

## Book Review

Constantine Christos Vassiliou: *Moderate Liberalism and the Scottish Enlightenment: Montesquieu, Hume, Smith and Ferguson*. (Edinburgh: Edinburgh University Press, 2023. Pp. xvi, 203.)

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In his aptly titled *Two Cheers for Capitalism*—cribbed from E. M. Forster’s *Two Cheers for Democracy*—Irving Kristol described what has since become a familiar phenomenon. Modern capitalism, he warned, had produced a class that was fundamentally opposed to its perpetuation. This class was not the industrial proletariat, as Marx had predicted, but a “new class” of public intellectuals that included journalists, administrators, teachers, and professors, even scientists and technicians, all of whom were acting as fifth columnists eating away at capitalism from the inside. These were the ancestors of today’s “woke capitalism” that has attempted to align the institutions of the market with social-justice causes like environmentalism and DEI initiatives.

This is hardly new. The critique of capitalism is in fact as old as capitalism itself. In this compelling new book, Constantine Vassiliou has tried to show how the critique of market society grew out of the eighteenth century’s “moderate liberalism” and its response to one of the first economic crises of the modern era. The hero of Vassiliou’s story is the French aristocrat Montesquieu and his Scottish contemporaries and progeny David Hume, Adam Ferguson, and Adam Smith. The merit of this book is that it makes the critique of market society fundamental to its very emergence.

*Moderate Liberalism* offers a challenge to a now widely held view of Montesquieu canonized in Albert O. Hirschman’s classic study *The Passions and the Interests*, but which also had important precursors in readers like Leo Strauss, Judith Shklar, and Raymond Aron. On Hirschman’s telling, Montesquieu was the founder of the *doux commerce* thesis according to which commerce plays a softening or civilizing effect on the more warlike and violent passions of pride, honor, and self-esteem. An interest-based society, at once stable, secure, and prosperous, was deemed a cure for “the ills of Machiavellianism.” Commercial societies were deemed more “polished” and “refined,” reaching their apotheosis in the coffee houses and salons of Edinburgh, London, and Paris.

Vassiliou puts Montesquieu squarely within the eighteenth-century debates about commerce and liberty. In particular, he sees Montesquieu as reacting to the great financial calamities of his time, the first set off by the debt crisis following the War of the Spanish Succession (1701–1714) and the

other precipitated by the “Mississippi Bubble” created by John Law, the Scottish adventurer who became controller general of finances under Louis XV. Along with the better-known South Sea Bubble, these became the first great examples of market failure. Montesquieu saw in this emergent new economy not only a cause of instability and disorder but also the creation of a new financial elite with none of the older habits of civic responsibility and public service that constituted the old regime at its best. It is in this new monied interest that we find the origins of the modern meritocratic class that has been much in the news lately.

Vassiliou rejects the claim that Montesquieu was a full-throated admirer of the English model of commercial society as an alternative to both the ancient virtuous republics of Sparta and Rome and the modern monarchical systems based on the medieval codes of honor and chivalry. Montesquieu, he argues, was at most a “distant admirer” of the English model of market society which he regarded cautiously as carrying the seeds of a new type of commercial despotism. He was, above all, a constitutional “pluralist” who conceived of multiple paths to achieving balance. What may work in Britain cannot be regarded as a panacea for France.

Montesquieu’s question was how to rehabilitate certain premodern aristocratic habits of honor and *noblesse oblige* that might serve as a brake on the financial rapacity of the new economic elites. For the Bordeaux aristocrat, only a reinvigorated *noblesse de robe* could carry on the traditions of honor and civic responsibility that could counteract the all-consuming desire for wealth. Like Hume, what Montesquieu valued most was moderation. Moderate monarchy was the only kind of government appropriate to French habits and traditions. His solution to the dangers of economic oligarchy was to reach further back into French history to build on examples of aristocratic honor.

Montesquieu’s younger contemporary Adam Smith struggled with these questions throughout his life. Vasilliou joins several recent interpreters in regarding the Scotsman as a critic of social inequality. In his first great treatise, *The Theory of Moral Sentiments*, he examined why people have a perverse desire to sympathize with the rich and powerful especially when they have done little to merit their markers of distinction. On Smith’s egalitarian views, it was only among the gentry—the commercial middle class—where a propensity toward fellow feeling and civic duty might be found. Smith condemned the “gaudy pomp” that frequently attends the great. In the *Wealth of Nations*, he examined the damaging effects of the division of labor on the civic personality. How can a person who spends their life fixing the head on a pin—the equivalent of an Amazon factory worker today—be expected to develop habits of political care and civic prudence? These two issues—our misplaced sympathies for the wealthy and the dangers of overspecialization—might be called the real Adam Smith Problem.

The true heir of Montesquieu, Vasilliou concludes, was not Smith or Hume but John Adams, who hoped to introduce elements of European hierarchy

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and distinctions into the American republic. As Luke Mayville persuasively argued in *John Adams and the Fear of American Oligarchy* (Princeton University Press, 2017), Adams was both an astute analyst and critic of the oligarchic disposition, but rather than attempt to abolish oligarchy, Adams thought it was necessary to control it. Presumably, the Senate was the institution where oligarchic ambition could be both expressed and contained. It was not sufficient for ambition to counteract ambition: "Distinction needed to counteract distinction."

The question this book poses is whether a balanced and moderate liberalism is still possible today at a time when it is challenged by deep sources of discontent from both the left and the right. Do market democracies possess the resources necessary to provide for the kind of civic personality that can resist today's oligarchic elites? Vasilliou has done an excellent job of centering these debates within some of the Enlightenment's greatest representatives. Montesquieu, Hume, and Smith can provide us with a sense of the problem. I am not sure that they can provide the answers.

—Steven B. Smith  
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