), either agree or disagree with the speaker’s choices, but generally take no issue with the fundamental values connected to honor and dishonor (see Perelman 48). The audience appears to be off the hook, so speak, when it comes to judgment and action; however, I will argue (as others have) that epideictic discourse contains a powerful antidote to its own apparent passivity: the transmission of knowledge not easily gained through logic, and “truths” so unassailable, they function as oracles, mouthpieces of the gods.

Perhaps this lack of required action contributes to the relatively short treatment epideictic receives from Aristotle, and it may explain why praise and blame arguments are generally derived from commonly held beliefs and social values that are not intended to excite more than superficial dissent. While epideictic speech is rhetorical in the sense that

it benefits from “the art” in the manner Aristotle defines as “observing in any given case the available means of persuasion” (1355b 26), it is not especially eristic or combative in the same way that deliberative and judicial proceedings rely on opposing interlocutors, or what Protagoras and the first sophists called *dissoi logoi*, or “twofold arguments” on various topics²⁴ (see Sprague 279)

It is not as if Aristotle decided to include a square peg (epideitic) to go with the apparently more argumentative deliberative and judicial discourses. The genre in ancient Greece had already established a canon of great eulogies and panegyrics by statesmen (*Pericles’ Funeral Oration* by Thucydides), and scholars of eloquence the likes of Gorgias (*Encomium to Helen*) and Isocrates (*Panegyricus*). These, and other epideitic works “were showpieces famous throughout Greece” (Perelman 47). In one respect, it may be that Aristotle recognized the pervasiveness of epideitic, but undervalued this vaulted rhetoric, so unlike its other siblings, and open to much less logical precision than one presumes he would approve.²⁵ In line with this thinking, George Kennedy says that “Aristotle clearly thinks of epideitic as a speech pamphlet written to praise or vilify someone or something,” adding that the “*Rhetorica ad Alexandrum*”²⁶ speaks of the species of praise and blame rather than the genus of epideitic, though such speeches are delivered ‘not for the sake of contest, but of demonstration’” (153). Here, perhaps the

²⁴ The author of *Dissoi Logoi* is unknown, but it illustrates Protagoras’ claim that every argument has at least two opposing sides (see Schiappa in Ballif and Moran 146).

²⁵ Cicero, in *On Oratory and Orators*, has Antonius ponder on this topic. “These [divisions of rhetoric] appear to me to consist either in judicial pleadings, or in giving counsel; for that third kind, which was noticed by Crassus, and which, I hear, Aristotle himself, who has fully illustrated these subjects, added, is, though it be useful, less necessary” (B2.10).

²⁶ The *Rhetorica ad Alexandrum* is “[t]he best surviving example of full-length sophistic or practical handbook,” attributed to Anaximemes and believed to be contemporaneous with Aristotle’s *Rhetoric* (O’Rourke in Ballif and Moran 19).

meaning of “contest” is too restricted to be of use, as writers and orators of epideitic most certainly sought to win adherents and admirers. Nevertheless, the only chapter Aristotle dedicated wholly to epideitic topics seems to confirm Kennedy’s assessment:

We have now to consider Virtue and Vice, the Noble and the Base, since these are the objects of praise and blame. In doing so, we shall at the same time be finding out how to make our hearers take the required view of our own characters—our second method of persuasion. The ways in which to make them trust the goodness of other people are also the ways in which to make them trust our own. Praise, again, may be serious or frivolous; nor is it always of a human or divine being but often of inanimate things, or of the humblest of the lower animals. Here too we must know on what grounds to argue and must, therefore, now discuss the subject, though by way of illustration only. (1366a 23ff)

The stock arguments, or formal topics concerning praise and blame are the sole concern of his treatment of epideitic topics, and because Aristotle equates successful epideitic with the ethos of speakers (“our own characters”), speakers may indeed be engaged in winning the praise of the auditors even if they do not contest an opponent directly. One of the most striking features of Aristotle’s conception of epideitic speech is that he says it is uncontested because “the facts themselves are to be taken on trust: proof of them is only submitted on those rare occasions when they are not easily credible or when they have been set down to someone else” (1417b 32ff). Here again, the specter of untested propositions shows itself. The premiere role of ethos makes sense, given that Aristotle does not view epideitic as a place to propose and defend controversial logical proofs, make decisions on policy in a crisis, or send a defendant to death or financial ruin. In this

light, there is a good reason then, one might assume, for a less eristic role for epideitic discourse. Kennedy makes this more explicit, noting that for Aristotle epideitic speech is “addressed to spectators, who are concerned with the ability of the speaker, not to judges; they deal mostly with the present, though they may recall the past or anticipate the future” (152).

In fact, while Aristotle says that anything might be a good subject for epideitic, he only addresses the praise of persons and offers a set topics for amplification²⁷ to heighten the virtues of good men and deeds, illustrating, for example, how great actions can be effectively increased by comparisons to lesser deeds and men, and how acts of virtue and selflessness not yet evident can be praised as imminent. Which is to say that good men are certain to perform good actions in the future if they show promise (i.e., *signs*, like good parentage, education, wealth etc.) or have done so in the past (1366a 23ff). Here, as Kennedy and Grimaldi point out, the time principle is indeed flexible. If the audience is judging the *speaker* for their demonstration of eloquence instead of past crimes (judicial) or future policy (deliberative), then designating the “present” as the time with which the issue concerns makes sense. The role for the audience in Aristotle’s epideitic is certainly not on par with the power and agency of judicial and deliberative auditors. It is clear that the audience hears the speech in the present, but unlike legal and political discourse, no formal judgment is issued concerning the present.

Lest these incongruities raise doubts about the utility of Aristotle’s subdivisions of speech, Grimaldi stresses that Aristotle’s *Rhetoric* is not a purely theoretical treatise,

²⁷ Amplification is a “[r]hetorical device used to expand a simple statement . . . (comparison, division, accumulation, intimation, progression)” (Lanham 6). Thus, good actions are better, more frequent, done under adverse conditions, more unique (Corbett 238).

but rather a study in the *uses* of persuasion. The categories provide structure and method to Aristotle's formulations, not dogmatic strictures. Undue focus on perceived weaknesses in his subdivisions misses the point—their schematic primary features are not meant to be exclusive or exhaustive. So, where others see inconsistencies, Grimaldi's interpretation sees a (sometimes subtle) flexible unity based upon the practical nature of the work. For example, on the subject of the subdivisions of rhetorical genera, he concludes that “it seems correct to say that, although Aristotle's analysis of rhetoric is conditioned (as we see here) by the contemporary historical and cultural context and its somewhat circumscribed understanding of rhetoric, it would be wrong to restrict his analysis to such a limited compass. For as we have already seen in part, the nature of his analysis makes his treatise a critical study of all discourse as men [and women] employ it to communicate with their fellow men [and women].”²⁸ For Grimaldi, Aristotle devised the subdivisions and their characteristics to enhance his discussion of rhetoric writ large, which leaves open a larger role for epideictic speech to operate in persuasion beyond the present.

Edward P. Corbett's review of Aristotle's speech genres confirms the general distinctions of the subdivisions, and one feature of epideictic (he points to the *Gettysburg Address* and “old fashioned Fourth of July speeches” as American examples) is that the goal is not to persuade as much as it is to please and inspire an audience (40). Corbett also senses that “Aristotle had to strain to fit a proper time-province” to epideictic discourse, “but in the interest of neatness he laid it down that ceremonial oratory was

²⁸ I add women to Grimaldi's recapitulation of Aristotle's universal declaration of rhetoric for humanity, but not where Aristotle and others say “men” when they mean only men.

primarily concerned with the present” (40). He acknowledges too, that the topics of praise and blame do invoke past and future events. In his treatment of *Pericles’ Funeral Oration*, Corbett rightly perceives that even if the audience does not need to be persuaded in a manner consistent with deliberative and forensic discourse, it does need to be “convinced” or “at least confirmed in its belief” (236). This can activate, he allows, an “indirect deliberative purpose,” suggesting that an audience “can be convinced that the men are deserving of praise it may be induced to go and be likewise” (236). I agree, and this latent (time-sensitive) goad to action establishes a critical bridge connecting praise and blame to the audience as decision makers, and moreover, judges of the virtues and actions that comprise honorable cultural values. Epideitic remains uncontested only as long as the underlying “truths,” or accepted precepts remain untested and/or unassailable. Moreover, the prerogative of latent action—delayed judgment and only partial assent—can undo the neatly closed system Aristotle established for audiences of epideitic speech.

A good illustration of the primacy of shared values in epideitic prose is Thucydides’ reconstruction of *Pericles’ Funeral Oration*, which, Corbett stresses, is more devoted to praising the citizens and city of Athens than to the dead war heroes it ostensibly honors (237). Pericles both justifies his focus on Athens and demonstrates the role of amplification when he says, “And it was for this reason that I have spoken at such length about our city, because I wanted to make it clear that for us there is more at stake than there is for others who lack our advantages; also I wanted my words of praise for the dead to be set in the bright light of evidence” (qtd in Corbett 237). Here, statements about the virtues of Athenians and Athens are heightened and expanded to praise the dead—in effect, saying that the goodness of Athens proves the valor and virtue of the

fallen heroes.²⁹ Also, notice the demonstration of proof, which is none other than the “evidence” of the Athenian audiences’ good fortune and fealty to common values. In creating his audience as the recipient of praise, Pericles does not fail to include invective (blame) to admonish: “The people who have the most excuse for despising death are not the wretched and unfortunate, who have no hope of doing well for themselves, but those who run the risk of a complete reversal in their lives, and who feel the difference most intensely, if things went wrong for them” (qtd. in Corbett 237). In effect, this intimates that failures (in the past, present, or future) to live up to great achievements could/ can/will undo what virtue builds. This is a splendid example of a convex of time, and a complete reversal of fortune that seems to capture in a most comprehensive manner what Aristotle’s says at the conclusion of his discussion of special topics of praise: “No special treatment of censure and vituperation is needed. Knowing the above facts, we know their contraries, and it is out of these that speeches of censure are made” (1366 36). That is, knowing what comprises a great people is to know what can precipitate their downfall, knowing what is noble is to know what is base, and knowing how to amplify praise equips the orator to do the same with censure and blame.³⁰

Among the special topics appropriate to epideictic (virtues, physical attributes, actions, achievements), Corbett finds that Pericles characterizes four Athenian virtues (Justice, Wisdom, Prudence, and Magnanimity and Liberality), while stressing different

²⁹ My analysis of the text here is focused on amplification. Corbett might agree, though his gloss concerns only Pericles’ justification. He writes, “In other words, praise of the Athenian people reflects praise on the men who died in their cause, who sacrificed their own enjoyment of this way of life so that others could enjoy it” (237).

³⁰ On the subject of panegyrics, Cicero repeats this dictum: “As to the rules of censuring, it is clear that they are to be deduced from the vices contrary to these virtues” (*On Oratory*, B2.85).

virtues of the fallen soldiers (Courage, Gallantry, Loyalty, and Unselfishness) (237-8). Taking any one of these virtues out of context does little to mitigate their allure as idealizations, and yet their “truth” can only be assessed in the context of the Athenian polis that Pericles portrays. In praising democracy, for example, the existence of non-citizens without voting rights (women, slaves, foreigners) does little to dampen the audience’s acceptance of this value. In other words, while these *values* may go uncontested, their *applicability* to both the “real” and “idealized” Athenians must be established in the speech itself—they cannot be accepted in a vacuum. More than mere ornament and gesture, epideitic at its most triumphant moments is called upon to negotiate the entire *meaning of values in context*—the difference between the actual and the idealized. It responds to a host of questions: What values do we hold? How are they defined? What measure of proof is sufficient to establish their existence? How much deviation from our values do we tolerate? And, to what extent can idealized values become *more* “evident” through epideitic performance than they can possibly be demonstrated by logical proofs? The best method of gaining assent in a contest of values, which are ephemeral and can only *inhabit* (they cannot simply *be*) cannot be won without invoking the mimesis (imitation) of values reflected in the person, polis, or thing that is the subject of praise. The role of the epideitic speech is to show how the subjects of praise resemble the values that live through them and are responsible for their being.

Bringing in the work of Chaim Perelman and L. Olbrechts-Tyteca can enhance the notion of *meaning in context* and complicate my exploration of the role of persuasion in epideitic. They assert that for Aristotle the sole concern (proximate *telos*) of epideitic oratory is not so much with what is honorable or dishonorable, but with what is beautiful

or ugly. Aristotle intimates the same, and Corbett also when he notes that the audience is meant to be inspired and pleased at the conclusion of the speech. Thus, to reframe the *telos* slightly, the use of praise and blame to establish honor/dishonor is only a formality when the ultimate end is to impress the audience with aesthetic beauty through eloquence; this is what the “good” speaker accomplishes. “But in the absence of value-judgment, and of that of intensity of adherence, the theoreticians of speech, from Aristotle on, readily confused the concept of the beautiful, as the object of the speech (which was, besides, equivalent to the concept of ‘good’) with the aesthetic value of the speech itself” (Perelman and Olbrechts-Tyteca 48). For Perelman the goal of argumentation is *adherence*, “not to deduce the consequences from given premises . . . [but] rather to elicit or increase the adherence of the members of an audience to theses that are presented for their consent”³¹ (Perelman 9). Epideitic discourse, because it is not seeking to prove a logical proposition or expedient solution, best represents the raw motivational spirit that inhabits all argumentation and persuasion. It begins *movement* toward assent or dissent, closer to, or further from. Because it moves people, it can move them to assent or dissent, solace or violence. Perelman’s discussion of the potential to incite dissent captures these movements at their extremes:

[T]he epideitic genre is central to discourse because its role is to intensify adherence to values, adherence without which discourses that aim at provoking action cannot find the lever to move or to inspire their listeners. It may even happen that a funeral ceremony, arranged for mourners of a political victim, will

³¹ *Adherence* is plastic term of Perelman’s that has many functions, but it does bring to mind some characteristics of Kenneth Burke’s *Attitude* (50) and to a lesser extent *Identification*, in *A Rhetoric of Motives* (27).

degenerate into a riot requiring that the perpetrators be punished. Analysis of Antony's celebrated discourse in Shakespeare's *Julius Caesar* shows how artificial the distinction of genres really is, because the speaker who seeks to create a unity around certain values in an epideictic discourse—a funeral oration for example—can take advantage of the created emotion to incite to action, and revolt, those who before the discourse had thought only of gathering around the body of the deceased. (20)

Perelman suggests, as I do, that the aura of spectacle and performance is what inspired Aristotle to catalogue the features of epideictic speech, and led many to associate this genre “more with literature than with argumentation” (Perelman 19). The sonorous music of lively prose and the sublime confabulations of intellect and imagination have led many to appreciate the beauty of epideictic speech, yet this beauty is not the ultimate goal. Perelman believes that Aristotle, and others who see the glory of the speaker to be the final *telos* of epideictic, fail to recognize that “the goal is always to strengthen a consensus around certain values which one wants to see prevail and which should orient action in the future. It is in this way that all practical philosophy arises from the epideictic genre” (20). Practical philosophy (and I'll include the humanities, social sciences, and political economy) is concerned with the meaning of values in context, and attempts to answer the questions about common values I raised earlier.

Perelman and Olbrechts-Tyteca posit that the association of epideictic with literature (rather than with argumentation)³² “helped to bring about the later

³² In terms of style and tone, Aristotle holds that epideictic speech is the “most literary, [because] it is meant to be read” (1414a 16), which again demonstrates the non-eristic attributes in contrast to both forensic and deliberative speech.

disintegration of rhetoric, as the first two genres were appropriated by philosophy and dialectics, while the third was included in literary prose” (48-9). This split obscures the movements of epideictic in the domain of the liberal disciplines that were perceived to stand removed from the mimetic reenactments of social values. This is troublesome to any endeavor to demystify the modes of persuasion in order to understand how words lead to assent or dissent, or safety and danger. Consensus is achieved through variations of praise, blame, and oracle—they are the ways in which values are expressed and the raw material we rely upon to imagine and pursue our collective futures.

Finally, I think the ground is prepared discuss the role of *oracle* to persuade and amplify praise and blame. For my purposes, oracle refers to the species of proofs of rhetoric that, so to speak, fall “out of the mouths of babes.”³³ This *oraculum*,³⁴ from the Bible captures some of the key features of oracle as rhetorical proof in a multitude of forms: innocent of guile, not afflicted by worldly experience, prescient yet obscure, divine to those who can hear, and wise beyond measure. Oracles are the fountainhead of proofs that elude close inspection. They speak in parables, demand assent through riddles, and ply their magic in the interstices of self-knowledge and societal beliefs. It is the unknowable become known.

The association of rhetoric with oracle is found in ancient Greek mythic traditions, serving as a conduit of divine knowledge in human affairs.

Persuasion (*Peithō*) occupies a significant place in the Greek thought of the era, represented in literary texts and on vase paintings not only as a literary and

³³ “And said unto him, Hearest thou what these say? And Jesus saith unto them, Yea; have ye never read, Out of the mouth of babes and sucklings thou has perfected praise?” Mathew 21:16.

³⁴ “The quoting of God’s Words or Commandments” (Lanham 69).

intellectual concept, but also as a personification of a human power and a goddess complete with a mythological genealogy and cult status in some sanctuaries . . . Sometimes it symbolizes seduction and trickery, sometimes the refusal of violence and the search for good social order. (Pernot 8)

Laurent Pernot also sees in the Homeric verses a continuance of the earliest conversations among the gods and humans, and the poet represents this activity by giving voice to gods, humans, truth, justice, and deceit (8). Literature in ancient Greece grew out of this tradition, and moving from meter to prose created newer opportunities for rhetorical discourse. In the hey-day of Athenian democracy, literature helped to translate values into rhetorical speeches, debates, and verse. Tragedy performed it on the stage (8). In *Myth and Tragedy in Ancient Greece*, Jean-Pierre Vernant and Pierre Vidal-Naquet offer insight into the ambiguous mutterings of the oracle, noting that in “tragedy, the oracle is always enigmatic but never lies. It does not deceive [humankind] but allows . . . the opportunity to err (105). Moreover, the oracle transports the words of the gods to the ears of the mortals. “In Greek society, one of the normal means of communications between gods and human beings was oracular divination. In tragedy, the one thing never questioned by the chorus is the sovereignty of the oracle” (Vernant and Naquet 317).

Ironically, Plato’s *Phaedrus*, known for its attempt to reform the crimes of rhetoric into the service of philosophically found truths, is a good example of using praise, blame, and oracle to persuade. Blame is present when Plato has Socrates decry Lysias’ disingenuous encomium to Love:

Then out of respect for him, and in awe of Love himself, I should like to wash the bitter taste out of my mouth with a draught of wholesome discourse; and my

advice to Lysias is that he should lose no time telling us that, other things being equal, favour should be accorded to the lover rather than the non-lover. (243d-e)

Praise is showered upon the serious pursuit of truth, the role of the philosopher.

Concerning Isocrates, Socrates ventures to prophesize:

It seems to me that his natural powers give him a superiority over anything that Lysias has achieved in literature, and also that in point of character he is of a nobler composition; hence it would not surprise me if with advancing years he made all his literary predecessors look like very small fry; that is, supposing him to persist in the actual type of writing in which he engages at the present; still more so, if he should become dissatisfied with such work, and a sublimer impulse lead him to do greater things. For that mind of his, Phaedrus, contains an innate tincture of philosophy. (279a-b)

Both selections contain admonitions and edification (Lysias should mend his ways for his affront to Love, and Isocrates should not stray from his recent good behavior, which may become even more noble). Both are examples of steering praise and blame to some definite actions in the service of what is honorable, beautiful, and good.³⁵

Oracle is already evident in production of praise and blame, with references to divine Love, prophesy, and the “innate tincture of philosophy” that transforms mere speechwriters into true lovers of wisdom, capable of discovering truth. Moreover,

Socrates’ knowledge of “the good” is aided by a divine presence:

. . . there came to me my familiar divine sign—which always checks on me when on the point of doing something or other—and all at once I seemed to hear a

³⁵ Notice amplification too, which takes multiple forms by using Lysias and Isocrates as “more noble and less noble” topics.

voice, forbidding me to leave the spot until I had made atonement for some offense to heaven. Now, you must know, I am a seer; not a very good one, it's true, but like a poor scholar, good enough for my own purposes. (242 b-d)

Socrates hears a divine voice, which, ironically, he equates with the limited knowledge of a “poor scholar,” who must use the talents and perceptions available, however meager their worth. In grappling with his seer talents, Socrates displays a key feature of the oracle, which speaks but must be heard in the correct way—it must be divined, so to speak, by the hearer before one knows what actions are proscribed.

More use of oracle is found in the mythic parable that drives Plato's story of the charioteer. Like divination, a true seer must translate the message so that others can understand it. The myth works as an example, or source of proof, and it is the main vehicle for Plato's reformation of rhetoric that he believes is superior to the practice of petty sophists or legal wranglers. Like epideictic values, oracle can only inhabit, it cannot be understood or expressed without the vehicle of the mimetic performance, which should take a form the audience can comprehend. For Plato, it is no use trying to make these idealized values speak for themselves in logic, it must be done by a philosopher, one who can tame the excesses of rhetoric to harness truth. As to the nature of the immortal soul, for example, Plato writes only “a god alone can tell: but what it *resembles*, that a man might tell in briefer compass; let this therefore be our manner of discourse” (my emphasis 246b-a). “What it resembles,”—this is the mimetic quality of epideictic discourse that seeks to convey truths that cannot succumb to mere logical quibbling. This

defines the oracle, which, as it passes from gods to humans the meaning must undergo a change.³⁶

While endowed with the power to reveal, the absence of certainty does not mitigate the power of the oracle. Passing an altar dedicated to Boreas, Phaedrus asks Socrates if he believes the myth. Socrates says that to disbelieve would be to follow those who propose to give “a scientific account,” of the gust of wind that blew Pharmaceia off the rocks to her death:

I regard such clever theories as no doubt attractive, but as the invention of clever, industrious people I myself have certainly no time for the business: and I'll tell you why, my friend: I can't yet 'know myself,' as the inscription at Delphi enjoins; and so long as ignorance remains it seems to me ridiculous to inquire into extraneous matters. Consequently I don't bother about such things, but accept the current beliefs about them, and direct my inquiries as I have just said, rather to myself.” (229-30 c-b)

The guileless and innocent myths are “extraneous matters,” outside the knowledge of imperfect humans, and they should rather be accepted “so long as that ignorance remains.” For Socrates, The Oracle of Delphi is a source of assent through riddles, and it

³⁶ In *Panegyricus*, Isocrates plays upon a similar line of argument. He invokes the story of Demeter (“which only the initiated may hear about”) in which she confers upon the inhabitants of ancient Athens “two gifts, the greatest there are—the fruits of the earth, which are the reason why we do not live like the beasts, and the mystic rite, which leads its participants to have more agreeable expectations about the ending of their lives and all eternity” (35). Isocrates follows the reasoning of Socrates, and holds that “the very antiquity of the story, which might cause one to scorn it, is reason for believing that the events took place: for because many have told and all have heard the story that is told about them, it should be regarded as no novel tale but a reliable tradition” (36-7). Remarkably, it is the virtues in the present (expressed in unexcelled arts and “assiduous worship of the gods”) that “provide even greater proofs than these concerning the events” (37). The oracle is never wrong, and likely to be proved by indirect signs.

promises real knowledge to those who can delay judgment where true knowledge is not certain. As Plato ravages against the rhetoricians of probabilities and witty showpieces, he performs a method of coaching common values and making the oracle speak sense to mere mortals.

Epideitic, more broadly, is more than a speech to win glory through pleasing an audience (though glory may be achieved), and it is not simply eloquence and clever sophistic speeches; it is a mode of persuasion in its own right. Aristotle's concern with audience shows that he believes each kind of speech is the result of varying audience expectations and roles, but his treatment of epideitic is skewed because he did not perceive the quality of latent action in the persuasive uses of praise, blame, and oracle. Aristotle's own brilliant conceptions of audience as *ultimate telos* led him to overly circumscribe in epideitic the prerogative of speakers to goad audiences to action. He may have underestimated the propensity for all persuasion to incite *movement*—as opposed to a timely decision. What's more, rhetorical goals depend less upon the category of speech and more upon the role of the audience as moral censor, and this includes deliberative and judicial discourse. This allows a less constrictive view of praise and blame than an adherence to Aristotle's categories can provide. While praise and blame may be an appropriate argumentative end to confer honor or dishonor (and yes, the beautiful and the ugly), the specific cultural attitudes of the audience provides the astute speaker with methods of moving audiences and proving the values through an appropriate oracle.³⁷

³⁷ Presidents (by virtue of the office) have oracular pretensions—they *inhabit* a hallowed office and speak for it. In invoking moral imperatives, Jimmy Carter proposed the values of austerity and self-reflection, and Ronald Reagan proposed expansion and self-reliance. In winning votes, Americans, for example, did not take positively to shame/blame

There are, no doubt, multiple avenues for ancient and modern audiences to hear arguments without any overt act or decision required, yet the workings of persuasion chip away moment by moment until an attitude or sentiment becomes complete assent or an overt act (Burke's *incipient act*,³⁸ or Perelman's *adherence*). This is exactly what I have in mind when I propose a rhetorical approach to written texts of political economy that privileges the epideitic spirit of movement, the raw power of persuasion, and the master tropes of praise, blame, and oracle. What remains undefined is left to work its magic in secret. I propose we turn on the lights.

Adam Smith's Praise, Blame and Oracle: Epideitic and Beyond

Classical epideitic speech concerns the conditions of the polis and its citizens, including favorable or unfavorable comparisons to former times and to other peoples (barbarians and rival states) outside the common social fabric of the audience.³⁹ In *An Inquiry into the Nature and Causes of the Wealth of Nations*, Adam Smith tries to provide a common understanding of the advantages and circumstances that made England (and Europe in general) wealthy compared to the "savages" he had read about living in the Americas (see Gavin Kennedy 5). According to Gavin Kennedy, the comparison "led him to ask 'of what did 'wealth' consist?' Was it money, or their access to the annual production of the 'necessaries, conveniences and amusements of life' unobtainable by the

(Carter), but responded to flattery/praise (Reagan), so this requires topics and values amenable to the nature of this audience.

³⁸ See *A Grammar of Motives* (235-6).

³⁹ In *Greek Orators III*, Stephen Usher writes of the topics of political and ceremonial oratory in Ancient Greece: "Themes for such speeches were inherent in the gatherings themselves: the brotherhood of the assembled Greeks, the need to cease internecine strife, and their common hatred of the barbarians" (1).

people of the ‘savage’ world?’” (5). In answering this question, as a moral philosopher, Smith also pondered the virtues and vices of his nation, the profit motive, the moral and economic imperatives of the state, and the reasons why some people toiled and a host of others directly and indirectly benefited from their work; in short, he considered the systems of production and distribution in a chain of social, historical, political, and ethical concerns. In this process he dispensed praise and blame to teach citizens and legislators the good or ill done to the nation by their economic behaviors and policy choices. There were no specific crimes or laws to be adjudicated by his audience in the Aristotelian sense of having to make a decision about a specific issue at hand; instead, in line with the emotive and instructional capacity of epideitic, Smith wanted to move his audience to embrace an attitude—an orientation to the economic defined in terms of personal and public virtue, and tied to an evolutionary chain of providential progress.

Perhaps this is more so because Adam Smith, whose name is synonymous with classical political economy and mainstream economics, was a one-time teacher of morals and jurisprudence and, as is evident in his prose, a teacher of rhetoric who sought to persuade in his *Wealth of Nations*. He captures the expansive notion of the epideitic branch of persuasion in the historical progression of poetry to prose and the formation of the liberal arts and sciences. Smith exemplifies the obligation in political economy to explain and predict, in addition to the perennial need to instruct in values and advise behavior through the tropes of praise and blame, and oracle.

John Maynard Keynes contemplates the expansive range of duties required of the economist, who must fulfill the features of praise, blame, and oracle, with (epideitic-like) concern for the “study of the *present* in light of the *past* for the purposes of the *future*”

(my emphasis, qtd. in Sackrey et al. 122). Keynes also captures the gist of Cicero's notion of a well-rounded orator in his estimation of the gifts required of Smith and his kin:

The study of economics does not seem to require any specialized gifts of an unusually high order. Is it not, intellectually regarded, a very easy subject compared with higher branches of philosophy or pure science? An easy subject, at which very few excel! The paradox finds its explanation, perhaps, in that the master economist must possess a rare combination of gifts . . . mathematician, historian, statesmen, philosopher—in some degree. (qtd. in Sackrey et al. 122)

With no “specialized gifts of a high order,” the political economist must be a student of varied subjects (what we might term “interdisciplinary”). This shares features with Aristotle's definition of rhetoric as an “art” unlike any other because it is not specialized:

Every other art can instruct or persuade about its own particular subject-matter, for instance, medicine about what is healthy and unhealthy, geometry about the properties of magnitudes, arithmetic about numbers, and the same is true of the other arts and sciences. But rhetoric we look upon as the power of observing the means of persuasion on almost any subject presented to us; and that is why we say that, in its technical character, it is not concerned with any special or definite class of subjects. (1355b 25-35)

Of course, the “technical character” of political economy certainly has expanded since Smith's day, but it does posit a large role for the need to search out the available means of persuasion in order to mitigate and dispel the kind of uncertainty found in political economy, which deals with many subjects, the composite of which is found in no

“definite class.” With such a monumental task for the political economist, there is room for plying advantage, while blurring distinctions between the modes of speech (epideitic, judicial, and deliberative). Kenneth Burke notes that epideitic speech is a catchall category of all kinds of rhetoric that is not specifically judicial or deliberative, with a host of other goals, such as to “complain, console, pacify, incite, frighten, encourage, instruct, narrate, plead for mercy, give thanks, congratulate, reproach, curse, describe, command, retract, state views [and] preferences” (*Rhetoric* 73). Burke’s list of functions helps to distinguish the *modus operandi* (formal arguments) of epideitic speech from its ultimate goals—all of which can be found in Smith’s work. Praise and blame, for my purposes, can perform all of the functions Burke outlines, but this requires a more expansive view of epideitic discourse than Aristotle allowed (conferring honor or dishonor, and speaking well about the “good”), and moves closer to Cicero’s composite rhetoric and his three “offices” of the orator: 1) to teach, inform, and instruct 2) to please, and 3) to move or “bend” (Burke 73). The required gifts of the political economist can be compared to the “offices” of the rhetor explored by Cicero, who also captures the importance of the emotional swings engendered by praise and blame by advising that “all the force and theory of speaking must be applied in calming or exciting the minds of those who constitute the audience” (qtd. in Kennedy *The Art of Rhetoric* 212).

Epideitic speech is the most literary, educative, and eloquent of Aristotle’s discourse genres, and its goal is to move audiences (as Cicero’s third office proscribes) to full or partial assent, and short of that, to plant the seed for assent in the future (see Perelman 9, Burke *Rhetoric* 72). Keeping to Cicero’s expanded purpose of rhetoric, my use of the terms praise, blame, and oracle (which includes myth-making and prophecy) in

political economy moves beyond its roots in ancient epideitic speech and is attuned to the multifaceted possibilities presented in the study of the production and distribution of material goods.

Smith's rhetoric moves beyond the goals of the categories of speech to include the special brand of expository public writing he employs in his *Wealth*. One clue to Smith's rhetorical method is found in his lectures to his students on rhetoric he delivered at the University of Glasgow,⁴⁰ where he interrupts his descriptions of the three modes of "eloquence" (wedged between epideitic and judicial) to digress upon a "species of writing" that he appears to deliberately employ in his *The Theory of Moral Sentiments* and *The Wealth of Nations*:

I mean the Didactic, in which the design of the writer is to lay down a proposition and prove this by the different arguments that lead to that conclusion. If there be one proposition necessary to be proved, there can be nothing more simple. The best method here, undoubtedly, is to lay down the proposition, and afterwards advance the several arguments that tend to prove it; which it may be summed up, or brought to conclude, in the same terms as the proposition. It is proper to begin with laying down the proposition as the arguments advanced will by that means make a greater impression on the mind, as it is evident at what they point, than if they were delivered without informing us what was to be the conclusion. But it will often happen, that, in order to prove the capital proposition, it will be necessary to prove several subordinate ones. In this case we are first to lay down

⁴⁰ "These manuscripts proved to be an almost complete set of student's notes on part of Smith's course on Moral Philosophy given in 1762-3, his last unbroken session as Professor at the University of Glasgow" (Introduction *Lectures on Rhetoric and Belles Letters* by John M. Lothian xii).

the proposition, and then shew in what manner the truth of it depends on that of some other propositions; and having proved this, sum up the whole as before.

