AN

INQUIRY

INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

By ADAM SMITH,

LL.D. F.R.S. &c.

IN THREE VOLUMES.

VOL. I.

A NEW EDITION,

WITH A LIFE OF THE AUTHOR.

LONDON:

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TO THE

THIRD EDITION.

THE first Edition of the following Work was printed in the end of the year 1775, and in the beginning of the year 1776. Through the greater part of the book, therefore, whenever the present state of things is mentioned, it is to be understood of the state they were in, either about that time, or at some earlier period, during the time I was employed in writing the book. To the third edition, however, I have made several additions, particularly to the chapter upon drawbacks, and to that upon bounties; likewise a new chapter entitled, "The Conclusion of the Mercantile System;" and a new article to the chapter upon the expenses of the sovereign. In all these additions, the present state of things means always the state in which they were during the year 1783, and the beginning of the year 1784.

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TO THE

FOURTH EDITION.

In this fourth edition I have made no alterations of any kind. I now, however, find myself at liberty to acknowledge my very great obligations to Mr Henry Hope of Amsterdam. To that gentleman I owe the most distinct, as well as liberal information, concerning a very interesting and important subject, the Bank of Amsterdam; of which no printed account had ever appeared to me satisfactory, or even intelligible. The name of that gentleman is so well known in Europe, the information which comes from him must do so much honour to whoever has been favoured with it, and my vanity is so much interested in making this acknowledgment, that I can no longer refuse myself the pleasure of prefixing this Advertisement to this new edition of my book.

LIFE OF THE AUTHOR.

THE lives of literary men who have attained to considerable rank in the scale of eminence, seldom fail to interest. But when the individual is one whose name is not only conspicuously associated with the literary reputation of his own country, but has appropriated to itself an enduring celebrity among other nations, the biography of such a one must possess an additional claim to our notice. It unfortunately happens, however, that the means of information are often denied us. The exploits and transactions of the warrior and of the statesman, when embodied into a continuous narrative, form, for the most part, at once the history of their lives, and the record of their fame. It is different with the man of letters. The merit of his public productions we can fully appreciate; while the manners, occurrences, and opinions of his private life, in which, from a feeling linked with our admiration of his public talents, we often feel so keen an interest, may yet be so little known, as only to sharpen instead of gratifying curiosity. A biographer like Boswell is seldom at hand to chronicle with sufficient minuteness those anecdotes and circumstances on which this gratification depends. Although this observation does not apply in all its force to the case of our author, it must nevertheless be confessed, that the materials for furnishing such a memoir of him as might be desired are not of the most copious description.

Adam Smith was born on the 5th of June 1723, at Kirkcaldy, a small town in the county of Fife. He was the only child of Adam Smith, who, after having filled some subordinate offices of trust, was advanced to the comptrollership of the customs at that place. His mother was very respectably connected, and sister of Mr Douglas of Strathendry, father to the late Colonel Douglas.

Smith, in his early years, was of a very delicate constitution. He was a posthumous child, and the infirm state of his health, it is said, required every exertion of maternal care which his surviving parent could bestow. When about three years old, an accident occurred to him, somewhat alarming. He was stolen from the door of his mother's house by a band of vagrant gipsies, or *tinkers*, as they are more frequently styled in Scotland. Having, however, been missed not long after, an alarm was given, when the vagrants were traced and overtaken in a neighbouring wood, and the future author of the *Wealth of Nations* thus preserved to extend the boundaries of science, and reform the commercial policy of Europe.

He was early put under the tuition of Mr David Miller, a teacher of considerable eminence at Kirkcaldy, who had the merit of educating many distinguished characters. At this seminary Dr Smith attracted considerable regard by the quickness of his apprehension and the extent of his memory. He was passionately attached to study, and the emulation he displayed in contending with his school-fellows was particularly noticed. It is even said he would dissolve in tears at any trifling superiority they might occasionally obtain. Probably from the weakness of his health, he was seldom or never seen to mingle in the sports of the other boys; and even from his earliest years he discovered a marked propensity to study and reflection. Among his associates at this school were some individuals who afterwards highly distinguished themselves. Dr Oswald, author of the well known work on Common Sense, his brother Mr Oswald of Dunikier, and the Rev. Dr. John Drysdale, celebrated for his theological learning, were among the number.

Having in 1737 completed the usual term at the grammar-school of Kirkcaldy, he was sent to the university of Glasgow, at which he continued three years; and in 1740, on receiving a nomination to a vacant exhibition (Snell's), he went to Oxford.

At the university of Glasgow, his favourite studies were mathematics and natural philosophy; though it is reasonable to conjecture, from his being designed for Oxford, that classical learning would form a prominent part of his studies, as, at the latter seminary,

extensive and accurate acquaintance with the classics, is almost the sole ground of fame, and the paramount title to success.

He remained seven years at Oxford, and, during that time, assiduously applied himself to the study of language, in which he afterwards showed he was extensively, if not critically skilled. He employed himself, it is said, a good deal in translating, particularly from the French, with a view to the improvement of his own style, a practice which he often recommended to all who wished to cultivate the art of composition. It must be remarked, however, that although designed for holy orders, there appears no evidence of his acquaintance with the oriental languages, nor does he seem to have had a very accurate knowledge of the ruder states of the tongues of modern Europe, which may be partly discovered from some mistakes he has fallen into in his *Essay on the Formation of Languages.* Perhaps, with many others, he considered such researches as more frivolous than interesting.

