

Reading Questions: Adam Smith, *The Wealth of Nations*

1. What idea about production does the story of the pin-factory illustrate?
2. What is the effect of introducing a division of labor? How, specifically, does it bring this effect about?
3. What “propensity in human nature” does Smith point out at the beginning of Book 1, Chapter 2? What does Smith think this natural inclination causes? How does it compare to other accounts of human nature we’ve seen?
4. How can people in civilized societies secure the “co-operation and assistance of great multitudes” necessary to provide for their needs? Is it, for instance, secured through a natural social instinct or perhaps through benevolence?
5. Is philosophical reflection properly a subject for specialization or the division of labor such that only a small number of people do it? Does this specialization make it more difficult for people to live an examined life?
6. How does the division of labor, through its effects, cause “general plenty?”
7. What are workmen “disposed to combine” for? What about the masters? Is the gain of one necessarily a loss to the other? What might be the consequences of this?
8. Which group is more able to combine, workmen or masters? Which side does the civil magistrate take in this conflict? Which side do you think Smith is more sympathetic with?
9. What is the “most decisive mark” of national prosperity, according to Smith? What is the “natural symptom of increasing national wealth” and why does it occur?
10. Is human reproduction governed by supply and demand according to Smith? Why or why not? Does this issue have disturbing connotations or implications?
11. How does a nation increase its capital? What natural human instinct does Smith posit to explain how this saving of capital occurs?
12. How does capital increase national wealth?
13. Why should the town and the country not feel at odds with each other in trade? Would this mechanism apply also to international trade?
14. Must an individual intend to benefit society in order to do so, according to Smith? How can an individual pursuing his own interest benefit society, according to Smith?
15. What are the effects on human beings of living as laborers in an economy characterized by the division of labor? Does such capitalist production harm our higher human capacities? Can education ameliorate such effects?