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SELECT CHAPTERS AND PASSAGES

FROM

THE WEALTH OF NATIONS

OF

ADAM SMITH

1776



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ADAM SMITH was born at Kirkcaldy in Fifeshire, Scotland, on June 5, 1723. In 1737 he went to the University of Glasgow, and thence, in 1740, to Balliol College, Oxford, with an exhibition on the Snell foundation. At Oxford he remained uninterruptedly for over six years. Returning to Kirkcaldy in 1746, he lived for two years with his widowed mother, continuing his studies. In 1748 he delivered a course of lectures on rhetoric and belles lettres during the winter at Edinburgh, under the patronage of Lord Kames; and it was then that he formed his friendship with David Hume. In 1751 he became Professor of Logic in the University of Glasgow, and in 1752 Professor of Moral Philosophy. The publication of his *Theory of Moral Sentiments* in 1759 established his literary reputation. In 1763 he resigned his professorship to take charge of the young Duke of Buccleugh during his continental travels: and he resided abroad, chiefly in Paris and Toulouse, for nearly three years. During this time he made the acquaintance of Quesnai and Turgot and others of the French "Économistes" or "Physiocrates." In 1766 he went home again to Kirkcaldy, and remained in retirement there for ten years, working at his *Wealth of Nations*, which appeared in 1776. Made famous by this book, he spent the next two years in the literary society of London, and joined the Club over

which Johnson presided. In 1778 he was appointed one of the Commissioners of Customs for Scotland, and accordingly removed to Edinburgh, where he dwelt until his death in 1790.

Of the *Wealth of Nations* five editions appeared during his lifetime ; it has been frequently reprinted since ; and it has been translated into all the chief languages of Europe. It has been edited and annotated by, among others, McCulloch (1828, 1850), Thorold Rogers (1869), and Professor Nicholson (1884).

The materials for his life are meagre, and recent accounts are based chiefly upon Dugald Stewart's *Memoir*, written in 1793. There is a brief *Life* by Mr. R. B. Haldane (1887), which contains a kind of abstract of the *Wealth of Nations* with a running criticism ; and there is appended to it a useful Bibliography. The *Catalogue of Adam Smith's Library*, edited by Mr. James Bonar (1894), contains also his will, the reproduction of an autograph, a plan of his house and garden at Kirkcaldy, and a critical account of the various extant portraits.

The portions here printed make up between a sixth and a fifth of the book. They have not been selected as containing necessarily the most interesting or well-written or important parts of the treatise ; the intention has been, rather, to present in a brief compass a general view of the whole of Adam Smith's economic philosophy. Accordingly, not only have many illustrations been pared away, but whole sections of the book, for instance those describing the colonial policy of England and the action of the East India Company, have been omitted. Thus the

treatise is, perhaps, made to assume a more exclusively theoretic character than the perusal of the original might lead some to attach to it. Those who wish to study contemporary conditions as they appeared to Adam Smith, or to form a complete estimate of his intellectual interests, must have recourse to the original. But the present selection omits, it is believed, nothing that enters into the real structure of Adam Smith's argument; it may serve to show that the historical and descriptive passages were, after all, only illustrations, and quite subsidiary; and it may bring out more clearly the relation of his work to that of subsequent English economists.

The text here given is that of the first edition. The few passages omitted in the third edition, that of 1784, are placed within round brackets; those there added, within square brackets.

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AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS.

26/4

INTRODUCTION AND PLAN OF THE WORK.

THE annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniencies of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

According, therefore, as this produce, or what is purchased with it, bears a greater or smaller proportion to the number of those who are to consume it, the nation will be better or worse supplied with all the necessaries and conveniencies for which it has occasion.

But this proportion must, in every nation, be regulated by two different circumstances; first, by the skill, dexterity, and judgment with which its labour is generally applied; and, secondly, by the proportion between the number of those who are employed in useful labour, and that of those who are not so employed. Whatever be the soil, climate, or extent of territory of any particular nation, the abundance or

scantiness of its annual supply must, in that particular situation, depend upon those two circumstances.

The abundance or scantiness of this supply, too, seems to depend more upon the former of those two circumstances than upon the latter. Among the savage nations of hunters and fishers, every individual who is able to work, is more or less employed in useful labour, and endeavours to provide, as well as he can, the necessaries and conveniencies of life, for himself, or such of his family or tribe as are either too old, or too young, or too infirm to go a hunting and fishing. Such nations, however, are so miserably poor, that from mere want, they are frequently reduced, or, at least, think themselves reduced, to the necessity sometimes of directly destroying, and sometimes of abandoning their infants, their old people, and those afflicted with lingering diseases, to perish with hunger, or to be devoured by wild beasts.

? (Among civilized and thriving nations, on the contrary, though a great number of people do not labour at all, many of whom consume the produce of ten times, frequently of a hundred times more labour than the greater part of those who work;) yet the produce of the whole labour of the society is so great, that all are often abundantly supplied, and a workman, even of the lowest and poorest order, if he is frugal and industrious, may enjoy a greater share of the necessaries and conveniencies of life than it is possible for any savage to acquire.

