

**READING QUESTIONS FOR ADAM SMITH,
WEALTH OF NATIONS
and
*THEORY OF MORAL SENTIMENTS***

As you read, keep in mind that Smith was thinking about both economic issues and the larger question of what a “commercial society” would be like.

The Wealth of Nations

1. What lessons does Smith want to draw from the pin factory? Just how is the division of labor is supposed to increase productivity? (Book I, Ch. I)
2. What’s the point of Smith’s long meditation on “the woolen coat of the day laborer?” (Book I, Ch. I)
3. Why does he make a comparison with “an African king” at the end of Ch. I?
4. What does it mean to “truck, barter, and exchange?” (Book I, Ch. II)
5. Smith loves to make his point by telling little stories. What’s the point of the dog stories he tells at the beginning of Ch. II?
6. “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.” Ponder. (Book I, Ch. II)
7. Is the division of labor based primarily on natural differences in abilities, according to Smith?
8. Why does the “extent of the market” matter? How might you imagine it growing? (Book I, Ch. III)
9. Note his definition of commercial society (Book I, Ch. IV).
10. What is the “higgling and bargaining of the market?” Why does Smith want to claim that labour is “the real measure” of exchangeable value? (Book I, Ch. V)
11. If in the “early and rude state of society,” labourers owned the full value of what they produced, is there a problem about the fairness of commercial society? (Book I, Ch. VI) (He returns to “the original state of things” at the beginning of Ch. VIII.)
12. Why does Smith distinguish between natural and market price, and how are the two related? (Book I, Ch. VII) At one point, he uses the metaphor of “gravitating.” What is he suggesting?
13. How does Smith describe the way masters and workmen tend to act with respect to “combination” What can each group get away with? Does this surprise you, if Smith is supposed to be the arch-capitalist? (Ch. VIII)
14. What do you think of Smith’s definition of the term “perfect liberty?” (Book I, Ch. X)

15. Why is the “understanding” of “the common ploughman” better than that of the urban worker? Isn’t that a problem for commercial society? (Ch. X)
16. If there is a “natural Progress of Opulence” based on our “natural inclinations,” then why didn’t European history simply follow this path? What does this tell us about Smith’s view of human nature and society? (Book III, Ch. I)
17. What is the mercantile view of wealth, and why is it wrong? (Book IV, Ch. I)
18. Why should governments and other institutions stop trying to regulate trade? What about the damage this deregulation might cause? (Book IV, Ch. II)
19. Who, or what, is the famous “invisible hand?” (Book IV, Ch. II)
20. Pay attention to what Smith says about the responsibility of the state (“civil government”) to protect property. How does he describe human “passions” in this context? Will the growth of wealth dampen those passions, or inflame them? (Book V, Chapter I, Part II)
21. Why might the division of labor make someone “as stupid and ignorant as it is possible for a human creature to become” (Book V, Ch. I)? Is this a problem?

The Theory of Moral Sentiments

1. What is “sympathy,” as Smith explains it? Is it “pity or compassion,” or is it something different? Do we have to be taught to sympathize, or does it just come naturally? Do we sympathize equally with all situations and all emotional responses to those situations? (Section I, Ch. I)
2. Given the natural propensity to sympathize, what motivates people to “pursue riches and avoid poverty?” (50) What does it mean to “seek approbation?” (50) What do you think is Smith’s attitude toward the fact that we prefer “to go along with all the passions of the rich and the powerful?” (52)
3. Notice how Smith contrasts the ways that people of different ranks will be shaped differently, as a result of the workings of sympathy. Compare what he says about the “young nobleman” (53) with “the man of inferior rank” (54-5) or “the middling and inferior stations of life?” (63). What are the “virtues” of the latter?
4. What motivates people to pursue wealth? Is his account here different than in *Wealth of Nations*? What do you make of his assertion that “It is not ease or pleasure, but always honour, of one kind or another, though frequently an honour very ill understood, that the ambitious man really pursues?” (65)
5. Our natural “disposition to admire, and almost to worship, the rich and the powerful and to despise, or, at least, to neglect persons of poor and mean condition” leads to “the corruption of our moral sentiments.” (61) How worried about this does Smith seem to be?