(Lectures 136)

Pierre Force ponders Smith's contrastive methods in his two famous works that gives some understanding of the rhetorical method of inquiry and role of primary and subordinate propositions in both. In *The Theory of Moral Sentiments*, Force notes, Smith "operates in *more geometrico*," which entails advancing a first principle (sympathy) to be followed by the consequences of those principles (127). By contrast, in the *Wealth*, Force notes, Smith employs an analytic strategy, beginning with a problem "(what are the causes of the wealth of nations?), and he gradually analyzes the problem, by identifying explanatory principles that are more and more general" (127). Richard Weaver, in "The Phaedrus and the Nature of Rhetoric," exploring an expansive role of rhetoric in interpreting and instilling values, finds the same need to connect smaller sets of problems to an ultimate solution. He says, "All the terms in a rhetorical vocabulary are like links in a chain stretching up to some master link which transmits its influence down through the linkages. It is impossible to talk about rhetoric as effective expression without having as a term giving intelligibility to the whole discourse, the Good" (Weaver 23). The attraction of this strategy to Smith seems to be that it is both aesthetic and persuasive, adding in his lecture on didactic that "[i]t gives us a pleasure to see the phenomena which we reckoned the most unaccountable, all deduced from some principle (commonly, a well-known one) and all united in one chain, far superior to what we feel from the unconnected method, where everything is accounted for by itself, without any reference to the others" (*Lectures* 140). In this light, one can view Smith's examination of the

division of labor (with the example of the pin factory) at the beginning of the *Wealth* as an important link (a "sign" or "consequence") in a chain of other more fundamental propositions (primary principles) at work.

Mainstream and neo-liberal economists often point to "rational self-interest" or the "propensity to barter and trade," as the first principle of Smith's *Wealth*, but it may be rather, as Force argues, grounded in a supreme desire among humans to persuade one another, which is a product of the "faculties of reason and speech" (Force 125-6). Far too much emphasis on rational self-interest ("getting ahead") has clouded the role of human persuasion ("getting along") in Smith's intricate work, and the implications of such a reading may warrant placing rhetoric in the position as the "supreme" link in Smith's chain of causes and effects.

Adam Smith was a rhetorician and a moral philosopher, but of course, I must also grapple with Smith as a political economist. Still, I think there is much to be understood by looking at Smith as an overtly rhetorical moralist economist. In the search for the public appeal (past and present) of Smith's work (the proverbial keys in the dark), rhetoric is good light indeed for an examination of Smith's ideas through his style of persuasion. Smith's *Wealth of Nations* shares much with a prime goal of rhetoric, which is to define the "good" and, by extension, describe an ideal and proscribe a course of behavior. The two goals are overtly performed in Smith's political economy, and this speaks to the concerns of the classical school of political economy, a period that begins with Smith and ends with Karl Marx⁴¹ (Caporaso and Levine 33, Heilbroner *Worldly* 53-

⁴¹ Caporaso and Levine give some different ranges: "The period covered by classical political economy cannot be stated exactly. A restricted definition would extend from Adam Smith's *Wealth of Nations* in 1776 to John S. Mill's *Principles of Political*

159). Weaver points to the advisory moral compass proffered by rhetoric, which is obliged to present a “vision of how matters should go ideally and ethically,” which “inevitably impinges upon morality and politics” and “a scheme of values” (*Language* 1048). Weaver could have been writing about political economy instead of rhetoric, as the ideals and ethics that produce “schemes of values” go by many names—perfect competition, justice, liberty, equilibrium, free markets—and in Smith’s work the ideal economy is posited against the lived economy, impinged upon by moral and political values. Early political economy is in many respects a rhetoric of palpable human ethics (material outcomes) and a science of less tangible ideals (ideology). Turning to Weaver once again to explore Smith’s task as a persuasive one, he explains the role of the rhetorician as proffering a “supreme image” and an “order of presumptive goods” when instructing others to overthrow forgetfulness and vice. Weaver says, “This order is necessarily a hierarchy leading up to the ultimate good” (*Ethics* 23), which for Smith, includes the term “natural liberty” as a synonym for “freedom” and “providence,” because naming something as “necessary” or “natural” is just steps away from saying “god made it this way” (see Burke *Grammar* 74-6). In Aristotle’s estimation “natural” was synonymous with “moral” (Eagleton *After Theory* 119), and in Smith’s *Wealth*, he uses natural liberty to connect the fate of the rich and poor in a hierarchy of values pointing to the good, true and the beautiful. There is inequality and the problem of virtue to contend with, so to Smith’s credit, Robert Heilbroner comments, his “appraisal of the economic engine of a Society of Perfect Liberty (preindustrial capitalism) was not one of

Economy in 1848. A more encompassing periodization would stretch from the work of the Physiocrats in the middle of the eighteenth century to the death in 1883 of Karl Marx, whom many saw as the last important classical political economist” (33).

unmixed admiration,” as he “is always the philosopher, never a mere propagandist” (57). A little bit of both perhaps. Touching on Smith’s moral judgments in service of “the good,” Michael Perelman notes, “Smith’s political economy, like most political economy at the time was, first and foremost, an analysis of how people conducted their lives, especially in so far as this conduct reflected on morals and ethics . . . Indeed, part of Smith’s charm was that he seemed to take a more personal, less abstract position in evaluating how people behave than others of his day” (M Perelman 197). Accessible to general readers, homiletic, and rife with praise and blame, with the obligatory oracle too, Smith is often reduced these days to few pearls of wisdom; the concepts of “self-interest” and “free trade” and “non-interference” are repeated, but his important qualifiers (true matters of definition and ethics), along with his long chains of reasoning (not simply parts, but a system of intersecting parts) are often lost in translation.

Chapter Three

The Children of Adam Speak His Praises

To invoke Smith in economics is to preface an exegetical oracle. When Adam Smith “speaks,” over and across two centuries, people tend to listen, and across the spectrum of economic schools there is much to gain in locating the genesis of one’s primary precepts, advice, admonitions, and predictions in Smith’s work—all the better if one can speak *for* him. At a bicentennial celebration of the *Wealth of Nations*, Gavin Kennedy notes that scores of “economists in the 20th century were influenced by Professor George Stigler’s famous one-liner—“ I bring you greetings from Adam Smith, who is alive and well living in Chicago’ (a city that did not exist while Smith was alive)” (2-3). As medieval churches boasted to have the restorative human remains of venerated saints, modern mainstream economics (and in particular, neoclassicals and Chicago School dignitaries like Stigler) entice pilgrims by placing upon their altars the talismanic jawbone of Adam Smith.

Still, other commentators have sought to reclaim Smith more in their own image of “the good.” Charles Sackery, Geoffery Schnieder, and Janet Knoedler argue that folks like Stigler and other “mainstream economists usually select a narrow cross section of Smith’s writings as the key part of his contribution to economics—generally the passages that focus on the efficiency of markets,” which, they add, “obscures the breadth of Smith’s ideas as well as his skepticism about the motives and behaviors of business owners” (26). Karl Marx, for example, “considered Smith one of the best representatives of ‘classical political economy,’ which Marx understood as ‘that economy which . . . has investigated the real relations of production in a bourgeoisie society, in

contradistinction to vulgar economy, which deals with appearances only” (Sackrey et al. 26). While Marx praised Smith for his holistic approach, which “dealt with the whole economic system and with the interrelations of its constituent parts” (Sackrey, et al. 26), it is important to note that he faulted Smith for not applying more rigor and foresight to some of his basic precepts, such as the division of labor and a concomitant social division of labor that reified the class system and justified unequal shares (see M. Perleman’s *The Invention of Capitalism*). Even re-visioning Smith seems to engender a choice of one side of his dualistic message, ignoring the parts of his system that conflict with a preferred story of what his work means.

It is difficult to pin Smith down, perhaps doubly so because in many instances he chooses a mid-way perspective in the “proving of opposites” (Burke *Rhetoric* 43, 45). Smith often voices both ends of dialectical disputes, or he attempts to balance or harmonize the seemingly incompatible. In other words, where he can, Smith attempts to resolve contradictions through synthesis, such as the paradox of how self-interest leads to public good, and how virtue can still reside within the ponderous maze of commercial society. Where synthesis and harmony are not possible in his scheme, he chooses to move audiences to his adopt his own stand on moral imperatives, ratcheting and amplifying by way of praise and blame. To solve complex problems of causation and resolve contradictions, Smith ventures into a conjectural past and future to prognosticate trends and inevitable problems (oracles). For Smith, economic progress is inevitable and natural, but so too is stagnation and decay. Smith’s ambitious epic concerns the origins (past), current state (present), and the outcome (future) of the economic ship of humanity, and is attuned to the newly emerging economic realities and problems of his day—

realities and problems that remain, and which engender their own tales. Smith is still highly relevant and debated because he attempts to answer questions that have yet to be resolved. For example, Gavin Kennedy notes that the tug-o-war over his seal of approval from the political left and right centers upon the still pertinent topics addressed by Smith's investigations:

By the new millennium, the original conflict of 'free trade versus protection' was back in contention; markets versus state management remained as divisive as ever, and competing solutions to problems of poverty, domestic and global were stuck, intellectually, practically where Adam Smith had left them. The dominant feature of economics today is the divisive non-agreement on the basic practical policies and, for all its hard-science pretensions, it remains in an unsettled state.

(2)

"Unsettled," indeed, perhaps one might say "shipwrecked" now and again. In any event, the proponents of "hard science" economics also find themselves turning back to the true meaning of Smith's political economy.⁴²

In the hands of his self-styled descendents, Smith's complex economic system is dismantled and sold by the piece. Frank Stilwell notes that the connection between classical political economy and neo-liberal (free-market) economics is an "essentially pro-capitalist ideology," adding that "economic liberalism lives on in neo-classical

⁴² Richard Weaver footnotes a story that touches on the limits of a pure logic of economics and the hubris of its purveyors: "I might add that a number of years ago the Mathematics Staff of the College at the University of Chicago made a wager with the English Staff that they could write the Declaration of Independence in mathematical language. They must have had later and better thoughts about this, for we never saw the mathematical rendition" ("Language" 1047).

economics, as it does to the present day in extensions of this mainstream current of economic thinking. A preference for the market and a general aversion to state intervention are manifestations of what has come to be known as neoliberalism. Adam Smith's ethical concerns and subtle reservations about market behaviour are shorn away in the transition" (Stilwell 152). The paradoxical moral agent who benefits the entire society without intending to do so is a significant feature of early classical economy (see Samuels, *The Classical Theory of Economic Policy* 33-4), and this becomes the unspoken (and uncontested) first principle of abstract economic science. In this version of Smith, individuals acting in self-interest provide all commercial society needs to thrive and grow, and grow it must in Smith's teleological oracle wedding progressive growth with increasing wealth. For modern mainstream offshoots of neo-liberal economics, Smith is remembered mainly to invoke the primacy of the rights of capital (natural liberty turned libertarian), to augment the latest fashionable version of "greed is good" (unfettered self-interested human behavior), and his (highly qualified and over-determined) praise of the "invisible hand" in guiding free market competition (the benefits of unintended consequences). These are largely what remains of his entire system. The vestige of Smith laid upon the altar of various schools of economics says much about their teleological mission, and the respects they pay to Smith are a statement on their preferred economic viewpoint. Of the lasting influence of Smith across economic schools, the "old school" neo-liberal, Deidre McCloskey, says with ribbing seriousness, "We economists are all children of the blessed Adam" (*Knowledge* 344).

Along with his naming the "good" and his attention to both ethics and politics, Smith is assured of a lasting contribution to economics, even if we cannot agree on what

he meant entirely. Smith's early reception shows he was not always understood as an economist, but he was especially effective in shaping attitudes because of his rhetoric.

Early and Modern Reception of Smith

In his capacity as a voice of goodwill in search of the good, true, and beautiful, Smith roams far and wide to explain the workings of commercial society. I have attempted to expand the topics of praise and blame beyond the usual scope of epideitic, in order to move beyond Aristotle's circumscribed conception of its ultimate purpose as achieving honor for the speaker. Nonetheless, Smith's performance did achieve recognition and honor, and he attracted both praise and blame for his ideas, style, arrangement, and delivery. In a glowing endorsement of Smith's rhetorical acumen, for example, "Hugh Blair, the erstwhile Minister of the High Kirk of Edinburgh and later Professor of Rhetoric and Belles Lettres at the University writes to Smith" (Campbell and Skinner 40):

I am Convinced that since Montesquieu's *Esprit des Lois*, Europe has not received any Publication which tends so much to Enlarge and Rectify the ideas of mankind. Your Arrangement is excellent. One chapter paves the way for another; and your System gradually erects itself. Nothing was ever better suited than your Style on the Subject; clear and distinct to the last degree, full without being too much so, and as tercly as the Subject could admit. Dry as some of the Subjects are, It carried me along. (qtd. in Campbell and Skinner 40-1)

In addition to "unstinted admiration," by friends and colleagues, others voiced "fear" that the common reader would find his work unappealing, "based upon an appreciation that

the [*Wealth*] is not a simple but a difficult and involved book” (Campbell and Skinner 41). David Hume, generally friendly to Smith’s work, nevertheless worries that the Reading of it necessarily requires so much attention, and the Public is disposed to give so little, that I shall still doubt for some time of its being at first very popular: But it has Depth and Solidity and Acuteness, and it is so much illustrated by curious Facts, that it must at last take the public Attention. (qtd. in Campbell and Skinner 41)

It turns out that Smith’s attention to an array of “curious facts” did attract audiences, as did his timely commentary. Editors of the bicentennial edition of the *Wealth*, R. H. Campbell and A.S. Skinner, write that the work “commands respect because the practical conclusions which followed from the chief elements of his system were evidently related to the economic problems of the middle of the eighteenth century” (43). Indeed, Smith, in line with epideitic concern for the “present,” does indeed reflect the “experience of his day,” and his advocacy and pleadings struck a chord with readers even when they did not understand the complex categories of his comprehensive system, going through five editions before Smith died in 1790 (Campbell and Skinner 43, 42).

Economic historian Joseph Schumpeter, writing with the benefit of hindsight some 175 years later, thought Smith hit the mark by aiming low, so to speak; while Schumpeter’s reflections about Smith’s contribution to economics are not flattering for his status as an innovative thinker, his analysis shows Smith to be an astute rhetorician. Schumpeter claims that the *Wealth* “does not contain a single analytic idea, principle, or method that was entirely new in 1776;” but, unlike Hume (and with the advantage of

posterity to draw upon), he finds Smith's rhetorical flair especially appealing to the audience of his day, noting that he

never moved above the head of even the dullest readers. He led them on gently, encouraging them to rivalries and homely observations, making them feel comfortable all along. While the professional of his time found enough to command his intellectual respect, the "educated reader" was able to assure himself that, yes, this was so, he too had always thought so; while Smith taxed the reader's patience with masses of historical and statistical material, he did not tax his reasoning power. (184, 185)

Schumpeter, in addition to faint praise for audience awareness, seems to be pointing to the use of commonly held values so important to political economy and epideictic speech. This suggests that Smith addresses his work to a broad audience, not simply a small circle of dignitaries and thinkers familiar with the raw material of early political economy. Past and present, Smith's value-laden rhetoric gets the attention of readers, and Schumpeter finds something more in Smith's sermoniac style—a penchant to dramatize his arguments in terms compatible with Aristotle's notion of the goals of praise and blame (the *proximate telos*) of epideictic speech (see Grimaldi 82), which is to establish through argument the existence and definition of honorable and dishonorable behavior:

Last but not least, argument and material were enlivened by advocacy which is after all what attracts a wider public; everywhere, the professor turned his chair into a seat of judgment and bestowed praise and blame. And it was Adam Smith's good fortune that he was thoroughly in sympathy with the humors of his time. He advocated the things that were in the offing, and he made his analysis serve them.

Needless to insist on what this meant both for performance and success: where would the *Wealth of Nations* be without free trade and laissez-faire? Also the “unfeeling” or “slothful” landlords who reap where they have not sown, the employers whose every meeting issues in conspiracy, the merchants who enjoy themselves and let their clerks and accountants do the work, and the poor laborers who support the rest of society in luxury—these are all important parts of the show. (185-6)

Whether or not one agrees with Schumpeter in whole, he appears to hit the mark in his portrayal of Smith as a dramatist (“the show”) in touch with the psychological state of his readers and the emotive power of praise and blame.⁴³ He plays the idealist and advocate, concerned with, in Weaver’s terms, the ethical and the political; a dual role that explains why the *Wealth* is divided into two parts: “one concerns the ideology of political economy; the other is a handbook for economic administrators. Although these two works are not physically separated, we can roughly isolate them. We can read the book of practical administration by starting at the end . . . and working backwards. The ideological work begins on page 1 and continues forward as it gradually blends in with the book on political administration” (M. Perelman 175). In harmony with this assessment, Schumpeter claims that Smith’s wealth of praise and blame is employed for a two-fold purpose; the first is to establish a “canon of policy” (politics) and the second, an overarching “analytic proposition” (ethics) (186). Warren Samuels, in his look at classical political economy’s dualistic approach, says it is “deliberative” in the first sense

⁴³ Schumpeter stresses on several occasions the dramatic/performative qualities of the *Wealth of Nations*, noting that it “cannot rank with Newton’s *Principia* or Darwin’s *Origin* as an intellectual achievement, it is a great performance all the same and fully deserved its success” (185).

(directing policy), and non-deliberative (forming attitudes) in the second, finding in Smith and all early political economists a penchant to moralize and advocate (see 34-5). As Schumpeter holds, one task for Smith is to argue for policies favorable to free trade and (albeit limited) laissez-faire, and the second is to establish the principle of natural liberty as a providential moral imperative and the most significant source of civil cohesion and harmony. In this scheme of values, the good, true, and the beautiful produce both superlative moral propositions and profitable economic watchwords. Establishing values and instructing in moral imperatives important to the success and virtue of the state—this is rhetoric and political economy.

In any event, Smith's impressive compendium of praise and blame continues to influence economists today, and by extension, remains relevant to all of us living in modern global capitalism. Hume, I believe, is correct when he says *The Wealth of Nations* is not a simple book, and there is much too much going on in the *Wealth* to be explored in full here. Nevertheless, looking at Smith (as seen in Schumpeter's characterization) through the lens of praise, blame, and oracle, affords an illuminating review of his complex system and rhetorical scheme of values, and reads something like this: Smith praises the "division of labor" as the greatest contributory factor in attaining the comparative "general opulence" of his Britain, and he hails the unintended consequence of human nature with its providential "propensity to truck, barter, and exchange one thing for another" (*Wealth* 25) (this is a gift of the gods in mythic terms; a reading of signs by the Oracle, and a proto-rhetoric of persuasive appeals). By extension, he blames anything that unduly thwarts the machinations of the growing division of labor (the key to greater wealth for all, which is a continuous process of ever increasing

specialization of labor), and by extension he censors unwarranted violations of “natural liberty,” an ideal rooted in natural law, which Smith describes as protection “from the depredations by others on their person, reputation, and estate,” and the freedom to do business with whom one chooses (Gavin Kennedy 250). I’ll have occasion to expand on this overly simplified Smith, but letting Smith “do the talking” by looking more closely at some of his writings is helpful to understanding how his *Wealth* captured the imagination of readers and incited them to see the economic world in his terms. Below, I include Smith’s passages that glorify productive economic activity and which take aim at the impediments to further expansion of the division of labor. In addition, two antithetical sides of his oracular predictions and divinations are included: the mythic past, wherein Smith seeks the origins of commercial society, and the distant future when civilization inevitably falls from great heights, or, as Heilbroner writes, where “the buoyant prospects of a society of perfect liberty come to an ‘end’ . . . [and] do not stretch endlessly into the future” (*Essential* 154).⁴⁴ So, what follows is a selection of excerpts (with limited commentary) to highlight the contours of Smith’s *Wealth*, after which I will have cause to call upon these and other selections of Smith’s writings to address the wealth of rhetoric in Smith’s moralistic political economy.

The *Wealth* of Praise, Blame, and Oracle in Smith’s Words

Smith’s prose and rhetorical acumen in the service of his analysis is often poignant, sometimes dry, blustery or high-blown, annoyingly digressive, and repetitive,

⁴⁴ Modern versions of a historical terminus come and go. *The End of History and the Last Man* (1992), by Francis Fukuyama, posits that western liberal democracy (and economic system in consequence) is the ideological high water mark and final form of perfected human government.

but always illuminating. Right at the opening of the *Wealth*, the division of labor, an apparent effect of a cause yet to be named, is praised for its wealth creating attributes:

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. (22)

Smith takes his readers to view the pin factory, a “very trifling manufacture,” wherein the dividing of tasks into distinct operations allows ten workers to make forty-eight thousand pins a day, when a single worker “could scarce . . . make one pin a day” (14). The division of labor makes the lackadaisical worker more productive and efficient, perhaps even more virtuous:

The habit of sauntering and of indolent careless application, which is naturally, or rather necessarily acquired by every country workman who is obliged to change his work and his tools every half hour, so to apply his hand in twenty different ways almost every day of his life; renders him almost always slothful and lazy, and incapable of any vigorous application of even on the most pressing occasions. Independent, therefore, of his deficiency in point of dexterity, this cause alone must always reduce considerably the quantity of work which he is capable of performing. (19)

As in the classical Greek fable, wherein animals receive special gifts to guarantee survival in a brutal struggle for survival, the division of labor is a product of human nature (the common heritage of homo-economicus). Smith holds that the benefit derived from the division of labor is

not originally the effect of any human wisdom . . . [but a] necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another. (25)

Is it a reigning first principle, like gravity is in physics? Maybe, maybe not, as Smith is reticent to pursue the issue, but he concedes the source is probably an outcome of the human gift of speech and reason:

Whether this propensity be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs to the not to our present subject to enquire. It is common to all men, and to be found in no other race of animals, which seems to know neither this nor any other species of contracts. (25)

The division of labor, Smith explains, “must always be limited by the extent of . . . the market” (31), thus the need for growth and more growth, driven by more investment, production, and participation in commercial life. To not contribute to expansion of the market is worthy of censure, and thus, landlords provide a target of vituperation because they collect rents (wealth) yet create nothing:

As soon as the land of any county has become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. (*Wealth* 67)

Landlords are also less inclined to invest, while eager merchants and “undertakers” (investors of capital, or what we now call “entrepreneurs”) are more willing and better prepared to exploit opportunities:

Merchants are commonly ambitious of becoming country gentleman, and when they do, they are generally the best of all improvers. A merchant is accustomed to employ his money chiefly in profitable projects; whereas a mere country gentleman is accustomed to employ it chiefly in expense. The one often sees his money go from him and return to him again with a profit: the other, when once he parts with it, very seldom expects to see any more of it. Those different habits naturally affect their temper and disposition in every sort of business. A merchant is commonly a bold; a country gentleman, a timid undertaker. The one is not afraid to lay out at once a large capital upon the improvement of his land, when he has a probable prospect of raising the value of it in proportion to the expense. The other, if he has any capital, which is not always the case, seldom ventures to employ it in this manner. (*Wealth* 411)

Smith’s prose is enlivening as he divides labor into “productive” and “unproductive” sorts, one “which adds to the value of the subject upon which it is bestowed . . . [and] another which has no such effect. The former, as it produces value, may be called productive; the latter, unproductive labour” (330). In this next passage, Smith names the true source of wealth (note the praise/blame contrastive pair, “plain reason” against “vulgar prejudices”), and seizes upon a simple rule to distinguish between virtue and vice in personal finances:

Whatever, therefore, we may imagine the real wealth and revenue of a country to consist in, whether in the value of the annual produce of its land and labour, as plain reason seems to dictate, or in the quantity of the precious metals which circulate within it, as vulgar prejudices suppose; in either view of the matter, every prodigal appears to be a publick enemy, and every frugal man a publick benefactor. (*Wealth* 340)

Money (currency) is not the source of wealth; instead, it is in the boon garnered from productive rather than unproductive work and investments. Savers, not spenders, contribute to productive enterprises:

[T]he principle, which prompts to save, is the desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go to the grave . . . An augmentation of fortune is the means by which the greater part of men propose and wish to better their condition. It is the means the most vulgar and the most obvious; and the most likely way of augmenting their fortune, is to save and accumulate some part of what they acquire, either regularly and annually, or upon some extraordinary occasions. (*Wealth* 341)

Smith assumes savings will become productive investments, and this is easiest way to improve one's life (and achieve esteem and honor). The division between the productive and unproductive encompasses all ranks of society, with necessary, admirable, detestable, and superfluous occupations that siphon off wealth but do not replenish it:

The sovereign, for example, with all the officers both justice and war who serve under him, the whole army and navy, are unproductive labourers. They are the

servants of the public, and are maintained by a part of the annual produce of the industry of other people. Their service, how honourable, how useful, or how necessary so-ever, produces nothing for which an equal quantity of service can afterwards be procured . . . In the same class must be ranked, some both of the gravest and most important, and some of the most frivolous professions; churchmen, lawyers, physicians, men of letters of all kinds; players, buffoons, musicians, opera-singers, opera-dancers, &c. . . . Like the declamations of the actor, the harangue of the orator, or the tune of the musician, the work of all of them perishes in the very instant of its production. (*Wealth* 331)

Smith partakes in a bit of a harangue himself in assessing the moral character and wealth contributing capacity of productive and unproductive sectors.⁴⁵ Even among productive workers there is cause for censure, as there is a tendency for natural competitors to disrupt the harmony of economic affairs by banding together in order to fleece the public:

People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices. (*Wealth* 145)

He also targets associations of employers (cartels) who, with impunity, conspire to lower the wages of workers (a violation of natural liberty to sell one's labor at a fair price).

⁴⁵ Michael Perelman notes "Smith's contemporaries commonly denounced particular occupations as unproductive. For example, the Physiocrats [French economists headed by François Quesnay] deemed the labor of agricultural producers as the only productive labor. Smith, in contrast, distinguished labor as productive and unproductive according to the social relations of production" (182). Smith's distinction is rooted in his aversion to feudalism as a social relation and mode of subsistence. Smith approved of the social relations of commodity production, which explains why he valued durable goods rather than services or perishables (M Perelman 183).

The system of justice is flawed too, as labor associations (unions) are specifically targeted and punished while owner cartels are not:

When masters combine together in order to reduce wages of their workmen, they commonly enter into a private bond or agreement, not to give more than a certain wage under a certain penalty. Were the workman to enter into a contrary combination of the same kind, not to accept a certain wage under a certain penalty, the law would punish them very severely; and if it dealt impartially, it would treat the masters in the same manner. (*Wealth* 158)

In addition, Smith lashes out against monopolists' influence peddling and rapacious greed, using the trope of greater/lesser harm to amplify the contrast between preventable and inevitable evil in humankind:

The capricious ambition of kings and ministers has not, during the present and preceding century, been more fatal to the repose of Europe, than the impertinent jealousy of merchants and manufacturers. The violence and injustice of the rulers of mankind is an ancient evil, for which, I am afraid, the nature of human affairs can scarce admit of a remedy. But the mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be the rulers of mankind, though it cannot perhaps be corrected, may very easily be prevented from disturbing the tranquility of any body but themselves. (*Wealth* 493)

The meddling of monopolizing merchants and manufacturers is regrettable, criminal, and outright evil, but it is also objectionable because it contradicts Smith's preference for competition for investments of stock, which are diverted to domestic producers because of tariffs and prohibitions against foreign competitors. This is part of Smith's theory of

the benefit of unintended consequences in certain situations (but not in all situations, as I will argue later), which is illustrated in this passage that contains his now famous metaphor of the “invisible hand”:

As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestick industry . . . every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the publick interest, nor knows how much he is promoting it [,] . . . he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. (*Wealth* 456)

In fact, professing to do the public good, as monopolists often do, Smith says, is a sure sign that something deceptive is afoot: “I have never known much good done by those who affected to trade for the publick good” (*Wealth* 456). Smith is specifically discussing the investment decisions of people who naturally prefer to put their money close to home where there is less risk. Given the propensity for people to seek the best opportunities for a safe and quick return of investments, monopolies and protections raise prices by blocking out foreign competition:

To give the monopoly of the home-market to the produce of domestick industry . . . is in some measure to direct private people in what manner they ought to employ their capitals, and must, in almost all cases, be either a useless or hurtful regulation. (*Wealth* 456)

Smith is mainly concerned with removing the privileges that distort investment, and hence, thwart beneficial competition in a system of natural liberty, an important point

often glossed over in favor of neoclassical assumptions about a general theory of the “invisible hand” at work in all matters economic (a point I will return to in the next chapter).

Smith seeks to harmonize all the players (regardless of rank) in the creation of wealth, unproductive and productive labor, landlords, laborers, merchants and manufacturers under the umbrella of “natural liberty.” The power of the state is necessary to augment the smooth operations of a commercial society, and if three conditions are met, Smith writes,

the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men . . . According to the system of natural liberty, the sovereign has only three duties to attend to; three duties of great importance indeed, but plain and intelligible to common understandings: first the duty of protecting society from the violence and invasion of other independent societies; secondly, the duty of protecting , as for as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and thirdly, the duty of erecting and maintaining certain publick works and certain publick institutions, which it can never be for the interest of any individual, or smaller number of individuals, to erect and maintain; because the profit could

never repay the expense . . . though it may frequently do much more than repay it to a great society. (*Wealth* 687-8)

The role of the state is assure a minimum of security to the mass of its citizens, and to support the wheels of commerce by providing security, justice, and public infrastructure not likely to bear profits. Now comes what Heilbroner calls the “sobering darker side of the division of labor,” in which Smith foresees that material progress will diminish and not improve “the mental capacities” of laborers (*Essential* 155). Heilbroner says Smith underscores an inevitable “historical limitation” to the good fortunes of a commercial society with a cautionary commentary on the human condition, a candid glimpse at a rarely expressed “deeply conservative pessimism” (*Essential* 154). Smith draws upon observable patterns in the present to divine less exuberant days to come:

In the progress of the division of labour, the employment of the far greater of those who live by labor . . . comes to be confined to a few very simple operations. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations . . . has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing any generous, noble, or tender sentiment, and consequently of forming any judgment concerning many even of the ordinary duties of private life . . . His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his

intellectual, social, and martial virtues. But in every improved and civilized society that is the state into which the labouring poor, that is the great body of the people, must necessarily fall, unless government takes some pains to prevent it.

(Wealth 782)

Education (which the state must provide, as it will not pay for itself in productive increase) is the key to a return to human virtues for the mass of humanity. Comparing the moral degradation of the common worker to “leprosy or any other loathsome and offensive disease,” Smith says,

The same thing may be said the gross ignorance and stupidity, which, in a civilized society, seem so frequently to benumb the understandings of all the inferior ranks of people . . . Though the state was to derive no advantage from the instruction of the inferior people, it would still deserve its attention that they should not be altogether uninstructed. The state, however, derives no inconsiderable advantage from their instruction. The more they are instructed, the less liable they are to the delusions of enthusiasm and superstition . . . [and] feel themselves, each individually, more respectable, and more likely to obtain the respect of their lawful superiors, and they are therefore more disposed to respect those superiors. *(Wealth 788)*

In this passage, Smith, the social conservative, moral philosopher, and political economist (often contradictory impulses) struts his extensive palette of concerns in full plumage, highlighting at the center of it all the problem of personal and public virtue in the particular social arrangements of an emerging commercial society.

