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ADAM SMITH'S LAST TEACHINGS: DIALECTICAL WISDOM

BY
LORENZO GARBO

This paper focuses on the teachings and admonitions regarding wisdom found in the sixth edition of Adam Smith's Theory of Moral Sentiments (TMS)*. Following a mind-path marked by the seminal contributions of Glenn Morrow (1923), Donald Winch (1978), and Laurence Dickey (1986), the paper offers an interpretation of the higher moral standard* (superior prudence) *introduced by Smith in the last edition of* TMS*, as his response to the socio-economic and cultural changes that took place in Great Britain in the second half of the eighteenth century. Between the first and last editions of* TMS *the taste for luxury and conspicuous consumption became widespread and contagious both geographically and across ranks. Prudence and other-approbation, sufficient gatekeepers of moral conduct and character in the previous editions of* TMS*, became progressively less effective in keeping society away from moral deception and in regulating reputation and the distinction of ranks. The paper examines the introduction of superior prudence in the last edition of* TMS *as Smith's vision of a dialectical process between external and internal approbation that is capable of transforming individual dependence on social praise into a dialogue between materialistic and moral concerns, which would lead to a progressively wiser, although conflictual, existence.*

> Some showy chairs and a sofa (a *sofa* by all means): half a dozen prints in gilt frames hanging up: some swinging book-shelves with novels and tracts upon them … many *wine decanters* and *wine glasses* and '*a dinner set*', and 'a *breakfast set*,' and '*desert knives*' … and, which was worst of all, there was a *parlour*! Aye, and a *carpet* and a *bell-pull* too! One end of the front of this once plain and substantial house had been moulded into a '*parlour*'; and there was a mahogany table, and the fine chairs, and the fine glass, and all as bare-faced upstart as any stock-jobber in the Kingdom can boast of.
>
> William Cobbett, *Rural Rides*

Department of Economics, University of Redlands, Redlands (CA), lorenzo_garbo@redlands.edu. I am grateful to William Dixon, Dorene Isenberg, Stephen Meardon, two anonymous referees of the *JHET*, and participants to the 2013 annual conferences of the European Society for the History of Economic Thought and the History of Economics Society for their comments and suggestions on earlier drafts of this article.

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I. INTRODUCTION

The vision of wise conduct and character in a society increasingly shaped by market forces and a culture of image is one of the most penetrating and modern teachings left by Adam Smith in the last edition of *The Theory of Moral Sentiments* (*TMS*), which went to print in January 1790, only a few months before his death. Although historical, political, and intellectual circumstances constrained Smith's most celebrated intellectual legacy to the relationship between economic freedom and creation of wealth (Rothschild 2001), the importance Smith gave to the integrity of the arguments introduced in the sixth edition of *TMS* seems unequivocal. He expected these revisions and additions to contain his last teachings, as attested by personal correspondence and the Advertisement of the sixth edition (letters to Cadell and La Rochefoucauld; see Ross 1995, pp. 334, 383, 384), and dedicated the last five years of his life to the final revision of *TMS*. About a third of *TMS* had been rewritten or added to by the time all revisions were completed (November 1789), to the point that some consider the 1790 edition a new book altogether.[1]

This paper examines Smith's last teachings on wise conduct and character. When analyzed historiographically, these teachings bring to light a path towards wisdom that is both dialectical and reflective of the socio-economic and cultural transformations that took place in Great Britain in the second half of the eighteenth century. Between the first and the last edition of *TMS*, England and Scotland experienced what Neil McKendrick (1982) called the very first consumer revolution: taste for luxury and desire for conspicuous consumption rapidly spread not only geographically but also across ranks, and wealth and greatness became increasingly mistaken for wisdom and virtue. These changes had an undeniable impact on the moral effectiveness of prudence and other-approbation, which had served as sufficient benchmarks of moral conscience and behavior in the previous editions of *TMS*. Prudence proved progressively less effective in containing vanity and regulating reputation and the distinction of ranks, and social mirroring ceased to function as a conclusive method to ascertain the propriety of one's conduct and character. In the last edition of *TMS* Smith responded to these shortcomings by raising the moral standard of reference to *superior* prudence (*TMS* [1790] 1976, VI.i.15, p. 216). The argument developed here interprets this more complex understanding of prudence as a path to wisdom that transforms the engagement with the "bustle and business of the world" from moral hindrance to an endless source of opportunities for the formation of moral character. Wisdom deepens as individuals who train at the great school of self-command learn to mediate between materialistic stimuli and the voice of conscience arising from the "man" or "demigod within the breast," between the natural desire of social success and internal alignment. The recurrence of these antagonistic pressures, with challenges that become increasingly nuanced as one's awareness of other- and self-approbation deepens,

