

importance to Australians generally' and that a large majority of Labor voters believed the ALP should support the Government on the issue of illegal entrants (pp.120-1).

James Jupp notes that the prominence of refugee and international issues 'did not make much difference in the support for Labor in most ethnic communities' (p.268). Clive Bean and Ian McAllister argue that 'party identification continues to be the pre-eminent influence on electoral behaviour in Australia' (p.183) with the issues of immigration and education having only modest effects on voting choice. Marian Simms' chapter on the media recognised that the majority of newspaper editorial comment urged a vote for the Coalition (p.103).

Not surprisingly, the anthology is also littered with emotive, moralistic comment on the opportunism of the Coalition in its handling of border protection issues. There is stifled regret that the Government fought the campaign on these issues given the obvious support of public opinion for the government's position.

A short chapter by One Nation MLC Frank Hough criticised the hijacking of Hansonite policies and that given this, both the Government and its supporters were themselves 'racist' (p.153). Other contributors reserved criticism for the amorality of the government's tactics, preferring to cite the manipulative skill of the government than the pre-existing public support for a tough stance on border protection. Haydon Manning's chapter on cartoon comment argues that cartoonists were 'more disgusted than ever by electioneering' and 'appalled by callous opportunism', as they sought to 'get Australians to recognise the morally decent view

on asylum seekers and think other than jingoistically about the war on terrorism' (p.60).

Malcolm Mackerras writes that *Tampa* was 'the most contemptible political stunt ever engineered by an Australian politician in my lifetime' (p.303). David Adams' chapter highlights the professionalism and skill of Howard's appeal to the electorate, benefiting from the close alignment of the electorate's emotions and self-interest with that of 'the national interest' (p.31).

The anthology itself reflects Howard's ability to sell the agenda and reap the electoral rewards. It is interesting that the editors did not accord a chapter to education policy making only passing reference to 'Knowledge Nation'. The chapters on industrial relations, women, rural interests and business all made reference to these policy issues as footnotes to international issues.

The chapters on rural and industrial relations argued that without *Tampa* and September 11, both issues would have been key election issues. Given the attention of some contributors to the electoral importance of sound economic fundamentals, there might have been a chapter on the government's sale of its economic credentials in the context of 'fireproofing' the economy from volatile international markets. This would clearly have fitted well with the book's accent on immigration and refugee issues.

*2001: The Centenary Election* is a useful compendium on polling trends, seat results and the influences on voting behaviour. It ably captures the tensions surrounding the contest through a mix of academic analysis and comment from senior party officials (Lynton Crosby, Geoff Walsh and Andrew Bartlett).

By following the series format, the editors produce a methodical

account and avoid reducing interest in the election to a single issue. The book would benefit from closer analysis of the interplay of international and domestic issues and in particular, the extent to which the government's message of border protection and pursuing the national interest effectively depoliticised the rural-urban divide and continued the attack on elites and special interest groups.

**Reviewed by  
Richard Grant**

*Adam Smith's Marketplace  
of Life*

**By James R. Otteson**  
Cambridge University Press  
2002, 352 pp, US\$26,  
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**A**dam Smith is best known today for his great contribution to free market economics in *The Wealth of Nations (WN)*. Indeed, Smith's economic views have become so influential that his earlier book on moral philosophy, *The Theory of Moral Sentiments (TMS)*, tends to be overlooked. James R. Otteson attempts to enhance understanding of Smith's overall body of work by focusing on his less prominent moral theory.

Otteson's book is informed by a desire to clarify what has become known as the 'Adam Smith Problem'. The problem arises from apparent inconsistencies between Smith's moral and economic theories. In *TMS*, Smith argues morality rests on a natural sympathy humans feel for one another yet, in *WN*, he appears to advocate economic policies based on a fundamental assumption of human self-interest. Much academic discussion has been devoted to whether these apparently competing aspects of Smith's work can be reconciled.