Following the thread above, one can see a simple blueprint of praise, blame, and oracle in Smith's *Wealth*, and the central feature of the division of labor, which relies on an ever expanding market and natural liberty to propel its functions (freedom to buy, sell, change jobs, hire labor, invest, own property, etc.). The division of labor is, as Schumpeter notes in his *History of Economic Analysis*, "the oldest part of the building," and "though, as we know, there is nothing original about it . . . nobody, either before or after . . . ever thought of putting such a burden upon [it]" (187).⁴⁶ Smith deserves credit for making one postulate account for every feature of economic progress, or, in his words, "for the superior affluence and abundance commonly possessed by [the] lowest and most despised member of Civilized society, compared with what the most respected and active savage can attain to in spite of so much 'oppressive inequality'" (qtd. in Schumpeter *History* 187). It is ironic that the source of beneficial outcomes must finally come to face itself as an impediment, as the division labor and the extent of the market provide a final terminus to human virtue and economic progress (see Schumpeter *History* 187-8, Heilbroner *Essential* 154-5).

Debriefing Smith's Vision: Limitations to Equality and Sharing the Bounty

Invoking the commonplace and fashionable thoughts of his time, Smith divines to explain the development of what is already self-evident: that Britain's economic model is the highest development of an evolutionary and natural sequence of human progress (see Heilbroner *Essential* 60), including the fact of the teeming and necessary poor. Smith did

⁴⁶ The notion of the division of labor played significantly in Bernard Mandeville's work which predated and informed Smith's own treatment, and can be traced earlier to Ibn Khaldun, an Islamic scholar writing in the 14th-century (Gavin Kennedy 104).

believe that the “economic game is a positive one, with scope for both rich and poor to improve their position, however unequally the relative gains were distributed”⁴⁷ (Winch 73). To uphold order and virtue among the “inferior ranks,” Smith perceives a need for government intervention where private investment cannot or will not stray. Assuming national defense (a big part of Smith’s fiscal pie), it turns out this government role in meeting needs is quite large across a range of areas (despite glosses by contemporary economists of Smith’s work),⁴⁸ from taxing luxuries, public education, postal services, and multi-faceted regulation of banking and usury (Heilbroner *Worldly* 104-5). Blame is hoisted upon slothful laborers, indolent landlords, and deceitful merchants and manufacturers (Heilbroner *Essential* 155), but it is especially strong for the rigors of routine labor, which leaves workers in a stupor and can only be remedied by government funded education. People with wealth and rank have the means to provide for themselves, but “common people” need state institutions to provide basic instruction (in morals or arithmetic etc.), because they “have little time to spare for education,” as

⁴⁷ For John Jacques Rousseau, on the other hand, “the relationship of riches to poverty is of a devastatingly simple zero-sum kind . . . The rich can be rich only *because* the poor are poor” (Winch 72).

⁴⁸ George Stigler, grappling with Smith’s willingness to let the state do so much, along with Smith’s reluctance to grant self-interest as a benign motive in politics (a result of his belief that legislators must act in the interest of the public), ponders: “The man who denied the state the capacity to conduct almost any business save the postal—how could he give the sovereign the task of extirpating cowardice in the citizenry? How so, Professor Smith?” (144). No small measure of praise and blame here, and also notice how Stigler undercuts the role of the state by focusing solely on the modern virtues of private efficiency, assumed to always work in favor of the buying public. Of course, the fallacy evinces a number of readily available counterpoints, such as this argument offered by a public watchdog organization: “Cities across the country have found that, despite corporate claims, private ownership of water systems significantly increases the price of water. A close look at data from more than 1,000 U.S. utilities and existing academic research reveal that private water companies are not only no better performing, but are also more expensive than publicly owned utilities” (www.foodandwaterwatch.org).

“[t]heir parents can scarce afford to maintain them even in infancy” (*Wealth* 784). As Smith concedes, there is little economic profit in the education of laborers, but more advantages in the realm of harmonizing social inequality by reifying traditional markers of social rank and due deference to superiors (*Wealth* 788). With Smith, one can see how the reproduction of the status quo and its social order was of prime importance to the early moral bent of classical political economy (see Samuels 7). Laborers are stupid and lazy, landlords indolent and clueless, perhaps even worse are the merchants and manufacturers who stray from honest pursuit of profit in competition to join with one another in order to lie and cheat, and who, with the aid of their friends in government, upset the natural balance of the economy by establishing long-term monopolies, quelling competition from able foes and raising prices, thus hurting everybody (*Wealth* 493). In the end, prophesizing times to come, Smith censures the very vehicle of progress of economic society, the division of labor, for its propensity to dull the mind, bring moral decay, and render one useless to the state in need of a virtuous citizenry (*Wealth* 788). This is when it becomes necessary that “government takes some pains to preventing it” (qtd in Heilbroner *Essential* 155).

The call for education speaks well of Smith’s humanitarian impulse, but his is not a promise of equality or fairness in a sense we might use today; in fact, that there will always be poor people is a common belief held by Smith and most of his contemporaries⁴⁹ (Heilbroner *Essential* 3). Enlightenment thinkers, “[c]onvinced of the

⁴⁹ Not everyone agrees with this assessment of Smith. In *Introduction to Political Economy*, Sackrey, Schneider, and Knoedler attempt to locate Smith’s motives and attitude toward the poor, claiming to “avoid assertions about what Smith said” by attempting to use what he “*really* said in his works, rather than what he meant” (27). I agree with their characterization of Smith as a model political economist concerned with

need for—indeed, the inescapable necessity of—a stratified, property-based social system . . . were free to look on their surroundings with a critical distance and emotional detachment,” and so “Smith could speak in these radical, and certainly critical terms because neither he nor any of his contemporaries imagined a society in which exploitation and oppression would not be present, although their excesses might be reduced” (Heilbroner *Essential* 3). Likewise, Schumpeter detects a similar posturing on Smith’s part: “It has been held that A. Smith, far ahead of his time, braved unpopularity by giving expression to his social sympathies. This is not so. His sincerity I do not for a moment call into question. But those views were not unpopular. They were in fashion”⁵⁰ (186). Less generous, but also apprehending Smith’s concern with virtue, Michael Perelman writes, “Smith often dismissed the material hardships of poverty as unimportant, claiming the real damage inflicted was the shame and mortification that it imposed on the poor” (206). Overall, the “greatest minds” of this period were more concerned about the *moral* condition of the poor than with actual grinding poverty. Poverty was as sure as rain, and just as natural and necessary. It is easy to call for reformation in a world where callous and systemic discrimination of birth and wealth is all but assured to persist indefinitely. The poor will be adequately fed and housed with so much wealth generated, Smith says, but everyone must remain mindful of their role in

morals and non-economic factors often left out of current notions of his work; however, any critical reading involves making choices of what to highlight and discuss, and of course, taking Smith (or anyone) at face value is fraught with missteps, as it leaves out the social milieu in which Smith wrote and his deftly applied rhetorical efforts to appeal to his perceived audience.

⁵⁰ Michael Perelman’s *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*, posits a less forthright Smith: “Smith was the architect of a cleverly written revision of political economy and history in which he recasts the harsh reality of capitalists development in as favorable a light as possible” (174).

this on-going drama of growing but unequal material outcomes; after all, Smith appears to have found solace and resolve in his rehabilitation of the meaning of virtue in a commercial society.

Nothing but Vice and Everything Nice? A Rebuttal from Professor Smith

It should come as little surprise that Adam Smith was a moralist concerned with virtue. He lectured on jurisprudence and rhetoric, and he was a professor of moral philosophy at Edinburgh and Chair at Glasgow (see Lothian “Introduction” *Lectures*). His first book, *The Theory of Moral Sentiments*, achieved notable success, and much of what he theorized about human virtue and behavior is re-invented for the *Wealth of Nations*. Smith ponders the same kinds of questions Socrates and Protagoras debate in Plato’s *Protagoras*: “First, wherein does virtue consists? Or what is the tone and praise-worthy character, the character which is the natural object of esteem, honour, and approbation? And, secondly, by what power or faculty of the mind is it . . . recommended to us?” (*Theory* 314). In short, what is virtue and where does it come from? Smith devoted much of his *Theory of Moral Sentiments* to defining virtue, and his analysis often touches on what he says about human behavior in the *Wealth*, as when, for example, he posits that behavior is contingent on the individual in a particular social situation, noting that despite “the standard by which casuists frequently determine what is right or wrong in human conduct, be its tendency to the welfare or disorder of society, it does not follow that a regard to the welfare of society should be the sole virtuous motive of action, but only that, in any competition, it ought to cast the balance against all other motives” (*Theory* 360). To turn this around, the economic motive is necessary for self-

preservation, but it does not trump in matters of public welfare where sympathy for our fellow human beings should reign. As Force explains, “in the *Theory of Moral Sentiments*, Smith posits two principles of human nature: self-love and sympathy. Self-love is the natural, legitimate, and limited concerns we have for our own preservation and well-being. Sympathy is our ability to identify with the feelings and emotions of others” (243). *The Theory of Moral Sentiments* sought to locate the seeds of virtue in a human nature prone to sympathize with fellow human beings (placing oneself in another’s shoes), while his *Wealth of Nations* found the seeds of commercial society in humans hard-wired to exchange and bargain with one another (vying by persuasion for one’s shoes). Both motives (and books) provide ample fodder for speculation and competing versions of Smith and his political economy. *The Theory of Moral Sentiments* explains why Smith found praise and blame appropriate topics to goad and shame readers into adherence to common values, positing a relational concept of virtue discovered through social interaction:

To be amiable and to be meritorious, that is, deserve love and deserve reward, are the great characters of virtue, and to be odious and punishable, of vice. But all these characters have an immediate reference to the sentiments of others. Virtue is not said to be amiable, or to be meritorious, because it is the object of its own love, or of its own gratitude; but because it excites those sentiments in other men . . . What so great happiness as to be beloved, and to know that we deserve to be beloved? What so great misery as to be hated, and to know that we deserve to be hated? (*Theory* 132)

Virtue, for Smith, is responsive to and founded upon other people's feelings of praise and blame, and only made known by the power of speech. What is more, the hashing out of virtue and vice in individuals is the special prerogative of a public rhetoric attuned to the judgments of society. The *Wealth* seems to embody this sentiment in theory and application, as Smith makes it clear what (and whom) is to be loved and hated in assessing the behaviors influencing the wealth of nations.

Smith's use of the rhetoric of praise, blame, and oracle is tied to the central problem of virtue brought to the fore by the vibrant but unsettling chaos of the newly emerging capitalist society of Europe, with England at the forefront. Growing wealth was visible and enticing, but the pangs of social change were disconcerting, evincing a bout of hand wringing among notable thinkers of the period over the growing disorder of the cities and loss of respect for social distinctions. In any case, the meaning of virtue had to undergo changes to make way for the new patterns of production and distribution, in which the old paradigm of aristocratic, Christian, and republican virtue clashed with the new social relationships in the commercial order. For example, the primary cause of human authority, before civil government assumed the reigns of social management, Smith says was found in "personal qualifications, of strength, beauty, and agility of body: of wisdom, and virtue, of prudence, justice, fortitude, and moderation of mind" (*Wealth* 671). The advent of commercial relations required a new source of authority and other means to achieve virtue. In terms of property ownership, as a sign of how times had changed, J.G.A. Pocock, in *Virtue, Commerce, and History*, notes that ancient concepts of property differed greatly from the emerging role of property as a vehicle of wealth accumulation in the eighteenth-century. In feudal arrangements, the "citizen

possessed property in order to be autonomous and autonomy was necessary for him to develop virtue or goodness as an actor within the political, social and natural order. He did not possess it in order to engage in trade, exchange, or profit; indeed, these activities were hardly compatible with the activity of citizenship” (Pocock 103). Leisure was needed to nourish virtue, and property brought repose to the lucky few. In a commercial society guided by a scramble for profits, Smith had to mollify and transform ancient and persistent conceptions of virtue that held all labor to be demeaning and ignoble, reminiscent of Aristotle’s low opinion of retailers and moneylenders, who qualified as the antithesis of virtuous citizenry. In addition, luxury, once regarded as the bane of aristocratic virtue by its perceived tendency to nurse indolence and cowardice, had come to be widely viewed as the best method of “spreading the wealth,” especially as the great fortunes of the few accentuated the poverty of the majority of people. This is a critical moment in re-shaping attitudes because the older grounds for moral virtue were being undermined by the social realities of the eighteenth century.

As philosopher of morals, Smith is obliged to address virtue (the very topic of *The Theory of Moral Sentiments*), but his frontal attack on vice in the *Wealth* is rooted in combating popular theories about the meaning of virtue in commercial society. His predecessor, Bernard Mandeville, a philosopher and political economist writing in the early 1700s, forwarded one popular notion that Smith sought to undermine in the *Wealth*. Mandeville’s solution to the virtue problem appears in his *Fable of the Bees: or, Private Vices, Publick Benefits*, an expanded version of a poem originally titled, *The Grumbling Hive; or Knaves Turned Honest*, in which a diabolical yet beneficent paradox envelopes all ranks and occupations: “Sharppers, Parasites, Pimps, Players, Pick-Pockets, Coiners,

Quakes, Sooth-Sayers . . . /These were called Knaves, but bar the Name/ The grave
Industrious were the Same./ All Trades and Places knew some Cheat,/ No Calling was
without deceit” (qtd. in Heilbroner *Worldly* 20). In this poem, the loss of virtue is the
price of wealth, and rapacious self-interest ironically produces public benefits; in other
words, virtue is dead, but no one will miss it. An excerpt helps to convey Mandeville’s
playful and bawdy characterization of this ambiguous predicament:

Thus every Part was full of Vice
Yet the Whole Mass a Paradise, . . .
The Root of evil Avarice,
That damn’d ill-natured baneful Vice,
Was Slave to Prodigality,
That Noble Sin; whilst Luxury
Employ’d a Million of the Poor,
And odious Pride a Million more.
Envy it self, and Vanity
Were Ministers of Industry;
Their darling Folly, Fickleness
In Diet, Furniture, and Dress,
That Strange ridic’lous Vice, was made
The very Wheel, that turned the Trade . . .
Thus Vice nursed Ingenuity . . .
To such a Height, the very Poor
Lived better than the Rich before;

And nothing could be added more (qtd. in Heilbroner *Worldly* 20-1).

What if people returned to the older golden rule and became honest? In answering this, the poem turns to the ironic reversal of good fortune when “Fraud” is thrown out of the “The bawling Hive:”

The very moment it departs,

And Honesty fills all their Hearts . . .

Oh, ye Gods! What Consternation,

How vast and sudden was th’ Alteration!

In half an Hour, the Nation round,

Meat fell a Penny in the Pound . . .(qtd. in Heilbroner *Wordly* 21)

As Heilbroner notes, “The message of the Fable is blasphemous. It is that fraud, luxury, and waste may be sources of sin in a commercial society, but they are also causes of prosperity” (*Worldly* 17). Scandalized and tantalized by Mandeville’s work, the moral philosophers of the day took sides. John Jacques Rousseau fervently opposed the views of Mandeville, particularly in regard to luxury as a way to spread the wealth (which, Smith’s mentor, David Hume, accepted) (Winch 55). Rousseau finds the “the primary source of evil” to be “inequality,” which allows the rich to maintain pampered lives, while the poor have the “brutalising choice between endless labour or hunger” (qtd. in Winch 56). Others, like Hume and Smith, found Mandeville’s notion of unintended consequences useful to their own theories of how the “natural” course of human behavior promoted economic growth.

Mandeville is not mentioned directly in the *Wealth*,⁵¹ but Smith most certainly set about refuting his ideas about luxury by chastising the prodigal and valorizing the frugal. Smith does mention Mandeville by name in the *Theory of Moral Sentiments*, where he will have none of Mandeville's conflation of virtue with vanity, or his necessary relationship of public benefits to all varieties of sin:

There is . . . another system which seems to take away altogether the distinction between vice and virtue, and of which the tendency is upon that account, wholly pernicious: I mean the system of Dr. Mandeville. Though the notions of this author are in almost every respect erroneous, there are, however, some appearances in human nature, which, when viewed in a certain manner, seem at first sight to favour them. These, described and exaggerated by the lively and humorous, though coarse and rustic eloquence of Dr. Mandeville, have thrown upon his doctrines an air of truth and probability which is very apt to impose upon the unskillful. (363-4)

The last line assesses the persuasive appeal of Mandeville's rhetoric among general audiences ("coarse and rustic eloquence"), touching on the acceptance of probable truths

⁵¹ Schumpeter names a host of authors Smith may have benefited from but who were not mentioned in his *Wealth*, and he generously (but ever so mildly) exonerates Smith against charges of plagiarism for his claims to have first conceived of the concept of "natural liberty" (182-185). Also, Smith draws heavily upon the work of a contemporaneous political economist, James Steuart, but fails to mention his name even once, which Michael Perelman says is indicative of a pattern of deliberate non-attribution in order to gloss over the violence and oppression required to transform home industry (people working for themselves) to commercial industry (working for "the man"), an ongoing project Steuart had the temerity to discuss openly (unlike Smith, Perelman holds) and hasten through public policy designed to get people off the land and into the factories (170).

found in observable appearances.⁵² The problem with Mandeville's view, Smith explains, is that he "considers whatever is done from a sense of propriety, from a regard to what is commendable and praise-worthy, as being done from a love of praise and commendation, or as he calls it from vanity" (*Theory* 364). In short, this blurs any distinction between virtue and vice, and Smith is eager to retain a distinction by defining Mandeville's brand of vanity as unearned "frivolous desire of praise," while holding that there is another motive to seeking honor, which is "the love of well-grounded fame and reputation, [and] the desire of acquiring esteem by what is really estimable" (*Theory* 365). As Winch explains, "Smith retained a large place for vanity and emulation in his account of the ambition to better oneself," but he "devoted considerable effort to separating the kernel of truth in Mandeville's scandalous paradoxes from what was mere sophistry" (60). To Smith, virtue is not dead, even if at the service of a basic desire for improvement and not always motivated by benevolence. In any case, virtue is not to be toyed with by entertaining yet fanciful paradoxes. Smith charges Mandeville with engaging in textbook sophistry, an example of what Plato and Aristotle lambasted as morally corrupt persuasive speech (see Jarrett 2-3; Aristotle 1355b), and in this case in particular, of actually making "the worse appear the better" (Barrett 11) citing the "ingenious sophistry of his reasoning, . . . covered up by the ambiguity of language"⁵³ (*Theory* 368). Smith

⁵² Smith's assessment of Mandeville's rhetoric of signs seems to be duly noted in Thomas Farrell's *Norms of Rhetorical Culture*, in which he reexamines Aristotle's use of arguments from appearances in a modern context, illuminating the persuasive force of "signs": "For rhetoric, alone among the arts, approaches appearances through the interpretative lens of interested common opinions (*endoxa*); reconsidered as signs, probabilities, and examples, appearances become the material of public argument" (32).

⁵³ Aristotle points to ambiguity of language as the tools of a sophist: "Words of ambiguous meaning are chiefly useful to enable the sophists to mislead his hearers" (*Rhetoric* 1404b 37).

does find a place for a kind of self-regard that might be termed a species of vanity, and it does appear that Smith agreed with Mandeville about some key features of the role of natural liberty in producing beneficial unintended consequences. Smith objected to Mandeville as a moralist, but he seems to have been impressed with him as an astute observer and analyst; or as Schumpeter puts it, “Smith, like other virtuous people, was hard on this piece of work,” but he “cannot have failed to perceive that Mandeville’s argument was an argument for Smith’s own pure Natural Liberty couched in a particular form,” and “this fact must have shocked the respectable professor—particularly if it should be the case that he learned something from the offending pamphlet” (184). As Force explores in *Self-Interest Before Adam Smith*, some of Mandeville’s analysis is useful to Smith’s conception of a society of perfect liberty that allows every individual to seek their own economic ends while still accruing positive public benefits, and thus, he needed a way to “preserve Mandeville’s description of human behavior while using assumptions other than the search for one’s pleasure or interest” (261). Force explains, the “consistency in Smith’s system lies in the principle of sympathy, which is the foundation of the desire to better our condition,” and the “apparent inconsistencies have come from various attempts to reconstruct Smith’s system on the basis of neo-Epicurean, hedonistic principles,” which remain appealing to this day because of its “highly effective simplicity”⁵⁴ (261).

⁵⁴ This is the basis of “Das Adam Smith” problem: Force explains that members of the German historical school, in the wake of a resurgence of Smith’s ideas proposing a wholly rational *homo-economicus*, were eager to undermine the notion of self-interest as an eternal economic law, because “it was important to show the founding father of economic science had not consistently held the view that self-interest was the engine of human behavior” (258, 259). The conflict between a human agent that is driven by sympathy in the *Theory of Moral Sentiments* and an economic agent in the *Wealth* driven

An effective and compelling method of sorting out the good from the bad in political economy, Smith finds, is by playing the Oracle, tracing the journey of human virtue through the ages and proposing an evolutionary trajectory of commercial society arising from cruder and less opulent beginnings.

a propensity to strike bargains and scramble to better oneself is the source of the “Adam Smith Problem,” which “The Glasgow edition of the works and correspondence of Adam Smith” describes as a “‘pseudo-problem based on ignorance and misunderstanding,’ but it does point to an inconsistency in Smith’s work that will not go away entirely” (Force 257).

Chapter Four

Persuasion's Progress: Smith Reads the Oracle of Mythic History

Rhetoric and political economy are joined in their purpose to explain the ideological and material (Villanueva 57-8), thus, it seems especially fitting that Richard Weaver, writing about the sermonic impulse in rhetoric, believes all rhetoricians with genuine “insight” have “the duty to represent to us the as yet unactualized future” (*Ethics* 20). On the surface, Smith seems “less inclined to indulge in long-range predictions than his successors” (Winch 9), but he engages in another kind of prophetic rhetoric by reading the present in light of the past in order to bolster his primary vision of the future and strengthen his comparative topics of praise and blame. The promise and potential of commercial activity was found, for Smith, in his contemporary England, a synecdoche of oracular import because he believed the commercial developments he witnessed in his nation were destined to reach rest of the world. England represented a successful transition to a wholly new and advanced mode of subsistence, a highly developed commercial society with a concomitant civil government to ensure its survival. As for the future, Smith worries that even a society of perfect liberty is likely to cost the mass of humanity much of what makes them human— inquisitive and active minds with the power to reason and make judgments—in short, virtue in thought, reason, citizenship, and social graces (with due deference and respect, and all that that implies for material outcomes).

Smith's oracle explains why Britain, a mature manufacturing nation, is what the world is to become; his past is peopled with “savages” whose natural propensity to “truck, barter, and exchange” finds full expression outside the less sophisticated modes of

subsistence, the bounds of communal rule and, in the recent past, feudal domination. The future is an end to history, as workers deteriorate from mechanistically induced moral ennui and profits stagnate for owners. The glorious process must end for good or ill, whereupon the state must be vouchsafed to manage what the evolutionary impulse has wrought.⁵⁵

One role of the oracle is to proffer rhetorical proofs based upon reading the mythic past to explain the present and future, a divination in which the unknown is made known. In addition, the oracle is a means to amplify praise and blame in order to make one's imputations stick to their targets. Smith's divination of the future state of humanity under the aegis of the division of labor is prophesized to lead to general wealth, but this also portends a reduction in mental faculties and a loss of moral rectitude. The piper must be paid.

Smith generously partakes in reading arcane signs and playing the Oracle by journeying back to the beginning of the human race. As Protagoras uses the Greek creation myth, wherein Zeus gives to humanity a sense of justice and the qualities of respect to explain the foundations of civic virtue and a public role for rhetoric, Smith employs the philosopher's brand of armchair anthropology, a mix of imagined and

⁵⁵ The epic story of the rise and fall of civilizations is an on-going project for world-system theorists and similar treatments of economic highs and lows in history. Brooks Adams' *The Law of Civilization and Decay* (1896) is an early version of this that posits a crude notion of national race characteristics, which "under the pressure of economic competition . . . the energy of the race [is] exhausted . . . and must probably remain inert until supplied with fresh energetic material by the infusion of barbarian blood" (61). More tenable propositions are found in the work of Andre Gunder Frank (see *The World System: Five hundred years or Five Thousand*), Fernand Braudel (*Afterthoughts on Material Civilization and Capitalism*), Janet L Abu-Lughod (*Before European Hegemony: The World System A.D. 1250-1350*), Giovanni Arrighi (*The Long Twentieth Century*), and Karl Polanyi (*The Great Transformation: The Political and Economic Origins of Our Time*).

curious facts about human beings and the gifts they all possess in order to provide the necessities and luxuries of the world. Zeus, in the Greek myth, intervenes to give humanity justice and respect to humankind so they might stand in common cause against the ravages of an inhospitable world (see Plato's *Protagoras*). Smith also locates a special gift of providence to explain why humans buy, sell, and trade, and how and why civil governments were founded in the first place. In many respects, Smith believes the world is a less inhospitable place for the denizens of commercial nations, even as he worries about the waning of ancient and noble virtue in the face of the commercial age.

A source of inspiration and imagination (and commonplace values) about early humanity came to Smith from the Bible. For example, to explain the source of laws protecting property rights, which is key to the accumulation of wealth in the commercial age, Smith sketches an outline of history in his *Lectures on Jurisprudence* (to which he draws upon in the *Wealth*) to explore the evolution of socio-economics through four successive periods of humanity: the Age of Hunters, Shepherds, Agriculture, and finally, the Age of Commerce. It seems clear that Smith molds his progressive pattern of history from Genesis, starting, “with the age of the gatherers (Adam and Eve), followed by Abel’s age of the shepherds and Cain’s age of agriculture . . . Agricultural prosperity led to permanent settlements (for example, Cain’s ‘City of Enoch’), which in Smith’s version started the age of commerce” (Gavin Kennedy 64). The four ages theory borrows from a belief in “The Fall”—the end of the “golden age” and the beginning of the hunter societies.⁵⁶ Out of the garden and onto the long road to present day England, the *Wealth*

⁵⁶ Smith, expressing his chauvinism, prefers to dub the earliest modes of subsistence “hunter” societies, leaving out the “gatherer” (assumed to be done by women), and

is the story of how humanity progresses in stages of economic relationships and the corresponding transformations of the nature of virtue and justice among nations.⁵⁷ In the end, Smith deems to show through the past how changing relationships in production and distribution produced the modern commercial civil society.

The “new world” excited imaginations and brought wild speculations in response to European encounters with inhabitants of the Americas. In the *Wealth*, Smith lets his imagination fill in the gaps of recorded history, speculating about the proto-economic and social behaviors of “nations of hunters,” which he appraises as the “lowest and rudest state of society, such we find it among the native tribes of North America” (689-690). To Smith’s contemporaries, it seemed, as John Locke claimed, “in the beginning all the world was *America*” (qtd. in Gavin Kennedy 63), inviting the notion that the ancient inhabitants of Britain had also begun as hunters and gatherers. Smith’s reading of the past involves explaining how such transformations take place, and he finds the so-called “‘rude’ societies of America . . . a veritable theme park on the lives of Europe’s most distant ancestors” (Gavin Kennedy 63), providing “themes” (inventions of rhetorical topics) for his conjectural history of humanity’s ascent to the commercial age. His oracle abounds in curious facts (signs from the Americas), commonplace notions (biblical ages of humankind), and arranges the chaotic world of appearances (a host of contradictions seemingly harmonized). In all, the oracle of times past strengthens his claims about the necessary relationship between wealth and poverty, the loss of equality as the price of

lecturing to his students that “the pulling of fruit can hardly be called an inployment” (qtd. in Gavin Kennedy 65).

⁵⁷ Smith, by no measure a biblical literalist, seems to have used the notion the four ages theory as a commonplace to launch his own conjectural theories, as it “conformed to Biblical evidence (hence, no problems from zealots)” (Gavin Kennedy 64).

progress, and justification for the status quo of social relationships (with “inferior” and “superior” ranks of persons). The past explains everything if one has the acumen of vision to read the signs. In this respect, Smith’s rhetoric of reading the past, present, and future is integral to his argument about an inherently developmental human nature (evolutionary, deistic, or otherwise) as the driving force of economic change and civil advancement.

Gavin Kennedy explains how the four ages of subsistence plays into Smith’s narrative in the *Wealth* in his treatment of the necessary expenditures for defense of the state: “Without property, humans within their habitats remained a low-density species until some of those whose ancestors had discovered property eventually explored and found those devoid of any concept of property; never the other way around. Only with the development of higher forms of subsistence did armed hordes of shepherds overcome a property-conscious, successor age of man; as in the Western Roman Empire” (65). The survival of nations requires the advancements of property to protect and appropriate the property of other peoples, and it implies, at least from the perspective of Europe, a “natural” justification for the exploitation of the Americas. Among the advantages to a nation of property owners and factory workers, Smith says, is that “commerce and manufacturers gradually introduced order and good government, and with them, the liberty and security of individuals, among the inhabitants of the country who had before lived almost in a continual state of war with their neighbors, and of servile dependency upon their superiors” (*Wealth* 412). Smith draws his own lessons from history in order to highlight the good fortune of his nation, “at the top of the heap” in securing the rights of

its citizens and expropriating the property of those without systems and protections afforded by a commercial mode of subsistence.

As noted, Smith tied the system of civil justice to a society's mode of subsistence, which was shared by most age theories of human social evolution (Gavin Kennedy 65). This helps to amplify Smith's favorable comparison to "savage" nations, and explains why the deleterious effects of division of labor are unique to advanced economies:

It is otherwise in barbarous societies, as they are commonly called, of hunters, of shepherds, and even of husbandmen in that rude state of husbandry, which precedes the improvement of manufacturers, and the extension of foreign commerce. In such societies the varied occupations of every man oblige every man to exert his capacity, and to invent expedients for removing difficulties which are continually occurring. Invention is kept alive, and the mind is not suffered to fall into that drowsy stupidity, which, in a civilized society, seems to benumb the understanding of almost all the inferior ranks of people. (*Wealth* 783)

Smith's narrative allows him to split his sympathies (and embrace contradictions), as there is something to praise and blame in the past and present. He derides the state of the working poor (in earnest, it seems) caught in the wheels of the division of labor, even as he praises the leap from "barbarism" to "commercialism"—moving from a society where virtue is common but wealth is not. The tradeoffs are naturalized and inevitable under the imprimatur of "natural liberty"—a god-term written in the history of humanity.

Smith's imaginary pre-polity of a society of hunters invites a number of comparisons to propel his argument about the origins and effects of the division of labor.