[1]See, for instance, Raphael (1975, p. 85), and Dickey (1986, p. 595); Paganelli (2011, p.125) for a contrasting view. Raphael and Mafie (1976) and Hanley (2009, pp. 82–83n12) provide a detailed list of the areas of alteration to the previous editions of *TMS*.

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gives rise to an endless pursuit of moral integrity that is here described as a process of dialectical wisdom.[2]

The central theme developed in this article hinges upon two streams of historiographical Smithian literature. The first consists of contributions that, following Albert Hirschman's ([1977] 1999) seminal work,[3] examine the system of morality contained in the sixth edition of *TMS* within the context of an increasingly universal and fruitful pursuit of self-interest. Particularly relevant here is Leonidas Montes (2004), especially for his historical contextualization of the last edition of *TMS* and his characterization of self-command as meta-virtue, "necessary to ennoble the virtuous character of prudence, beneficence, and justice" (p. 96) and precondition to the dialectical ascension to the perfection of virtue discussed by Ryan Hanley (2009, pp. 44, 45, 90). The interpretative lens adopted in the paper also aligns well with Hanley's reading of Smith's moral concerns about the "new model man" (Hanley 2009, p. 31), and of the Introduction to Part VI of *TMS* "as an exercise in training the mind's eye to recognize virtue on seeing it" (p. 116).[4]

The argument of this paper also builds upon writings that acknowledge a dualistic nature in Adam Smith's "voice," such as the "moral instructor" and "empirical observer" (Heilbroner 1982; also Evensky 1987), and often aim at supporting or negating the "Adam Smith Problem" (ASP) within an historiographical context (Raphael 1975; Raphael and Macfie 1976; Hirsch 1976; Campbell and Skinner 1982; Dickey 1986; Evensky 1989).[5] Although the revitalization or negation of ASP is not explicitly addressed here, Glenn Morrow (1923) and Laurence Dickey (1986) serve as the conceptual backbone of this paper. By restating the original ASP question (Oncken 1897, p. 444) from an issue of change in Smith's economic and ethical doctrines to a matter of reconciliation between them, Morrow carved out a space of coexistence of Smith's materialistic and moral concerns. This is the space in which, toward the end of the eighteenth century, the objectivity of personal moral judgment is called into question (Morrow 1923, especially p. 22), the degrees of idealization of the impartial spectator become most relevant (Raphael 1975 and 2007; Raphael and Macfie 1976; Phillipson 1983), and individual wisdom finds opportunities to deepen in the midst of the new, commercial society. This conceptual space takes the center-stage in Dickey's (1986) textual analysis of the first and last editions of *TM*S.

[2]This concept of unity through a dialectical process was later cherished by the advocates of a *clerisy* (for example, Thomas Chalmers's idea of "market as trial," Samuel Taylor Coleridge's concept of social harmony as balance between two magnetic poles, and John Stuart Mill's study of the tension between following customs and the pursuit of "higher pleasures"), who may well represent the immediate legacy of Smith's last teachings and admonitions regarding wisdom (Knights 1978; McPherson 1982; Dickey 1986; Dixon and Wilson 2010 and 2013).

[3]The text specifically refers to Hirschman's ([1977] 1999) influential analysis of the cultural and philosophical evolution that led to "the promotion of avarice to the position of the privileged passion" (p. 41) and then to Smith's "*coup de grâce*" to this formulation by "collapsing … passions into the drive for the 'augmentation of fortune'" (pp. 107–108).

[4]The argument developed here otherwise departs from Hanley's work, which focuses more on "Smith's answer to his question concerning the nature of virtue" than on "the nature and sources of moral judgment" (p. 11). More specifically, the approach here diverges from Hanley's idea of a morally incapacitated commercial man (see pp. 25, 35, 36, 42, 52), his conceptualization of sympathy as downward compassion (for instance, p. 50), and his reductionist view of historiographical interpretations of the revisions Smith brought to the sixth edition of *TMS* (see pp. 28–30, 37, 98, 99, and fn. 5 and 6, pp. 84, 85).