The causes of this improvement in the productive powers of labour, and the order according to which its produce is naturally distributed among the different ranks and conditions of men in the society, make the subject of the First Book of this Inquiry.

Provide 田意 2 ~
endeavour 努 力 2 ~
infirm 病 弱 十

miserably 哀 = devour 食 肉 也
linger 長 眠 thrive 繁 榮
afflict 苦 亡 frugal 節 節 十

26/4

Whatever be the actual state of the skill, dexterity, and judgment with which labour is applied in any nation, the abundance or scantiness of its annual supply must depend, during the continuance of that state, upon the proportion between the number of those who are annually employed in useful labour, and that of those who are not so employed. The number of useful and productive labourers, it will hereafter appear, is everywhere in proportion to the quantity of capital stock which is employed in setting them to work, and to the particular way in which it is so employed. The Second Book, therefore, treats of the nature of capital stock, of the manner in which it is gradually accumulated, and of the different quantities of labour which it puts into motion, according to the different ways in which it is employed. 27/4

Nations, tolerably well advanced as to skill, dexterity, and judgment, in the application of labour, have followed very different plans in the general conduct or direction of it; and those plans have not all been equally favourable to the greatness of its produce. The policy of some nations has given extraordinary encouragement to the industry of the country; that of others to the industry of towns. Scarce any nation has dealt equally and impartially with every sort of industry. Since the downfall of the Roman empire, the policy of Europe has been more favourable to arts, manufactures, and commerce, the industry of towns, than to agriculture, the industry of the country. The circumstances which seem to have introduced and established this policy are explained in the Third Book. 28/4

Though these different plans were, perhaps, first introduced by the private interests and prejudices of particular

tolerably tolerably
impartially 公平
prejudice 不公正

orders of men, without any regard to, or foresight of, their consequences upon the general welfare of the society; yet they have given occasion to very different theories of political œconomy; (of which) some magnify the importance of that industry which is carried on in towns, others of that which is carried on in the country. Those theories have had a considerable influence, not only upon the opinions of men of learning, but upon the public conduct of princes and sovereign states. I have endeavoured in the Fourth Book, to explain those different theories, and the principal effects which they have produced in different ages and nations.

To explain in what has consisted the revenue of the great body of the people, or what has been the nature of those funds, which, in different ages and nations, have supplied their annual consumption, is the object of these four first Books. The Fifth and last Book treats of the revenue of the sovereign, or commonwealth. . . . 46

BOOK I.

OF THE CAUSES OF IMPROVEMENT IN THE PRODUCTIVE POWERS OF LABOUR, AND OF THE ORDER ACCORDING TO WHICH ITS PRODUCE IS NATURALLY DISTRIBUTED AMONG THE DIFFERENT RANKS OF THE PEOPLE.

CHAPTER I.

OF THE DIVISION OF LABOUR.

THE greatest improvement in the productive powers of Labour, and the greater skill, dexterity, and judgment with which it is anywhere directed, or applied, seem to have been the effects of the division of labour.

The effects of the division of labour, in the general business of society, will be more easily understood by considering in what manner it operates in some particular manufactures. It is commonly supposed to be carried furthest in some very trifling ones; not perhaps that it really is carried further in them than in others of more importance: but in those trifling manufactures which are destined to supply the small wants of but a small number of people, the whole number of workmen, must necessarily be small; and those employed in every different branch of the work can often be collected into the same workshop, and

placed at once under the view of the spectator. In those great manufactures, on the contrary, which are destined to supply the great wants of the great body of the people, every different branch of the work employs so great a number of workmen, that it is impossible to collect them all into the same workshop. We can seldom see more, at one time, than those employed in one single branch. Though in such manufactures, therefore, the work may really be divided into a much greater number of parts, than in those of a more trifling nature, the division is not near so obvious, and has accordingly been much less observed. no

To take an example, therefore, from a very trifling manufacture ; but one in which the division of labour has been very often taken notice of, the trade of the pin-maker ; a workman not educated to this business (which the division of labour has rendered a ^{peculiar} distinct trade), nor acquainted with the use of the machinery employed in it (to the invention of which the same division of labour has probably given occasion), could scarce, perhaps, (with his utmost industry,) make one pin in a day, and certainly could not make twenty. But in the way in which this business is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head : to make the head requires two or three distinct operations ; to put it on is a peculiar business ; to whiten the pins is another ; it is even a trade by itself to put them into the

paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands, though in others the same man will sometimes perform two or three of them. I have seen a small manufactory of this kind where ten men only were employed, and where some of them consequently performed two or three distinct operations. But though they were very poor, and therefore but indifferently accommodated with the necessary machinery, they could, when they exerted themselves, make among them about twelve pounds of pins in a day. There are in a pound upwards of four thousand pins of a middling size. Those ten persons, therefore, could make among them upwards of forty-eight thousand pins in a day. Each person, therefore, (making a tenth part of forty-eight thousand pins,) might be considered as making four thousand eight hundred pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day; that is, certainly, not the two hundred and fortieth, perhaps not the four thousand eight hundredth part of what they are at present capable of performing, in consequence of a proper division and combination of their different operations.)

In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one; though, in many of them, the labour can neither be so much subdivided, nor reduced to so great a

ever 1700. 1700