

Wealth of Nations

- Date** ■ 1776 (publication date)
Place ■ Edinburgh, Scotland, United Kingdom
Type of Source ■ Philosophical text (original in English)
Author ■ Adam Smith
Historical Context ■ During the Enlightenment, Scotland underwent radical changes. Union with England in 1700 encouraged economic growth. New technologies were being developed including the steam engine. Adam Smith observed these changes and applied science and Enlightenment philosophy to what makes nations rich. He concluded that free markets and trade, not hoards of gold and silver, made nations wealthy by providing the people with the cheapest, most efficiently produced goods. This stood in contrast to the mercantilist ideas of the time. His ideas would become the basis for all modern economics.
Internal Context ■ *Wealth of Nations* is divided into five books. This excerpt is from Book I.

Chapter 1—Of the Division of Labour

The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the **division of labour**...

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 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

division of labour

splitting of a single goal into many smaller tasks, each done by a different person

trade

job, especially a skilled job

accommodated

equipped

Wealth of Nations

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...

The most **opulent** nations, indeed, generally excel all their neighbours in agriculture as well as in manufactures; but they are commonly more distinguished by their superiority in the latter than in the former. Their lands are in general better cultivated, and having more labour and expence bestowed upon them, produce more in proportion to the extent and natural fertility of the ground. But this superiority of produce is seldom much more than in proportion to the superiority of labour and expence. In agriculture, the labour of the rich country is not always much more productive than that of the poor; or, at least, it is never so much more productive, as it commonly is in manufactures. The **corn** of the rich country, therefore, will not always, in the same degree of goodness, come cheaper to market than that of the poor. The corn of Poland, in the same degree of goodness, is as cheap as that of France, notwithstanding the superior opulence and improvement of the latter country. The corn of France is, in the corn provinces, fully as good, and in most years nearly about the same price with the corn of England, though, in opulence and improvement, France is perhaps inferior to England. The corn-lands of England, however, are better cultivated than those of France, and the corn-lands of France are said to be much better cultivated than those of Poland. But though the poor country, notwithstanding the inferiority of its cultivation, can, in some measure, rival the rich in the cheapness and goodness of its corn, it can pretend to no such competition in its manufactures; at least if those manufactures suit the soil, climate, and situation of the rich country. The silks of France are better and cheaper than those of England, because the silk manufacture, at least under the present high **duties** upon the importation of raw silk, does not so well suit the climate of England as that of France. But the **hard-ware** and the **coarse woollens** of England are beyond all comparison superior to those of France, and much cheaper too in the same degree of goodness. In Poland there are said to be scarce any manufactures of any kind, a few of those coarser household manufactures excepted, without which no country can well subsist...

Observe the accommodation of the most common **artificer** or day-labourer in a civilized and thriving country, and you will perceive that the number of people of whose industry a part, though but a small part, has been employed in procuring him this accommodation, exceeds all computation. 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. The shepherd, the sorter of the wool, the wool-

opulent
wealthy

corn
grain. The British use the word "corn" to mean a country's staple grain, in their case wheat. What Americans call corn is referred to as "maize."

duties
taxes on imports, tariffs

hard-ware
small metal objects

coarse woollens
cheaper, thick wool cloth. Woollen production was rapidly increasing in Britain at Smith's time thanks to new inventions for spinning and weaving. These machines would begin the Industrial Revolution.

artificer
worker

Wealth of Nations

comber or carder, the dyer, the **scribbler**, the spinner, the weaver, the **fuller**, the **dresser**, with many others, must all join their different arts in order to complete even this **homely** production. How many merchants and carriers, besides, must have been employed in transporting the materials from some of those workmen to others who often live in a very distant part of the country! how much commerce and navigation in particular, how many ship-builders, sailors, sail-makers, rope-makers, must have been employed in order to bring together the different **drugs** made use of by the dyer, which often come from the remotest corners of the world! What a variety of labour too is necessary in order to produce the tools of the meanest of those workmen! To say nothing of such complicated machines as the ship of the sailor, the mill of the fuller, or even the loom of the weaver, let us consider only what a variety of labour is requisite in order to form that very simple machine, the shears with which the shepherd clips the wool. The miner, the builder of the furnace for smelting the ore, the feller of the timber, the burner of the charcoal to be made use of in the smelting-house, the brick-maker, the brick-layer, the workmen who attend the furnace, the mill-wright, the forger, the smith, must all of them join their different arts in order to produce them. Were we to examine, in the same manner, all the different parts of his dress and household furniture, the coarse linen shirt which he wears next his skin, the shoes which cover his feet, the bed which he lies on, and all the different parts which compose it, the kitchen-grate at which he prepares his **victuals**, the coals which he makes use of for that purpose, dug from the **bowels** of the earth, and brought to him perhaps by a long sea and a long land carriage, all the other utensils of his kitchen, all the furniture of his table, the knives and forks, the earthen or pewter plates upon which he serves up and divides his victuals, the different hands employed in preparing his bread and his **beer**, the glass window which lets in the heat and the light, and keeps out the wind and the rain, with all the knowledge and art requisite for preparing that beautiful and happy invention, without which these northern parts of the world could scarce have afforded a very comfortable habitation, together with the tools of all the different workmen employed in producing those different conveniencies; if we examine, I say, all these things, and consider what a variety of labour is employed about each of them, we shall be sensible that without the assistance and co-operation of many thousands, the very **meanest** person in a civilized country could not be provided, even according to what we very falsely imagine, the easy and simple manner in which he is commonly accommodated. Compared, indeed, with the more extravagant luxury of the **great**, his 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 many an **African** king, the absolute master of the lives and liberties of ten thousand [people].

Source: Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Chicago: University of Chicago Press, 1976), pp. 7–16.

scribbler

worker who combs or cards wool roughly

fuller

worker who makes felt

dresser

worker who prepares the wool or cloth

homely

common

drugs

chemicals

victuals

food

bowels

depths

beer

Most workers had no access to safe drinking water, so beer was the common drink for northern Europeans.

meanest

poorest

great

rich or powerful

African

Adam Smith knew very little about Africa and held the prejudices about Africans common in the 1700s. Few African kings had a lower standard of living than that of a European peasant. On the other hand, a European peasant could have certain manufactured goods that would be valuable in Africa.