[5]For detailed and well-documented literature reviews on ASP, see Montes (2004, ch. 2) and Otteson (2002, ch. 4 and 5). Wilson and Dixon (2006, especially pp. 254–255, 259) provide what appears to the author of this paper a conclusive argument of the non-existence of the original ASP.

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By reformulating ASP as characterized by "three rather than one or two motivating centers" (p. 587), Dickey suggests a reading of the revisions of the sixth edition of *TMS* as Smith's response to the tumultuous economic, social, and moral transformations of the second half of the eighteenth century (see also Winch 1978; Hont and Ignatieff 1983; Collini et al. 2000; Rothschild 2001; Porter 1991 and 2001). Within this historiographical interpretation of Smith's last teachings, this paper aims at characterizing the space of coexistence of materialistic and moral concerns as a dialectical process between external and internal approbation that is capable of transforming individual dependence on social praise into a dialogue between self-interest and moral conscience, which would lead to a progressively wiser, although conflictual, existence.

II. INFERIOR AND SUPERIOR PRUDENCE

The argument developed in this paper begins with the "prudent man" of 1759, who then commanded unconditional approbation.[6] Even though the general description of this man did not change between 1759 and 1790, by the end of the century the prudent man of 1759 had lost considerable moral standing. Bound by law and custom, he was a man who had apparently relinquished all passion, who strictly minded his own business, and—being "much better pleased that the public business" is "well managed by some other person" (*TMS* [1790] 1976, VI.i.13, p. 216)—limited any involvement with public life to the minimum imposed by law and duty. The proper business of prudence as defined in 1759 was the care of the health, fortune, rank, and reputation of the individual. It was presented as a very practical virtue with stoic and calvinistic qualities: hard work combined with modesty and pedantic rationality in the choice of new enterprises, and lack of distraction from one's own business, inevitably carried the prudent man of 1759 onto a path of accumulation and fortune.[7]

By 1790, however, this set of human traits becomes only mildly admirable, as "it never is considered as one, either of the most endearing, or of the most ennobling of the virtues. It commands a certain cold esteem, but seems not entitled to any very ardent love or admiration" (*TMS* [1790] 1976, VI.i.14, p. 216). In the 1790 edition, it is instead a higher degree of prudence that deserves full approbation. It is an ideal rather than practical concept of prudence, and it refers to the way of being embraced by the "wise and just" man:

> Wise and judicious conduct … is frequently and very properly called prudence.… This *superior prudence*, when carried to the highest levels of perfection, necessarily supposes the art, the talent, and the habit or disposition of acting with the most perfect propriety in every possible circumstance and situation.… It is the best head joined to the best heart. (*TMS* [1790] 1976, VI.i.15, pp. 216; italics added)

[6]In the first edition of *TMS*, prudence commands "eminent esteem, with which all men naturally regard a steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune" (*TMS* 1759, IV.2, p. 362). It receives a "considerable degree of wonder and admiration," and is "worthy of a considerable degree of applause" (*TMS* 1759, IV.2, p. 363). Macfie and Raphael (1976) suggest that the "prudent man" of 1759 was the "frugal man" in *WN* of 1776, to reappear again as the "prudent man" in 1790. See Dickey (1986, pp. 589–592), and also Heilbroner (1982, esp. p. 427).
[7]See *TMS* ([1790] 1976, VI.i pp. 213–216). For further discussions on the nature of prudence in *TMS*, see Montes (2004, pp. 86–91), and Macfie and Raphael (1976, especially pp. 9 and 18).

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Even with the introduction of this higher moral standard, inferior prudence continues to be supported by the impartial spectator (*TMS* [1790] 1976, VI.i.11, p. 215); and because both forms of prudence lead to approbation, the effects of their pursuit may appear quite similar to the untrained eye. Not to Smith's eye: while the inferior form of prudence yields fortune, greatness, and external honor (*TMS* [1790] 1976, III.5.8, p. 166), the superior form is rewarded with "the confidence, the esteem, and love of those we live with" (*TMS* [1790] 1976, III.5.8, pp. 166–167).