On finishing his studies at Oxford, he returned to Kirkcaldy, and lived two years with his mother, without any fixed plan for his future life. He had been designed for the church of England; but disliking the ecclesiastical profession, he resolved to abandon it altogether, and to limit his ambition to the prospect of obtaining some of those preferments to which literary attainments lead in Scotland.

The attachment and respect he ever showed to his mother, is an amiable trait in the character of Smith. Nothing can serve to illustrate more forcibly his simple and affectionate manners, than the pleasure he derived from her company, and in the society and domestic circle of his friends and old school-fellows, with whom he delighted to renew and strengthen the intimacy of his early years.

In Edinburgh, to which he removed in 1748, literature had begun to revive; and during his residence there, a club was instituted, under the name of *The Select Society.* It was begun by Allan Ramsay, son of the celebrated poet of that name, and painter to his Majesty, with fifteen others, who met together in the Advocates' Library, for the purpose of improving themselves in speaking and reasoning. From such a small beginning it gradually increased, till in a few years it could boast, among its number, the most eminent for rank and abilities in Scotland. Of this society Mr Smith was elected a member; but, from that diffidence which sometimes prevents men of superior talents from delivering their opinions in a mixed assembly, or it might be from some reason he did not choose to avow, it

is said that he never spoke.* His friend Mr Hume was in the same predicament, and thus the debates of the society were unfortunately deprived of the support of two men, who were unquestionably inferior to none of its members.

About this time Dr Smith may be said to have commenced his public career, by delivering, under the patronage of Lord Kaimes, a course of Lectures on Rhetoric and Belles Lettres. To the friendship of Lord Kaimes, was added that of Lord Loughborough and Mr Pulteney; and it reflects much honour on these distinguished personages, to have, at this early period, discovered in Smith the talents which the world afterwards so fully recognised. Of these Lectures no outline exists—a circumstance the more to be regretted, as it would undoubtedly have tended to throw considerable light on the literary history of the Scottish metropolis.—There is reason to believe, however, that he subsequently availed himself of these lectures when he filled the logic chair at Glasgow, where it is expected that the initiation of students in the principles of fine writing should form part of the teacher's duty.

It was from the professors of the university that Dr Smith received his appointment to this chair, it being in their gift. The following year he was removed to the professorship of Moral Philosophy, vacant by the death of Mr Thomas Craigie, the immediate successor of Mr Hutcheson. This appointment was certainly more congenial to the taste of Dr Smith, and better calculated to develope the splendour of his talents, inasmuch as it embraces, with other subjects of the highest interest, his own peculiar and favourite study of Political Economy. The following account of the way in which he discharged the important duties of his office, is from one of his pupils :—

"In the professorship of Logic, to which Mr Smith was appointed on his first introduction to this university, he soon saw the necessity of departing widely from the plan that had been followed by his predecessors, and of directing the attention of his pupils to studies of a more interesting and useful nature, than the logic and metaphysics of the schools. Accordingly, after exhibiting a general view of the powers of the mind, and explaining so much of the ancient logic as was requisite to gratify curiosity, with respect to an artificial mode of

* Dr Carlyle, one of the most eminent members of the Church of Scotland, remarks this in a letter to Mr Stewart. "Among the most distinguished speakers in the *Select Society*, were Sir Gilbert Elliot, Mr Wedderburn, Mr Andrew Pringle, Lord Kaimes, Mr Walter Stewart, Lord Elibank, and Dr Robertson. The Honourable Charles Townshend spoke once. David Hume and Adam Smith never opened their lips."—*Stewart's Life of Robertson: Appendix.*

reasoning which had once occupied the universal attention of the learned, he dedicated all the rest of his time to the delivery of a system of rhetoric and belles lettres. The best method of explaining and illustrating the various powers of the human mind, the most useful part of metaphysics, arises from an examination of the several ways of communicating our thoughts by speech, and from an attention to composition as it ministers either to persuasion or entertainment.

* * * * * * * * * *

"It is much to be regretted, that the manuscript, containing Mr Smith's lectures on this subject, was destroyed before his death. The first, in point of composition, was highly finished; and the whole discovered strong marks of taste and original genius. From the custom at college of the students taking notes, many observations and opinions contained in these lectures have either been detailed in separate treatises, or engrossed in general collections, which have since been given to the public. But these, as might be expected, have lost the air of originality, and the distinctive character which they received from their first author; and are often obscured by the multiplicity of that common-place matter, in which they are sunk and involved.

"About a year after his appointment to the professorship of Logic, Mr Smith was elected to the chair of Moral Philosophy, vacant by the death of Mr Craigie. His course of lectures on this subject was divided into four parts. The first contained Natural Theology, in which he considered the proofs of the being and attributes of God, and those principles of the human mind upon which religion is founded. The second comprehended Ethics, strictly so called, and consisted chiefly of those doctrines which he afterwards published in his *Theory of Moral Sentiments*. In the third, he treated at more length of that branch of Morality which relates to *Justice*, and which, being susceptible of precise and accurate rules, is for that reason capable of a full and particular explanation.

