

The Project Gutenberg Etext of Wealth of Nations, by Adam Smith  
#1 in our series by Adam Smith

Copyright laws are changing all over the world, be sure to check  
the laws for your country before redistributing these files!!!

Please take a look at the important information in this header.  
We encourage you to keep this file on your own disk, keeping an  
electronic path open for the next readers.

Please do not remove this.

This should be the first thing seen when anyone opens the book.  
Do not change or edit it without written permission. The words  
are carefully chosen to provide users with the information they  
need about what they can legally do with the texts.

**\*\*Welcome To The World of Free Plain Vanilla Electronic Texts\*\***

**\*\*Etexts Readable By Both Humans and By Computers, Since 1971\*\***

**\*These Etexts Prepared By Hundreds of Volunteers and Donations\***

Information on contacting Project Gutenberg to get Etexts, and  
further information is included below. We need your donations.  
The Project Gutenberg Literary Archive Foundation is a 501(c)(3)  
organization with EIN [Employee Identification Number] 64-6221541

As of 12/12/00 contributions are only being solicited from people in:  
Colorado, Connecticut, Idaho, Indiana, Iowa,  
Kentucky, Louisiana, Massachusetts, Montana,  
Nevada, Oklahoma, South Carolina, South Dakota,  
Texas, Vermont, and Wyoming.

As the requirements for other states are met,  
additions to this list will be made and fund raising  
will begin in the additional states. Please feel  
free to ask to check the status of your state.

International donations are accepted,  
but we don't know ANYTHING about how  
to make them tax-deductible, or  
even if they CAN be made deductible,  
and don't have the staff to handle it  
even if there are ways.

These donations should be made to:

Project Gutenberg Literary Archive Foundation

PMB 113  
1739 University Ave.  
Oxford, MS 38655-4109

Title: An Inquiry into the Nature and Causes of the Wealth of Nations

Author: Adam Smith

Release Date: April, 2002 [Etext #3300]  
[Yes, we are about one year ahead of schedule]  
[The actual date this file first posted = 03/17/01]

Edition: 10

Language: English

The Project Gutenberg Etext of Wealth of Nations, by Adam Smith  
\*\*\*\*\*This file should be named wltnt10.txt or wltnt10.zip\*\*\*\*\*

Corrected EDITIONS of our etexts get a new NUMBER, wltnt11.txt  
VERSIONS based on separate sources get new LETTER, wltnt10a.txt

This etext was produced by Colin Muir <unco@btinternet.com>

Project Gutenberg Etexts are usually created from multiple editions,  
all of which are in the Public Domain in the United States, unless a  
copyright notice is included. Therefore, we usually do NOT keep any  
of these books in compliance with any particular paper edition.

We are now trying to release all our books one year in advance  
of the official release dates, leaving time for better editing.  
Please be encouraged to send us error messages even years after  
the official publication date.

Please note: neither this list nor its contents are final till  
midnight of the last day of the month of any such announcement.  
The official release date of all Project Gutenberg Etexts is at  
Midnight, Central Time, of the last day of the stated month. A  
preliminary version may often be posted for suggestion, comment  
and editing by those who wish to do so.

Most people start at our sites at:  
<http://gutenberg.net>  
<http://promo.net/pg>

Those of you who want to download any Etext before announcement  
can surf to them as follows, and just download by date; this is  
also a good way to get them instantly upon announcement, as the

indexes our cataloguers produce obviously take a while after an announcement goes out in the Project Gutenberg Newsletter.

<http://www.ibiblio.org/gutenberg/etext02>

or

<ftp://ftp.ibiblio.org/pub/docs/books/gutenberg/etext02>

Or /etext01, 00, 99, 98, 97, 96, 95, 94, 93, 92, 92, 91 or 90

Just search by the first five letters of the filename you want, as it appears in our Newsletters.

Information about Project Gutenberg (one page)

We produce about two million dollars for each hour we work. The time it takes us, a rather conservative estimate, is fifty hours to get any etext selected, entered, proofread, edited, copyright searched and analyzed, the copyright letters written, etc. This projected audience is one hundred million readers. If our value per text is nominally estimated at one dollar then we produce \$2 million dollars per hour this year as we release fifty new Etext files per month, or 500 more Etexts in 2000 for a total of 3000+. If they reach just 1-2% of the world's population then the total should reach over 300 billion Etexts given away by year's end.

The Goal of Project Gutenberg is to Give Away One Trillion Etext Files by December 31, 2001. [10,000 x 100,000,000 = 1 Trillion] This is ten thousand titles each to one hundred million readers, which is only about 4% of the present number of computer users.

At our revised rates of production, we will reach only one-third of that goal by the end of 2001, or about 3,333 Etexts unless we manage to get some real funding.

The Project Gutenberg Literary Archive Foundation has been created to secure a future for Project Gutenberg into the next millennium.