This is a very important juxtaposition for the argument of this paper. Inferior prudence was originally intended to supply the necessities of the body, and was intimately linked to modesty and frugality. The characterization of this virtue acquired a different connotation in the 1790 edition, with a more accentuated centripetal character, clearer elements of self-interest, and a more direct link to its reward in terms of wealth, greatness, and external honors. The expectation of external success and the "strongest of our desires"—that is, to be acknowledged and to obtain credit and rank among our equals—had colluded in manipulating and possibly corrupting the nature of prudence:[8] the "anxiety to obtain the advantages of fortune," Smith wrote in the last additions to *TMS*, "is … much more excited and irritated by this desire [of external approbation], than by that of supplying the necessities and conveniences of the body, which are always very easily supplied" (*TMS* [1790] 1976, VI.i.3, p. 213). It appears that by 1790 the man of inferior prudence had learned to evaluate his own and others' credit and rank just on the basis of external fortune. Undoubtedly, this was socially helpful, as it provided psychological support to economic growth and guaranteed social rankings and reputation; but it was also morally flat, if not dangerous, as Smith repeatedly emphasized in the following well-known admonitions:[9]

> That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue … has been the complaint of moralists in all ages. (*TMS* [1790] 1976, I.iii.3.1, pp. 61–62)

and,

> Moralists … warn us against the fascination of greatness. This fascination, indeed, is so powerful, that the rich and the great are too often preferred to the wise and the virtuous. Nature has wisely judged, that the distinction of ranks … would rest more securely upon the plain and palpable difference of birth and fortune, than upon the invisible and

[8]"It is the vanity, not the ease, or the pleasure, which interests us. But vanity is always founded upon the belief of our being the object of attention and approbation" (*TMS* [1790] 1976, I.iii.2.1, p. 50). On the delusional consequences of self-interest in *TMS*, see also Paganelli (2008, p. 372). On the effectiveness of inferior prudence on the ills of the commercial man (vanity and anxiety), see Hanley (2009, pp. 62, 103, 104, 116, and 128n28).

[9]Smith suggested that the self-gratifying character of inferior prudence was problematic at a political level too: when decisions have a public impact, the statesman who can see only his own plan (the "man of system," who seems to be described as a prudent man who approaches public matters as if they were his own fortune, a common custom in eighteenth-century Great Britain; see Porter 1991, pp. 98–142) may not serve society well. This is juxtaposed to a wise and virtuous statesman, who "will content himself with moderating, what he often cannot annihilate without great violence." Smith concludes that when the statesman's sentiments and reason are not engaged in a mediating effort, "society must be, at all times, in the highest degree of disorder" (*TMS* [1790] 1976, VI.ii.2.16-17, pp. 233–234). See also Paganelli (2008, pp. 372–373) on the individual and social effects of unconstrained self-interest in *TMS*.

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> often uncertain difference of wisdom and virtue. The undistinguishing eyes of the great mob of mankind can well enough perceive the former: it is with difficulty that the nice discernment of the wise and the virtuous can sometimes distinguish the latter. (*TMS* [1790] 1976, VI.ii.1.20, p. 226)

As Smith considered the last revisions of *TMS,* he must have come to the conclusion that the inferior form of prudence, or the frugality and industry of the *Wealth of Nations*, had in the course of the years become an insufficient benchmark of morality.[10] What could have had so much impact on Smith's considerations on the moral character of the man of inferior prudence? Why so much emphasis on the "wise man," after having so powerfully and successfully identified the extraordinary consequences of prudence (and self-interest)?

III. CHANGES IN MORAL CHARACTER AND PHILOSOPHY OF LIFE

If one approaches these questions historiographically, one cannot transcend from the dramatic economic, social, and cultural changes that England and Scotland experienced during the second half of the eighteenth century: according to McKendrick (1982), the first full-fledged consumer revolution. Between the first and last editions of *TMS* the taste for luxury became widespread, insatiable, and contagious. Relentless consumption, or desire to consume, was not only socially accepted but also astutely manipulated by manufacturers' marketing efforts. Foreign visitors to England spoke of "luxury and extravagance of the lower and middling classes" and of "universal" luxury.[11] The rush to untamed consumption did not limit itself to goods, either: consumption of libido too shook old customs of chastity until marriage or death, providing further evidence that deep moral and religious tenets were being uprooted (Dickey 1986, p. 606; Stone 1984, pp. 45–46). The geographical reach of the consumer revolution was also borderless, and a culture of image quickly expanded from London to the provinces. Towns acquired urban lifestyles, with glamorous Bath, a "monstrous tea-set, symbolic of the latest fashion in consumption" (Neale 1981, p. 223), topping the list.[12] Although contagion reached Scotland with some delay, during the second half of the eighteenth century