"Upon this subject he followed the plan that seems to be suggested by Montesquieu; endeavouring to trace the gradual progress of jurisprudence, both public and private, from the rudest to the most refined ages; and to point out the effect of those arts which contribute to subsistence, and to the accumulation of property, in producing correspondent improvements or alterations in law and government. This important branch of his labours he also intended to give to the public;

but this intention, which is mentioned in the conclusion of the *Theory of Moral Sentiments*, he did not live to fulfil.*

" In the last part of his lectures, he examined those political regulations, which are founded, not upon the principle of *Justice*, but that of *Expediency*, and which are calculated to increase the riches, the power, and the prosperity of a state. Under this view he considered the political institutions relating to commerce, to finances, to ecclesiastical and military establishments. What he delivered on these subjects contained the substance of the work he afterwards published, under the title of *An Inquiry into the Nature and Causes of the Wealth of Nations.*

" There was no situation in which the abilities of Mr Smith appeared to better advantage, than as a Professor. In delivering his lectures, he trusted almost entirely to extemporary elocution. His manner, though not graceful, was plain and unaffected; and as he seemed to be always interested in the subject, he never failed to interest his hearers. Each discourse consisted commonly of several distinct propositions, which he successively endeavoured to prove and illustrate. These propositions, when announced in general terms, had, from their extent, not unfrequently something of the air of a paradox. In his attempts to explain them, he often appeared at first not to be sufficiently possessed of the subject, and spoke with some hesitation. As he advanced, however, the matter seemed to crowd upon him, his manner became warm and animated, and his expression easy and fluent. In points susceptible of controversy, you could easily discern that he secretly conceived an opposition to his own opinions, and that he was led, upon this account, to support them with greater energy and vehemence. By the fulness and variety of his illustrations, the subject gradually swelled in his hands, and acquired a dimension which, without a tedious repetition of the same views, was calculated to seize the attention of his audience, and to afford them pleasure as well as instruction, in following the same object through all the diversity of shades and aspects in which it was presented, and afterwards in tracing it backwards to that original proposition or general truth, from which this beautiful train of speculation had proceeded."

* " I shall, in another discourse, endeavour to give an account of the general principles of law and government, and of the different revolutions they have undergone in the different ages and periods of society; not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law."

The novelty of Lectures on Political Economy, a science then comparatively in its infancy, together with the increasing reputation of Dr Smith, attracted a considerable number of students to the University, and among these were many who were not designed for any of the liberal professions. Several respectable merchants of the city, whose more enlarged ideas had led them to apprehend the beneficial advantages resulting from a speculative knowledge of commercial policy, were also solicitous to profit by the wisdom of the professor, and regularly attended his class; and, while the general and leading principles with which the enterprise and prosperity of commerce as a science are closely connected, were thus unfolded in theory, the merchants, on the other hand, from their practical acquaintance with its details, were enabled to communicate, in return, a valuable addition to the Doctor's ideas. Glasgow was at this time rising rapidly in the scale of opulence and commercial importance, and could boast, among her citizens, of many gentlemen of enlarged views and liberal acquirements. The literary circle of Glasgow, although principally confined to the College, was also highly respectable. It will suffice to mention only the names of Simson the celebrated translator of Euclid, who taught the Mathematical Classes, and the learned Dr Moor, in whose company, it may be supposed, the talents of Smith would not fail to be fully appreciated.

There was, besides, at this time a literary society in Glasgow, composed of the members of the College, and others of the inhabitants, who met weekly for the purpose of discussing literary subjects, and improving themselves by mutual essays.—These were read, and the merits of each canvassed and amply debated upon. An opportunity was thus afforded of improving the taste, of sharpening critical acumen, and of rectifying, by the collision of sentiment and opinion, such ideas as might be proved to be erroneous or false. In this respectable association, which still subsists, were read at different times portions of works and essays, that afterwards attained to considerable celebrity.

Dr Smith is not known as an author till 1755. He was not precipitate in publishing, not choosing to hazard any thing in a state of immaturity, and the works he brought forward in the course of his literary career, there is reason to believe, uuderwent ample and repeated revision. Notwithstanding this caution in publishing, it is singular his first essay should have partaken so little of timidity. It was a criticism on Dr Johnson's Dictionary, and though not free

from imperfections itself, points out considerable blemishes in that work, which indeed must have been inseparable from so stupendous an undertaking. This criticism was accompanied with an *Essay on the State of Literature in the different Countries of Europe.*

Our author's next work was the *Theory of Moral Sentiments*, a publication which instantly stamped his name with the highest repute. Some of its conclusions may be ill founded, yet it displays so extensive an acquaintance with the abstract metaphysics of the human mind, combined with so much ingenuity, clearness of arrangement, and subtle perception, aided by forcible and profound illustration, as at once to elevate him to the highest rank among the moral philosophers of modern days. Some of his dogmas are certainly questionable, yet the practical part of his morality is stated and enforced with such precision and argument, even from the weight of natural evidence, and referred to motives of such universal application, as to have shed a new and brilliant light over this interesting subject. It awakened general inquiry; and had the merit of directing attention to new views of the human mind, or at least to views that had been permitted hitherto in a great measure to escape observation. With what success he taught his class at Glasgow may be inferred from the merit of this work, most of the doctrines and views of which were given in his prelections there.