For example, Smith hones in on the tools of war and hunting to explain how the division of labor proceeds from a natural human tendency to excel at specific tasks:

In a tribe of hunters or Shepherds a particular person makes bow and arrows, for example with more readiness and dexterity than any other . . . From a regard to his own interest therefore, the making of bows and arrow grows to be his chief business, and he becomes a sort of armourer. (*Wealth* 27)

In a mythic moment of total equality but little wealth, an occupation is born (an arms dealer, betraying Smith's devotion to Aristotle's martial virtues), and so too is a social division of labor, with the resultant differences (inequalities) among members of a society flung instantly into a continuum of progress. This natural proclivity or "talent" for a specialized trade is transformed through social development over time into accumulated advantages (a "class system," though Smith never uses this term), so that what once was a natural outcome of individual differences in "talent" or "genius" is now subject to the customs and historical circumstances of the modern civilization (i.e., no longer a level playing field, but "natural" and fair all the same by evolutionary design). Smith takes care to explain that distinctions based upon natural proclivity to perform certain tasks have become etched (reified) into civilized traditions and institutions, noting that

the difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter,

for example, seems to arise not so much from nature, as from habit, custom, and education. (*Wealth* 28-9)

People *learn* their station in life based upon what their forbearers have accumulated, and although there is room to excel in any given station, it is likely that social differences will remain and be passed down through the generations. Distinctions of social class and a talent for different labors makes the commercial world a beneficial assortment of human types. To make this point, Smith compares humans to animals, in particular, breeds of dogs: “Many tribes of animals acknowledged to be all of the same species,” he says, “derive from nature a much more remarkable distinction of genius, that what, antecedent of custom and education, appears to take place among men” (*Wealth* 29-30), but because animals cannot truck, barter, and exchange by use of speech and persuasion (“obliged to support and defend itself, separately and independently”), their talents “are scarce of any use to one another” (*Wealth* 30). Not so “[a]mong men,” he writes, as “the most dissimilar geniuses are of use to one another” because the “general dispositions to truck, barter, and exchange” brings “into common stock” “the produce of other men’s talents” for purchase by all (*Wealth* 30). The market provides a means to access the products of distinct social actors, selling wares, talents, or simply unskilled labor.⁵⁸

As part of his favorable comparison to “savages” in a distant mode of subsistence, the benefits to the poor are explained with the help of Smith’s praise of the virtues found within a simple garment: a common laborer’s woolen coat. The coat, in Smith’s prose, is

⁵⁸ The praise of markets and civil hegemony is also taken up by Isocrates in his *Panegyricus*, where he boasts that leisure is available to the rich and refuge to the poor, and where the open market (the *Piraeus*) “contain[s] such abundance of merchandise that articles that are difficult to obtain individually from different places can easily be procured from Athens” (41)

a powerful symbol (a synecdoche, in terms of representation) of the various workings and benefits derived from the division of labor. Mandeville, in his *Fable of the Bees*, had done the same thing, using a piece of expensive fabric to represent the wonders of the division of labor and the commodities available for purchase by the well-to-do, writing, “What a Bustle is there to be made in several parts of the World before a fine scarlet crimson Cloth can be produced, what Multiplicity of Trades and Artificers must be employ’d!” (*Wealth* Fn.25, 22). In Smith’s version, the comparative lack of commodities for the “naked savage” is a comparative means to praise even the humblest possessions of England’s poor:

The woollen coat, for example, which covers the day-labourer, as coarse and rough as it may appear, is the produce of the joint labour of a great multitude of workmen . . . Compared, indeed, with the more extravagant luxury of the great, the accommodation must no doubt appear extremely simple and easy; and yet it may be true, perhaps, that the accommodation of an European prince does not always so much exceed that of an industrious and frugal peasant, as the accommodation of the latter exceeds that of an African King, the absolute master of the lives and liberties of ten thousand naked savages. (*Wealth* 23-4)

In a grandiose flourish of conjecture, Smith props up the bedraggled (and berated) laborer to a respectable promontory (not far from a European Prince?) from which to view far poorer “naked savages” under the yolk of “absolute” monarchy. Smith borrows from Mandeville’s encomium to the commodity to symbolize the benefits of the division of labor, and to amplify his (often rosy) outlook on material inequality. A deft rhetorical choice, instead of Mandeville’s “fine” cloth, Smith turns to a humble garment in order to

argue for the opulence of the poor as compared to the social and material conditions of Britain's own "savage" past. If the present looks austere for the poor, Smith places this along a continuum relative to conditions in an earlier mode of subsistence and civil authority. This is part of the reason why Michael Perelman claims that "Smith did not have much patience with uncomfortable intrusions of reality," because his aims "were more ideological" (210). However, in similar passage from his *Lectures on Jurisprudence*, "Smith let himself stray from his narrow ideological course," directly exploring the trade-offs in personal autonomy that allowed a laborer to live better than any "rich Indian prince" (210):

But that the poor day labourer or indigent farmer should be more at ease, notwithstanding all the oppression and tyranny, should be more at his own ease than the savage, does not appear so probable. Amongst the savages there are no landlords, nor usurers, no tax gatherers, so that every one has the full fruits of his own labours, and should therefore enjoy the greatest abundance; but the case is otherwise. (qtd. in M. Perelman 210)

The "key" to explain the paradox, says Perelman, is that "the poor laborer has more commodities, but also less leisure than the savage," and in this manner, Smith passes over the "possibility that these transformations may not have been voluntary," or that the loss of leisure and autonomy is a fair exchange for some simple commodities⁵⁹ (210).

⁵⁹ The notion that poverty is mitigated by the possession of certain commodities is a recurrent theme in debates about the meaning of poverty in the face of immense gaps in wealth. For example, Steven G. Horwitz, uses census data on household commodities to argue that the poor are making steady gains in this regard, even if actual income lags (see Horwitz's "Economic Myths" link on his homepage <myslu.stlawu.edu/>).

Commercial society, in Smith's estimation, is blessed with systems of social distinction not suited to the earlier stages of economic subsistence. Still, as always, the quickest way to social elevation and a virtuous reputation is to have wealth:

The distinction of birth, being subsequent to the inequality of fortune, can have no place in nations of hunters, among whom all men, being equal in fortune, must likewise be very nearly equal in birth. The son of a wise and brave man may, indeed, even among them, be somewhat more respected than a man of equal merit who has the misfortune to be the son of a fool or a coward. The difference, however, will not be great; and there never was, I believe, a great family in the world whose illustration was entirely derived from the inheritance of wisdom and virtue. (*Wealth* 714)

So, over time, the division of labor is imbricated with a civil system designed to protect property and hereditary rights, and this is what produces the various classes and ranks of society. This is an *enforced* "natural" order, which, for Smith, is not a contradiction. On this point, Perelman comments: "Smith proposed two principles regarding the social division of labor. In the first, occupational-based analysis, the social division of labor evolves because people voluntarily choose specialized occupations. The second, and contradictory principle regulating the social division of labor, divides society into classes, one of which is defined by the ownership of stock" (225). Perelman, who never underestimates the rhetorical finesse with which Smith replaces a brutal reality with a more pleasing façade, believes that "the contrast between an occupational-based and a class-based analysis of society, although not made explicit by Smith, remains a great achievement" (225). The division of labor is a necessary by-product of evolutionary

growth, even if it produces inequality and a loss of older forms of natural liberty (leisure and equality, for example), perhaps even the degradation of the minds and souls of a once vibrant but unclothed humanity. This explains why Smith's response to nakedness and inequality is his encomium to the woolen coat

Smith did not begrudge the state its due role in managing society, as many neo-liberal economists like to suggest. A civil system to protect the gains of the commercial system is concomitant to its survival, and Smith suggests that civil arrangements can and should adapt to newly created needs brought on by progress. In fact, in Smith's reading of the stages of humanity, civil governments are shaped by the modes of subsistence; thus, there are no crimes against property in a society without private holdings, no one need fear the greed of the rich, and no one need fear the desperation of the poor:

Among nations of hunters, as there is scarce any property . . . there is seldom any established magistrate or any regular administrative justice . . . But avarice and ambition in the rich, in the poor the hatred of labour and the love of present ease and enjoyment, are the passions which prompt to invade property, passions much more steady in their operation, and much more universal in their influence.

Wherever there is great property, there is great inequality. For one very rich man, there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many . . . It is only under the shelter of the civil magistrate that the owner of that valuable property, which is acquired by the labour of many years, or perhaps of many successive generations, can sleep a single night in security. (*Wealth* 709-10)

One cannot fail to notice that inequality is now both baby and midwife to systems of civil government, because having more than others incites human envy and avarice, the remedy to which is a system of law and justice. With few minimal social conflicts over resources and general equality, the nation of hunters, Smith says, has no need of “regular government,” and so in the different “ages of society, the laws and regulations with regard to property must be different” (qtd. in Gavin Kennedy 65).

The purpose of civil government in a society of inequality is to preserve the inequalities that arise from the division of labor and the accumulation of wealth. Smith makes it very clear that “Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have property against those who have none at all” (*Wealth* 715). Smith takes a different tack in his introduction of the *Wealth*, working from signs more fitting to his praise of commercial society by offering a startling either/or proposition: the poor of England at least do not live like “savage nations of hunters and fishers,” who, due to necessity, “abandon their infants . . . [and] their old people . . . to perish in hunger, or to be devoured by wild beasts” (*Wealth* 10). On several occasions, Smith takes great pains to convince his readers that poverty is a relative condition, almost meaningless in a nation rich enough to feed, house, and clothe nearly everyone to some degree. For example, in the *Theory of Moral Sentiments*, Smith equivocates on the advantages of the rich over the poor in what Winch calls “a rhetorical set-piece distancing happiness from fortune” (63), writing,

The rich only select from the heap what is most precious and agreeable. They consume little more than the poor, and in spite of their natural selfishness and

rapacity . . . they divide with the poor the produce of their improvement. They are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of society . . . In the ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possesses that security which kings are fighting for. (qtd. in Winch 63)

Smith's cosmology of material distribution and ordered social harmony is never more hyperbolic than it is here, but also, perhaps, never as clearly enunciated. Even Smith may have cringed as he invoked the trope of the "invisible hand" to advance his vision of ironic harmony among the rich and poor, a fanciful place where beggars best kings in ease of mind and leisure, and where the rich "consume little more than the poor."

According to Heilbroner, "There is more apologism in this passage than in all the rest of Smith put together, but the rather uncharacteristic hypocrisy—for hypocrisy it is—must be viewed in light of Smith's perception of the Society of Perfect Liberty directing its efforts toward social betterment, 'as if guided by an invisible hand'" (*Worldly* 69-70). Smith's "invisible hand" appears once more in the *Wealth*, perhaps also in irony, but certainly more subordinate to his analysis of market forces than to the forces of providence (I'll return to this point in closing).

In *The Invention of Capitalism*, Michael Perelman says Smith avoids the historical periods of dislocation and tyranny that led to the accumulation of stock, discussing, in other words, exactly how the poor and rich were formed in the process of moving from

“primitive accumulation” in the earlier stages of subsistence to “capital accumulation” of the commercial age. Smith’s intent, Perelman holds, is to gloss over the role of exploitation and violence in attaining rights to own land, purchase labor, and the social amenities of rank. How did “stock” end up in the hands of so few? Perelman examines Smith’s style of selective reading of history and avoidance of discomforting facts in his chapter entitled, “Smith’s Charming Obfuscation.” According to Perelman, Smith was “so intent on minimizing the role of class conflict that bursts of harsh realism rarely intruded into [his] presentation” (171). Perelman suggests that Smith “felt justified” in “minimizing the role of class conflict” in order to find symmetry and harmony in response to an otherwise bleak reality for the poorest workers (170). Finding a precedent for Smith’s deliberate evasion of harsh truths, Perelman notes that Smith, in his early essay on the history of astronomy, “asserted that intellectual effort is nothing more than a response to the discomfort that the mind feels in the face of contradictory phenomena. As a result, he went so far as to identify science as an attempt to discover the underlying harmonies in order to ‘sooth[e] the imagination’” (170). One way to promote the story of a harmonious and non-violent transition from a society of relative equality to one of stark inequality (subsistence and a few commodities to take the place of autonomy and leisure time) was to read the past in a way that makes the present appear natural and inevitable. “Economic progress should be explained in terms of the increasing role of voluntary actions of mutually consenting individual producers and consumers in the marketplace,” thus Smith felt compelled to “recast the harsh reality of capitalist development in as favorable a light as possible,” which explains his “reliance on conjecture and anecdote” in his history of political economy (M. Perleman 174). Dugald Stewart called Smith’s

method, “conjectural history,” wherein, “[i]n want of direct evidence, we are under a necessity of supplying the place of fact by conjecture” (qtd. in M. Perelman 174).

Reading the oracle of times past, present, and future is a persuasive strategy to fill in the gaps of uncertain knowledge and, when necessary, to fabricate knowledge out of a scheme of values in the name of “the good.”

Rhetoric, returning to Weaver’s emphasis, means finding the highest good and linking all one’s terms to an ultimate term denoting it qualities, and in Smith’s retreat into the stages of human economics, “natural liberty” provides a guiding term to link opulence and poverty into a harmonious and just relationship, positing an ever-widening gap in wealth as the very signs of human progress. So Smith’s use of natural liberty provides a “natural,” thus godlike, term to connect all the other terms in his argument, contradictions and all, to an ultimate good. Natural liberty in the evolution of capitalism is the driving motive of a grand meta-narrative, a version of what Schumpeter calls the “visions” of classical and modern economists, which, despite efforts to avert the ideological, “enters on the very ground floor, into the pre-analytic cognitive act” (qtd. in Heilbroner 328). Schumpeter finds that the analysis of economists follows from ready-made assumptions that predetermine the end result: “Analytic work begins with material provided by our vision of things, and this vision is ideological almost by definition. It embodies the picture of things as we see them, and wherever there is any possible motive for wishing to see them in a given rather than another light, the way in which we see things can hardly be distinguished from the way in which we wish to see them” (qtd. in Heilbroner 328-9). Grounded in imaginative and quasi-empirically derived comparisons with “savage” peoples and conjectural history, Smith’s vision is a preferred worldview and

window on his philosophy. It reminds us that the rhetorical always accompanies the ideological. Inequality, class distinctions, poverty in the face of opulence, and other kinks in the commercial realm are smoothed out by Smith and made palatable as a set of necessary relationships. One cannot have a society of the highest good, true, and beautiful without a few “wrinkles,” and thus Smith’s political economy is in many respects ironic in embracing antithetical propositions. His political economy, like rhetoric, is poised toward forever proving opposites (see Burke *Rhetoric* 43, 45).

Smith is like Protagoras because he searches the annals of mythic time to praise his conception of the present; his historical sketch of the growth of natural liberty is not unlike how Protagoras employs the myth of Prometheus. The origin of cooperation is based upon human need, and fostered by a special kind of cohesion based upon every person meeting their own needs in conjunction with others; thus, the secret to human society, Smith holds, is found in the rudimentary business of getting by; a process that requires speech, and by extension, persuasion—a proto-commercial activity not found in other animals.

Persuasion (and More Oracle) at the Root of Truck, Barter, and Exchange

The cradle of human commercial society was nurtured in mutually beneficial exchange, which comes to pass, Smith writes, by virtue of “a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another . . . It is common to all men, and to be found in no other

species of animals, which seems to know neither this nor any other species of contracts”⁶⁰ (*Wealth* 25). As in fables explaining the source of the special gifts bestowed upon humanity by the gods, this propensity to contract is unique to humankind, as “[n]obody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog . . . [and] [n]obody ever saw one animal by its gestures and natural cries signify to another, this is mine, that yours; I am willing to give this for that” (*Wealth* 26). The origin of human cooperation is born of necessity, and as in the Greek creation myth, inherent common human traits must be employed to meet the basic needs of survival. Smith finds the contrastive pair, human/animal a fruitful topic to amplify the best method of meeting one’s needs in the world of truck, barter, and exchange:

In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. *He will be more likely to prevail if he can interest their self-love in his favour, and shew them that it is it for their own advantage to do for him what he requires of them. Whoever offers 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; and it is in this manner that we

⁶⁰ Smith’s “anthropological principle,” Michael Perelman notes, “was not by any means novel. John Wheeler in his 1601 *Treatise on Commerce*, had observed ‘There was nothing in the world so ordinarie, and naturall unto men, as to contract, truck, merchandize, and trafficke one with another’ . . . Smith’s merit was in pushing this principle further than anyone else” (213).

obtain from one another the far greater part of those good offices which we stand in need of. (Emphasis added *Wealth* 26)

Smith clearly believes that the best method of persuasion is to understand one's audience, but animals are more limited in their invention of arguments and strategies of appeal:

When an animal wants to obtain something either of a man or of another animal, *it has no other means of persuasion* but to gain the favour of those whose service it requires ... Man sometimes uses the same arts with his brethren, and when he has no other means of engaging them to act according to his inclinations, endeavors by every servile and fawning attention to obtain their good will. He has not time, however to do this upon every occasion. (*Wealth* 26)

Smith acknowledges that people do in fact persuade one another by other means of obtaining good will (by being servile and fawning), but there are time constraints (time *is* money after all) in a civilized society with a division of labor (work to be done, and leisure for only a few), and so it is more efficient and effective for individuals, even beggars, to gain their needs "by treaty, by barter, and by purchase" rather than through other means, which Smith portrays as obsequious and certainly less noble methods of gaining one's bread and shelter. In Smith's mind-experiment into the rudimentary (primal) origins of a market-based society, he finds a special kind of mutually beneficial cohesion based upon every person meeting their own needs in conjunction with others. Yet he is reticent to name the real cause, or first principle, writing, "Whether this propensity be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to

enquire” (25). Speech and reason, the “probable cause,” is not pursued; however, Smith did inquire about the role of language in one of his lesser-known works, *The Philological Miscellany*, in which he proclaims language to be the key to understanding “every thing that could illustrate the institutions, the manners and the ideas of different ages and nations” (qtd. in Gavin Kennedy 28). Smith’s fascination with the power of language to shape and evolve with human societies is noticed by his one-time student, Dugald Stewart, who writes that Smith compared England to “rude tribes” in order to discover the “fundamental principles which are common to all governments . . . and the different forms which civilized society has assumed in different ages of the world” (qtd. in Gavin Kennedy 28). In this manner, Smith imputes “fact by conjecture,” to explain the principles behind his entire philosophy of human social evolution, which includes a significant role for human language in his economic market model (Gavin Kennedy 29). This is another example of Smith’s “backward-looking,” not “forward looking” enterprise” (Gavin Kennedy 29), in which he discovers the salient difference between animals and humans. It is found in the business of using speech to persuade—a proto-commercial activity not possessed by other animals. “Whoever,” Smith says, “offers another a bargain of any kind,” is attempting to persuade (26), and “where there is persuasion, there is rhetoric”⁶¹ (Burke qtd. in Booth 171). In the *Theory of Moral Sentiments*, Smith follows the thread backwards, and finds that if one seeks

the principle in the human mind on which the disposition of trucking is founded it is clearly the naturall inclination every one has to persuade . . . Men always endeavor to persuade other to be of their opinion even when the matter is of no

⁶¹ “Rhetoric,” Kenneth Burke writes, “is rooted in an essential function of language itself, a function that is realistic and continually born anew” (*Rhetoric* 43).

consequence to them. If one advances any thing concerning China or the more distant moon which contradicts what you imagine to be true, you immediately try to persuade him to alter his opinion. And in this manner *every one is practicing oratory on others thro the whole of his life*. (Emphasis added, qtd. in M.

Perelman)

In the sections of the *Wealth* often used to demonstrate that Smith proposed *self-interest* as a guiding first principle to market-based economics, it seems rather that Smith is actually proposing the *best available means of persuasion* in the economic situation. The next passage is oft cited as the summarizing holy grail of Smith's purported economics grounded in self-interest:

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. (*Wealth* 26)

Basic self-preservation intimates a strong role for persuasion in the act of bargaining for goods, a first-cause rhetoric in the formation of economic relationships, but a careful reading of what Smith intended by "self-love" can help to undermine (and understand the reasons for) the usual thinking handed down by neoclassical and mainstream economists regarding Smith's adherence to a model of self-interested human behavior.

In Pierre Force's, *Self-Interest before Adam Smith: A Genealogy of Economic Science*, he traces influences of moral philosophers (the likes of Hume, Montesquieu, Mandeville, La Rochefoucauld, and Rousseau) upon Smith's theory of human behavior, challenging the "article of faith among economist for two centuries" that the "rational

pursuit of self interest is the first principle of human behavior” in the *Wealth* (126).

Force points out that Chicago School economist, George Stigler characterizes Smith’s *Wealth of Nations* as “a stupendous palace erected upon the granite of self-interest” (qtd. in Force 1). Claims like Stigler’s are the usual fanfare, and Force finishes the sentiment that is implied by Stigler’s claim:

The meaning of the metaphor is clear. Self-interest provides a rock-solid foundation for the theory developed in *The Wealth of Nations*. Furthermore, since Adam Smith’s work is itself the foundation of modern economic science, self-interest is the first principle of economics. Because self-interest is a concept of such fundamental importance, one would expect Adam Smith to mention it quite often. Yet the term “self-interest” is remarkably rare in *The Wealth of Nations*. It appears only once, in the context of a discussion of religion⁶² . . . In the famous passage analyzing the motives “the butcher, the brewer, or the baker” may have for providing our dinner, Smith does not refer to *self-interest* but rather to *self-love* . . . One may be tempted to brush the difference aside, and argue that *self-love* and *self-interest* are synonyms. I contend however that Smith’s choice of terms is significant, especially in a passage that lays out the theoretical foundations for the rest of the book. (1)

The meaning of self-love is, according to Force, more nuanced than the “selfish hypothesis” (a term coined by Hume, see Force 203) denoted by self-interest, although

⁶² “Smith explains that in the Catholic Church, “the industry and zeal of the inferior clergy are kept more alive by the powerful motive of self-interest than in any established Protestant church.’ Catholic priests work harder than the established Protestant clergy because, instead of being salaried, they depend upon voluntary gifts from their parishioners” (Force 1).

the two terms are linked. Self-love, as Smith uses the term “is the translation of a technical term used by Renaissance humanists, *philautia*,” which was translated by French philosophers as *amour-propre*, otherwise known as “self-regard” or “vanity” (Force 2). Jean-Jacques Rousseau (whose work, Force claims, influenced Smith’s) rejects the hedonistic (Epicurean/Augustinian) concept of self-love because Mandeville equated this with a natural instinct for “man to look upon everything as centering in himself” (Force 64). But Rousseau believes that the original state of humanity was ideal, whereas the present state is corrupt, so in line the Stoic’s understanding of self-love, Rousseau believes it is “a moderate and legitimate concern for one’s welfare,” and thus, “natural, instinctive and innocent” (Force 64). Force explains that “[i]n order to avoid confusion with the Epicurean/Augustinian concept of self-love, Rousseau decides to give a new name to the natural and instinctive regard one has for one’s own welfare. This name is *amour de soi* (love of oneself). This is the famous distinction between love of oneself and self-love (*amour-propre*)” (64). As Rousseau explains:

Amour-propre and love of oneself [*amour de soi*], two passions very different in their Nature and their effects, must not be confused. Love of oneself is a natural sentiment which inclines every animal to watch over his own preservation, and which, directed in man by reason and modified by pity, produces humanity and virtue. Amour-propre is only a relative sentiment, artificial and born in Society, which inclines each individual to have a greater esteem for himself than for anyone else, inspires in men all the harm they do one another, and is the true source of honor. (qtd. in Force 64-5)

Rousseau found the evolutionary trajectory of human society to be moving from good to worse, with a “Fall” in virtues occurring by gradual historical developments (64), the reverse of Smith’s reading of human history as a positive evolution from “savage” to “commercial” man. For Rousseau “primitive man is endowed with *amour de soi*” (acceptable self-preservation), but gradually “the development of reason and an increased capacity for identification, primitive man becomes savage man,” in which “[h]e develops *pitié identifiante* (a form of vanity that seeks marks of esteem from others at any price for the recipient)” (Force 244). Whereas Smith finds the greatest virtue to be in the accumulation of wealth made possible by a fully commercial society (Force 2), Rousseau finds a loss of virtue “in the final stage (modern commercial society),” because “man is almost exclusively driven by *amour-propre intéressé* (a form of vanity that seeks satisfaction through the accumulation of wealth)” (Force 244). Smith seems determined to turn the story around in his reading of history, but he finds common ground with Rousseau with a concern over the nature of virtue in the commercial age.

This produces another instance of Smith’s tendency to harmonize the economic sphere with his notions of natural human behaviors, and thus, Smith borrows self-love as a term to denote human desire for esteem and honor, which is not to be equated with mere desire for economic advantage. Acting out of self-love is a means to achieve honor and praise, and while a mark of vanity, to Smith this is not a blameworthy motive; on the contrary, it is a sort of vanity that is well earned and deserved, unlike the kind of vanity that seeks undeserved praise, an important distinction in Smith’s challenges to Mandeville’s equating virtue with vice. Winch believes “Smith was charting a course between his two antagonists [Rousseau and Mandeville] on this matter,” as by rejecting

Mandeville's conflation of virtue and vice, and affirming a "positive assessment of self-love," Smith diverged from Rousseau by his "refusal to deny the genuine *social* benefits associated with the desire to better oneself by pursuing the objects of vanity," while also borrowing from Mandeville the notion of unintended social benefits from unsocial behaviors (73). Force explains how Smith appropriates Rousseau and turns blame into praise, a twist that will have great significance for the future of political economy:

Rousseau's portrayal of self-interested behavior is satirical throughout. Smith's description is more equivocal: sometimes satirical, and sometimes laudatory . . . [I]n *The Theory of Moral Sentiments*, Smith follows Rousseau's satire very closely . . . [by] insist[ing] on the folly of a behavior that consists in postponing gratification indefinitely. On the other hand, in *The Wealth of Nations* he praises the self-interested behavior of merchants, and contrasts it with the unwise behavior of the great lords, who sought immediate gratification: "The merchants and artificers, much less ridiculous, acted merely from a view of their own interest, and in pursuit of their own pedlar principle of turning a penny wherever a penny was to be got." What is remarkable here is that Smith appropriates Rousseau's analysis of the fundamental role of self-interest in modern commercial society, with one difference: blame has been changed into praise (Force 246).

This is another example of the grand reversals so prevalent in political economy, and this time tied to the very meaning of virtue. Coming to opposite conclusions from either Mandeville or Rousseau, Smith demonstrates the "additional freedom [he] enjoyed . . . as a naturalistic observer and moralist, employing the doctrine of unintended consequences for purposes of explanation" (Winch 74).

The doctrine of unintended consequences has been closely allied with Smith's famous metaphor of the "invisible hand," which has been over-determined by modern economics to justify a host of market-based solutions to problems Smith did not envision in his works. In the end, self-interest is not a first principle of the *Wealth*, rather, as Force puts it, it is "the way to persuade someone to engage in a transaction," adding that the "principle behind the transaction is not self-interest but the propensity to barter and trade, which is itself based on reason and speech, and the propensity to persuade" (262). This is promising for an understanding of the rhetoric of political economy, as it posits political economy *as* rhetoric, inside and out. With this in mind, I now turn to a part of Smith's rhetoric that has taken on a life of its own, namely, the "invisible hand," a metaphor that in the hands of his successors is an autonomous mystical power and guiding first principle in the *Wealth*.

The imposition of the invisible hand by neo-liberal and mainstream economics

Smith's use of the metaphor, "invisible hand," is widely invoked by mainstream economists to provide a basis for understanding the way unintended beneficial outcomes are derived from actions rooted in benign motives of self-interest. Smith's now famous invisible hand is a figure of speech that follows his proscription in his lectures on rhetoric, in which he claims "that a metaphor can have 'beauty' if it 'is so adapted that it gives due strength of expression to the object being described and at the same time does this in a striking and interesting manner'" (qtd. in Gavin Kennedy 211). For years after Smith's death in 1790, Gavin Kennedy points out, the invisible hand remained an obscure metaphor buried in the pages of his *Wealth* "until assumptions about its role slipped into

the mainstream, first almost unnoticed in the last quarter of the 19th century and then in the second half of the 20th century, by which time its linkage to Adam Smith was universally accepted”⁶³ (211). The trope of the invisible hand appears frequently in literature before Smith borrowed the phrase (in Homer, Shakespeare, Defoe, Voltaire, and Kant, among others), and yet it has been seized upon as a significant contribution of Smith’s own making. It is lauded by modern neoclassical economist Kenneth Arrow as “The profoundest observation of Smith,” and by James Tobin as “one of the greatest ideas of history and one of the most influential” (Arrow and Tobin qtd. in Gavin Kennedy 210). The invisible hand is connected to the notion of rational self-interest as it is broadly applied by neoclassical schools, so in this sense, it assumed to be part of the theoretical foundation that Stigler speaks of when he proclaims the *Wealth* to be “a stupendous palace built upon the granite of self-interest . . . [because] it guides resources to their most efficient uses, stimulates laborers to diligence and inventors to splendid new divisions of labor—in short, it orders and enriches the nation which gives it free rein” (136). Here, acting in one’s self-interest is somehow connected to the wisdom of the invisible hand to “guide resources” to their best use through the workings of the division of labor.

The reliance on the invisible hand to support the self-interest theory seems especially inordinate and over-determined, given that the phrase “invisible hand” appears only three times in Smith’s entire body of works. Moreover, his three uses of the “invisible hand” are not completely consistent, referring to both erroneous superstition and beneficial unintended consequences (“divine providence”) (Force 71). Emma

⁶³ Kennedy lists a few noteworthy exceptions in attributing a theoretical significance to the invisible hand: “Karen Vaughan, Noel Parker and Emma Rothschild” (211).

Rothschild believes because the phrase is “uniformly grim” in its connotations in common usage before Smith took up the term for his own use, “Smith’s intent might be ironic in all three occurrences” (Force 70). The “invisible hand” is a creature of speech, not market forces, especially so because this metaphor replaces a clear-cut analysis with a negation dressed up as a consequence—ironic indeed. It is metonymic and ironic, as an invisible hand (divine or magical) denotes a reduction of complicated social and political machinations to an absence of any visible organization. The first instance of Smith’s use of the term is found in the *History of Astronomy*, where Smith “derides the mythical beliefs of the Ancients, who ascribed a divine origin to irregular events of nature, like thunder and lightning . . . to the ‘invisible hand of Jupiter’” (Force 70). In this passage, the invisible hand is an insubstantial delusion brought upon by misunderstanding and fear. The second instance is in the *Theory of Moral Sentiments*, wherein Smith invokes a delusion of another kind (perhaps compelled by irony or hypocrisy) when he says the rich “are led by an invisible hand to make nearly the same distribution of the necessities of life, which would have been made, had the earth been divided into equal portions among all its inhabitants” (qtd. in Force 70). This memorable passage, Force writes, “describes the ‘œconomy of greatness,’ i.e. the system that makes it possible to meet the basic needs of the large quantities of workers who produce luxury goods for the consumption of a small number of wealthy persons” (Force 70). That the wealth of the earth is as equally divided as a world in which everyone owned everything in kind is nothing short of astounding and, at the least, ironic. The third and last appearance of the Smith’s invisible hand metaphor is “rather buried” in the famous quotation that has “come to symbolize Smith’s intellectual legacy” (72):

As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestick industry . . . every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the publick interest, nor knows how much he is promoting it [,] . . . he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. (*Wealth* 456)

In this oft-quoted passage, Force notes that Smith's main point is to argue that investors, acting in their own narrow interest to "maximize return on their investment," often contribute, unwittingly, to an increase in the "annual revenue of the society" (70). The context of the invisible hand in the *Wealth* is somewhat mundane in comparison to the chorus of its admirers. Smith says that investors of stock are naturally risk averse, and thus, they prefer to bank on local, regional, and domestic markets instead of investing money abroad. Smith's point is that tariffs and duties "divert capital from where it might have gone otherwise and these diversions are unlikely 'to be more advantageous' than where capital would have done of its own accord'" (Gavin Kennedy 218). Domestic producers are shielded from fair competition by able foreign foes (thus prices go up), and the protections ensure that they "draw a greater share of labour and stock than would be the case in their absence" (Gavin Kennedy 218). The key to Smith's use of the metaphor is found in his stance against monopolists' practices, not for a crude "free hand" of trade. As James Galbraith explains: "The immortal passage about the "invisible hand" is usually cited nowadays in support of an unfettered market, but that was not Smith's own point. Quite the contrary; in drafting this passage, Smith was giving an argument *against*

gratuitous foreign trade . . . Something similar could be said for a “Buy America” campaign (66).