[10]According to Hont and Ignatieff (1983b, p. 43), Smith believed that the "disposition to admire and almost worship the rich and the powerful" was at the root of the commercial man's material insatiability. Non-satiation is clearly deceptive and thus unwise, but generates incentives for economic progress, supposedly leading to justice through the paradox of a commercial society. See Hanley (2009, pp. 36–37) for a discussion of vanity as an engine of economic growth; see Garbo (2012) on the early evolution of the assumption of non-satiation.

[11]"Men's and women's wigs were caricatured as needing special openings in the roof of their carriages in the 1770s. … Hats sprouted upwards and sideways, and such was the rage to follow fashion that even labourers in the fields were recorded by Stubbs and Blake in graceful wide-brimmed picture hats" (McKendrick 1982, p. 12; see also Stone 1984, p. 45). According to McKendrick (1982), between the decade from 1715 and 1724 and the period 1785 to 1800, population increased by 14%, consumption of tea increased by 97.7%, and consumption of printed fabrics increased by 141.9%.

[12]In 1771, Tobias Smollet wrote: "Every upstart of fortune, harnessed in the trappings of the mode, presents himself at Bath … men of low birth, and no breeding … hurry to Bath, because here, without any further qualification, they can mingle with the princes and nobles of the land. Even the wives and daughters of low tradesmen, who like shovel-nosed sharks, are infected with the same rage of displaying their importance; and the slightest indisposition serves them for a pretext to insist upon being conveyed to Bath, where they may hobble country dances and cotillons among lordlings, squires, counsellors and clergy …" (p. 32).

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Edinburgh was fashionably embellished, its population increased by a quarter, its merchant guild was by far the most numerous and opulent body of traders in Scotland, and its intellectual life attracted spending visitors, gentry, and nobility. According to Henry Hamilton (1963, pp. 353–357), average Scottish wages increased by 300% to 400% between the mid-1750s and the early 1790s, while the price of staple food "rose little more than 50 percent" (Hamilton 1963, p. 377). In England, according to Elizabeth Gilboy (1934, p. 220), laborers' wages increased gradually for much of the century, especially between 1760 and 1790 in the north and in Oxfordshire; craftsmen's wages instead increased dramatically everywhere, especially between 1750 and 1795.[13] Urbanization had an important effect in the redistribution of female labor, away from agriculture and towards industry and town services of all sorts. Domestic services—still the largest single employment for women at the end of the eighteenth century—became a very important link in the chain of emulation by the lower classes to the spending habits and fashion tastes of the upper and middle classes. The *Statistical Account of Scotland* (1790), for instance, reports of a minister of the county of Sterling who recorded the following: "The aged inhabitants are surprized at the change in the article of living. … There is sometimes a contention for pre-eminence in gaudy shew, which is severely censured, especially when the maid servant cannot be distinguished from the mistress" (quoted in Hamilton 1963, p. 380). While the top two-thirds of the English society was the carrier of the consumption revolution, the bottom third was in fact not exempted from it: social emulation was rampant, with dramatic effects on social mobility and "confusion of ranks."[14] According to the *British Magazine*, by 1763 the process had already proceeded so far that "the present rage of imitating the manners of high life hath spread itself so far among the gentlefolks of lower life, that in a few years we shall probably have no common folk at all" (quoted in McKendrick 1982, p. 25). Joyce Appleby (1976, p. 515) suggested that because the "meaner sorts" knew they could and should emulate their betters, the basis of class distinctions had to have become little more than purchasing power.

These changes had an undeniable impact on the moral character and philosophy of life of most people. Inferior prudence proved progressively less effective not only in keeping society away from fluff, vanity, and moral deception, but also in regulating reputation and the distinction of ranks. Most importantly, a society increasingly obsessed with opulence and image made other-approbation a much less conclusive method to ascertain the propriety of one's conduct and character. Dickey (1986, pp. 601–609) points

[13]During the same years, the Assize price of wheat showed a slightly positive trend in the midst of sharp fluctuations. The trend of real wages is, however, very difficult to determine, because it remains largely unclear what the typical consumption basket consisted of, and which of those items was actually bought rather than grown, bartered, or included in the non-monetary portion of the wage. See Gilboy (1934, pp. 114–134).