A new career was now opening upon him,—an opportunity of extending the sphere of his observation by travelling, and his knowledge by the conversation of learned men. He was first apprised of this in a letter from his friend Mr Hume. This letter, which was written soon after the publication of his Theory, is so strongly marked with the quaint and affectionate pleasantry which distinguished Mr Hume's epistolary correspondence, that we cannot withhold it. It is dated London, 12th April, 1759.

"I give you thanks for the agreeable present of your Theory. Wedderburn and I made presents of our copies to such of our acquaintances as we thought good judges, and proper to spread the reputation of the book. I sent one to the Duke of Argyle, to Lord Lyttleton, Horace Walpole, Soame Jennyns, and Burke, an Irish gentleman, who wrote lately a very pretty Treatise on the Sublime. Millar desired my permission to send one in your name to Dr Warburton. I have delayed writing to you till I could tell you something of the success of the book, and could prognosticate, with some probability, whether it should be finally damned to

oblivion, or should be registered in the temple of immortality. Though it has been published only a few weeks, I think there appear already such strong symptoms, that I can almost venture to foretel its fate. It is in short this—But I have been interrupted in my letter by a foolish impertinent visit of one who has lately come from Scotland. He tells me that the University of Glasgow intend to declare Rouet's office vacant, upon his going abroad with Lord Hope. I question not but you will have our friend Ferguson in your eye, in case another project for procuring him a place in the University of Edinburgh should fail. Ferguson has very much polished and improved his Treatise on Refinement, and with some amendments it will make an admirable book, and discovers an elegant and a singular genius. The Epigoniad, I hope, will do; but it is somewhat up-hill work. As I doubt not but you consult the reviews sometimes at present, you will see in the Critical Review a letter upon that poem; and I desire you to employ your conjectures in finding out the author. Let me see a sample of your skill in knowing hands by your guessing at the person. I am affraid of Lord Kaimes's Law Tracts. A man may as well think of making a fine sauce by a mixture of wormwood and aloes, as an agreeable composition by joining metaphysics and Scotch law. However, the book, I believe, has merit; though few people will take the pains of diving into it. But, to return to your book, and its success in this town, I must tell you—A plague of interruption! I ordered myself to be denied; and yet here is one that is broke in upon me again. He is a man of letters, and we have had a good deal of literary conversation. You told me that you was curious of literary anecdotes, and therefore I shall inform you of a few that have come to my knowledge. I believe I have mentioned to you already Helvetius's book De l'Esprit. It is worth your reading, not for its philosophy, which I do not highly value, but for its agreeable composition. I had a letter from him a few days ago, wherein he tells me that my name was much oftener in the manuscript, but that the censor of books at Paris obliged him to strike it out. Voltaire has lately published a small work called Candide, ou l'Optimisme. I shall give you a detail of it—But what is all this to my book? say you.—My dear Mr Smith, have patience: Compose yourself to tranquillity: show yourself a philosopher in practice as well as profession: think on the emptiness, and rashness, and futility of the common judgments of men; how little they are regulated by reason in any subject, much

more in philosophical subjects, which so far exceed the comprehension of the vulgar.

———"Non si quid turbida Roma
Elevet, accedas: examenve improbum in illa
Castiges trutina: nec te quæsiveris extra."

A wise man's kingdom is his own breast; or, if he ever looks farther, it will only be to the judgment of a select few, who are free from prejudices, and capable of examining his work. Nothing indeed can be a stronger presumption of falsehood than the approbation of the multitude; and Phocion, you know, always suspected himself of some blunder when he was attended with the applause of the populace.

"Supposing, therefore, that you have duly prepared yourself for the worst by all these reflections, I proceed to tell you the melancholy news, that your book has been very unfortunate; for the public seem disposed to applaud it extremely. It was looked for by the foolish people with some impatience; and the mob of literati are beginning already to be very loud in its praises. Three bishops called yesterday at Millar's shop in order to buy copies, and to ask questions about the author. The bishop of Peterborough said he had passed the evening in a company where he heard it extolled above all books in the world. The Duke of Argyle is more decisive than he uses to be, in its favour. I suppose he either considers it as an exotic, or thinks the author will be serviceable to him in the Glasgow elections. Lord Lyttleton says, that Robertson and Smith and Bower are the glories of English literature. Oswald protests he does not know whether he has reaped more instruction or entertainment from it. But you may easily judge what reliance can be put on his judgment, who has been engaged all his life in public business, and who never sees any fault in his friends. Millar exults and brags that two thirds of the edition are already sold, and that he is now sure of success. You see what a son of the earth that is, to value books only by the profit they bring him. In that view, I believe it may prove a very good book.

"Charles Townsend, who passes for the cleverest fellow in England, is so taken with the performance, that he said to Oswald he would put the Duke of Buccleuch under the author's care, and would make it worth his while to accept of that charge. As soon as I heard this, I called on him twice, with a view of talking with him about the matter, and of convincing him of the propriety of sending that young nobleman to Glasgow; for I could not hope, that he

could offer you any terms which would tempt you to renounce your professorship. But I missed him. Mr Townsend passes for being a little uncertain in his resolutions; so perhaps you need not build much on his sally.