In Gavin Kennedy’s interpretation of the passage, Smith’s “invisible hand” is a powerful and appealing metaphor (“striking and interesting”), but not in any way conceived by Smith as doing the kind of theoretical heavy lifting it is often invoked to represent, noting that “Adam Smith did not credit “the invisible hand” metaphor with the importance that modern economists give to it,” as he “had no ‘theory’ of invisible hands (he used the words only three times) and he showed no inclination to treat them as anything more than an isolated metaphor” (210). I would amend the last phrase to “ironic metaphor,” believing that Smith intended to convey a sense of certainty in his analysis through a dramatic exaggeration of a paradoxical (non)agency; nonetheless, Kennedy says Smith “gave the metaphor no role in his theory of competitive markets,” and he was well able to make his point without the metaphor of the invisible hand, as he does in an earlier passage:

As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestick industry, and so direct that industry that its produce maybe of the greatest value; every individual necessarily labours to render the annual revenue of society as great as he can. (qtd. in Gavin Kennedy 220)

“Only after stating this logical outcome from his assumptions,” Kennedy explains, “does he introduce the then ordinary but now famous metaphor to underline the imperatives of the merchant’s natural risk-averse behavior” (220). Why, then, all the fuss over the invisible hand? Perhaps it carries the day because it connects a mundane analysis with its

more resplendent consequences; a logical function is replaced by a more evocative, memorable, ideological, and persuasive symbol of the good, true, and beautiful. Kennedy says the invisible hand “presents the simple arithmetical connection between individual actions and aggregate outcomes in the form of an understandable allusion for those of his readers not alert to his earlier explanation” (Gavin Kennedy 220). The need to convince is a good explanation for Smith’s choice of the invisible hand, which is a commonplace notion of divine guidance or natural order that resonates with many readers more than the logic of his analysis. “As it was Smith’s purpose to persuade statesmen, legislators and those who influence them of the benefits of allowing merchants and manufacturers to arrange their own affairs according to their interest, the allusion to an invisible hand read better for those who found the link between risk aversion and social benefit too difficult to grasp or, more important, for them to explain later to others who would not understand” (Gavin Kennedy 221). The spreading of “the word” is a task made easier with the invisible hand, and mainstream economics finds the notion compelling to bandy about, using the negation of politics to justify a utopian vision of a free wheeling capitalism as the best method of meeting material needs. In the *Encyclopedia of Economics*, the “invisible hand” is discussed under the heading “The Perfectly Competitive Market System,” in which Smith’s metaphor is described as referring to a primary principle of decentralized organization “coordinating the decisions of buyers and sellers in such a way as to promote the common good” (Cornwall 126). Stilwell finds it important to note that Smith’s invisible hand is directly invoked to address Smith’s criticism of mercantilist doctrines in support of state-sponsored monopolies and privileges, areas in which the “*visible* hand of the state was much in evidence” (emphasis

added 70). There is no shortage of such accolades to a self-automated ordering system, as neoclassical economists turn to the classical works of Smith in order to bolster their own case for letting markets decide outcomes. This preferred reading of Smith posits that under the aegis of the invisible hand “no further economic planning or political intervention” is required to ensure a healthy economy (Stilwell 72). Even if the invisible hand is taken to mean a “general preference for self-regulating markets, Smith saw those markets as requiring social foundations that would shape behavior in desirable ways” (Stilwell 72). Likewise, Lionel Robbins, founder of the London School of Economics, writes of a need for a less mythical agent in understanding how self-interest might promote public good, writing, “The invisible hand which guides men to promote ends which were no part of their intention, is not the hand of some god or some natural agency independent of human effort; it is the hand of the lawgiver, the hand which withdraws from the sphere of the pursuit of self-interest those possibilities which do not harmonize with the public good” (qtd. in Samuels 5-6). In other words, for Robbins, the classical school as conceived by Smith does not advocate a “sharp separation between the political and the economic spheres” (Samuels 6), and so it follows that there is no “automatic or natural harmony in the sense of inevitability . . . whatever harmony would or could exist would have to be *created*” (Samuels 7). The need for the state to create the conditions under which unintended consequences might have such an effect is a prerequisite to effective economic systems. As noted, Smith finds that acting in one’s self-interest is not always benign and quite often harmful (Gavin Kennedy 162). Why then is the invisible hand so attractive as an explanatory principle of neoclassical schools? The reliance on the invisible hand to explain what might otherwise be explained in more mundane terms

posits a shift in focus upon a less political and more static formulae for an emerging science of economics, more concerned with absolute principles to guide commercial relationships than with the actual day-to-day business of managing social and political affairs. The imposition of the invisible hand grants an aura of infallibility and cannibalizes Smith's postulates into easy to digest morsel of wisdom:

The metaphor languished in relative obscurity, barely noticed during the development of social science, until retrospectively awarded its accolade to give modern theories of markets a mystical aura, sanctified by their alleged affinity with Adam Smith's much-promoted metaphor, but not, significantly, with his theory of markets. The metaphor is also popular with those who seek divine meanings in market activities. The proponents of invisible hands, believing something mystical is involved, ignore the dynamics of Smith's examples of the necessity for subsistence-level distribution in *Moral Sentiments* and the simple arithmetic of the 'whole is the sum of its parts' in the *Wealth of Nations*. (Gavin Kennedy 222)

The memorable phrase is deftly employed to carry Smith's point to even his "dullest readers" (Schumpeter 184) simultaneously overcoming Hume's concerns that his analysis was too complex for the public to grasp easily (Campbell and Skinner 41). The allure of divine sanction to commercial behavior once deemed non-virtuous should not be discounted, even if Smith found the association of unintended outcomes with a deistic hand a stretch of rhetorical prose and a convenient commonplace to persuade his audience.

The dualism of Smith shows itself in his rhetorical choices shaped by the needs of audience and purpose. Smith addresses his peers and educated readers, and his task is to propose a scheme of values steeped in ethics and politics. This explains why he seems to follow the advice of Aristotle's *Rhetoric* in using both dialectic and rhetoric to gain assent by means of reasoning from probabilities, whether between two experts or in front of a diverse audience. Aristotle says, "the theory of rhetoric is concerned . . . with what seems probable to men of a given type; and this is true of dialectic also. Dialectic does not construct its syllogisms out of haphazard materials, such as the fancies of crazy people, but out of materials that call for discussion; and rhetoric, too, draws upon the regular subjects of debate. The duty of rhetoric is to deal with such matters as we deliberate upon without arts or systems to guide us, in the hearing of persons who cannot take in at a glance a complicated argument, or follow a long chain of reasoning" (1356b33 ff.). Smith's didactic treatment of political economy is a rigorous exposition and chain of reasoning not unlike dialectic, drawing upon syllogistic logic to illuminate "materials that call for discussion" for audiences inclined to follow the argument—his studied peers. On the other hand, his rhetorical task, which is fulfilled through his praise, blame, and oracle, is to "deal with such matters . . . in the hearing of persons who cannot take in at a glance a complicated argument, or follow a long chain of reasoning"—the reading public not likely to comprehend the more complex analysis, and the proxy for which the "invisible hand" was contrived to make persuasive and memorable. In the next chapter I address how Smith's dualistic methods (inductive and deductive) became estranged in the years following the publication of the *Wealth*, creating a long-standing schism in political economy that reaches to the present.

Chapter Five

The Deductive Leap into the Logical Rabbit Hole: How Science and Prediction became the Watchwords of the Economic

Praise and blame of deductive and inductive methods of investigation and exposition took center stage in the interim years after Adam Smith and up to the formation of the marginalist revolution in the 1870s (the roots of neoclassical economics). I hope to explain how and why this contest resulted in the exclusion of social and historical topics of analysis and, in the conclusion to this chapter, how the role of the oracle took a decidedly positivist twist. In the new era of economic science, the ability to predict outcomes and model idealistic self-regulating systems in a vacuum was the prime occupation and only worthy objective of the oracle. What follows is a (breathtakingly) broad outline of the developments that led to a shift in the rhetoric of praise, blame, and oracle in movement from political economy to the science of economics. To get there from here, I've chosen to focus on the labor theory of value and the implications for the value-laden rhetoric of political economy.

Adam Smith is the sun around which the major planets in classical political economy warm and distance themselves. Smith's notable and salient successors of the classical school (Robert Malthus, David Ricardo, John Stuart Mill, and Karl Marx, and many lesser known others) perform homage to Smith with their praise and blame of his precepts and ideas, employing his gravitas and exposing his errors in order to make their own amendments to his political economy. He is the rock upon which they hoist their political economy, rarely breaking with Smith's more general claims, yet finding worthy differences of oracular import. In this regard, praise and blame are the prerequisite topics

with which to address Smith's legacy and to offer deviations to his ideas.⁶⁴ For his prediction of what the poor have to look forward to, it is Malthus who gives credence to the term "dismal science" when he attempts to overturn utopian visions of continued growth and shared wealth. For Smith and Ricardo (and to a lesser extent Mill, who shined up Ricardo's dreary prose), the final terminus was a long way into the future, but for Malthus, exuberance and self-congratulations were premature and disastrous to the poor.

The deductive turns starts with Ricardo, but first I want to take a brief look at his contemporary, Malthus, with whom Ricardo established a professional but contentious dialogue.⁶⁵ Ricardo was a securities trader, Malthus an ordained clergyman. Needless to say, they did not agree upon the most advantageous methodological orientation to political economy, and this is expressed in their writings that directly address the issue in bold terms. For example, in answer to Ricardo's desire to make political economy a proper science without an accompanying philosophy of morals, Malthus responds that the study "bears a nearer resemblance to the science of morals and politics than to that of mathematics" (1), and he cushions blame with praise: "I have so very high an opinion of Mr Ricardo's talents as a political economist, and so entire a conviction of his perfect sincerity and love of truth, that I frankly own that I have sometimes felt almost staggered

⁶⁴ Ricardo provides a ready example of a measured style of praise and blame employed to retain the ethos of Smith while disputing on specific areas of analysis: "The writer, in combating received opinions, has found it necessary to advert more particularly to those passages in the writing of Adam Smith from which he sees reasons to differ; but he hopes it will not, on that account, be suspected that he does not, in common with all those who acknowledge the importance of the science of Political Economy, participate in the admiration which the profound work of this celebrated author so justly excites" (50).

⁶⁵ Their letters and correspondences are chronicled by Donald Winch in *Riches and Poverty: An Intellectual History of Political Economy in Britain, 1750-1834*; and see also *The life and Economics of David Ricardo* by John P. Henderson and John B. Davis.

by his authority, while I have remained unconvinced by his reasonings” (18). In other words, for Malthus, Ricardo’s ethos is powerfully persuasive, yet his logic is not. Ironically, Malthus, a god-fearing fire-and-brimstone religious man, might be credited with heralding the demise of an overtly moralistic political economics with his dire prediction of exponential population growth in the new commercial age. His purpose was to show how any increase in wealth for the poor would be matched by moral degradation, sickness, and, as the final check, famine. The condition of the poor was an act of nature sanctioned by the heavens; thus, Malthus could argue that increasing the wages of workers would increase misery. Malthus’ proposition was simple: a person unable to provide subsistence (from one’s parents or by the selling one’s labor) “has no claim of *right* to the smallest portion of food, and in fact, has no business to be where he is” (qtd in Winch 221). Like the ombudsman in Charles Dickens’ *Oliver Twist*, who chastised an orphan for his audacious plea for more food, Malthus holds that for the increasing numbers of indigent poor, there is no room at “nature’s mighty feast,” and that such intrusions upon the well fed already at the table will result in a uncontrollable flood of mouths that will deplete the entire banquet and a cause a general loss of happiness and ease (qtd. in Winch 221). This is not a mere metaphor (though a metaphor it is), because it pronounces a substantive claim of no small import. Superfluous peoples will be barred access because “the great mistress of the feast, who, wishing that all her guests should have plenty, and knowing that she could not provide for unlimited number, humanly refused to admit fresh comers when her table was already full” (qtd. in Winch 221). As I.A. Richards would note, the tenor (a feast and a mistress) and vehicle (the world’s food supply and God’s divine hand) are mutually complementary; Richards says this harmony

between tenor and vehicle is the task and great feat for the poet, and, I would also argue, critical to the rhetorical goals of any political economist (see Richards' *Philosophy of Rhetoric* 121-2). Malthus' metaphor captures the heart of his virtue-concerned economics, as there is blame for disastrous compassion for the poor, blame for indigence (a condition of nature and one's relationship to god, not a social construct, thank the stars), and praise of the "harmony and order" of the feast undisturbed by "intruders." The "great mistress of feast" pronounces the oracle: "no fresh comers when her table was already full," which is to say, death. A horrific precursor to the familiar axiomatic figure "no free lunch," Malthus challenges utopian schemes positing ever-increasing wealth for all, including the poorest. The mixed religious and arithmetic logic Malthus employs here is not immoral per se, Winch argues, but rather, it is a conservative ("leave well enough alone") religious morality informed by his Newtonian appreciation for observation and experiment (229).

Malthus, like Smith, used both induction and deduction, often in that order, to construct his theories and policy recommendations. In the wake of Malthus' and others "dismal" views that diverged from Smith's less dire prognosis for the poor, British commentators debated the vices and virtues of shedding moral responsibility from political economy to move toward a disinterested economic "reality" (a science of distribution and exchange theory, as it has since become). This snowballed into a serious professional feud over the purpose and methods of political economy that the economic historian Arnold Toynbee in the early 1880s characterized as a "bitter argument between economists and human beings" (qtd in Winch 6). As you might have guessed, the

argument continues, a subject that requires a look at a myopic desire for scientific certainty across the social sciences and particularly in the new science of economics.

Revisiting Induction vs. Deduction and the Labor Theory of Value

Involved in the contest over the soul of the study of want satisfaction is the praise and blame of methods and the contests between deductive and inductive methods. The range of arguments engendered in this dispute are too numerous to recount, but the labor theory of value in classical political economy provides a proverbial canary in a coal mine to test the atmosphere of the new science of economics emerging in the 1870s. In other words, a concern to explain (and justify) the continued production and distribution of goods according to the division of labor and along class lines dies from lack of oxygen, and portends the loss of its status as a building block of analysis. In its place, individuals—miniature rational calculators who buy, sell, and exchange in a world of scarcity—become the singular subject of investigation and to whom are entrusted the keys to the city of capitalism. The “science of economics” is the full name for a wholly reformed “political economy,” but the (lingual qua-rhetorical) reduction of “political economy” to “economics” does a pretty good job of denoting the professional aspirations and corresponding new orientation to the study of want satisfaction. “Economics” (in place of “political economy”) is not simply a pet name or syllable-saving abbreviation, as it signals a metonymic narrowing of the study to deductive/abstract methods. What’s more, it signals a key synecdoche in the rhetoric of Individualism (an ideology with a capital “I”) in which the individual (micro-economic parts) represents the workings of

aggregate society (the macro-economic whole).⁶⁶ Gone is the analysis of the relative distribution of material goods to members of economic social classes, as focus is turned to competition among individuals to maximize their pleasure (a.k.a. the theory of utility). The rhetorical occupation with human fairness, virtue, and justice, is replaced by a “logic”-driven abstract science of universal laws (hence, purportedly non-contradictory). In reviewing the history of economic thought, one can still hear the echo from the first shot in the war of methods that occurs with Ricardo, who had much to praise in Smith’s work, but whose own desire to propose a rigorous application of theory devoid of interference by historical and social concerns provided the groundwork favored by later theorists eager to advance a more Newtonian version of economics (I address this more fully in the next chapter). The difference between political economy and economics in their orientations to establishing common values brings us back to the pivotal dispute between Socrates and Protagoras in Plato’s *Protagoras* (see chapter 1), namely, the contest between induction and deduction as a means of discovering truth and the difference between right and wrong—the knowledge of which is virtue.

The Diffusion of Methods of Induction and Deduction in Classical Political Economy

The split between rhetoric and philosophy and disputes over methods are the topic of Plato’s *Protagoras*, wherein Socrates plays the deductive/abstract philosopher (qua-scientist) and Protagoras is the inductive-historical sophist (qua-rhetorician). As we have seen in the previous chapter, Smith is a bit both: inductive rhetorician and deductive

⁶⁶ The micro and macro subjects have precedents, as Smith explored the interplay between micro-subjects (individual behavior) and macro-subjects (classes of producers and consumers) (see Milonakis and Fine 21).

philosopher, and vice versa. Smith “recognized the patent contradiction between reality on the ground and conclusions drawn solely from deduction” (Gavin Kennedy 137), and so Smith’s “methodology was eclectic,” with a blend of the “empirical, the theoretical, the institutional, the philosophical, the static, and the dynamic . . . all intermingled” (Sowell qtd. in Milonakis and Fine 16). In short, he applied deductive and inductive methods, and for the rest of economic history to the present, the two sides of Smith, like the estranged sons of Abraham, began their own antagonistic methodological economic traditions. Irish historical economist, Cliffe Leslie, first noted this in 1870, pointing to the “dualism” in Smith that split into two distinct schools with opposite methods: “[o]ne of them is represented by Ricardo as the founder of the deductive method; the other of which Malthus and Mill are the chief representatives, combines a priori and inductive methods” (Milonakis and Fine 18). Although Smith “employed deductive reasoning,” it was “not of an axiomatic nature,” and as a “a keen observer . . . of history and different societies” and he “frequently used facts to illustrate arguments. In short, his deductions were usually empirically founded” (John Phedy qtd. in Milonakis and Fine 18).

According to Deborah Redmond, Smith’s mixed method can be summarized as a sequence of four general procedures: 1) “abstract and isolate social (including economic) motivations and processes” [e.g. the division of labor and the propensity to truck, barter, and exchange]; 2) “examine the interdependencies between the component parts” [the growth of wealth is due to the division of labor among the various social actors and operations, hence, the encomium to the woolen coat as representing the entire system]; 3) “generalize the relationships discovered to all similar situations (establish principles via induction, the process of deducing an inference from the facts)” [e.g., the modes of

subsistence are an evolutionary process nurtured by the inborn desire to better one's condition]; and 4) "draw inferences from the general or universal principles (deduction) to form a system, illustrate the theory, and show and explain the effects of the workings of the principles on social institutions" [Civil governments are shaped by the historic modes of subsistence and by the necessary relationships of harmonious economic classes (land, capital, and labor)—a premise that forms the basis of Smith's policy proscriptions in Book II of the *Wealth*] (Redmond qtd. in Milonakis and Fine 18). The conflict between "inductive/historical" and "deductive/abstract"⁶⁷ is the first of "two great divides" in economic thought; the second is "the movement from classical political economy to neoclassical economics, across the marginalist⁶⁸ revolution which narrowed the scope of scientific inquiry" (Milonkais and Fine 9).

⁶⁷ Milonakis and Fine provide an extensive categorical definition of each: "*Deduction* is defined as the method of developing a theory starting with given assumptions and premises, and, through syllogism and the use of the rules of logic, moving to what are effectively conclusions predetermined by the starting points. It is an abstract scientific method based on a prior reasoning and, as such, can purport to be devoid of history (other than that determined by the terms and conditions set by the practitioner's own context that are far from negligible, i.e. through introspection). *Induction*, on the other hand, refers to the method of moving from the specific to the general, from observed facts to theoretical generalizations, by identifying characteristics of a specific phenomenon or situation and transposing it to the totality of similar phenomena or situations. In this approach, historical investigations of the subject matter occupies center stage" (15-6).

⁶⁸ Marginalism, in its early variations, is closely allied to Jeremy Bentham's theory of utility, and in William Stanley Jevon's *Theory of Political Economy* (1871) utility is the mathematical representation of a universal economic principle (see Heilbroner *Worldly* 214). Jevons addressed both scarcity and value with his proposition that "the utility gained from consuming extra units of each commodity would diminish as more if it were consumed," thus value is no longer embodied in labor but in personal preferences and idiosyncratic perceptions of need in a world of limited resources (Stilwell 149).

Revisiting the Calculus of Pleasure and Pain: From *Protagoras* to Orthodox Benthamism

Socrates, in Plato's *Protagoras*, argues for a similar reduction of scope and expansion of purpose in the calculation and apprehension of virtue, which is equated with pleasure seeking and pain avoidance. Socrates says virtue (in similarity to the utility theory of value) is difficult to grasp (even contradictory) unless it is bound up with an understanding of the human pursuit of pleasure and avoidance of pain (329d—355b):

[S]ince our salvation in life has turned out to lie in the correct choice of pleasure and pain—more or less, greater or smaller, nearer or more distant—is it not in the first place a question of measurement, consisting as it does in the consideration of relative excess, defect, or equality? (357a-b)

Socrates' virtue-seeking individual is the mirror image of the utility optimizing pleasure-seeking individual critical to the theoretical foundations of neoclassical and mainstream economics. *Protagoras* illustrates flare-ups that occur when contrastive methods and goals are employed simultaneously in dialogue, putting a face on the dispute with the contrastive characters of Socrates and Protagoras. For Socrates, deduction is a means to *discovery* —(a noun) isolating everlasting truth (dialectic, philosophical, and quasi-scientific); in contrast, for Protagoras, induction is a means to *discovering*—(a transitive verb) debating socially conceived truth (historical, rhetorical, democratic).

The rational self-interested behavior associated with the benefits of the invisible hand found footing in an ongoing project to make political economy a science in the image of physics. Perhaps it was easy to associate Smith's more accessible analysis of the invisible hand with the simplicity of Jeremy Bentham's calculus of pleasure and pain. His *Introduction to the Principles of Morals and Legislation* (1789) took nearly a

hundred years to come to roost as the chief principle in the turn to marginal theory, a theory which “begins with utility,” Heilbroner sums up, “and utility begins with Jeremy Bentham” (199), who writes:

Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to confirm it. (qtd. in Milonakis and Fine 19)

This is a broad brush characterizing virtuous human behavior that is not limited to the economic alone, as it defines “right and wrong.” In Bentham’s estimation, the principle is clearly uncontestable, especially in the passages where he deigns to parry (in a flourish of hyperbole in the grand style) futile and contemptible refutations to his theory before moving on to his (often tortured) “logical” exposition: “Systems that attempt to question it deal in sounds instead of sense, in caprice instead of reason, in darkness instead of light. But enough of metaphor and declamation: it is not by such means that moral science is to be improved” (qtd. in Heilbroner, *Worldly* 201). Otherwise known as Bentham’s concept of utility, the principle concerns “that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness (all this in the present case comes to the same thing) or (what comes again to the same thing) to prevent the happening of mischief, pain, evil, or unhappiness to the part whose interests is considered: if that party be the community in general, then the happiness of the

community: if a particular individual, then the happiness of that individual” (qtd. in Milonakis and Fine 20). This is where we get the notion that the common desire of all individuals is to maximize pleasure and avoid pain, and the corresponding notion that because “society is simply the sum of its individual members . . . [,] by promoting the greatest happiness for the greatest number of people, society’s welfare is also maximized” (Milonakis and Fine 20). Note that Bentham posits the “greatest happiness” as the goal, which belies a link between the excesses of the rich to the well being of the poor. Bentham’s logic is often tautological “and will test anyone’s critical faculties,” and yet he is remembered, Heilbroner holds, because John Stuart Mill’s *Utilitarianism* (1863) gave a more cogent and “sophisticated version of the pleasure and pain calculus . . . [that] elevated Bentham’s risible calculus into a philosophical system that still attracts” (Heilbroner, *Worldly* 200).

Philosophy and economics have traditionally been paired up to foster oracles of evolutionary progress (e.g., the postulation of the stages of history and use of common myths) and to establish natural or universal laws of human behavior (predictions of all kinds) (Stark 184); however, as economic historian Werner Stark points out, “as it has developed since 1870, the concatenation between psychology and economics seems indeed far more intimate. Is not the whole theory of marginal utility only to be understood as a child of Benthamism?” (Stark 184). Bentham’s exposition of the principles of human behavior in such a restricted sense of individual subjectivity makes him the “only major classical writer who was purely and consistently individualistic,” and his utilitarian theory provided a basis for the “whole marginalist edifice,” the most significant turn in the study of economics that signaled a strictly deductive approach in

what heretofore had been a generally historically informed social science. Ricardo's deductive stance was a notable exception to this generalization, and he provides a methodological bridge to bring Bentham back to life. Because his influence in economics is belated by nearly a century, Heilbroner places Bentham as a cornerstone to the marginalist turn in the late nineteenth century (*Worldly* 199-200); however, many see in Bentham's pleasure and pain calculus the notions of economic self-interest that can be traced to the canon of Adam Smith. The invisible hand of self-interest and utility maximization are often conflated, but Smith's individual is not a free-floating signifier. As Milonakis and Fine point out, even if the "[p]ursuit of self interest is a basic attribute of human nature," for Smith, there are many other attributes, and thus, his "*homo economicus* is not the single-minded and selfish utility maximiser of modern neoclassical economics. On the contrary, economic agents are conceived as part of the wider social context" (Milonkakis and Fine 17). Indeed, Smith's economic corpus is cannibalized as if his postulates can be understood ("digested" to pursue this grim metaphor) without any social and historical context; in effect, he is a source of uncontested deductive premises that can be applied freely across a range of economic and non-economic questions (if one believes the two are separable). No one need explore in any detail Smith's actual works in any context at all, as the ground is prepared to launch any concoction of free market ideology. Anticipating the trend that remains dominant today, economist David Gordon notes that much of what passes for critical economic theory is a pedestrian understanding and application of Smith's economics:

Smith's postulate of the maximizing individual in a relatively free market and the successful application of this postulate to a wide variety of specific questions is

our basic paradigm. It created a “coherent scientific tradition” (most notably including Marx) and its persistence can be seen by skimming the most current periodicals . . . I conclude that economic theory is much like a normal science and that, like a normal science, it finds no necessity for including its history as part of professional training. (qtd. in Milonakis and Fine 47-8)

Positive science serves up Smith’s as if all relevant doubts and alternative views have been exhausted. The pattern repeats itself in economic writings and graduate programs. “It is no longer thought necessary to examine how and why Smith argued in favour of the market, nor indeed how he qualified his case. In effect, Smith’s invisible hand has become a cliché, so much so that any case made for the market, from neoclassicals to neo-Austrians, can be perceived to be his case and to be invested with his trademark. So strong is the image of Adam Smith and the invisible hand that its veracity tends to be deployed by those who seek to argue against it . . . In any case, the idea of the invisible hand looks very different if it is interpreted by way of analogy with Darwinian evolution as opposed to mechanical equilibrium” (Milonkais and Fine 48).

The transformation of political economy to the science of economics concerns the elision of situated socio-political reality in favor of a more “rigorous” attempt to discover universal axioms to describe economic behavior. A magical unicorn in a world of over-worked horses (see Milonakis and Fine 282), the beautiful regularity of scientific models is alluring against the backdrop of a less contrived and disorderly world. A deductive stance in a conjured static world requires a reduction of scope with an accompanying expansion of purpose. Jettisoned are the implications of social class in order to model the behavior of isolated individuals seeking to maximize pleasure in a world of resource

scarcity. Morals and values are implied by inputs to the models, but there is no need to unpack the ethical or political dimensions of first principles taken as deductive premises. As Heilbroner notes, the story of economic thought “takes the form of a steady movement of inquiry from political economy to economics—that is, from investigations that unashamedly recognize the value-laden elements in their analytical precepts, to expositions that ignore, or worse, are unaware of their presence” (*Worldly* 334). Thus, abandoned in the pursuit of progress to a more certain science are the building blocks of study of classical political economy, namely, the production and distribution of goods as reflected in the “class structure—the three main classes being landlords, workers and capitalists” (Milonakis and Fine 16). Milonakis and Fine correctly point to classical political economy as a “historically specific social science” attuned to the functioning of “the *capitalist* economy and its corresponding classes, rather than the economy or the economic in the abstract. Indeed, most, if not all, the classicals are concerned to unravel what is distinctive about capitalism, as opposed to previous epochs, and for this to be reflected in their theory” (Milonakis and Fine 14-5). Over the course of the nineteenth century, the situated study of economics gave way to a universal notion of economic behavior, one not tied to any particular economic system and relying on mathematics rather than history. Humans are now isolated agents unhinged from membership in any category of social strata. In short, individuals seeking the maximum value of their own labor and fortunes, atomized and released from their social and historical moorings, replaces aggregates of people sharing common status in the production and allocation of goods. In addition to the growing professionalization of the social sciences eager for credibility, Heilbroner says the reasons for the shift in orientations is partly political too.

Political economy arose and flourished in an aristocratic age, “taking for granted the inevitability and rightness of class stratification;” however, in the late nineteenth century, democratic ideals and capitalists viewpoints found it useful to “deny the importance or even presence of classes” (*Worldly* 335). Individualism is a key watchword of the new economics, a development driven by the rhetoric of economic progress and universal human freedom, abetted by a growing dissatisfaction among economists with traditional theories of value and a desire to find an axiom to describe how value is assigned in the mechanism of economic exchange. To get there, the labor theory of value had to take a back seat to make room for the new driving force of economics—utility.

Whither and Whence the Labor Theory of Value? A Brief History

The labor theory of value, minimized by Smith as a vestige of a more savage mode of subsistence, but championed by Ricardo and refined by Marx as the cause of value in commodities, is replaced by an ideal construction of marginal utility, a concept that provided an instrument to forward the new aspirations of the science of economics. As noted, the presumption of a labor theory of value is grounded in the classical preoccupation with explaining who gets what and why in the social economic order, not a scientific economic physics of independent agents, thus it is particularly indicative of the movement of a contestable rhetoric of political economy to an uncontestable science of economics.

Smith’s *Wealth of Nations* seeks to find the true source of wealth, and is, in part, a challenge to mercantilism, an economic doctrine (dominant among European nations in the sixteenth century, and influential upon state policy up to the eighteenth century) in

which the goal of nations was to secure wealth in the form of precious metals—a system in which “the visible hand of state was very much in evidence” (Stilwell 70).

As part of the mercantilists program, individual governments promoted large investments in export industries; built high tariff walls to restrict imports, which could be produced domestically; restricted exports of domestic raw materials, which could be used by the domestic industry; interfered with the emigration of skilled workers; encouraged immigration of skilled workers; and, in several cases, prohibited sales of precious metals to foreigners. Since one country’s gold gain almost always resulted in a gold loss to one of its trading partners, not all nations could succeed at the same time. This resulted in sharpened trade rivalries.

(Greenwald 647)

In Smith’s attack, this is state management of the economy for all the wrong reasons and for all the wrong sectors of the economy—well-stationed merchants and monopolists whose petty squabbles decimate the economic terrain. Decades before Smith wrote the *Wealth*, the physiocrats, a school of French thinkers (the first group to call themselves *economistes*, and presided over by Francois Quesnay) devoted themselves to dismantling the doctrines and policies of the mercantilists by investing in their theories ideas of a naturally functioning economic system grounded in the produce of the land (Liebling 732).

Quesnay’s circle called its approach to political economy Physiocracy. The word means “order of nature,” and it refers to the central belief that land alone yields a surplus because nature labors with man, whereas man working with machines can do no more than reshape material that had originally been wrested from fecund

soil. Strange as it sounds to modern ears, there is a *prima facie* rationale for this belief: did not 100 bushels of wheat yield a crop of 300 or 400 bushels? Whence came these additional bushels if not from nature's generosity? (Heilbroner, *Worldly* 35-6)

Marx would say that this is an argument from vulgar appearances (see Sackrey et al. 26); nevertheless, the physiocrats held that the true source of the wealth of nations is in the produce of land, not in gold or in manufactured commodities, thus, they denied a labor theory of value because labor could only reshape or modify materials, it could not create anything new (Heilbroner, *Worldly* 40). Smith's advocacy of free-trade must be viewed in light of his ardent dislike of mercantilist policies, tinged with the influence of the physiocrats who championed their cause by the rally cry "laissez faire, laissez passer!" ("let it be" and "let it pass"). Smith's visits to France (and his friendship with Quesnay) gave him a certain fondness for the flawed but "very ingenious" "agricultural systems of political economy," which he says, "has never been adopted by any nation, and at present exists only in the speculations of a few men of great learning and ingenuity in France" (*Wealth* 663). For Smith, notwithstanding its imperfections, physiocracy is "the nearest approximation to the truth that has yet been published upon the subject of political economy" (qtd. in Heilbroner, *Worldly* 41). The major error of this system (and a critical one to Smith) is its over-valuation of the produce of land and under-valuation of commodities (manufactures). As Smith notes, wryly, "If the rod be bent too much one way, says the proverb, in order to make it straight you must bend it as much the other. The French philosophers, who have proposed the system which represents agriculture as the sole source of the revenue and wealth of every country, seem to have adopted this

proverbial maxim” (*Wealth* 664). In this system, landowners are the foremost productive class, farmers the second, and the “third is the class of artificers, manufactures and merchants, whom they endeavor to degrade by the humiliating appellation of the barren or unproductive class” (*Wealth* 664). This is nearly the reverse of Smith’s refinement of the notion of productive and unproductive labor defined by whether one creates more wealth than one consumes.

To explain the “natural” formation of property and classes, which gave rise to commercial society, Robert Jacques Turgot, a leading physiocratic thinker, provides a reading of the mythic past in much the same fashion (and with a similar purpose) as Smith’s own oracular historical conjectures (Heilbroner, *Worldly* 42). Turgot’s forays into a mythic past describes a nascent economic world in which a class of laborers come to “prefer” to work the land (never mind how they actually became landless and were destined to work for others), and in which the surplus of the land is a “pure gift” with which the owner of land “is able to live without working and which he takes wherever he wishes” (qtd. in Heilbroner, *Worldly* 43-5). As Heilbroner notes, Marx criticizes the physiocratic school for nearly stumbling upon the source of all wealth as stored labor, but somehow (subconsciously or willfully) they missed the implications of their own analysis, preferring to name the source as the “gifts” of property (*Worldly* 51). The French revolution put an end to the physiocrats (an ironic end to the presumed preeminent productive class!), and thus, the theory of labor value was left to Smith’s successors to ponder and sort out.