[14]The minister of Kilsyth, Scotland, in the early 1790s wrote: "In their dress there is a very visible change. Formerly, the most respectable farmers, used to wear nothing but Scotch cloth, generally of their own making, plaiding, hose and blue bonnets. Now, the servant men on holidays wear nothing else than English cloth, cotton, and thread stockings, and hats. The females formerly, wore nothing but a linen head dress, and tartan worsted plaids, which covered the head, or at best red scarlet cloaks. Whereas now, every maid servant wears a silk bonnet and cloak, and generally muslin or printed gowns, and thread stockings" (Hamilton 1963, p. 379). According to Stone (1984, p. 46), "by the end of the century, the 'middling sort' were beginning to define themselves and their values as 'middle class,' and the 'lower orders' to be seen and to see themselves as 'lower class,'" itself divided into the "respectable" (the segment that emulated the middle class) and the "rough."

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out that most of the references to "society as a mirror" used by Smith in 1759 "were dropped in the 1790 edition of TMS" (see also Dwyer 1987, p. 170, for an analogous view). So, if the impartiality of the real spectator could not be completely trusted,[15] where else could human beings find an effective mirror of their own conduct? They must find it, Smith stated in the 1790 revision of Part III, in their own "natural sense of merit and propriety," in the voice of the ideal spectator, the "man" or "demigod" within the breast, that formulates moral rules "from experience" (*TMS* [1790] 1976, III.4.8, p. 159) and acts as the ultimate judge of whether and when each of our "senses, passions, and appetites" is to be either "indulged or restrained" (*TMS* [1790] 1976, III.5.5, p. 165).

In the 1790 edition, the path to wisdom is introduced as mediation between other- and self-approbation, real and ideal spectators, self-interest and perfection in all virtues. The next section explores the dialectical nature of this process, which begins with birth and continues throughout life (*TMS* [1790] 1976, I.iii.3.2, p. 62), and becomes more challenging as one improves his station in life and/or deepens self-awareness. It is a process that honors both the desire for other-approbation, and the human concern to model one's behavior to the advice of the "demigod within the breast," the ideal standard, wisdom itself. By construction, mortals will never achieve such 'ideal'; at the same time, individuals who are excessively ruled by passion or estrange themselves from the world of affairs will never evolve towards "exact propriety and perfection," receiving at best what Smith called "cold esteem."

IV. THE PATH TO WISDOM: A DIALECTICAL PROCESS

According to Smith's last teachings, in order to be able to effectively mediate between passion and virtue, one first needs to learn how to recognize and resist the seduction of ease and applause. The perfectly virtuous man would follow the rules of perfect prudence, strict justice, and proper benevolence. What path is available to the ordinary man? In the last additions to the *Theory* Smith states that even the deepest knowledge of these virtues does not warrant the ability to practice them, as "love of ease, pleasure, and applause … by their continual solicitations … often mislead us into many weaknesses" and "seduce us from our duty" (*TMS* [1790] 1976, VI.iii.3, p. 238).

The candidate for wisdom has to learn discernment, objectivity, and equanimity in the midst of recurrent challenges. This learning, Smith taught, occurs at the "great school of self-command."[16] It is not surprising that the analysis of "the great school of self-command" is so much more complex in the 1790 than the 1759 edition. In 1759,

[15]Phillipson (1983, p. 186) distinguishes three levels of idealization of Smith's impartial spectators: "At a simple level, impartial spectator is a title we confer on an actual person in an actual situation.… At a more complex and ambiguous level the impartial spectator seems to lie more within the breast than in the real world.… At the most complex level of all, he is completely internalized, 'the abstract and ideal spectator' … whose authority is underwritten by a lively conscience." Here these three levels are referred to, respectively, as the *real* spectator, the *man within the breast*, and the *demigod within the breast*. See also Raphael (2007). See Levy (1985, pp. 299–300) for an analysis of the impartial spectator's judgment failure in the *Wealth of Nations*.