"In recompense for so many mortifying things, which nothing but truth could have extorted from me, and which I could easily have multiplied to a greater number, I doubt not but you are so good a Christian as to return good for evil; and to flatter my vanity by telling me, that all the godly in Scotland abuse me for my account of John Knox and the Reformation. I suppose that you are glad to see my paper end, and that I am obliged to conclude with

"Your humble servant,

"DAVID HUME."

It was to the honourable Charles Townsend Mr Smith was indebted for his new appointment. He was so delighted by the perusal of the *Theory of Moral Sentiments* that he instantly resolved to put the young Dnke of Buccleuch under our author's care, and intimated his intention to Smith's friend Mr Oswald. It was at first imagined he merely intended to send him to Glasgow to profit by Dr Smith's lectures; but it afterwards turned out that his views were of a different nature, for in 1762 he sent Mr Smith an invitation to accompany his ward on his travels, which was accepted.

On his arrival in London, Dr Smith's reception was highly flattering. He was introduced into the first circles of literature and fashion, where he formed friendships with the most celebrated characters of the age. His *Theory of Moral Sentiments* was now well known, both from its own intrinsic merit, as well as the notice into which the Duke of Argyll, Lord Lyttleton, and others of his old Scotch friends had helped it. The first impression was soon bought up; and another edition being called for, many additions and amendments were made, which caused it to be published in two volumes instead of one, the form in which it was originally printed. The *Essay on the Formation of Languages* was annexed.

The salary Mr Smith was engaged at was very liberal. To meet the Duke he was obliged to leave his class before the term at College was finished, but he assembled the students on a particular day, and informed them of his engagement; at the same time he called over the roll of names, and returned to each student his fee for the course. That their studies, however, might not be interrupted, he directed that one of their number should read over his lectures till the conclusion of the season.—This was the more liberal in Dr Smith, as he was known

to have been rather unfond of any use being improperly made of his prelections; and he even objected to notes being taken in the class-room, a jealousy and precaution perfectly judicious, as it is known that memorandums of discourses have at times been surreptitiously taken, and afterwards made their appearance in a way so disjointed and garbled, as to reflect no credit on the source from which they were originally taken.

The period Mr Smith spent in Glasgow, if not the most brilliant part of his life, was certainly the most useful; and he considered it as such himself. For thirteen years he had directed the studies of a numerous class of pupils in the important science of Political Economy, which had hitherto been regarded, in a course of philosophy, as of subordinate importance. By the success which attended his cultivation of this branch of knowledge, and the reputation that thereby accrued to him, he created a spirit of research which subsequently led to many discoveries and new lights on the subject. Political Economy, though apparently a branch of study to be matured and perfected only by the observation of facts, and the deductions of experience, and consequently partaking of the nature of a certain science, is nevertheless encumbered with so many remote affinities, as to require for its illustration an intellect of the very highest order. What may tend either to depress or enhance the value of any particular commodity, appears, on a cursory and superficial glance, to hinge upon one or two very simple particulars. Yet it may depend on an amazing number of contingencies. The relations of war and peace, the commercial systems of friendly or belligerent powers at particular junctures—their internal and prominent resources, together with their means and state of improvement, and prevailing habits and genius,—these, and a thousand minute particulars, requiring not only extended views of society, but patient and laborious research, are required to be taken into account, in forming a proper and correct estimate of the philosophical part of political economy. To simplify things so multifarious and complex, and to combine and digest them into a connected system, with a view to practical application, must therefore be a matter of very difficult achievment. How far Dr Smith has succeeded in so arduous an undertaking, the universal estimation in which his writings are held, abundantly testify. It would be absurd, however, to suppose that the labours of one individual, how great soever they might be, or however zealously devoted to the task, could accomplish, with perfect success, so great an undertaking. Accordingly, several of the statements of Dr

Smith, and the results endeavoured to be drawn from them, are found to be erroneous. Yet, after all that has been written by subsequent economists, we question much if the views they have corrected, or those they have added, have been any thing like commensurate with the voluminous discussions which they have furnished. It is only, however, by the collision of opinions, and the criticism they undergo, referred to multiplied and extensive observation, that accurate knowledge is obtained; and we are warranted in hazarding our conviction, that the ample discussion and keen investigation which have been brought to bear on this topic in our own days, will, at no distant period, lead to its ultimate elucidation, and to a recognised faith in the accuracy of its results.

After residing some time in London, Mr Smith proceeded with his charge to Paris, where they remained only a few days, Thoulouse being fixed for their principal residence during their stay on the continent. From Paris Mr Smith sent the following resignation of his professorship to the Rector of Glasgow College, the Right Honourable Thomas Miller, Esq. his Majesty's advocate for Scotland :—

"My Lord,

"I take this first opportunity, after my arrival in this place, which was not till yesterday, to resign my office into the hands of your Lordship, of the Dean of Faculty, of the Principal of the College, and of all my other most respectable and worthy colleagues. Into your and their hands, therefore, I do resign my office of Professor of Moral Philosophy in the University of Glasgow, and in the College thereof, with all the emoluments, privileges, and advantages which belong to it. I reserve, however, my right to the salary for the current half year which commenced at the 10th of October, for one part of my salary, and at Martinmas last for another; and I desire that this salary may he paid to the gentleman who does that part of my duty which I was obliged to leave undone, in the manner agreed on between my very worthy colleagues and me before we parted. I never was more anxious for the good of the College than at this moment. and I sincerely wish, that whoever is my successor may not only do credit to the office by his abilities, but be a comfort to the very excellent men with whom he is likely to spend his life, by the probity of his heart and the goodness of his temper.