The labor theory of value remained an important piece of the puzzle for classical political economists, culminating in Marx’s extensively refined labor theory of surplus

value seen in terms of exploitive modes of social organization (contrast this with Smith's more harmonious modes of subsistence). However, in 1870, the notion of labor value was no longer important to the work of a new breed of economic thinkers who preferred to think of themselves as scientists rather than philosophers or moralists. In the following sections I intend to use the neglect of the labor theory of value as an exemplary result of the transformation of political economy to the science of economics, a movement that took economics far beyond the musings of the physiocrats, but which also had no need to ponder the social implications of a labor theory of value. The labor theory of value is a prime example of the analytic consequences of method and the contrastive deductive and inductive approaches to political economy. The increasing neglect of labor value by the marginalist forerunners to neoclassical economics is indicative of the eclipse of historical and social realities in favor of abstract models having little to no relationship with material reality.

The Labor Theory of Value from Smith to Ricardo

Smith's theory of labor value deviates from the physiocratic notion of free wealth springing from the land. Smith's mind-experiments into the past offer him an inductive rationale for assigning labor as the sole component of value and price in "that early rude state of society which precedes the accumulation of stock and the appropriation of land" (*Wealth* 65).

If among a nation of hunters, for example, it usually costs twice the labour to kill a beaver which it does to kill a deer, one beaver should naturally exchange for or be worth two deer . . . In this state of things, the whole produce of labour belongs

to the labourer; and the quantity of labour commonly employed in acquiring or producing a commodity, is the only circumstance which can regulate the quantity of labour which it ought commonly to purchase, command, or exchange for.

(Wealth 65)

Smith deduces from these conjectural inductive scenarios (no doubt, inspired by the animals and peoples of the Americas) that in early societies labor alone was embodied in value, but “[a]s soon as stock has accumulated in the hands of particular persons, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a profit by the sale of their work, or by what their labour adds to the value of the materials” (*Wealth 67*). So, labor and profits of stock paid to the capitalists (Smith’s “undertakers”) are now added to a third component of rent, and this is where Smith seems to stand physiocracy on its head to produce an opposite conclusion about the productivity of the landowning class: “As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they have never sowed, and demand a rent for even its natural produce . . . This portion . . . constitutes the rent of the land, and in the price of the greater part of commodities makes a third component part” (*Wealth 67*). Smith’s component theory of price is not an airtight syllogism in any respects, because it treats each the three constituents in harmonic isolation (unlike Marx) (Milonakis and Fine 54), but it does augment Smith’s historical narrative of the evolution of (and naturalization of) the distribution of goods across class lines. “The building blocks of land, labor, and capital are not mere categories of production and distribution for the classics, but representations of a stratified order that Smith, Ricardo, Malthus, and even Mill accepted as an historical

given—and to which, all save Mill and of course, Marx, foresaw no real alternative” (Heilbroner, *Worldly* 199). Smith’s labor theory allows it to “enter as a constituent part of price “ (Milonakis and Fine 50), but he places this in the context of his oracular reading of history and the evolving modes of subsistence. “For the most advanced stage, Smith rejects the labour theory of value on the grounds that labour is no longer the sole form of property that commands a contribution from the output, and must, therefore, make up a constituent part of price. Capital, labour and land all form a part and parcel of property relations of commercial society, and so the cost attached to each must be found in the price” (Milonakis and Fine 50). Unlike later theorists who focus on price and value, “Smith’s theory of wages is attached to his broader framework and is not simply a technical theory for supply and demand in the labour market. In particular, supply and demand are analytically constructed out of the way in which human attributes (self-interest and truck, barter, and exchange) are coordinated in a specific historical stage, commercial society, and around a system governed by property rights in capital and land as well as labour” (Milonakis and Fine 50-1). This falls short of naming class conflict and exploitation as integral to the formation of wealth for the capitalist and landowning classes, but Ricardo advances Smith’s work, which is an improvement not unnoticed by Marx, who would fully develop the labor theory of value to cap his critique of capitalism as an exploitive institution:

The foundation and pivot of the physiology of the bourgeois system . . . is the determination of value by labor-time. This is Ricardo’s starting point . . . This is . . . the great historical importance of Ricardo for the science. . . . The way Ricardo shows up and declares the economic contrasts between the classes is

closely connected with his scientific merit and thus the historical struggle and process of evolution is conceived and discovered in its roots. [American economist Henry Charles] Carey therefore denounces him as the father of communism. (Marx qtd. in Stark 144)

Did Ricardo deserve the last accolade? Yes and no, but one thing is clear: Ricardo was not a socialist by any standard, at heart or in his method, and much less a communal utopian if this entails advocacy of an equal distribution of abundance. “If we lived in one of Mr. Owens’s⁶⁹ parallelograms, and enjoyed all our production in common, then no one could suffer in consequence of abundance, but as long as society is constituted as it now is, abundance will often be injurious to producer, and scarcity beneficial to them” (Ricardo qtd. in Marx 448). Marx did praise Ricardo’s labor theory of value as the best approximation of the facts, but whereas Marx’s theory of labor plays an important role in an explanation of exploitation as an historical constant, Ricardo seizes upon embodied labor value as an instrumental and analytical category, which is, in other words, a mathematical constant. “Ricardo’s system does not rest, as Marx’s system does, upon the philosophical significance of labor costs. If we drop the conception that labor alone imports cost value to commodities, Ricardo’s system remains unimpaired but Marx’s theory loses its mainspring” (Mark Blaug qtd. in Henderson 654). For Ricardo, the labor theory of value could give a rational constant to exchange value, and thus explain how “[t]he produce of the earth—all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community;

⁶⁹ Robert Owen, a key founder of socialism, established worker “villages,” which Ricardo believed were antithetical to the principles of political economy and self-interest: “Is not the experience of the ages against him” (qtd. in M. Perelman 286).

namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated” (49). Thus, distribution according to social class is an a priori and inviolable fact of life for Ricardo, and forms the basis of his definition of political economy, the task of which, he says, is to “determine, the laws which regulate this distribution” (49). Thus, the epigraph to his first chapter in his *Principles of Political Economy and Taxation* (and Ricardo does mean “principles” in the deductive sense) summarizes his value theory: “The value of a commodity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production, and not on the greater or less compensation which is paid for that labor” (55). “Using the power of abstraction,” (Milonakis and Fine 21), Ricardo deigns to answer the question of value confounding thinkers of the ages, and his overt deductive stance contrasts sharply with Smith’s dualistic approach. Ricardo “focuses exclusively on the macro rather than micro level, [and] being primarily concerned with long-term trends in the distribution of the product between different classes, [he] is committed to an aggregate and holistic rather than an individualistic mode of analysis” (Milonakis and Fine 21). He strays so far from situated historical and social reality in his labor theory of value that he ventures to predict that “Portugal should have absolute advantage over England in the production of both cloth and wine” (Milonkis and Fine 21), an idea that works well on paper but which must have “struck contemporary readers as peculiar; besides, since England at the time produced no wine at all, the example was certainly ill-designed to illustrate the principle of comparative advantage” (Blaug 161).

Ricardo's labor theory had little really to do with class struggle as Marx defines it in his antithesis of capital to labor. Marx gives credit to Ricardo for naming labor as a source of the productive capacities of capital, but he blames Ricardo for his failure to explore more fully the obvious implications in terms of material outcomes for those who toil the hardest for the least share—labor:

At any rate nobody has better and more precisely than Ricardo elaborated the point that bourgeois production is not production of wealth for the producers (as he repeatedly calls the workers) and that therefore the production of bourgeoisie wealth is something quite different from the production of “abundance,” of the “necessaries and luxuries” for the men who produce them And this is where he lands in an amusing contradiction: when we are speaking of value and riches, we should have only society as a whole in mind. But when we speak of capital and labour, then it is self-evident that “gross revenue’ only exists in order to create “net revenue.” (Marx 448)

In fact, Ricardo's orientation to the “science of political economy” is bent on explaining the distribution among the “three classes of the community,” although, unlike Marx, he and the other classical economists did not have a theory of social class, thus, “they turned . . . the social groupings that are known to the popular mind into categories of economic analysis” (Schumpeter 552). Ricardo's deductive/abstract method, as John P. Henderson suggests, had everything to do with Ricardo's need for a *numeraire*, some unit of value to measure the relative cost of commodities, as money could not be used because it was only a medium in which the expression of real value could be transferred and exchanged (441). “Because commodities were produced with varying quantities of embodied labor

and fixed capital, there were any number of possible measures by which to evaluate the effects of accumulation on value. Rent was not considered a causal factor in price, so Ricardo gave it a passive status. On the other hand, any combination of the two ingredients, capital and labor could serve for Ricardo's *numeraire*; at one extreme, fixed capital alone . . . or at the other, embodied labor alone. It was the latter which Ricardo chose in the first edition of the *Principles*"⁷⁰ (Henderson and Davis 441). Ricardo wants to correct the mistakes of Smith's dubious theory of price that treats the constituents of labor, capital, and rent as independent variables in order to remedy why Smith could not foresee how an increase in worker wages would reduce profits and not necessarily raise prices (Milonakis and Fine 54).

To summarize the link between Ricardo's deductive method and the abstract science he launches, Milonakis and Fine contrast Smith's totalizing notions of value with Ricardo's instrumental approach:

In a sense, value as labour time is speculatively invented, albeit on the basis of intellectual traditions, for analytical purposes, without reference to social and historical conditions. Essentially, the latter only enters in terms of what is to be explained, and not in the formation of the categories of explanation. The result is an inevitable contradiction between theory and the realities of the capitalist economy as elements of the latter are (re)introduced to the categories that have been imposed upon them. Again, not surprisingly, there is a different sense in

⁷⁰ Contrary to claims that Ricardo eventually fled from his labor theory of value, Henderson notes "Ricardo never altered his theory that the quantity of embodied labor determined value, but he did use a number of different measures to gauge the varying effects of wage changes on heterogeneous commodities" (440; see also 649).

which Ricardo anticipates the deductive method of prospective mainstream economics . . . (Milonakis and Fine 55)

Fixing Smith engenders problems for Ricardo, not unlike attempting to superimpose anatomically correct facial features on a Picasso portrait (Milonakis and Fine 54). For many of his successors, Ricardo is praised for his method but not his foresight, as the application of his theory is untenable in the real world. Yet, the allure of a standard of value to explain exchange price was palpable in the later nineteenth century and, in fact, brought back to life the utility theory as championed by Jeremy Bentham. It is ironic that utility theory, which presupposes a subjective relationship to value, finds a home as the prime principle in an objective universal application of neoclassical economics.⁷¹

No More Words: Utility Makeover in the Marginal Turn

The task for the next generation of political economists was to displace the inductive and rhetorical (a source of ethical and political discussion) from the economic. Ricardo's theory could explain the source of aggregate profit as labor value, but the growing concern was to explain how "prices followed from the values determined at the

⁷¹ The reasons for a subjective utility in an objective science may be attributed to what Werner Stark sees as a closer association of economics to individual psychology than to social or moral philosophy in late nineteenth century: "The application of psychological conceptions to economic analysis obviously has one prerequisite; man, as he appears to us entangled in, and determined by, the innumerable interrelations of economy and society, had first to be conceived as an individual, as a natural being capable of isolation, before the idea of deducing the social phenomenon of value from his individual psyche could be reached. Only after the conviction had asserted itself that the individual and not the class (or the estate) is the decisive unit in the common life of men could individual psychology be used for the explanation of the social economy. . . . The science of psychology always invested man as an individual, but political economy learned to see him in this light only by 1870" (185-6).

time of production” (Henderson 655). In other words, there was little interest among leading economists to ponder how wealth was created, and instead they focused on how wealth was exchanged. According to Schumpeter, utility was not unknown to the classics, but it just never occurred to them to turn to “value-in-use” to do anything more than solve the “value-in use” paradox, which sought to explain why “comparatively ‘useless’ diamonds are more highly valued than is ‘useful’ water” (1054). The next generation of political economists, eager to develop a theory of price in the market, found Bentham’s version of utility a respectable date for the ball—provided it was refitted in crisp mathematical equations and well-tailored diagrams. William Stanley Jevons was up to the task.

Schumpeter notes that the “analytic core” of the economics profession in the mid-nineteenth century focused on the problems of value and distribution, and gave rise to the marginal utility theory of value headed by Stanley Jevons, Léon Walras, and Carl Menger (826). Remembered as an ardent advocate of the mathematical method and his exchange theory of value, Jevons’ reputation never quite caught up with his bold claims of rehabilitating the study of economics, “overshadowed by the strong leadership of [Alfred] Marshal, who consistently discounted the ‘Jevonian revolution’” (Schumpeter 826). Nevertheless, Heilbroner places Jevons as the first to boldly pronounce the importance of rigorous number crunching in economic studies, signaling a new source of arcane signs for the readings of oracles and the growing importance of prediction as a mainstay of economic science for times to come (I will come back to this theme). Jevons’ *Theory of Political Economy* (1871) went beyond Ricardo’s advocacy of “science” as the watchword of economics, adding mathematics, utility, and equilibrium to the list. His

efforts to describe economics in representational form also pioneered the precursor to the trusty “demand curve” diagram ubiquitous to high school and college textbooks (Heilbroner, *Worldly* 211). Jevons asserts that his utility theory can do away finally with the labor theory of value: “Prevailing opinions make labour rather than utility the origin of value; and there are even those who distinctly assert that labour is the *cause* of value. I show, on the contrary, that we have only to trace out carefully the natural laws on the variation of utility . . . (qtd. in Heilbroner, *Worldly* 210). The laws governing supply and demand are discoverable, and indeed, Jevons says to fulfill the task, “Economics, if it is to be a science at all, must be a mathematical science. . . . simply because it deals with quantities” (qtd. in Heilbroner, *Worldly* 210). To give Bentham’s pleasure and pain principle a cogent rationale, Jevons tied the labor theory of value to utility by defining labor as “the painful exertion which we undergo to ward off pains of a greater amount, or to procure pleasure which leaves a balance in our favor” (qtd. in Heilbroner, *Worldly* 209). Labor does not embody commodities; rather, it is merely one factor in an individual calculus of pleasure and pain. He explains: “Utility must be considered as measured by, or even as actually identical with, the addition made to a person’s happiness. It is a convenient name for the aggregate of the favorable balance of feeling produced,—the sum of the pleasure created and the pain prevented” (qtd. in Heilbroner, *Worldly* 211). Jevons illustrates the concept of scarcity and “final degree of utility” by way of an example using one day’s supply of food divided in ten equal parts, or increments. The increments are plucked away one by one producing an effective (and eerily fitting) demonstration of his theory:

If his food be reduced by the last part, he will suffer little; if a second tenth part be deficient, he will feel the want distinctly; the subtraction of the third tenth part will be decidedly injurious; with every subsequent subtraction of a tenth part his sufferings will be more and more serious, until at length he will be upon the verge of starvation. Now if we call the each of the tenth parts an increment, the meaning of these facts is, that each increment of food is less necessary, or possesses less utility, than the previous one. (qtd. in Heilbroner, *Worldly* 212)

Of course, I cannot delve more deeply into the intricacies to Jevons' theory, as I seek here only to outline the simple details in order to stress what Heilbroner calls Jevons' "depiction of the crucial act of exchange in a *mathematical* manner" (Heilbroner, *Worldly* 214). This mathematical approach is handled in simple equations by today's standards, but Jevons delivers his promised economics as a science that deals in quantities, and spies the first burbling of the new oracle of economics—the signs of symbols and equations to read the present and define the future.

It takes more than one to constitute a "revolution," and following Jevons came other marginalists, with Léon Walras and Carl Menger being two of the most memorable and influential. There was opposition to the mathematical abstract method among historically minded economists who lamented the loss of social and historical considerations and the reduction in scope of economics to individuals seeking their own self-interest. One skirmish in this period occurred between Menger, the abstract/deductive protagonist, in public debate over methods with Gustav Schmoller, an ardent defender of the historical/ inductive. Menger "called for a reform of political economy away from the doctrine of classical political economy, methodologically and

with regards to the proper way of theorising in economic affairs, especially as far as the use of deduction is concerned,” whereas Schmoller (a leader of the Austrian historical school) called for “induction as the vehicle for the reform of (classical) political economy, because general theories . . . have to be firmly grounded in reality” (Milonkis and Fine 107). Schumpeter explains the “clash between theoretical and historical economists that has come to posterity as the Battle over Methods (*Methodenstreit*):

When ‘historicism’ was nearing high tide Carl Menger, in 1883, published a book on methodology that dealt on a broad front with the fundamental problems of procedure in the social sciences but was very obviously intended to vindicate the rights of theoretical analysis and to put the Schmoller school in its place—a very secondary place it was! Schmoller reviewed the book unfavorably in his *Jarbuch*, and Menger replied in a pamphlet entitled the *Errors of Historicism*, which fairly steamed with wrath and of course elicited rebuttal. This not only created a lot of bad feeling but also set running a stream of literature, both of which took decades to subside. (814)

Recalling Plato’s depiction of the bitter (even childlike) argument over methods between Protagoras and Socrates (see chapter one), Schumpeter characterizes the polemic as the detritus of human ambition, adding, “every decent workman loves his work. And this alone, for some of us, implies dislike for other ‘methods’ in a perfectly irrational and impulsive way” (History 815). Walras also attempts to rehabilitate political economy into a “pure science” and makes “his intention clear by adding the adjective ‘pure’ in the very title of his book, *Elements of Pure Economics*. For Walras, economics can become a pure science by shifting attention away from the processes of growth and distribution to

the process of exchange and the determination of prices—another basic transformation brought by the marginal revolution” (Milonakis and Fine 95). Walras divides the preponderance of the various schools of political economy into two simple categories, “those who do not demonstrate,” and those “who do demonstrate their conclusions. It is in demonstrating rigorously the elementary theorems of geometry and algebra, then the theorems of the calculus and mechanics which result from them, in order to apply them to experimental ideas, that we realize the marvels of modern industry” (qtd. in Heilbroner, *Worldly* 222). Walras seems to intimate a new role for the oracle, which in “modern industry” requires a new method. The application of rigor and demonstration that Walras emphasizes illustrates his desire that “pure” theory precede “applied” theory in economics, thus he proposes to safely bifurcate the “ideal-type concepts” from “real-type concepts” in order to clearly demarcate an a priori “rational method” of economics from the inexact concerns of social and applied economics (Heilbroner, *Worldly* 225). The solution is not found in the problem (in the morass of the real commercial world), rather, problems worthy of consideration will be found in the solutions (the abstract ideal world of theory). “In other words, pure science should be clearly distinguished from what Walras . . . calls arts or applied sciences and from ethics or moral sciences. Applied economics, according to Walras . . . deals with the questions of ‘what ought to be done from the point of view of natural or well-being,’ leaving ethics or moral sciences with what ‘ought to be done from the point of view of justice’” (Milonakis and Fine 94). The “numbers game” (a rhetorical gambit even under the most enlightened scientific “good intentions”), is the mainstay of neoclassical and mainstream economics, and it resembles Plato’s desire for only qualified philosophers to dabble in questions of truth. The

mathematical expertise required to understand the arcane signs known only to the initiated effectively stifles dissent (and comprehension!) beyond a small cloister of economists (see Villanueva 58). As with Socrates in *Protagoras*, in which the truth is available to the practitioners of dialectical logic who define the terms and establish the perimeters of the problem, mathematical economists have found a new key to unlock the secrets of capitalism. Why, indeed, should there be any discussion in plain language at all? As Walras says, “why should we persist in using everyday language to explain things in the most cumbersome and incorrect way, as Ricardo has done . . . when these same things can be stated far more succinctly, precisely and clearly in the language of mathematics?” (qtd. in Heilbroner, *Worldly* 225-6). While Walras may not have envisioned the ensuing firewall between humanists and scientists in the years since he made that statement, he does presume that only pure methods provide the universal building blocks of analysis to be applied to everyday problems, and this is one of the lasting legacies of the deductive marginal turn, to which neoclassical and mainstream economics owes a tremendous debt.

The next epoch-forming economist is Alfred Marshal, whose *Principles of Economics* (1890) dominated the field for a half century. Marshal places economic study on a continuum with the social and physical sciences, positing that physical laws (such as “gravity”) are more reliable than economic laws (more like “tides”), and by the same standard, economic laws are more reliable than social laws (which are mere “tendencies”) (qtd. in Heilbroner, *Worldly* 234). Heilbroner attributes much of Marshal’s success to his ability to explain marginal theory to the educated non-specialist public (his difficult mathematics and explanatory diagrams are tucked in the footnotes and appendices), and

for his rhetorical sensibility, which, in an “unmistakable voice—reassuring, earnest, common-sensical” gently distinguished the methods and goals of economics from its “sister disciplines” in the social sciences (*Worldly* 238, 235). Nearing the end of Marshal’s influence, even as the great depression forced economics to turn to the “face-saving” practical ideas of John Maynard Keynes (a recourse to state intervention as witnessed in the current crisis) (Milonakis and Fine 275), the “doctrine of Menger, Jevons, and Walras” remained the “dominant dogma” in a myopic pursuit of “eternal truth” promised by the analytical instruments of marginal utility and equilibrium theory (individuals creating a natural balance in market mechanisms of supply and demand) (Stark 276). “Only after the post-war boom, the formulation of general equilibrium theory, the decline of Keynesianism and the rise of monetarism, could the marginalists principles as such occupy the high ground as far as policy is concerned. With a wonderful irony and historical reversal, its professed neutrality and universal propositions sought to take command of policy by positing the superiority of the market (supply-side economics) and a minimalist role for the state. The latter’s powers were, in any case liable to be limited—if not undermined—by the constraints imposed by the pursuit of self-interest through the market” (Milonakis and Fine 275). This work must forgo further elucidation of the Keynesian revolution and its receding influence for another time, as my narrative resumes with the work of Stigler in the 1980s, a time when the certainty of the neoclassical school reached an apogee, and in which the utility maximizing individual was, and still is, its tour de force.

Praise of Pure Science, Blame of the State, and the Primacy of the Prediction

George Stigler's, *The Economist as Preacher and Other Essays*, is an excellent window into the methods (and epideitic sensibilities) of neoclassical economics, which praises hard evidence (theories derived from deductive hypothesis, mathematically represented and confirmed by experimentation) and a perfectible "positive" universal science. The truth is at hand, Stigler preaches (in contradistinction to his own injunction against preaching), and it shall set you free. Stigler writes,

Please do not read into my low valuation of the importance of professional preaching a similarly low valuation of scientific work. Once a general relationship in economic phenomena is discovered and verified, it becomes a part of the working knowledge of everyone . . . The most influential economists, even in the area of public policy, is the economist who makes the most important scientific contributions. On the self-interest theory, applied not only to intellectuals but to all of the society, we should look for all to support rationally the positions that are compatible with their long-run interests. (34)

The self-interest theory provides a basis to influence policy, and meddling in policy should be reserved only for economists who use the scientific method of gaining assent (even if one's ideal unicorns are trampled by real horses). Stigler seems to prefer the oracle of pure logic (even if it is wrong) to prescience derived from reasonable probability: "The triumph of Ricardo over Malthus cannot be regretted by the modern economist: it is more important that good logic win over bad than that good insight win over poor (Stigler qtd. in Henderson 653). As for blame, among other targets, Stigler censures misguided economists and laypersons who preach economic policies without

doing their math, and he invokes the ethos of classical political economy (Smith's, in particular) by holding that the "great economists . . . have not been preoccupied with preaching" (5). Stigler, with both admiration (praise) and irritation (blame), makes Marx an exception, citing him as both a great and influential thinker, but adding that his legions of "ardent enthusiasts . . . tells us more about what the world likes to talk about than what economics is about" (5). All that talk, in common language anyone can understand, seems to conjure for Stigler the specter of unruly mobs dabbling in affairs better left to experts in league with his own expertise.

Naturally, Stigler wants to avoid the enemy of pure logic, contradiction, and so he censures the notion that individual behavior is a suitable target for the moralist economist because it undermines a basic postulate of neoclassical utility theory. "Social policies and institutions," he argues "are the proper object of the economists-preacher's solicitude. This orientation is demanded by the very logic of economic theory: we deal with people who maximize their utility, and it would be both inconsistent and idle for us to urge people not to do so. If we could persuade a monopolist not to maximize profits, then other reformers could persuade resources not to flow to their most remunerative uses, and our theory would become irrelevant" (6). Marrying substance and rhetorical praise and blame, in utility theory only public institutions and governments make mistakes, not individuals, whose overall self-interested behavior is a forgone conclusion as right as sunshine, though often incomprehensible without a great deal of hypothetical number crunching. His ideal world (his favored vision, or oracle of a divine order) is a paradoxical place where positive economics can influence public policy without politics and without a central government. He hopes economic science can "devise a

decentralized, unpoliticized world in which personal freedom and economic efficiency find wide scope and strong defense” (170). As a representative example of neoclassical economists with an eye on public policy, Stigler has the right stuff. His answer to the “political” is to chastise its mob-ruled incoherency and to coop its mechanisms; his answer to ethics is to proclaim that an economist “needs no ethical system to criticize error: he is simply a well-trained political arithmetician” (8). He believes firmly in playing the Oracle as the highest office of economics: “A world full of mistakes, and capable of producing new mistakes quite as rapidly as the economists can correct the old mistakes! Such well-meaning, incompetent societies need their economic efficiency experts and we are their self-chosen saviors”(8). This explains the persistence of oracle in political economy, given that regular folk (the uninitiated) are so “incompetent” that they require a steady stream of new solutions, followed by still more complicated and comprehensive solutions. Stigler perceives an auspicious role for quantification, the signs that can reveal the truth or falseness of economic theories, and the better for which to affect state policy. Stigler amplifies his prediction of the eminent dominance of neoclassical economics in a grand style: “It is a scientific revolution of the very first magnitude—indeed I consider the so-called theoretical revolutions of a Ricardo, a Jevons, or a Keynes to have been minor revisions compared to the vast implications of the growing insistence upon quantification. I am convinced that economics is finally at the threshold of its golden age—nay, we already have one foot through the door This is prophecy, not preaching” (135). Yes, and prophesying to power is the primary function of a modern scientific economist in the role of the Oracle. The power of prediction is the province of quantitative economists who have access to the signs and

symbols that abet true foresight. The omens are not vague for Stigler, who continues, “I would gloat for one final moment over the pleasant prospects of our discipline . . . we shall develop a body of knowledge essential to intelligent policy formulation. And then, quite frankly, I hope that we become the ornament of democratic society whose opinion on economic policy shall prevail” (135). The neo-liberals shall serve as the priestly class overseeing economic policy *despite* democracy, until one day their views are shared by democratic societies. Not bad work, if you can get it.

“Indeed, Ricardo’s deductivism *and* positivism are taken to the limit in mainstream economics, as with [Milton] Friedman’s (1953) instrumentalist methodology. Assumptions need bear no relation to reality . . . In short, neoclassical economics enters its own theoretical world, without regard to the social and historical except as ex post reality checks, something that can always be accommodated by appropriate statistical manipulation or model refinement” (Milonakis and Fine 67). Friedman follows up on the dictums of Walras, stressing the similarity between natural and social sciences, in which “positive knowledge grows by the failure of a tentative hypothesis to predict phenomena that the hypothesis professes to explain: by patching up of that hypothesis until someone suggests a new hypothesis that more elegantly or simply embodies the troublesome phenomena, and so on ad infinitum” (2). Perfectibility is at hand. The goal is to achieve a “positive” and “value-free science,” in order to “predict the consequences of a possible course of action” (2). This even entails time traveling in order to perform “ex post reality checks” in the reading history backwards and forward, as Friedman does in his article “The Crime of 1873,” an oracular showpiece of the positivists mode and a “whodunit” concerning the Coinage Act of 1873. The subject of praise and blame for

decades after its enactment, this Act provides a testing ground for Friedman's monetarist theories. Friedman rewinds the past with economic models as postulates of alternative futures—"what if" is the question that functions as a shiny waving pocket watch, an entreaty to suspend the status quo of history in order to predict the past, and therefore proffer this same magic to provide a present and future more perfect still by more prediction. As much as Friedman professes a "value-free" science of economics, he takes the preacher-like role outlined by Stigler by blaming governments and institutions and praising the freedom of individuals to create a more perfect economy through free markets and economic choice. For example, *Tyranny of the Status Quo*, as a work directed to non-economists (Friedman "unplugged") is a clear epideitic value-laden endeavor without the usual scholarly paraphernalia. As a labor of love and persuasion, this book further defines the Chicago School's zealous program to sell their theories in the so-called "free marketplace of ideas" while vying for political influence through populist posturing and ironclad certainty of economic outcomes.

As Alan Greenpan's response to the latest fiscal crisis attests, the use of models to predict the behavior of inanimate objects might promise a measure of certainty, but the best constructed theories "hit a stumbling block when social matters are involved," and especially if one considers that they involve humans, "living beings . . . endowed with free will" (Taleb 183). In *The Black Swan: The Impact of the Highly Improbable*, Nassim Nicholas Taleb points to the "straitjacket" of fallacious "rationality" at work in mainstream economics, which resorts to a sort of tortured pretzel logic to explain away

the “fact that people might prefer to do something other than maximize their economic interest:”

This led to mathematical techniques such as “maximization,” or “optimization,” on which [Chicago School economist] Paul Samuelson built much of his work. Optimization consists in finding the mathematically optimal policy that an economic agent could pursue. For instance, what is the “optimal” quantity you should allocate to stocks? It involves complicated mathematics and thus raises a barrier to entry by non-mathematically trained scholars. I would not be the first to say that this optimization set back social science by reducing it from the intellectual and reflective discipline that it was becoming to an attempt at an “exact science.” By “exact science,” I mean a second-rate engineering problem for those who want to pretend that they are in the physics department—so called physics envy. In other words, an intellectual fraud. (Taleb 184)

This is not a basis for assent or social policy if radical economics has its way, because decisions about material outcomes for human beings, *and all the complexity that it implies*, can be only tangentially related to models about individual and societal behavior. By positing that individuals maximize economic outcomes, nothing is achieved but an ontological “look Ma, an Economizer!” (to twist Solow’s quip around)—which has little to say about the kind of future that can be shaped by thinking about other kinds of human agency. Humans might be utility calculators in the context of these complicated models, but people live in the real world as members of families and of extended communities. They are the literal and the metaphorical dancers, fighters, lovers, and secret poets. To bind such powerfully diverse human capacities to a deterministic economics of necessary

“adjustments” and periodic “crises” in the name of personal freedom, a twisted modern vestige of Adam Smith’s deistic hand, is nothing less than a form of bondage.

More importantly, by simply denying mainstream economics as irrelevant to common human concerns, radical economists miss the opportunity to refute its basic assumptions. In *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*, economist turncoat Ha-Joon Chang argues that neo-liberal free market sloganeering fails to own up to the historical facts. The high priests have re-cast the stones to read the oracle in a more favorable light. He says “The history of capitalism has been so totally re-written that many people in the rich world do not perceive the historical double standards involved in recommending free trade and free market to developing countries” (16). Those who do not practice what they preach, the “Bad Samaritans,” are the subject of censure and the guiding metaphor for both naïve free-market advocates (those that believe the lies) and the ideologically baptized (zealots aware of the contradictions in their vision, yet still unmoved, damn the facts on the ground). Chang praises calculated investments in home industries, just as most rich countries have done (and sometimes still do), and he praises delayed earnings through smart deficits. Rife with praise and blame, and with a final chapter demonstrating a strong oracular predisposition (“São Paulo, October 2037: Can Things Get Better?”), Chang’s book offers an alternative to the dominant economics imperialism.

The last forty years of American economic policy, according to Alan Greenspan, marked an experiment, the results of which, in the face of the latest fiscal meltdown, have proved disquieting to say the least. In some ways, this experiment was fostered by a skewed perspective of Adam Smith we have all come to know very well—the one who

preached the sanctity of self-interest, *lassize faire*, and a special human capacity especially made for the emerging capitalist world. What they left out is the Smith who sought to balance these notions with a highly developed sense of social and civic responsibility. If Smith cannot be fully credited with espousing the first principles of modern mainstream economics usually associated with his work, he certainly contributed to the ascendancy of the scientific approach by his appreciation of the Newtonian method. In the next chapter, I turn to consequences for rhetoric in the desire to emulate “the physics that never was” (Toulmin 55).