We need your donations more than ever!

Presently, contributions are only being solicited from people in: Colorado, Connecticut, Idaho, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Montana, Nevada, Oklahoma, South Carolina, South Dakota, Texas, Vermont, and Wyoming.

As the requirements for other states are met, additions to this list will be made and fund raising will begin in the additional states.

These donations should be made to:

Project Gutenberg Literary Archive Foundation  
PMB 113  
1739 University Ave.  
Oxford, MS 38655-4109

Project Gutenberg Literary Archive Foundation,  
EIN [Employee Identification Number] 64-6221541,  
has been approved as a 501(c)(3) organization by the US Internal  
Revenue Service (IRS). Donations are tax-deductible to the extent  
permitted by law. As the requirements for other states are met,  
additions to this list will be made and fund raising will begin in the  
additional states.

All donations should be made to the Project Gutenberg Literary  
Archive Foundation. Mail to:

Project Gutenberg Literary Archive Foundation  
PMB 113  
1739 University Avenue  
Oxford, MS 38655-4109 [USA]

We need your donations more than ever!

You can get up to date donation information at:

<http://www.gutenberg.net/donation.html>

\*\*\*

If you can't reach Project Gutenberg,  
you can always email directly to:

Michael S. Hart <[hart@pobox.com](mailto:hart@pobox.com)>

[hart@pobox.com](mailto:hart@pobox.com) forwards to [hart@prairienet.org](mailto:hart@prairienet.org) and [archive.org](mailto:archive.org)  
if your mail bounces from [archive.org](mailto:archive.org), I will still see it, if  
it bounces from [prairienet.org](mailto:prairienet.org), better resend later on. . . .

Prof. Hart will answer or forward your message.

We would prefer to send you information by email.

\*\*\*

Example command-line FTP session:

```
ftp ftp.ibiblio.org
login: anonymous
password: your@login
cd pub/docs/books/gutenberg
cd etext90 through etext99 or etext00 through etext02, etc.
dir [to see files]
get or mget [to get files. . .set bin for zip files]
GET GUTINDEX.?? [to get a year's listing of books, e.g., GUTINDEX.99]
GET GUTINDEX.ALL [to get a listing of ALL books]
```

**\*\*The Legal Small Print\*\***

(Three Pages)

**\*\*\*START\*\*THE SMALL PRINT!\*\*FOR PUBLIC DOMAIN ETEXTS\*\*START\*\*\***

Why is this "Small Print!" statement here? You know: lawyers. They tell us you might sue us if there is something wrong with your copy of this etext, even if you got it for free from someone other than us, and even if what's wrong is not our fault. So, among other things, this "Small Print!" statement disclaims most of our liability to you. It also tells you how you may distribute copies of this etext if you want to.

**\*BEFORE!\* YOU USE OR READ THIS ETEXT**

By using or reading any part of this PROJECT GUTENBERG-tm etext, you indicate that you understand, agree to and accept this "Small Print!" statement. If you do not, you can receive a refund of the money (if any) you paid for this etext by sending a request within 30 days of receiving it to the person you got it from. If you received this etext on a physical medium (such as a disk), you must return it with your request.

**ABOUT PROJECT GUTENBERG-TM ETEXTS**

This PROJECT GUTENBERG-tm etext, like most PROJECT GUTENBERG-tm etexts,

is a "public domain" work distributed by Professor Michael S. Hart through the Project Gutenberg Association (the "Project").

Among other things, this means that no one owns a United States copyright on or for this work, so the Project (and you!) can copy and distribute it in the United States without permission and without paying copyright royalties. Special rules, set forth below, apply if you wish to copy and distribute this etext under the "PROJECT GUTENBERG" trademark.

Please do not use the "PROJECT GUTENBERG" trademark to market

any commercial products without permission.

To create these etexts, the Project expends considerable efforts to identify, transcribe and proofread public domain works. Despite these efforts, the Project's etexts and any medium they may be on may contain "Defects". Among other things, Defects may take the form of incomplete, inaccurate or corrupt data, transcription errors, a copyright or other intellectual property infringement, a defective or damaged disk or other etext medium, a computer virus, or computer codes that damage or cannot be read by your equipment.

#### LIMITED WARRANTY; DISCLAIMER OF DAMAGES

But for the "Right of Replacement or Refund" described below, [1] Michael Hart and the Foundation (and any other party you may receive this etext from as a PROJECT GUTENBERG-tm etext) disclaims all liability to you for damages, costs and expenses, including legal fees, and [2] YOU HAVE NO REMEDIES FOR NEGLIGENCE OR UNDER STRICT LIABILITY, OR FOR BREACH OF WARRANTY OR CONTRACT, INCLUDING BUT NOT LIMITED TO INDIRECT, CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES, EVEN IF YOU GIVE NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

If you discover a Defect in this etext within 90 days of receiving it, you can receive a refund of the money (if any) you paid for it by sending an explanatory note within that time to the person you received it from. If you received it on a physical medium, you must return it with your note, and such person may choose to alternatively give you a replacement copy. If you received it electronically, such person may choose to alternatively give you a second opportunity to receive it electronically.