"I have the honour to be, my Lord, &c.

"*Paris*, 14*th Feb.* 1764."

When this document reached its destination, the following record was entered in the minutes of the Faculty :

" The meeting accept of Dr Smith's resignation in terms of the above letter; and the office of Professor of Moral Philosophy in this University is therefore hereby declared to be vacant. The University, at the same time, cannot help expressing their sincere regret at the removal of Dr Smith, whose distinguished probity, and amiable qualities, procured him the esteem and affection of his colleagues; whose uncommon genius, great abilities, and extensive learning, did so much honour to this society. His elegant and ingenious Theory of Moral Sentiments having recommended him to the esteem of men of taste and literature throughout Europe; his happy talents in illustrating abstracted subjects, and faithful assiduity in communicating useful knowledge, distinguished him as a Professor, and at once afforded the greatest pleasure and the most important instruction to the youth under his care.

(Signed) " GEORGE MUIRHEAD, *Preses.*
" JOSEPH BLACK, *Cl. Univ.*

" 1*st March*, 1764."

They remained at Thoulouse eighteen months. How Mr Smith employed himself in this interval, we have no means of knowing.—He was at no time fond of writing letters; but it is probable, from the acute remarks that abound in his works on the state and resources of France, that he was a keen observer of every thing within the sphere of his notice or inquiries.—Besides, the circumstances of his situation, which must have led him much into society, would preclude his engaging in any thing like extensive literary labours.—It is to be presumed, therefore, his time would permit nothing farther than the keeping of notes, with a view to future use.

The rank of his pupil, and the friendship of Mr Hume, were the means of introducing him to the first circles of fashion and literature in France. Having finished their proposed stay at Thoulouse, they proceeded to Geneva, where they remained a short time, and thence returned to Paris, their tour having comprehended the southern provinces of the kingdom.

" It was in this tour (says his French translator and biographer, Garnier) that Smith collected the information respecting the interior of the country, which we find in his " Wealth of Nations;" because his scrupulous adherence to truth would not allow him to quote any person's observations but his own, and it is this which gives so much

weight to all those reasonings which he deduces from them. It is almost always in his native country that he collects the facts which he most advances. If he takes, for instance, an University, it is Oxford (book 5, chap. I, sect. 3); if a Parliament-city, it is Thoulouse (id. sect. 2); if a Calvinistic church, it is Geneva (id. sect. 3).—At all these places he had resided." He adds,—"But when he has occasion to speak, *en passant*, on the proportion that French wealth bears to English, although he resided in France three entire years, and had observed every thing with the clearness aud penetration which he carries into all his discussions, yet he does not decide affirmatively on this very complex question," &c.

At Paris Dr Smith could reckon among his friends, Turgot, Quesnai, Necker, d'Alembert, Helvetius, Marmontel, and Madame Riccoboni. He was also intimate with the celebrated Rochefoucault, from whom, as well as these other distinguished individuals, he received every mark of kindness and esteem. It will readily be imagined how grateful and interesting to Smith must have been the society and conversation of Turgot, Quesnai, and Necker, whose pursuits and habits of study were so much akin to his own.

In the year 1776, Dr Smith returned from France, and it was then noticed that some of his opinions on literary subjects partook rather largely of the French school. It was said he did not admire Shakspeare, and preferred the precise and monotonous rythm of the French tragedy to the sublime productions of our great dramatist.—Elaborated difficulty of execution, in short, compensated, in his opinion, for the vivid pictures of nature and truth. He regarded the Mahomet of Voltaire as the summit of dramatic genius. It would, perhaps, be out of place here to enter into the merits of French poetry, or rather of French rhyme, for, in truth, with almost no exception, the poetical literature of France is little else than of this description. The voice of Europe has decided that the French have but a slender claim to poetical distinction. Voltaire himself was partly of this opinion; and in a correspondence with an Italian nobleman who sought to prove the assertion, he half admits the fact, ascribing it, however, to the peculiar structure of the French language. There is good reason to believe the defect arises from another source—from the character and habits of the French people—their manners being too artificial to awaken or cherish that tone of feeling with which the natural yet lofty images of poetry are associated. But if it be true what is asserted of our author, that he had little perception of the elevated beauties of our

immortal poet, it must be ascribed to the severe and philosophic turn of his mind which precluded his entering into those feelings which are kindled only by a fine and expanded imagination. On this subject it may be noticed that Hume had also, if not a contempt, at least a poor idea of Shakspeare. Towards the close of his *History of England*, where he gives a sort of estimate of the literature of England, the name of Shakspeare is coupled with a criticism that reflects no credit on the historian, and can only be accounted for either from an utter want of perception of the exquisite productions of his mighty genius, or from that sort of affected disdain with which a man of the cold and abstract ideas of Mr Hume would reject community with the splendid imagination of the poet. ——But an opportunity was taken, from this predilection of Dr Smith, to accuse him of partiality and affectation. Professor Stewart remarks, that his taste for the French theatre made him prefer rhyme to blank verse in tragedy, and even in comedy—a preference which is certainly opposed to every analogy derived either from reason or observation. If the purpose of the drama is to exhibit the scenes of nature and of real life, every encumbrance with which the language is fettered must evidently mar its effect. The object in view is to produce such an illusion as shall best imitate these realities; and in this display are embraced the strong emotions of the violent passions, as well as the innumerable portraitures of comic humour. It is obvious, therefore, that if the circle of such multifarious delineation is to be narrowed and encumbered by the technicalities of language, and measured by the rule of feet and syllables, the spirit and point of the scene must be in a great measure evaporated.