Chapter Six

It Came out of the Sky: The Rhetoric of Method (Rationality vs. Reason)

[I]n the manner of Sir Isaac Newton, we may lay down certain principles, primary or proved, in the beginning, from whence we account for the several phenomena, connecting all together by the same chain . . . It gives us pleasure to see the phenomena which we reckoned the most unaccountable, all deduced from some principle . . .” Adam Smith’s Lectures on Rhetoric and Belles Lettres (140)

Smith and other classical economists admired and attempted to incorporate Newton’s methods. From 1870 onward, economics as an emerging social science began to take on in earnest earlier attempts to emulate Newton’s physics. Smith discerns two distinct methods in didactic, or instructional, writing; one associated with Aristotle and the other with Newton:

[I]n Natural Philosophy, or any other science of that sort, we may either, like Aristotle, go over the different branches in the order they happen to [be] cast up to us, giving a principle, commonly a new one, for every phenomenon; or, in the manner of Sir Isaac Newton, we may lay down certain principles, primary, or proved, in the beginning, for whence we account for the several phenomena, connecting all together by the same chain. This latter, which we may call the Newtonian method, is undoubtedly the most philosophical, and in every science, whether of Morals or Natural Philosophy, etc., is vastly more ingenious, and for that reason more engaging, than the other. (Lectures 140)

Smith's glowing appraisal of Newton's rhetorical presentation, grounded in primary principles of a universal quality, found adherents in the emerging studies that would become the social sciences. In an attempt to gain the status of a pure science in a Newtonian sense, philosophy, etched with historical, social, and ethical concerns had to be jettisoned and left to re-organize as separate fields of study. Each discipline had its own sandbox to play in, and placards were raised in the pure sciences to keep the fields discreet (i.e., "serious scientists only"; "no humanists allowed"; and "go play in your own sandbox") (See McCloskey in *Knowledge and Persuasion*). Contributing to the trend, in the mid-to-late-nineteenth century, the "inevitability and rightness of class stratification," made way for an avoidance of "the importance or even presence of classes under the growing predominance of democratic political, and capitalist economic viewpoints" (*Worldly* Heilbroner 335). The social and political (systemic) machinations of production and distribution both justifying and critical of the status quo (i.e., facing up to social class and the social division of labor) are abandoned in favor of individualistic explanations based upon the uncanny wisdom of self-interested individuals. As Heilbroner explains, "In the first group the drama concerns the fate of sociopolitical strata in society; in the second, the fortunes of a shapeless group of individuals," and thus, the classical attention is on the "outlook for the social order itself," and economic science is attuned to "shifts in income distributions" without concern to "relative class positions" (*Worldly* 334). All the conflict and contradictions of capitalism as a *social system* (not simply its economic machinations) can simply be ignored. Recalling Plato's dramatic dialogue in *Protagoras*, wherein Socrates' concept of virtue as an individual's choice for pleasure over pain (the proto-utility maximizing self-contained unit) is pitted against

Protagoras' concept of a pluralistic participatory virtue hashed out in the public forum (a rhetorically defined individual situated in a social political arena)—these two contrastive methods of discovering virtue in classical rhetoric mimic competing methods in economics. Rhetoric, as Protagoras maintains, decides the meaning of public attitudes about virtue in the public forum, informed by historical and sociopolitical contingencies (and where reasonable/inductive methods predominate), whereas, Socrates' dialectic of scientific certainty (rational/deductive methods held to a standard of non-contradiction) is a closed business to philosophers bound to the rules of game, leaving aside the contingent concerns so important to rhetoric. Both sides insist that their own methods are necessary conditions to reach truth. Of course, according to Aristotle, both methods need each other, as the deductive and inductive dialectic method defines certainties to the point where parties can at least agree to the terms and issues to be discussed, at which point rhetoric steps in to finish the job of proposing a course of action (a judgment or an attitude is reached). This is the rhetoric of particular cases (non-universal) questions of probable truth (see George Kennedy, *Persuasion* 96-7).

McCloskey says, "Economists can do better than taking sides between thought and feeling, between the Sciences and the Humanities" (Knowledge 70). William James, offering pragmatism as the answer to the dichotomy between humanism and science, writes, "You want a scientific loyalty to facts and willingness to take account of them, the spirit of adaption and accommodation, in short, but also the old confidence in human values and the resultant spontaneity, whether of the religious or the romantic type" (qtd. in McCloskey 70). Modern economics needs to reengage the methods of Adam Smith, McCloskey holds, by "analyzing both action and behavior, understanding the

reasonableness of what people do down in the ruck of the market and seeing them also ‘from the eight floor,’ as a sociologist put it. To do otherwise than in this scientific way is to be a few brick short of a load” (Knowledge 70). The problem is complicated, because, as Milonakis and Fine explain, “whilst [modern] economics profoundly reflects historical and social processes both materially and ideologically, it is blissfully ignorant of them and wishes to remain so” (4). The pursuit of the good, true, and beautiful is still important, but economic scientists are consumed with certainty and universal laws. Put another way, for Protagoras, *virtue exists in speech acts* carried on in public and informed by historical and social precedents; for Socrates, *virtue exists—period*—the properties of which can be discovered with the proper methods of inquiry (“damn the audience” “three’s a crowd anyway”).

In this next section, I am going to discuss some of the challenges to contemporary rhetoric that have their origins in its strained relationship with *scientific rationality*, which ruptured in earnest with the advent of the Enlightenment and the privileging of scientific rhetoric.⁷² In course, this will necessitate a look at rhetoric’s equally strained relationship with the human and social sciences once housed in the catchall field of study known as Philosophy. I begin with a story that I think outlines the scope of persuasion in fields long deemed unimproved by the study and application of rhetoric-- a brief history of the Planet and not-a-Planet Pluto.

⁷²I say “scientific rhetoric” instead of “scientific method,” because as Richard Rorty points out, “A quarrel about method requires a common goal, and a disagreement about the means of reaching it” (196). Part of my criticism is aimed at the *rhetorical application* of scientific methods in social scientific fields that may or may not share a common goal, and only tangentially with “The Scientific Method” *in situ*.

A Digressive History of Pluto's Descent and the Long Night of Rhetoric

"Whoa! Pluto's dead" said astronomer Mike Brown, of the California Institute of Technology in Pasadena, as he watched a Webcast of the vote. "There are finally, officially, eight planets in the solar system." (Iman 1)

In 2005, the International Astronomical Union (IAU) decided to end the career of Pluto, which had been widely viewed as the ninth planet since its discovery in the 1930s. The majority of researchers ruled Pluto did not fit a rearticulated definition of a planet, which included orbiting the sun, possessing enough mass to assume a round shape, and being large enough to dominate its orbit. Pluto failed on the last of the three requirements (there were other planetoid objects sharing its orbit), with a few participants dissenting (Iman 1-2). Of course, Pluto did not become a planet through scientific observation alone, and just as quickly as the "known facts" of the time created the ninth planet, debate and "other facts" could undo it. Alan G. Gross's *The Rhetoric of Science* helps us to appreciate the rhetorical and truly unremarkable nature of the Pluto controversy, as he argues that scientific knowledge is not special, but rather, social. He notes, "From a rhetorical point of view, scientific discovery is properly described as invention . . . To discover is to find out what is already there. But discovery is not a description of what scientists do: it is a hidden metaphor that begs the question of the certainty of scientific knowledge" (Gross 7). In other words, a rhetorical metaphor of discovery helped to launch the ninth planet, and thus a new invention (a definition, no doubt wrangled-over and pleasing no one completely) could return it to just another large icy rock orbiting the sun. The gist of the claim is that "planets are *like this*, not *like that*."

Outside and inside the scientific community, many were aghast, hurt, and angry.⁷³ I'm sure many science teachers tried to explain to their disillusioned students what even some astronomers failed to appreciate: "If scientific theories are discoveries, their unfailing obsolescence is difficult to explain; if these theories are rhetorical inventions, no explanation of their radical vulnerability is necessary" (Gross 7). The politics of science reveals what many would rather not know: scientific certainty (what is assumed to be known at any given time), like other kinds of knowledge and opinion, has a shelf life of unknown duration. Truths, like opinion, are not stable, but ever shifting moments of consensus achieved through using language, however strong the "evidence" appears to be. No wonder many people balked—what other "truths" could fall from the sky?

Pluto, the *former* planet, is not the primary concern, but rather, its emblematic role as a character spanning the gulf between pure science and applied rhetoric. It turns out that planets cannot exist without *agreed upon* physical properties and *consensus* regarding proper terminology. In this case, deciding what it *means* to be a planet.⁷⁴ As Burke says, "Wherever there is 'meaning,' there is persuasion," and persuasion is rhetoric (qtd in Booth 171). Science as a language practice, in this sense, follows a pattern found in Aristotle's judicial and deliberative discourses: "So let it be argued, so let it be decided, so let it be done." But, science and its social science cousins often leave these

⁷³Some thought Pluto and some forty-plus similar objects that did not dominate their orbits should be called planets. A few sought an exemption for Pluto, and still others suggested Pluto be included in a new class of so-called dwarf planets. A few said that they would go on regarding Pluto as a planet (Iman 2). It was widely reported that many schoolchildren, unaccustomed to reversals of catechistic thought, protested and pouted—vowing to never surrender their belief in a ninth planet.

⁷⁴The meaning of a new definition must be argued, it cannot be discovered: "But for now the vote is drawing some opposition. Planetary scientist Andy Cheng said the definition is ambiguous, because it hasn't answered the question 'how round is round?'" (Iman 2).

more political aspects of bargaining and wrangling definitions out of the picture. Once in a while, a crisis like the status of Pluto becomes untenable within the community of experts charged with knowing what is and is not a planet, and then non-experts get to see how the experts do things. The shock (and, yes, I will exaggerate) was that it was not so different from deciding what kind of pizza to order for a child's birthday party. There would be dissent, but the collective will of the voting assembly will stand for now.⁷⁵

Rhetoric most certainly played a key role in this change, or, in an ironically apropos statement by Gross, "Science is less a matter of truth than of making worlds" (205). Pluto's fall from the heavens illustrates the hand of rhetoric in domains often viewed as hostile to it, and shows the suasive at work in all disciplines, from philosophy and social sciences, to the so-called *hard* and the *soft* sciences.

Stephen Toulmin's *Return to Reason* ends with a clarion call for more certainties like Pluto to fall from the sky: "Our first intellectual obligation is to abandon the Myth of Stability that played so large a part in the Modern age: only thus can we heal the wounds inflicted on the Reason by the seventeenth-century obsession with Rationality, and give back a Reasonableness the equal treatment of which it was for so long deprived" (214). What this entails, Toulmin argues, is recognition of "the reasonableness of narratives' as contrasted with "the rigor of formal proofs," which further shows the difference between "local knowledge of the patterns we find in concrete events, and the universal, abstract understanding embodied in purely theoretical points of view" (15). Toulmin is preparing the ground for an acceptance of the validity of non-formal proofs across the professional

⁷⁵ Alan G. Gross observes this notion of voting assembly: "Indeed, this absolutist view of scientific truth now has an alternative, a sophisticated relativism in which truth depends not on conformity to a substratum of reality, but on agreement among significant persons" (21).

disciplines. And he opens up the possibility that rhetorical analysis can disturb an impenetrable scientific pretense that is borrowed from physics and made to apply to disciplines in the social sciences, especially economics. The story of Pluto and its planetary ambitions is, ironically, a fitting place to begin this examination, as Isaac Newton's theories about the workings of the planets took part in the creation of the scientific certainty as it stands today.

Returning to Toulmin's narrative, he traces the historical events that hastened what he calls a split between *reason* and *rationality*. He asks, "Why was Newtonian dynamics seen as the type example of a Serious Science, to be emulated by economists, sociologists, and psychologists no less than physiologists and biochemists? Why were social scientists so keen to be the 'Newtons' of social theory?" (47). He isolates Newton's *Principia Mathematica* (influenced by the axiomatic simplicity of Euclidean geometry) as the pivotal text that set the standard for future scientific works emphasizing universal laws and stable truths (48). Toulmin calls this "the physics that never was" (55) because, as Newton's contemporary and arch-critic Gottfried Leibniz observed, his

theorems proved only that the Law of Gravitation accounts for the motions of *one planet at a time* around a more massive center of attraction, such as the Sun. With this simplification, the equations of motion for a single planet are easily solved . . . [but] [o]nce we introduce into the picture a third body—say a second planet—the equations are, however, no longer algebraically soluble. (50)

In short, Newtonians had to use "arithmetical dodges" to explain deviations from his simplified orbits (50-1). This doesn't mean that Newtonian physics wasn't a groundbreaking achievement and empirically useful, it simply means that Newton's hope

of showing a predictably rational God through a predictably rational Universe was flawed⁷⁶ (55). The beauty and simplicity of his equations purporting a stable planetary system could not describe the actual workings of the solar system, thus, Toulmin says that the “the model that for so long held center stage as the ‘the ideal form of theory for any would-be Science’ remained that of a Physics that Never Was” (55). Borrowing the form and method (the rhetoric) of physics, social scientists hoped to achieve three goals:

- a) an abstract theory with a rigorously valid axiom system, b) deductions of the nature of human institutions from its universal principles, and 3) scientific explanations of the character of particular social institutions. Yet this triple prize was never a realistic possibility: it had never been achieved even in planetary astronomy. (54)

The legacy of emulating physics is seen especially in economics, where universal applications of principles have been “wrong-headed or even disastrous” (60). Toulmin cites the intervention of modern economic theory on the Island of Bali, where “rational” attempts to increase rice production caused plagues of pests and funguses on a biblical scale. The problem with abstract solutions based upon a universal principles is not tied to an inherent flaw in technology or economics, but rather, in a belief that their solutions can be founded and applied without consulting the entire web of practices and beliefs of the people they are supposed to help (Toulmin 60-1). If a vibrant rhetoric of economics is to move beyond an adherence to numbers and predictions, it must include actual

⁷⁶ Regarding the stability of the universe, a recent news item: “Astronomers may have discovered the aftermath of a collision between a Saturn-size planet and a smaller world, perhaps the size of Uranus, some 170 light-years away” (Lovett). Toulmin notes, “in our own time the dynamics of our planetary system are still a matter of public concern,” citing other collisions between planetary objects and dire predictions of an asteroid hitting the earth (54).

human needs, histories, social conditions, cultural beliefs, and stories. At the heart of Toulmin's analysis is his plea for ways of thinking and postulating reality that retain a narrative sensibility. Following this, it is helpful to review the current status of rhetoric as a field and what is lost by its formal ostracism from serious science.

Wayne Booth's *The Rhetoric of Rhetoric* explores, among other things, how neglecting the study of persuasion can make some problems impossible to solve without violence or stagnation. He seeks to both "celebrate the recent flowering of studies and to lament their confinement to a tiny garden in a far corner of our academic and public world. Since we are all flooded daily with rhetoric, admirable and contemptible, we are in desperate need of serious rhetorical study, everywhere' (viii-ix). Booth is pleased to see "an amazing outburst of attention to rhetoric," but he laments that other disciplines fail to notice. And worse, "[t]oo many academics view the study of rhetoric as at the bottom of the ladder: it is merely fussing with cheap persuasion" (viii). Granted, the progress is slow, and reports of sneers are not new, but in the ashes Booth sees a role and agenda for rhetoric in the 21st century—to combat dishonest, fraudulent, and contemptible rhetoric. For Booth the remedy is *more* rhetorical education not *less*. In Booth's self-styled "manifesto," he ponders I.A. Richards' rhetoric as the "art of removing misunderstanding" compared to what he sees everywhere as "art of producing misunderstanding" (x):

In short, rhetoric will be seen as the entire range of resources that human beings share for producing effects on one another: effects ethical (including everything about character), practical (including political), emotional, (including aesthetic), and intellectual (including every academic field). It is the entire range of our use

of “signs” for communicating, effectively or sloppily, ethically or immorally. At its worst, it is our most harmful miseducator—except for violence. But at its best—when we learn to listen to the “other,” then listen to ourselves and thus manage to respond to a way that produced genuine dialogue – it is our primary resource for avoiding violence and building community. (xi-xii)

Booth recognizes that his definition can undermine the meaning of rhetoric by over-reaching; nevertheless, a study of rhetoric across the disciplines is taking place, with a profusion of books promising the “rhetoric of ” in their titles. He includes an appendix with over 60 titles with their fields of study in alphabetical order, beginning with *The Rhetoric of Abolition* and ending in *Rhetoric of War* (35-38). What Booth wants is a recognition of the uses of rhetoric in *all* fields, and for professionals to ask what constitutes good and bad forms of persuasion in each discipline (xii). “Bad” persuasion comes in many forms, and a virulent strain comes from claims of scientific certainty in domains better served by rhetoric sensitive to the political exigencies and needs of the community it addresses. As English studies have long explored the texts of powerful fictional literature, English Rhetoric studies should engage the persuasive fictions that wield so much power,⁷⁷ reclaiming for study the various compartments Aristotle included in his *Rhetoric*—ethics, politics, psychology, logic, history, and poetics (Burke *Rhetoric* 51).

Philosophy originally encompassed a wide swath of known forms of study (remnants still in the liberal arts), and this included rhetoric, which, for over 2,500 years,

⁷⁷ Victor Villanueva, in “Toward a Political Economy of Rhetoric,” laments the lack of attention to the economic texts that carry so much ideological weight and referee material outcomes, writing: “There is a rhetoric of economics, a rhetoric of political economy. We need only to reclaim it” (62).

was considered essential to study along with them. Even Plato, who raged against it, considered it important to study its uses and methods (Booth 4). When the ground upon which philosophy stood shook, rhetoric stumbled. Philosophy had, Toulmin points out, employed “reasons” in a range of investigations for over two millennia, some of which we could equate with modern Science and Technology, but by the mid-seventeenth century the *reasonable* lost ground to the *rational* because the methods of the latter were considered more serious and reliable (14-5):

Instead of a free-for-all of ideas and speculations—a competition for attention across all realms of inquiry—there was a hierarchy of prestige, so that investigations and activities were ordered with an eye to certain intellectual demands . . . Issues of formal consistency and deductive proof thus came to have a special prestige, and achieved a kind of *certainty* that other kinds of opinions could never claim. (15)

It wasn't long before the studied opinions engendered by the rational were seen as unassailable facts. In this way the rift between rhetorical and rational was codified and nurtured. The long night of *Rhetorica*, the former queen of all the arts and sciences, was underway.

Historicizing rhetoric can help explain the current reputation of rhetoric as the antithesis of clear thinking with valid “facts.” But this is more pressing than nomenclature, because it speaks to withholding and neglect of reasonable conclusions less amenable to so-called rational methods. Toulmin equates *reasonableness* with *substantive arguments*, which correspond to context and probabilities; *rationality*, he connects with *formal arguments*, airtight syllogisms in a closed system of absolute

certainty (16-24). The mechanistic universe provided a model for finding truth, and a model for communication that privileged detached autonomy. This rhetoric could do without human agency, which is reflected in its ontological view of knowledge production. As a case in point, Rationality, Toulmin argues, is associated with inborn ability, it is not learned per se, but applied. He says someone with an irrational fear of snakes (a phobia) may be incapable of remaining calm when confronted with one, but their reactions and precautions would not be unreasonable. Reasonable behavior is acquired, and so one learns not to be offensive or argue with “sloppy and unfounded terms.” (22). With an uncontrollable fear of snakes, a rational response is impossible, but reasonable behavior can be learned and applied. In short, not only does an adherence to solely logical proofs eliminate a host of reasonable responses to irrational behavior, it gums up the human capacity for creative solutions based upon real felt needs and situations. This enables greater flexibility in finding solutions and avoiding unnecessary misunderstanding and conflict.

Understandably, the rigidity of absolute standards will make peaceful resolution difficult to achieve. Discussing Toulmin’s notion of the “tyranny of principles,” Sonja Foss, Karen Foss, and Robert Trapp point to how Toulmin’s notion of “recalcitrance in the face of universal postulates,” can be seen in the contemporary struggles over abortion:

He claims that when people are willing to accept a variety of rights and responsibilities about this issue, they are able to argue temperately and productively. When they proceed in this manner, they balance the issue differently depending on the individual circumstances in which a woman finds herself. When focused on universal laws and absolute principles, however the

debate becomes “less temperate, less discriminating, and above all less resolvable.” (126)

The prize and goal of logical inquiry is some immutable law or precept that has no need for specifics invoked by reasonable debate, which is reified by partitioning logic from rhetoric:

The analysis of theoretical arguments in terms of abstract concepts, and the insistence on explanations in terms of universal laws—with formal, general, timeless, context-free, and value-neutral arguments—is nowadays the business of Logic, the study of factual narratives about particular objects or situations, in the form of substantive, timely, local, situation-dependent, and ethically loaded argumentation, is at its best a matter of Rhetoric. (Toulmin 24)

This split between formal logic and reason (rhetoric) might be tolerable or even admirable in a world that recognized the same distinctions within human affairs. Perhaps we should be grateful that there can be neither purely logical nor purely rhetorical endeavors, for this is what makes us human. Antonio Grassi, in *Rhetoric as Philosophy*, writing about the Italian Humanist response to Descartes’ war on the humanities, points to the same issue in the realm of philosophical studies, which, he claims, is hobbled by the eviction of probable, situated, and politically prudent courses of action in favor of single standard of truth:

The defects of rationalistic, critical philosophy are much more than they appear at first sight. By failing to take into account political faculties and the art of eloquence, this philosophy disregards two of the most important branches of human activity. The one-sided concern about truth misses the preparation for

recognizing individual cases, and it ignores the necessity for political education.

(40)

With political education, we return to the realm of rhetoric, which includes concerns over ethics and morals, and which must deliberate with care to the collective and individual, not universals. Here, we can hear echos of Booth's manifesto and Toulmin's claim (repeated by contemporary rhetoricians across the board) that neglect of the uses of rhetoric is more costly than sneers and disrespect from the major disciplines, it limits the ability of problems to be addressed by negating a whole range of arguments now deemed extrinsic to thoughtful consideration.

The Enlightenment, and the explosion of "scientific rationality," according to Booth, followed the rhetorical precepts laid down by Francis Bacon, who removed invention from its lead position in the finding of solid arguments, and replaced it with eloquence as an adjunct to established facts (6). "As scholars embraced the firm distinction between fact and value, with knowledge confined to the domain of fact, rhetoric was confined to sharpening or decorating either unprovable values or factual knowledge derived from elsewhere" (Booth 6). Because leading thinkers believed rhetoric could not engage in genuine reasoning on par with the rational methods of establishing fact, it was made the handmaiden of logic. George Campbell's mid eighteenth century treatise, *The Philosophy of Rhetoric*, places rhetoric in the service of logic, reversing Aristotle's definition of rhetoric as concerned with advancing artistic proofs through invention as opposed to nonartistic proofs (points of fact).⁷⁸ Campbell

⁷⁸ Aristotle held that non-artistic proofs (laws, witnesses, contracts, tortures, and oaths) are extrinsic to persuasion, less rhetorical than arguments drawn from appropriate topics, which he called artistic proofs (1375 23ff). Any unchallengeable prior truths, if and

professes, “As logic therefore forges the arms which eloquence teacheth us to wield, we must first have recourse to the former, that being made acquainted with the materials of which her weapon and armour are severally made, we may know their respective strength and temper, and when and how each is to be used” (*The Philosophy of Rhetoric* 754). In this reversal of Aristotelian rhetoric, still persistent today, Campbell’s metaphor of self-defense relies strictly upon expert testimony and logical demonstration of proofs, leaving little room for the “art” of Aristotelian argumentation. Rhetoric in the closing years of the seventeenth century was shorn of its sword of discrimination and its panoply of suasive modes as the new writings of science influenced many intellectuals and church leaders to establish communication with greater emphasis on clarity and plain language; *perspicuity* would define the ideal style for the coming centuries ⁷⁹ (Bizzell and Herzberg “Introduction” 638).

In the final analysis, the “scientific method” as literature is language that persuades and constructs a vision of reality, thus it is both rhetorical and ideological. For many early followers of Newton and Galileo, both of whom used mathematical symbols

where they existed, evinced no cause for rhetoric, since the matter could be concluded on those facts alone: “about things that could not have been, and cannot now or in the future be, other than what they are, nobody who take them to be this nature wastes his time in deliberation” (1357 5ff).

⁷⁹ Adam Smith, as rhetorical as anyone with an audience and a purpose, published his *Wealth of Nations* the same year Campbell’s *Philosophy of Rhetoric* appeared (1776), and, less surprising, he agreed with, and presided in part over the demise of the teaching of rhetoric in favor of logic (*Lectures* Introduction xv-xxi). Granted, in many respects, the study of rhetoric had degraded dramatically in his day, becoming a catechism of “endless classification,” with one headmaster compiling for his students a list with the names of “upwards of two-hundred and fifty devices and figures” (*Lectures* Introduction xxxii). Against these absurdities Smith lectures his students, “The rhetoricians divide all these topics into many orders and classes. (These will be found in Quintilian by those inclined to read them. For my part I’ll be at no further trouble about them at present) (*Lectures* 167).

to represent natural world, the vocabulary of science was closer to truth, to God. Many thought that the language itself represented a new window on reality. For Richard Rorty, the success wasn't due to "something called the 'scientific method,'" but rather, it was the ability to finally predict with "simple mathematical ratios" (191).

Galileo and his followers discovered, and subsequent centuries have amply confirmed, that you get much better predictions by thinking of things as masses of particles blindly bumping each other than by thinking of them as Aristotle thought of them—animistically, teleologically, and anthropomorphically. They also discerned that you get a better handle on the universe by thinking of it as infinite and cold and comfortless than by thinking it as finite, homey, planned, and relevant to human concerns. (Rorty 191)

Echos of the siren call of objectivity are apparent here, and the need to remove the human from such a cold and mechanical natural world. Galileo, Rorty tells, believed his "vocabulary worked because it fitted the universe as a key fits a lock" (192). Kant suggested those with the key, perhaps unwittingly, made the lock (Rorty 192). In any case, the cat was out of the bag, and it appears that the method of science is not so different from what humans do in every activity: "They check off examples against criteria; they fudge the counter-examples enough to avoid the need for new models; they try out various guesses, formulated within the current jargon, in the hope of coming up with something which will cover up the unfudgeable cases" (193). Newton's calculations were also simplified, and mathematical dodges used to "cover up unfudgeables." This sounds a lot like the way planets are "discovered" and demoted. In fact, the Pluto story recounts the use of criteria (how to define a planet); a fudging of counter-examples (other

orbiting objects equal in size to Pluto but not called planets); a new model that becomes no longer avoidable (having been fudged for too long many astronomers believed); and so the process begins again, with new jargon (terminology) to describe a planet, and new criteria with a different quality of fudging (i.e., “how round is round?”—Not perfect but eliminating today’s inconsistencies).

So, in answer to those in the humanities seeking to find the magic formulae to the success of the sciences through a rhetoric that mirrors reality, Rorty replies “Galileo’s terminology is the only ‘secret’ he had—he didn’t pick that terminology because it was ‘clear’ or ‘natural’ or ‘simple,’ or in line with the categories of the pure understanding. He just lucked out” (193). I suppose this means that Galileo did what anyone faced with a rhetorical challenge must do: find a way to communicate a message to an intended audience. Another point is that science and social science do not differ in their methods as a rule, as they both employ a language designed to convince. Social scientist can use scientific terminology when they want to convince that they can predict, and this can be successful (especially if this is what audiences expect), but the practical realizations of those predictions are markedly less so. As Rorty points out, “the last fifty years of research in the social sciences have not notably increased our predictive abilities” (197; see also Taleb’s *The Black Swan*).

What Toulmin, Grassi, and Rorty all prize is the ability of the humanities and social sciences to tell us stories, to interpret other people to us, and to introduce us to subjective experiences in the world we share but often see so differently. In a rhetorical practice that doesn’t deny the homey comfort of human emotions, and in which individual and cultural narratives are allowed to commingle with now less “cold” and less

“value-neutral” facts, there is potential for “enlarging and deepening our sense of community ” (Rorty 203).

We shall not worry about how this style is related to the “Galilean” style which “qualified behavior science” has tried to emulate. We shall not think either style particularity appropriate or inappropriate to the study of man. For we shall not think that “the study of man” or “the human sciences” have a nature, any more than we think that man does. When the notion of knowledge as representation goes, then the notion of inquiry as split into discrete sectors with discrete subject matter goes. The lines between novels, newspaper articles, and sociological research gets blurred. The lines between subject matters are drawn by reference to current practical concerns, rather than putative ontological status. (203)

Here, I see Rorty’s neo-pragmatism (or anti-theory theory) capturing the challenge for rhetoric studies moving forward. Speaking to practical concerns of contemporary rhetoric, a study of the rhetorics-across-the-disciplines should be aware of its own fudging of counter-examples and, taking a cue from Booth, they should be alert to the “good” as well as the “bad” in the social sciences. Rorty points out that Michael Foucault saw the dark side of social science (“instruments of domination”) while John Dewey saw the hopeful side (“social engineering”) (204). Rorty opts for hope above gloom, and a possibility for transformation of institutions through solidarity and collective action (208). Of course, rhetoric, like science, can evince a common picture of the world by consulting its various components, but we should be mindful of limitations even as we celebrate its capacity. Steve Fuller and James H. Collier, seeking to build interdisciplinary connection across the humanities and social sciences, see contemporary

rhetoric as insightful to the ways knowledge is produced and communicated. They also remind us that friends of rhetoric “tend to overemphasize the community-building functions of well-chosen language, often harboring some fairly nostalgic (if not downright mythical) views about the degree of common ground that is achievable or desirable between people” (14). I too find hope irresistible, but a little gloom and doom, and large measure of “what other people think” can help keep rhetoricians from over-fudging their own accounts.