Otteson regards this debate as settled in favour of Smith's consistency (p.3). Nevertheless, he argues that nobody has yet provided an account of Smith's moral and economic views that satisfactorily resolves the most intractable elements of the Adam Smith Problem. He therefore sets out to clarify the most serious barriers to a unified interpretation of Smith's work, before suggesting how they might ultimately be overcome.

Aside from exploring the Adam Smith Problem, Otteson is generally concerned to offer a sympathetic reading of Smith's moral theory, which he suggests has been unjustly neglected within contemporary moral philosophy (p.1). In the opening three chapters, Otteson presents a clear and accessible account of Smith's argument in *TMS*, incorporating frequent references to the primary text. The central theme of Otteson's reading is that Smith depicts moral judgements as arising from a 'marketplace of morality' (p.101), an idea Otteson goes on to connect with the picture of economic markets provided in *WN*.

In developing the idea of the marketplace of morality, Otteson emphasises what he calls Smith's 'impartial spectator procedure' (p.43) for forming moral judgements. For Smith, Otteson observes, our natural desire for mutual sympathy means we continually imagine ourselves in the positions of others. The consequent realisation that others do not always share our priorities of action leads us to temper our self-interest so our motivations are more likely to attract general approval. Ultimately, this desire to bring our priorities into harmony with the views of others means we develop the habit of adopting the perspective of a disinterested bystander when forming moral judgements.

In Otteson's view, the impartial spectator procedure, as described above, reflects a 'marketplace' model of morality. He argues the procedure tends to produce moral consensus in much the same way economic markets produce agreement on prices (p.114). The moral system emerging from this process of value moderation will be that which proves most conducive to social harmony. In this way, according to Otteson, Smith sees moral rules as an unintended but desirable consequence of the free interaction of individual moral agents (p.101).

Otteson's response to the Adam Smith Problem, however, does not rest solely on the common market-based model he sees at the heart of both *TMS* and *WN*. He also relies on what he calls Smith's 'familiarity principle' (p.183), which he argues unifies the apparently competing pictures of human nature presented in Smith's two works. The familiarity principle, as developed in *TMS*, holds that a person's benevolence towards others increases with her or his familiarity with them. Otteson contends this principle, when applied to economic actors, yields an account of human motivation substantially similar to that provided in *WN*.

Smith's familiarity principle is by no means uncontroversial, as it conflicts with the widely-held philosophical view that, as far as possible, everyone's moral interests should be afforded equal consideration. From this perspective, Otteson's brief discussion of the principle (p. 210) in his otherwise excellent chapter on justifying Smithian moral standards is unsatisfying. There, as throughout the chapter, he suggests Smith's approach can be justified based on an argument from knowledge—that is, Smith's

market-based model of morality tends to yield the rules that best reflect the collected wisdom of the community. In this way, Otteson suggests, the familiarity principle is justified primarily because the utility of our benevolence can be expected to increase with our level of knowledge of the circumstances of those to whom it is directed.

However, this argument seems to fall well short of justifying a general principle of directing our benevolence to those with whom we are most familiar. We can readily imagine a situation where we are very familiar with one person and only remotely acquainted with another, but still know enough to be sure our benevolence would make a much greater difference to the latter party. In such a case, shouldn't we help the person who will benefit more?

In other areas, Otteson shows a commendable willingness to acknowledge possible objections to his interpretation of *TMS*, going out of his way to suggest avenues of reply. He is particularly careful to present the strongest version of the Adam Smith Problem before offering his response. The result is a generally persuasive account of Smith's moral theory, which goes some distance towards resolving the apparent tensions between *TMS* and *WN*.

I strongly recommend Otteson's book. It is a clear and engaging work, suited to both advanced students of Smith and those seeking an introduction to his moral theory. The author has produced a thorough and convincing interpretation of the central themes of Smith's body of work. One leaves the book with a sense of Smith's enduring legacy—his insight into the many ways our lives are shaped by unintended systems of social order.

**Reviewed by  
Jonathan Crowe**