Though Mr Smith's residence in France certainly strengthened and confirmed his prejudice in favour of rhyme, he was well known to entertain similar sentiments at a much earlier period of life. Of this Boswell, in his Life of Dr Johnson, gives rather a curious instance.—" He (Johnson) enlarged very convincingly upon the excellence of rhyme over blank verse in English poety. I mentioned to him, that Dr Adam Smith, in his lectures upon composition in the College of Glasgow, had entertained the same opinion strenuously, and I repeated some of his arguments. To which Johnson replied—" Sir, I was once in company with Smith, and we did not take to each other; but had I known that he loved rhyme as much as you tell me he does, I should have *hugged* him."*

Dr Smith, we mentioned, returned to England in 1776. The fol-

* Vol. I. page 232.

lowing three years he spent in London with the Duke of Buccleuch, who (according to his Grace's own words to Mr Stewart) not only loved and respected him for his great talents, but for the worth of his private character. His next residence was Kirkcaldy, whither he retired from the gaiety and bustle of the societies of Paris and London, with a high relish. In the society of his mother, whom he always tenderly loved, and of those who were the friends and companions of his youth, he found a source of quiet enjoyment and repose entirely congenial to his own taste. The salary allowed him by the Duke of Buccleuch as his travelling tutor being still continued, enabled him to live in a style of affluence and ease; and the friendships he now renewed in his native village, must have been gratifying to one who had preserved his original habits of simplicity in the fashionable and dissipated societies of London and Paris—and who held sympathy to be the test of moral approbation. His mother, indeed, always possessed the warmest place in his affections, and according to the testimony of one who had every opportunity of knowing, the most direct avenue to his heart was through her. Some of those innocent eccentricities, often remarked in men of superior genius, were occasionally noticed in the Doctor, and regarded by the neighbouring rustics as often more decisive of lunacy than of wisdom and philosophy, while to his more intimate friends they afforded at times amusement at his expense.

He resided at Kirkcaldy for the period of ten years, and the vigour and activity of his mind, it might be expected, would not slumber or be dissipated. For a number of years previous, his attention and inquiries had been directed to investigate the nature and causes of the *Wealth of Nations*; and it was during his retirement at Kirkcaldy that he began to arrange and combine the facts and ideas he had long been amassing on this subject. During his residence at Glasgow and his stay on the Continent, he had been diligently collecting a vast quantity of materials; besides that his conversation with some of the most celebrated foreign economists was eminently calculated to enlarge his ideas, and afford him the means of correcting and amending what he might find amiss in his own sentiments. These materials his leisure at Kirkcaldy permitted him now to digest and arrange, and for ten years he was employed in the work.

There are few authors of celebrity who have not in their time been impeached with borrowing the ideas and doctrines of others. Dr Smith has been accused as a plagiarist from the writings of

Count Verri, Dean Tucker, and others, and of having taken the principal illustrations of his *Wealth of Nations* from the French collection "*sur les Arts et Metiers;*" but these accusations have been ably combated by Mr Stewart, and Smith is now universally acknowledged as the undivided founder of the leading doctrines unfolded in his system of political economy.

After the publication of his great work of the *Wealth of Nations*, which, for so many years had engrossed his labour and attention, Dr Smith appears to have withdrawn himself in a great measure, if not altogether, from literary pursuits; or if these continued still to engage him, they must have been comparatively trifling. Among his posthumous works we find nothing possessing any peculiar interest. His *Essay on Astronomy* which was among these, appears to have been composed during the period of his professorship at Glasgow, as it is mentioned in a college exercise by his successor Mr Arthur, then a young man.

We may here introduce an anecdote mentioned by Boswell in his Life of Dr Johnson. It seems to repel the statement that Dr Johnson's disparaged the works of Smith. When the *Wealth of Nations* had just been published, Sir John Pringle observed to Boswell, that Dr Smith, who had never been in trade, could not be expected to write well upon physic. To this Johnson replied: "He is mistaken, Sir. A man who has never been engaged in trade himself may undoubtedly write well on trade; and there is nothing which requires more to be illustrated by philosophy than trade does. As to mere wealth, that is to say, money, it is clear that one nation, or one individual, cannot increase its store but by making another poorer; but trade procures what is more valuable, the reciprocation of the peculiar advantages of different countries. A merchant seldom thinks of any but his own trade. To write a good book upon it, a man must have extensive views. It is not necessary to have practised, to write well on a subject."*

In the year 1776, Dr Smith repaired to London, having been nominated one of the Commissioners of the Customs in Scotland, by the interest of the Duke of Buccleuch and Lord Longborough. On being appointed to this office, he offered to resign the annuity granted him for superintending the education of the Duke; but this offer was refused. He had consequently now £800 yearly, an income

* Boswell's Life of Johnson, vol. II. page 17.

amply sufficient for the frugality of his life, though scarcely for the benevolence of his disposition.