THIS ETEXT IS OTHERWISE PROVIDED TO YOU "AS-IS". NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARE MADE TO YOU AS TO THE ETEXT OR ANY MEDIUM IT MAY BE ON, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Some states do not allow disclaimers of implied warranties or the exclusion or limitation of consequential damages, so the above disclaimers and exclusions may not apply to you, and you may have other legal rights.

#### INDEMNITY

You will indemnify and hold Michael Hart, the Foundation, and its trustees and agents, and any volunteers associated with the production and distribution of Project Gutenberg-tm texts harmless, from all liability, cost and expense, including legal fees, that arise directly or indirectly from any of the

following that you do or cause: [1] distribution of this etext,  
[2] alteration, modification, or addition to the etext,  
or [3] any Defect.

DISTRIBUTION UNDER "PROJECT GUTENBERG-tm"

You may distribute copies of this etext electronically, or by disk, book or any other medium if you either delete this "Small Print!" and all other references to Project Gutenberg, or:

- [1] Only give exact copies of it. Among other things, this requires that you do not remove, alter or modify the etext or this "small print!" statement. You may however, if you wish, distribute this etext in machine readable binary, compressed, mark-up, or proprietary form, including any form resulting from conversion by word processing or hypertext software, but only so long as \*EITHER\*:
  - [\*] The etext, when displayed, is clearly readable, and does \*not\* contain characters other than those intended by the author of the work, although tilde (~), asterisk (\*) and underline (\_) characters may be used to convey punctuation intended by the author, and additional characters may be used to indicate hypertext links; OR
  - [\*] The etext may be readily converted by the reader at no expense into plain ASCII, EBCDIC or equivalent form by the program that displays the etext (as is the case, for instance, with most word processors); OR
  - [\*] You provide, or agree to also provide on request at no additional cost, fee or expense, a copy of the etext in its original plain ASCII form (or in EBCDIC or other equivalent proprietary form).
- [2] Honor the etext refund and replacement provisions of this "Small Print!" statement.
- [3] Pay a trademark license fee to the Foundation of 20% of the gross profits you derive calculated using the method you already use to calculate your applicable taxes. If you don't derive profits, no royalty is due. Royalties are payable to "Project Gutenberg Literary Archive Foundation" the 60 days following each date you prepare (or were legally required to prepare) your annual (or equivalent periodic) tax return. Please contact us beforehand to let us know your plans and to work out the details.

WHAT IF YOU \*WANT\* TO SEND MONEY EVEN IF YOU DON'T HAVE TO?  
Project Gutenberg is dedicated to increasing the number of  
public domain and licensed works that can be freely distributed  
in machine readable form.

The Project gratefully accepts contributions of money, time,  
public domain materials, or royalty free copyright licenses.  
Money should be paid to the:  
"Project Gutenberg Literary Archive Foundation."

If you are interested in contributing scanning equipment or  
software or other items, please contact Michael Hart at:  
hart@pobox.com

\*END THE SMALL PRINT! FOR PUBLIC DOMAIN ETEXTS\*Ver.12.12.00\*END\*

This etext was produced by Colin Muir <unco@btinternet.com>

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

by Adam Smith

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, and 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.

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.

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 down-fall 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.

Though those different plans were, perhaps, first introduced by the private interests and prejudices of particular 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 economy; 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 as fully and distinctly as I can 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. In this book I have endeavoured to shew, first, what are the necessary expenses of the sovereign, or commonwealth ; which of those expenses ought to be defrayed by the general contribution of the whole society, and which of them, by that of some particular part only, or of some particular members of it: secondly, what are the different methods in which the whole society may be made to contribute towards defraying the expenses incumbent on the whole society, and what are the principal advantages and inconveniencies of each of those methods ; and, thirdly and lastly, what are the reasons and causes which have induced almost all modern governments to mortgage some part of this revenue, or to contract debts; and what have been the effects of those debts upon the real wealth, the annual produce of the land and labour of the society.

## 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 improvements in the productive powers of labour, and the greater part of the skill, dexterity, and judgment, with which it is anywhere directed, or applied, seem to have been the effects of the division

## Thank You for previewing this eBook

You can read the full version of this eBook in different formats:

- HTML (Free /Available to everyone)
- PDF / TXT (Available to V.I.P. members. Free Standard members can access up to 5 PDF/TXT eBooks per month each month)
- Epub & Mobipocket (Exclusive to V.I.P. members)

To download this full book, simply select the format you desire below