[16]See Montes (2004, chs. 3 and 4) for an excellent discussion of the nature of self-command in *TMS* "as related to individual free choice, in a positive way that gives moral autonomy to the individual, and grants excellence … to all other Smithian virtues" (p. 83). Paganelli (2008) presents a compelling argument on the synergies between self-interest and self-command in *TMS* (especially pp. 366, 370, 373). On the connection between self-approbation and self-command in *TMS*, see Den Uyl and Griswold (1996, pp. 621–623).

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it is the prudent man who exhibits the highest self-command, which is associated with abstinence "from present pleasure, in order to secure a greater pleasure to come," and with "a steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune" (*TMS* 1759, IV.2, p. 362; see also Dickey 1986, p. 592). In the 1790 edition there are instead "different shades and gradation of weakness and self-command" (*TMS* [1790] 1976, III.3.21, p.145), depending on the candidate's willingness and commitment to negotiate between self- and other-approbation, between his and the external view of his situation, between a higher and a lower degree of self-involvement. Three "types" of man (the "weakest man," the "man of a little more firmness," and the "man of real constancy and firmness" (*TMS* [1790] 1976, III.3.23-25, pp. 145–146) exemplify these different gradations.

Only the "man of real constancy and firmness … who has been thoroughly bred in the great school of self-command *in the bustle and business of the world*" deserves to be "the natural and proper object of our highest love and admiration" (*TMS* [1790] 1976, III.3.25, pp. 146 and 152; italics added). He is the wise man, the ideal man. The path towards such an ideal, which consists in the progressive refinement of that idea of "exact propriety and perfection" that is "in every man more or less accurately drawn," *is* the great school of self-command. It is a path with no final attainment: even the "wise and virtuous man" who "has studied this idea more than other people" at best "imitates the work of a divine artist, which can never be equalled" (*TMS* [1790] 1976, VI.iii.25, p. 247). What distinguishes the man on the path to wisdom is his commitment to the "constant practice … of modelling, or endeavoring to model," his conduct and character according to those of the "awful and respectable judge" (*TMS* [1790] 1976, III.3.25, pp. 146–147; italics added). The fundamental point made by Smith here is that there is no real "wise man":[17] there is instead a dialectical path towards wisdom, which requires individuals to be at the same time exposed to the "bustle and business of the world," which provide them with endless moral challenges, and actively engaged with all levels of spectators, including "the great judge and arbiter of conduct."

Contrary to the perception that virtue-abiding conduct tends to overcome anxiety and suffering (see, for instance, Hanley 2009, pp. 38, 39, 103), the reading of Smith's last teachings proposed here suggests that a conflictual existence is a necessary condition for the deepening of wisdom in commercial societies.[18] In fact, individuals who do not perceive conflict, such as the "man of the most exquisite humanity," the solitary man (*TMS* [1790] 1976, III.3.36 p. 152), the stoic hero and its opposite, the man of purely sentimental character, and the accomplished man of inferior prudence, who nurtures ease and tranquillity, are likely to miss the path towards wisdom altogether.[19]

[17]Numerous times Smith concedes that every human being is imperfect to some degree. For instance: "We very seldom … attempt to judge ourselves without giving more or less attention to both these different standards" (*TMS* [1790] 1976, VI.iii.23, p. 247). See also Hanley (2009, pp. 52 , 89–91, 126) and Temple-Smith (2003, pp. 32, 36–40) for discussions of virtuous action as "middle between two opposites" and on the "source of the rules of virtue" in Smith and Aristotle.

[18]"Hardships, dangers, injuries, misfortunes, are the only masters under whom we can learn the exercise of this virtue [self-command]. But these are all masters to whom nobody willingly puts himself to school" (*TMS* [1790] 1976, III.3.36, p. 153).

[19]The "middling class" appears to be the most likely group this teaching is addressed to, not because of any inherent ability, but because of the degree of exposure to antagonistic pressures. See Phillipson (1983, pp. 190–197).