In *The Rhetoric of Economics*, Deidre McCloskey defines all economics as rhetorical because it is “speech with intent” to persuade, and although she concedes (along with Booth) that rhetoric is “not everything,” it is “everywhere in the speech of human persuaders” (8). Modern economists with exclusive scientific pretensions like “Robert Solow or Milton Friedman,” McCloskey points out, “do not know anything of classical rhetoric—they grew up the nadir of rhetorical education—but they can spot when a formal assumption is being used well or badly, and they can sense when this or that verbal device is appropriate. And the wordcraft that the best economists exercise by instinct can be taught, at least a little” (5). The notion of teaching rhetoric is bound with the notion of teaching virtue, a contest also explored in the conflict between Socrates and Protagoras. Focusing on the kinds of stories economists like to tell, McCloskey also apprehends a proving of opposites as conducive to a shared search for meaning and the ability of “small t” truth to explain reality, suggesting that a “variety in economic narratives is good for the soul. Marxist narrative provides a criticism of the bourgeoisie ‘neo-classical’ narrative, and vice versa” (146). Wayne Booth celebrates the call and response of answering rhetoric with still more rhetoric in the form of powerful narratives

to counter other powerful narratives, noting that the “serious ethical disasters produced by narratives occur when people sink themselves into an unrelieved hot bath of one kind of narrative” (qtd in *If You’re So Smart*, McCloskey 146). Recalling Alan Greenspan’s story of “smart people,” the best minds of the Federal Reserve who could not foresee the 2008 collapse of the economy, an adherence to preferred perspectives and covert rhetorical methods of inquiry (both grounds for small t truth and big T Truth) is the hot water of current crisis. This rhetorical appeal (a rhetoric *of* method) is not necessarily the route to unimpeachable truth, that is, it does not confer truth to the argument, however aesthetically pleasing it may be. In his lectures on rhetoric, Smith seizes upon the distinction between a perception of truth earned by following method and an actual apprehension of reality:

We need not be surprised, then, that the Cartesian philosophy (for Descartes was in reality the first who attempted this method), though it does not perhaps contain a word of truth,—and to us who live in a more enlightened age and have more inquired into these matters, it appears very dubious,—should nevertheless have been so universally received by all the learned in Europe at that time. The great superiority of the method over that of Aristotle, the only one then known, and the little inquiry which was then made into those matters, made them greedily receive a work which we justly esteem one of the most entertaining romances that have ever been wrote. (*Lectures* 140)

Indeed, a great story made great by its rhetorical method is likely to deceive by its appearance of infallibility. In the realm of one-sided economics, where one hand (the rational scientific) does the work of the other (the reasonable social), the answer to the

koan, “what is the sound of one hand clapping?” seems to be “the sound of economy collapsing.” To play the “best possible world” card, I say we need Protagoras and Socrates, and a host of other voices to school us in the range of disagreement required to live a critical life. As McCloskey says,

If economists tell stories and exercise an ethical sense when telling them, then they had better have as many stories as possible. This is a principled justification of pluralism, an argument for not keeping all one’s eggs in a single narrative basket. If you are accustomed to thinking in Platonic terms within which knowledge consists mainly in propositions like the irrationality of the square root of two, provable now and forever, then monism looks attractive. There’s One Truth out there, isn’t there. If you are by contrast accustomed to thinking in Aristotelian terms within which knowledge consists of judgments like the desirability of democracy, uncertain even when agreed to after much discussion of people of good will, then monism in the tales we tell looks foolish, as it is. (*If You’re So Smart* 146)

In *Protagoras* the foolishness of Socrates and Protagoras is perhaps another moment in which Plato shows us the problem of democracy, which is a good problem to have, considering the alternatives; but pluralism in the economics of modern American democracy (in theory and policy) is rarely honored or practiced, except in times of periodic crisis, when alternatives are required to save face and prevent further harm (bailouts, new deals, stimulus packages, and all the rest). In spite of reasonable voices pointing to facts on the ground that undermine the professed success in the last forty years of neo-liberal laissez faire policies (growing income disparity is one “sign”—for

others during the so-called “wonder years” see Klein, Greider, Chang, and Phillips) modern mainstream economics occupies the rostrum, that is, until something bad happens, to be followed by a band aid approach to “saving capitalism” while the fundamental problems remain. The experiment in free-markets as a panacea to human fulfillment and harmony (Alan Greenspan’s “it seemed to be working rather well”) represents a lack of productive irony—productive in the sense of proposing less “certain” but more “reasonable” versions of reality. If rhetoric may be accused of deliberately producing irony, then it may wear that accusation quite well. Burke notes in his dramatic analogue to dialectical rhetorical speech that in “a *development* that uses all the terms . . . (this ‘perspective of perspectives’), none of the participating ‘sub-perspectives’ can be treated precisely right or precisely wrong. They are all voices, or personalities, or positions, integrally affecting one another” (*Grammar* 512). The economic crisis was nurtured by a dominating sub-perspective of a scientifically modeled economics that fudges to accommodate messy practical contingencies apparent to contrary voices in the dialectic performance. An extreme deductive and positivist mainstream economics like Friedman’s begins with assumptions “that need bear no relation to reality; it can even be claimed that theory has greater purchase the more unrealistic its assumptions,” and where “the historical only enters after the main theoretical event” (Milonakis and Fine 69). In this “theoretical world” if “ex post reality checks” (data to verify or falsify) do not jibe with the theory, this can “be accommodated by appropriate statistical manipulation or model refinement” (Milonakis and Fine 69). In other words, more fudging to make the beautiful models function as intended.

In this light, concerns about the loss of “positive” knowledge in a world of “relative” claims are wholly misplaced. “In relativism,” Burke says (applying a rigorous definition of the word) “there is no irony,” because it sees “but one set of terms,” and so in a strict sense, a relative viewpoint is, ironically, a sub-certainty parading as the absolute last word on the subject⁸⁰ (*Grammar* 512-3). So much for the line between pure and fuzzy truths, and Burke offers a continuum, or ratio, to measure the ironic inverse relationship: “the greater the absolutism of the statements, the greater the subjectivity and relativity in the position of the agent making the statements” (*Grammar* 512). An absolute stand is “relativistic” if this means choosing one reigning side of a dialectical situation in its entirety. Irony is a suspension of contraries, neither totally right nor totally wrong, and thus, what is A can return as non-A, even if it means abandoning certainty for irony.

Irony is integral to the human condition; perhaps this is why it is the stuff of great drama and tragedy, but a bit of certainty is good for ease of mind and a measure of common ground. So, what to make of charges of relativism (this time the “relativism” as boogeyman to rational thinking) against those who condone a more rhetorical pursuit of small t truth? If “relativism” is taken to mean, “anything goes, arguments are all equal, scholarship does not advance, [and] we have no way of reaching common ground,” then McCloskey, and other reasonable and rational people, condemn this too (*Knowledge* 315). That brand of “relativism” is the boogey man of clear thinking, but the good news is that “[i]f there *were* any real relativist [in the conservative sense],” Rorty says, “they would, of course, be very easy to refute” (qtd in *Knowledge*, McCloskey 315). The iron

⁸⁰ One might call this a meretricious *tu quoque*, as it does insinuate that “relativism” sticks best to the “positivists” hurling the accusation.

rule of irony is that contrastive pairs only appear to offer a clear choice between contraries—when, in fact, they can only name perspectives, attitudes, relevancies, and judgments about the dramatic situation (Burke, *Grammar* 511-13). And thus, all is not lost if the threshold of rhetoric is crossed, as two plus two will still equal four, and besides, McCloskey quips, “one does not give up the ability to distinguish between the Ajax Kitchen Cleanser jingle and Gödel’s Proof by noting that both are designed with an audience in mind, with perlocutionary force, with patterns of repetition, with a style suited to the occasion, with an implied author, with metaphor, synecdoche, and all the rest” (*Knowledge* 290). A rhetorical view of need satisfaction invested in the relationship between economics and human communities is, it turns out, more cognizant of a deeply felt and lived social reality than any “perfect” economic model can reveal. It is, at last, the grown up approach to the most important human questions about how we will live and die, and an optimistic and empowered response to an otherwise “dismal science.”

Chapter Seven

Three Cases Studies in Praise, Blame, and Oracle—and an Epilogue

To explore the expansive possibilities of *praise*, *blame* and *oracle* as rhetorical tropes in a range of economic literature, I have chosen to look at the works of three authors who address political and economic dimensions of the world with a different focus, analysis, and professional expertise. I will look at “The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis,” a seminal essay from the work of world-systems theorist Immanuel Wallerstein; *One World Ready or Not: The Manic Logic of Global Capitalism*, a critical look at the global economy by economic journalist and author William Greider; and *The Shock Doctrine: The Rise of Disaster Capitalism*, a recent work from journalist and filmmaker Naomi Klein, who describes a neo-conservative economic global strategy to profit in the wake of human tragedies and natural disasters. In closing, I will return to the need for other forms of rhetorical engagement, cognizant that no single approach can encompass the girth of economic writings or meet the demands of such a prolific and important topic of inquiry.

Wallerstein’s Double Play of Praise and Blame

Praise and blame go together, and often work in pairs as a form of amplification. Aristotle discusses how to generate topics for praise of persons in epideictic speech, but he says “[n]o special treatment of censure and vituperation is needed. Knowing the above facts, we know their contraries, and it is out of these that speeches of censure are made” (1366 36). Remarkably simple yet useful, knowing what is noble is to know what is base,

and knowing how to amplify praise equips the orator to do the same with censure and blame.⁸¹

Wallerstein's landmark essay on world-systems analysis⁸² begins with a critical look at the notion of societal progress in stages. Perfection was a possibility to the great thinkers like Hegel, Durkheim, Comte, Weber, and Marx, and they all believed that society and economics had reached a penultimate stage, with a perfected society around the corner. Marx thought a classless society would be that final form. Wallerstein approaches this topic with a bit of praise and blame, professing a fondness for the oppositional ideology and historical methods of Marxism, and criticism for ahistorical Marxism for its blind allegiance to the letter and not the spirit of social demystification: "One of the great strengths of Marxism was that, being an oppositional and hence critical doctrine, it called attention not merely to the contradictions of the system but to those of its ideologists, by appealing to the empirical evidence of historical reality which unmasked the irrelevancy of the models proposed for the explanation of the social world" (71). Wallerstein directs some instructional criticism to Marxism's own ideologists, and makes his epideictic case for a historical social theory grounded in recordable events and patterns, against a blind allegiance to the doctrine of history and development of many Marxist schools.

An esoteric Marxist at heart, Wallerstein must establish himself as the noble variety, the Marxist who unflinchingly records and interprets the truth about the world:

⁸¹ On the subject of panegyrics, Cicero repeats this dictum: "As to the rules of censuring, it is clear that they are to be deduced from the vices contrary to these virtues" (B2.85).

⁸² Wallerstein's emphasis is that the world-system (or "historical social system") is less a "theory" than a chosen "unit of analysis"—the long view that can give up a picture of what is really going on ("Introduction" xvii).

“Shall we turn to the critical schools, in particular Marxism, to give us a better account of social reality?” he asks, “In principle yes; in practice there are many different, often contradictory, versions extant of ‘Marxism’” (72). Wallerstein’s “scare” quotes alert the reader to his preference for the *principle* of Marxism and his critical rejection of its practitioners, all of which points out the difference between good scholarly Marxism from inferior dogmatic Marxism. Good Marxism will use the methods of historical analysis and discard the broken models of development that lead to intellectual death, which for Wallerstein is the path of dishonor for any would-be scholar:

The social fate of official doctrines is that they suffer a constant social pressure towards dogmatism and apologia, difficult although by no means impossible to counteract, and that they thereby often fall into the same intellectual dead-end of a historical model-building. (72)

Neither an apologist nor an ideological contortionist, Wallerstein’s ethos as a passionate Marxist/social scientist with good habits pervades the first sections of the essay, and his use of praise and blame instructs readers in the qualities of good and bad scholarship. Along the way, he establishes his own ethos as one who practices what he praises. He proposes nothing pure, and so his methods are both induction and deduction, historical and analytical, contextual and universal (89,74)—what he projects is a levelheaded middle way, balancing hubris with candor. At the conclusion of his essay, Wallerstein recapitulates his methods and justifies the pursuit of knowledge. In the process he spells out the virtues proper to praise and includes a humble acceptance of human fallibility (blame), beautifully illustrating the one system, if you will, of praise and blame, a true proving of opposites—one begetting the other: “I am all for minute and sophisticated

quantitative indicators. I am all for minute and diligent archival work that will trace a concrete historical series of events in terms of all its immediate complexities. But the point of either is to enable us to see better what has happened and what is happening . . . And all this because we are men with hubris and original sin and therefore seek the good, the true, and the beautiful” (102). The last phrase perfectly sums up the classical view of epideitic speech, which is to speak well about the good, true, and the beautiful (Perelman and Olbrechts-Tyteca 48). Wallerstein’s goal is to invoke the more lasting rewards of epideitic ethos by establishing his character and goodwill to promote acceptance of his intellectual virtues and honorable scholarly enterprises. In this final statement of value, Wallerstein moves beyond his logical proposition (there is only *one* world-system) and most probable truths (it has three layers) to take advantage of the raw motivational spirit that inhabits all argumentation and persuasion (i.e. “I speak the truth and it will set you free from ignorance”).

Wallerstein is especially attuned to the way competing beliefs about the world mirror its structure. He seems to truly believe in the power of speech and ideology, if not to change the world, then to understand it correctly and act according to this knowledge. He reads the contradictions in ideological extremes (talk of revolution and talk of liberal consensus as viable solutions) as legitimate responses from the different layers of a single capitalist world. Calls to overthrow or reform the system, Wallerstein says, are proof that a world capitalist system exists, as the contradictory voices are the manifestations of the three layers of the world system—the upper core, the semi-peripheral middle, and the peripheral lower stratum. Thus, while Wallerstein finds world capitalism to be successful in co-opting (buying out) opposition through redistribution of resources, in the end it is

not loyalty but ideology that maintains a system unfair to its most its participants. For Wallerstein, ideological beliefs are one of the three major mechanisms responsible for a modicum of political stability (military force and the three-layer division are the other two), so while there is good reason to respect the power of rhetorical speech, there is also reason to acknowledge that true consensus will be impossible as long as there is resource inequality (90). Wallerstein notes, “I mean rather to the degree to which the staff or cadres of the system (and I leave this term deliberately vague) feel that their own well-being is wrapped up in the survival of the system as such and the competence of its leaders. It is the staff which not only propagates the myths; it is they who believe them” (90). For Wallerstein, even as a myth-breaker, there is a limit to persuasive modes of changing this system and, as long as it remains in its present structure, any mode of governance of any nation will be part of the same one capitalist world system (communist, socialist, fascist, or any other):⁸³ yet he does find room to imagine a new future.

Wallerstein’s Oracle: “Having Read Dante I Will Therefore Be Brief”

It is incumbent upon writers in political economy to predict, because, as I propose earlier, the fate of our lives hangs in the balance. Partaking in a form of epideitic speech, political economy is charged with projecting a set of values in the present that can set a

⁸³ Wallerstein’s sense of agency for individuals and social movements is ambivalent; it is constrained by his belief that there is “only *one* [capitalist] world-system,” and so any change to a socialists system will require a “change in *all* the areas of the world-economy (Mao’s continual ‘class struggle’). Governments may be in the hands of persons, groups, or movements sympathetic to this transformation but *states* as such are neither progressive nor reactionary. It is movements and forces that deserve such evaluative judgments” (102).

course for the future. The dominant feature of oracle in political economy is to correctly read the signs. Wallerstein is coy and self-effacing, but he does not shirk his oracular duties: “We thus come to projections about the future, which has always been man’s great game, his true hubris, the most convincing argument for the dogma of original sin. Having read Dante, I will therefore be brief” (101). In this passage from the *Inferno*, Virgil reminds Dante, as you may recall, that diviners and fortune tellers do not deserve his pity, as they are consigned to Hell for playing fast and loose with what only God can know. Wallerstein’s mocking humility rhetorically weighs the price of failure (blame) against the rewards of success (praise), and like a true Platonist, he must venture for the “good, the true, and the beautiful.” In Plato’s most unusual (and I’ll argue epideitic) work, *Phaedrus*, Socrates also weighs his odds against human fallibility, opting to muddle it through: “[T]here came to me my familiar divine sign . . . Now, you must know, I am a seer; not a very good one, it’s true, but like a poor scholar, good enough for my own purposes” (242 B-D). Socrates’ knowledge of “the good” is aided by a divine presence, and his ability to interpret the signs is related to the tools of a poor scholar, whose goal is truth “good enough” for the purpose at hand. Wallerstein, like Socrates, in pursuit of the good, says scholars “need glasses with which to discern the dimensions of difference, we need models with which to weigh significance, we need summarizing concepts with which to create the knowledge which we then seek to communicate to each other” (102). Here the various stages of the oracle are reproduced; an ability to see what is opaque, a division of the message into concepts, creating knowledge from the chaos, and translating this knowledge to others so that they too can know the truth. The procedure and special knowledge encourages a correct reading of history (which is predicted, or read

backwards, if you will, by Wallerstein) with the concepts he divines as the only meaningful units of analysis that can give a proper understanding of the present. From this foundation, Wallerstein projects forward and divines that the capitalist world system is running out of differences between the various levels of consumption and control (the layers begin to merge), in effect, running out of productive crises to co-opt and from which to profit. With his usual rhetorical trepidation, he proposes that a world socialist system (“a socialist world-government”) is not “in the least utopian, but also . . . [not] imminent” (102). Neither fanciful nor just around the corner, the epideitic sensibility must advance a future in concert with the ethos of the speaker and his or her topics of praise and blame; thus, the rejection of the current system and poor conceptual models prepare a future where their opposites (correct analysis and socialism) can prevail. In this way the oracle is often the outcome of earned credibility won through the double play of praise and blame.

Moving from quasi-scientific social economic theory, political economy is discussed in less academic forums (I have Klein and Greider in mind), but nonetheless like Wallerstein they bring summarizing concepts and conceptual models useful to their purposes. For Naomi Klein, the topics of praise, blame, and oracle are focused upon her conceptual model, “disaster capitalism” and its modus operandi, the “shock doctrine.” I move now to discuss some features of Klein’s rhetoric, with special focus on her indictment of Milton Friedman’s free market economics and its celebrants.

Dr. Strange Economics and Reversals of Praise

The key topic of vituperation and blame in Klein's *The Shock Doctrine: The Rise of Disaster Capitalism* is none other than the godfather of ultra-free markets, Milton Friedman. Designated for praise in Klein's tale are the good hats: the resisters to his ideas, the victims of his policies, and the occasional defectors to the light. The bad hats are the minions of his policies: the emissaries of the Chicago School, the U.S. and other national governments, and international economic organizations. Klein fills her narrative with the names and stories of people reeling from disasters and plagued by free market crusaders. For example, she begins her book at a Red Cross shelter in Baton Rouge with the story of meeting a young African American man, Jamar Perry (one of many people we meet just once), homeless after Hurricane Katrina. Klein's reportage (interviews, eyewitness accounts, narratives) and research-based journalism (documents, statistics, transcripts) builds her ethos as a professional on the side of the less powerful:⁸⁴ "I had just been busted for talking to evacuees without a media escort and was now doing my best to blend in, a white Canadian in a sea of African American Southerners. I dodged into the food line behind Perry and asked him to talk with me as if we were old friends, which he kindly did" (4). An ironic convergence of distance and intimacy is conveyed here; friends, everyone knows, care about each other and generally tell the truth. Readers are invited to become confidants with Klein to witness her stories and testify to their own. This is important, because as Klein builds her case against Milton Friedman and the

⁸⁴ Klein does not feign ideological neutrality, noting her "having been part of the movement against ballooning corporate power that made its global debut in Seattle in 1999," she puts herself in the camp opposed to the loan conditions placed on nations by the World Trade Organization and the International Monetary Fund—the three horrible heads of "privatization, government deregulation, and deep cuts to social spending" (10).

ideology of disaster capitalism (blame), she aligns herself with its opponents, defectors, and victims who are worthy of praise.

For Klein, Friedman is an ironic and larger-than-life boogeyman, “a grand guru of the movement for unfettered capitalism and the man credited with writing the rulebook for the global economy” (5). She marvels at his stamina and eerie persistence to do harm. “Ninety-three years old and in failing health, ‘Uncle Miltie,’ as he was known to his followers, nonetheless found the strength to write an op-ed for the Wall Street Journal three months after the levees broke” (5). Faint praise incurs blame, as Friedman’s modest proposal, she reveals, is to divert billions of dollars from the rebuilding and improving of schools destroyed in New Orleans to school vouchers, where students could attend private institutions (many run-for-profit) subsidized by the state (5). Back at the Red Cross shelter, in response to talk of city officials and developers describing the disaster as an opportunity to clean up the city, Klein reports an older man saying, “This isn’t an opportunity. It’s a goddamned tragedy. Are they blind?” A mother with two kids chimed in, “No, they’re not blind, they’re evil. They see just fine” (5). The most powerless victims (the elderly, women, children, people of color) are on the side of good (praise), and the free market opportunists are either blind or evil (blame). Clear epideitic virtues are at stake here, as Klein is posing the question about common values: In the face of human tragedy, what is the honorable and virtuous route? And by extension, what is dishonorable and worthy of censure?

Target of blame, and foil for praise, Friedman’s own lifetime of preaching for the miracle of free markets alone might make him fair game; nevertheless, Klein finds his ideas to be the actual germ of the shock doctrine: “For more than three decades, Friedman

and his powerful followers had been perfecting this very strategy: waiting for a major crisis, then selling of pieces of the state to private players while citizens were still reeling from the shock, then quickly making the ‘reforms’ permanent” (7). Friedman’s name appears on over 80 pages, along with the “crimes” committed in the name of his policies through the Chicago School, World Trade Organization, the International Monetary Fund, U.S. Federal Reserve and as an advisor to “U.S. presidents, British prime ministers, Russian Oligarchs, Polish prime ministers, Third World dictators, [and] Chinese Communist Party secretaries” (7). His influence accentuates the breadth of his harmful policies and the complicity of political leaders and organizations. At last, connecting man-made disasters like the invasion of Iraq to natural disasters like tsunamis and hurricanes, Klein sees Friedman in the eye of the storm: “I discovered that the idea of exploiting crisis and disaster has been the modus operandi of Milton Friedman’s movement from the very beginning—this fundamentalist form of capitalism has always needed disasters to advance” (11).

Proof that ideas can change the world, Klein offers Friedman as an example of what bad ideas can do; the definition of bad is crucial here, because part of Friedman’s legacy is as a highly praised genius of economic prosperity. Friedman’s public acclaim (he was awarded a Nobel Prize) adds extra emphasis to Klein’s vituperative rejection of his ideas in principle and in practice:

When Friedman died in 2006, obituary writers struggled to summarize the breadth of his legacy. One settled on this statement: “Milton’s mantra of free markets, free prices, consumer choice and economic liberty is responsible for the global prosperity we enjoy today.” This is partially true. The nature of that global

prosperity—who shares in it, who doesn't, where it came from—are all highly contested, of course. What is irrefutable is the fact that Friedman's free-market rule-book, and his savvy strategies for imposing it, have made some people extremely prosperous, winning for them something approximating complete freedom—to ignore national borders, to avoid regulation and taxation. (62)

The questions of equity, fairness, winners and losers are the soul of political economy, and it is the lopsided gains that make Klein's concession shift praise into blame. Like every evil-genius who needs a motive for reeking havoc, Klein gives Friedman's backstory to offer a plausible account for what she sees as his peculiar streak of willful blindness to the results of his policies, noting that his parents owned a garment factory (a sweatshop by today's standards) where the family lived in an apartment on the factory floor, and where employees would debate workers' rights and theories of collective ownership. Klein says, "as the boss's son, Friedman no doubt heard a very different perspective on these debates" (63). As the founder of a consumer-based utopian democracy, Friedman comes off as the Marie Antoinette of Klein's tale, who utters "each man can vote, as it were, for the color of the tie he wants" while struggling democracies are being squashed by draconian free market engineering and freedoms at home are chipped away (63). Unlike the queen of France, Friedman would live a long life and die a peaceful death, but for Klein this signals a sign—a message that the old oracle is dead and a new one has arisen.

The Eulogistic and Dyslogistic Funeral Oration

Klein's oracular pretensions are introduced in her final chapter, "Shock Wears Off: The Rise of People's Reconstruction," roughly thirty pages of stories that portend an end to the unhindered tactics of the shock doctrine. Friedman's death is the topic of the first sentence, followed by a newspaper columnist questioning whether the "principles [he] fought for and articulated can survive over the long term without a new generation of solid, charismatic and able intellectual leadership" (561). For readers at this point in Klein's tale, the question clearly points in the other direction: will the terror end? Again, Klein allows the praise of Friedman to be the most fitting indictment, two-sides of the same coin, praise from the unworthy beneficiaries of his policies, blame from the common folks and victims—another double play of praise and blame. Moving from Latin America, China, Indonesia, the Middle East, and back to New Orleans, Klein narrates a slow awakening and recovery from shock. She believes "As soon as we have a new narrative that offers perspective on the shocking events, we become reoriented and world begins to make sense once again" (580). Making sense of the world is also the job of the oracle reader. Reading the signs of rebuilding and resistance, and taking the prerogative to translate the oracle, Klein marks the death Friedman as the old narrative, as a sign of different things to come, and as hope that the era of his ideas is over. A Progressive and Populist democrat, Klein believes the solution is found in the stories of people rebuilding their own communities, in "movements that do not seek to start from scratch but rather from scrap, from the rubble that is all around . . . these men and women themselves as mere repair people, taking what's there and fixing it, reinforcing it, making it better and more equal" (589). This is a statement of public values at the heart of

epideitic speech, and an example of what virtues and actions Klein believes deserve our highest praise. The shocks will not end, she most assuredly predicts, but people are becoming resilient “for when the next shock hits” (589).

Greider’s Encomiums to the Fallen

William Greider’s *One World, Ready Or Not: The Manic Logic of Global Capitalism*, presents an opportunity to look further into the role of funeral orations and encomiums to the fallen. Greider, writing in a time of arrogant optimism in the magic of a global free-market (1997), travels the world’s emerging and declining markets and talks to line workers and union organizers from factory floors. What he sees is a fervent global revolution:

Imagine a wondrous new machine, strong and supple, a machine that reaps as it destroys. It is huge and mobile, something like the machines of modern agriculture, but vastly more complicated and powerful. Think of this awesome machine running over open terrain and ignoring familiar boundaries . . . Now imagine there are skillful hands on board, but no one is at the wheel. In fact, this machine has no wheel nor any internal governor to control the speed or direction. It is sustained by its own forward motion, guided mainly by its own appetites. And it is accelerating. (11)

Because the machine has no soul, no internal governor, no boundaries, Greider looks to censure the enablers and promoters of the machine, those waging what he terms an “economic revolution” as opposed to a the “political revolution,” which in the twentieth century took the form of government restrictions against the free reign of capital and

policies to give dignity and fairness to labor (worker and union rights, prohibition of child labor, etc.) (11). This distinction is important, because this addresses what happens if the economic is split from the political—a politics that considers economics with concern to ethics, social welfare, human dignity, common human values. He addresses his audience, and attempts to temper their praise of the machine with knowledge of its destructive powers. He begs to counter common beliefs, directing his pleas to “intelligent people [who] have come to worship these market principles, like a spiritual code that will resolve all the larger questions for us, social, moral, and otherwise, so long as no one interferes with its authority” (473). In Greider’s global perspective, labor and national governments are the good guys, though often complicit through compulsion by the bad guys, who are multinational corporations and finance capital (24-5). As Greider travels the world and tells stories of displaced workers, death-trap sweatshops, workerless factories, he turns to the eloquence of encomium. Before he details the horrid 1993 toy factory tragedy in Bangkok, the “worst industrial fire in the history of capitalism,” Greider takes his readers to another time:

Two centuries ago, when the English industrial revolution dawned with its fantastic invention and productive energies, the prophetic poet William Blake drew back in moral revulsion. Amid the explosion of new wealth, human destruction was spread over England—peasant families displaced from their lands, pauper and poorhouses crowded into London slums, children sent to labor at the belching ironworks or textile looms. Blake delivered a thunderous rebuke to the pious Christians of the English aristocracy with these immortal lines:

And was Jerusalem builded here

Among these dark Satanic mills?

Blake's 'dark Satanic mills' have returned now and are flourishing again, accompanied by the same question." (337)

One role of epideitic speech is to retell the past in order to explain the present, and to prepare the ground for a desired future. Greider's controlling metaphor (summarizing concept) is the "global machine," a behemoth not unlike that found in the industrial age of Blake's England, and he invokes Blake as a kindred soul to witness the present crisis through the eyes of the past. Directing his thoughts at the hypocrisy of the present, Greider often articulates the kind of values he hopes the audience shares, but which he declares to be uncontestable:

Everyone's values are defined by what they will tolerate when it is done to others. Everyone's sense of virtue is degraded by the present reality. Human dignity is indivisible. Across the distances of culture and nations, across vast gulfs of wealth and poverty, even the least among us are entitled to their dignity and no justification exists for brutalizing them in the pursuit of commerce. Anyone who claims to hold human values cannot escape these new connections. (336)

One of the most striking features of Aristotle's conception of epideitic speech is that he says it is uncontested because "the facts themselves are to be taken on trust: proof of them is only submitted on those rare occasions when they are not easily credible or when they have been set down to someone else" (1417b 32ff). Here again, the premiere role of ethos makes sense, given that Aristotle does not view epideitic as a place to propose and defend controversial logical proofs, make decisions on policy in a crisis, or send a defendant to death or financial ruin. In this light, readers must accept Greider's claims of

value on their face. The real challenge for Greider is to show how violations of these uncontested values of universal human dignity are caused by passive acceptance of unfettered global capitalism.

The Oracle and the “Ghost of Marx”

“Marxism is dead,” Greider writes, “but the ghost of Marx hovers over the global landscape, perhaps with a knowing smile” (39). I suppose he is smiling (like Tom Sawyer at this own funeral) because even as he can see his theories have been discredited, he can wait for the tears to come so he can again join the living. Only a disaster, Greider believes, will bring those who rejected and failed to appreciate the living legacy of Marx’s labor consciousness to the political economy. Greider concedes that the ideological war has been lost, but “the gross conditions that inspired Karl Marx’s original critique of capitalism . . . are present and flourishing again” (37). Greider says even though the conflict now is about the kind of capitalism we can live with, the struggle between labor and capital never went away. Greider is asking the right questions proper to the study of political economy: “What is a nation, after all, if commerce has destroyed the meaning of national boundaries? For that matter, what is a citizen?” (44). In the final chapters, Greider offers “field notes on the future,” which, like an oracle, can aid in the “great task of formulating a new ideology” (44).

Indeed, Greider reads the signs of social distress and proposes a number of solutions, most of them focused on getting political leaders and nations to slow down the machine and place governors on its movements and speed. This is a thoroughly neo-Keynesian vision of the future, because the major problem, according to Greider, is the

age-old crisis of over-production and lack of demand. His most dire predictions are made clear from the outset: “our wondrous machine, withal its great power and creativity, appears to be running out of control toward some sort of abyss. Amid revolutionary fervor, such warnings may sound far-fetched and, as history tells us, usually go unheeded until one day, sometimes quite suddenly, they are confirmed by reality” (12). A prescient metaphor provides a sign, like an oracle, that death and violence may be at hand. Greider tells of a work elephant named Honey, struck by a truck on a highway in Thailand: “As doctors tried to mend the elephants’ smashed hip, contributions poured in from heartsick citizens, including the king. Elephants have been the emblem of Thai culture for at least seven centuries, but are now gradually dying out. Honey’s death promoted editorial reflections on the price of prosperity” (13). Greider tells other stories, and each helps to move his summarizing concept of the machine, killing everything there is to enjoy in the world, and a scourge to economic and civil stability. In the service of public speech, Greider closes with hopes that his book has freed readers from “the usual bromides and reassurances” about the invincibility and rewards of unfettered global markets (472). His oracle is a steady “reasoned warning” that a breakdown will come, and as to the future he offers no relief: “I think there will be more pain, more destabilizing disruptions and loss, before people find the courage to rebel and take control of their destinies” (472). If not a call to action, it is a plea for a change of attitude, an adherence⁸⁵ to a different point of view, the goal of praise, blame, and oracle.

⁸⁵ Perelman’s concept of “adherence” (Perelman 9) is akin to Kenneth Burke’s “attitude” (*Grammar of Motives* 235-6) and Cicero’s “move” or “bend”—it signals a change of thinking towards a topic that might result in overt action.

Epilogue

Like political economists of old, Wallerstein, Klein, and Greider address the complex economic and political machinations that affect the production and distribution of goods. They all point to a similar diminishment of state authority to direct resources to equitably meet the needs of the world's peoples. For Wallerstein the capitalist system is not a set of mini-systems housed within nations or regions, it is one system that will fail entirely when its day has come; governments can stop trying to prop up a failing capitalist system and prepare by economic socialization in key areas (102). For Greider states are complicit in allowing free-market globalization to run wild; nevertheless, "nation-states [can plausibly] reclaim power and responsibility from manic investors . . . to restore political controls over capital and finance" (257). Klein sees resistance to disaster capitalism taking the form of grassroots collective action and using the ballot to oust governments that engage in fear-mongering and draconian economic policies (see 585).

This provisional look at the tropes of praise, blame, and oracle is also a rhetorical application of a summarizing concept or conceptual model. As you might imagine, my analysis has not been exhaustive or exclusive; for example, there are many praise/blame pairs in Wallerstein one can focus upon (mini-systems vs. one-world-system, governments vs. states, imperialism theory vs. capitalist world system, positivists vs. relativists, the true/beautiful vs. false/dogmatic, and hubris vs. candor). Also, within my framework the other notables of rhetorical persuasion have either been ignored or blurred. However, I do believe an examination of praise, blame, and oracle in the literature of political economy can reveal the primary predicates of persuasion in the field

as a human science. Praise and blame assist in building ethos, as the author picks his or her allies to stand in for his or her own good worth, intellectual honesty, and ideological position. For contrast, there are foils, fools, villains, and the misguided. With the past and the present seen in its proper light, the authors of political economy seek to shape and divine the future of what they have surveyed. In terms of oracular knowledge, anyone who predicts must either be an Oracle or consult one; in this respect, it is difficult to separate the messenger from the message, thus, from the point of view of ethos production and audiences, it is hard to tell where the oracle (what must be divined) and author (one who divines) begins or ends.

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