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The challenges that characterize the path to wisdom tend to intensify with the advancement of materialistic and/or moral pursuits. On one side, the seductive forces of fortune, success, and power render adherence to the path more difficult the higher the individual's "station of life" has become:

> Two different roads are presented to us … the one, by the study of wisdom and the practice of virtue; the other, by the acquisition of wealth and greatness. … In the middling and inferior stations of life, the road to virtue and that to fortune … are, happily, in most cases very nearly the same.… In the superior stations of life the case is unhappily not always the same. … (*TMS* [1790] 1976, I.iii.3.2, p. 62; I.iii.3.5 and 6, p. 63)

On the other side, the difficulty of discernment between the two "roads" and between standards of approbation causes states of great distress even to the "wisest and firmest man," who "suffers, … and though, in the agony of paroxysm, he maintains … the sedateness and sobriety of his judgment, it requires his utmost and most fatiguing exertions, to do so" (*TMS* [1790] 1976, III.3.28, p. 148).[20]

Why should anyone endure such hardships? Especially in times of rapid economic growth, the "condition of the great" tends to appear as "almost the abstract idea of a perfect and happy state" (*TMS* [1790] 1976, I.iii.2.2, p. 51), and the proud and vain man may seem to have some advantage over the man of "correct and modest virtue." Emulating who appears "great" promises the "great mob of mankind" the fulfillment of the primal desire to please and be approved by others. But nature, Smith taught, endowed human beings with such desire only to maintain order in society and create sufficient incentive for material growth (see, for instance, *TMS* [1790] 1976, I.iii.2.3, p. 52). In fact, "the proud and the vain man … are constantly dissatisfied" (*TMS* [1790] 1976, VI.iii.51, p. 261), first, because they never obtain the approbation of the individual who pursues wisdom, who is the only source of approbation they truly value; and next, because whatever approbation they earn is conditional to their good fortune. "All things fairly computed," Smith concluded, it is the "man who neither ascribes to himself, nor wishes that other people should ascribe to him, any other merit besides that which really belongs to him, [that] fears no humiliation, dreads no detection, but rests contented and secure upon the genuine truth and solidity of his own character" (*TMS* [1790] 1976, VI.iii.31, p. 253).

V. CONCLUSION

If the interpretation presented in this paper is correct, Smith's last teachings on the dialectical path to wisdom provide a unifying theme to his most fundamental economic and moral contributions. These last teachings in no way deny self-interest as an innate human trait and as the engine of economic growth; neither do they negate the role of the "inferior" form of prudence in the creation of wealth. In fact, they consist of a series of admonitions about wisdom that are especially relevant once the pursuit of self-interest has been fruitful. It is with opulence that the paths towards "wealth and

[20]States of "paroxysm of emotion" also arise at moments of choice between different standards of judgment: see *TMS* ([1790] 1976, III.4.4, p. 158).

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greatness" and "wisdom and virtue" tend to diverge. It is because wisdom itself, as absence of delusion, is beyond the reach of mortals, because the strongest human desire—that is, the desire to be approved and respected—tends to manipulate "wealth and greatness" into ambition and vanity, and because wisdom can be learned only by experience in the bustle of the world of affairs, that the only possible path towards wisdom has to simultaneously engage both materialistic and moral human concerns. The resulting juxtaposition between external and internal approbation, between social success and internal coherence with the man or demigod within the breast, is what this paper has referred to as "dialectical wisdom."

This view of Smith's last teachings not only appears well aligned with the post-Humean Scottish moral tradition, but also maintains extraordinary modernity. "Hume's revolutionary insight," Nicholas Phillipson (1983, p. 181) writes, "was an injunction to serious moralists to shift their attention … to the principles which explain how we acquire moral sentiments and ideas of virtue.… This taught moralists to think of the moral wisdom men acquire in the course of ordinary life as the rock upon which a life of virtue must be founded." How moralists go about fulfilling such injunction necessarily depends on what "ordinary life" might consist of. Smith's different admonitions—that is, inferior prudence or a path of dialectical wisdom—thus depended on whether they were directed to individuals at lower or higher stations in life (*TMS* [1790] 1976, I.iii.3, pp. 61–64). It is then not surprising that Smith's teachings on wisdom are much more frequent in the last edition of *TMS*, as in the meantime the moral dilemmas typical of "higher stations of life," or of the perceived promise of "higher stations of life," had moved from the individual to the social level, from sporadic to widespread. As seen in the literature on the consumer revolution of the second half of the eighteenth century reviewed in the paper, the logic of exchange, image, and "wealth and greatness" by the end of the century had entered the great majority of personal and social relations, ranks, and reputation. In such an environment, the acquisition of wiser character and conduct undoubtedly caused paroxysms of emotion and distress; only the "great school of self-command" could teach individuals to navigate these ongoing conflicts in ways that mediate between a fruitful engagement with the world of affairs and internal, moral alignment.

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