He spent much of his time during this visit to London, in the literary society of Johnson, of Gibbon, of Burke, and of other distinguished characters, who at that time rendered the metropolis a most desirable residence for men endowed with similar talents.

Of his acquaintance with Johnson few memorials exist. It seems certain, however, that they were not on the most gracious terms; nor did this arise from national acrimony, the almost uniform source of jarring on the part of Johnson with the natives of the northern part of the island. Indeed, Smith has been accused, and it is believed, justly, of having rather fallen in with the prejudices that many chose to entertain against Scotland in those days. But Johnson was strongly attached to Oxford and all its institutions, while Smith, with many others, found much to condemn in their *alma mater*. This was cause sufficient to produce discord between the two; for Johnson's pertinacity and bitterness, on points like these, need not be told. It is probable also that Dr Smith's theological sentiments would not accord in all respects with those of Johnson, who was not very tolerant on this subject. With such differences of opinion on topics that could not fail to occur in the course of their meetings, it is not to be wondered at if it rendered them at times unpleasant both to the parties and their friends. Dr Robertson, who was in great favour with Johnson, relates, "that the first time he saw him was at Strahan's, when he just had an unlucky altercation with Adam Smith, to whom he had been so rough, that Strahan, after Smith was gone, had remonstrated with him, and told him, that he (Dr Robertson) was coming soon, and that he was uneasy to think he might behave in the same manner to him." *

With the author of the Decline and Fall of the Roman Empire, he was on terms of the most friendly intimacy; and the mention made of our author by the historian, is at once elegant and dignified.†

Mr Stewart has quoted the following lines, where Smith's name is included with those of some of his distinguished friends, as discriminating well the character of the different parties;—

* Boswell's Life of Johnson, vol. II. page 252.

† "On this interesting subject, the Progress of Society in Europe, a strong ray of philosophic light has broke from Scotland in our own times; and it is with private, as well as public regard, that I repeat the names of Hume, Robertson, and Adam Smith."—*Decline and Fall*, vol. XI. page 292, *note*.

"If I have thoughts, and can't express 'em,
Gibbon shall teach me how to dress 'em
In words select and terse:
Jones teach me modesty and Greek,
Smith how to think, Burke how to speak,
And Beauclerc to converse." *

During Dr Smith's stay in London, a circumstance of rather an unpleasant nature occurred.—William Julius Mickle, a countryman of his, and a man of learning, had dedicated his translation of the Lusiad of Camoens, to the Duke of Buccleuch, in the expectation, it would seem, of receiving a suitable recompense. This, for some cause or other, was not granted. The dedication had not been solicited by the Duke, who could not be blamed for withholding what was entirely optional on his part. Mickle, however, conceiving himself affronted, in being thus overlooked, did not hesitate, in the blindness of his prejudice, to ascribe his failure to the insinuations of Dr Smith, some of whose positions he had endeavoured, in the Preliminary Dissertation to the Lusiad, to controvert, and whose jealousy on that account, he alleged, had injured him in the eyes of the Duke. This charge, preposterous as it was, and utterly at variance with the known uprightness and honour of Dr Smith, Mickle persevered in with the most stubborn obstinacy; nor does it appear that Smith ever took any pains to rebut the slander. Nothing, however, is more certain than that Mickle fancied himself injured; and on the death of Smith, he wrote some verses replete with the basest and most intemperate scurrility. The biographer of Mickle, too, influenced either by kindred prejudice, or the most excessive credulity, has echoed the absurd charge.

In the course of the year 1778, Dr Smith removed to Edinburgh, to enter upon the duties of his office. Engaged in a train of business, it could not be expected he had now much leisure to devote to literary pursuits. We are informed he was very accurate in discharging these duties, and so scrupulous as carefully to examine every document that passed through his hands, even where such examination was usually considered a mere matter of form. His chief source of amusement was in his library, in the selection and decoration of which, he was said to have been particularly careful. To Mr William Smellie, who had testified his surprise at the elegant binding of his volumes, Dr Smith said, "You must have remarked that I am a beau in nothing but my books." This library, with the rest of his

* "Verses addressed to Sir Joshua Reynolds and his Friends," by Dr Bernard. See Annual Register for the year 1776.

property, he bequeathed to his heir David Douglas, Esq. advocate, son of Colonel Douglas of Strathendry, his cousin german.*

His household affairs were at this time superintended by Miss Douglas the sister of his heir, his mother's increasing age and infirmities having incapacitated her for taking an active charge. In the bosom of this domestic circle, Dr Smith spent many years in the most retired and simple manner. Almost the only friends he entertained were a select few of his old literary acquaintances; among these were Drs Black and Hutton, his executors and most intimate friends, who very often met at his house on Sundays and supped with him. His intimacy with Mr Hume had suggested the idea of his sentiments on some points being not altogether sound; yet some of the brighest ornaments of the Scottish church were his visitors, and partook of his frugal repasts. Of the clergy he had always high notions, and used to say, that were it not for them he did not know how a gentleman could pass his time in the country.

Although retired from public life, he was, in 1787, elected Lord Rector of the University of Glasgow, an honour which his friend Mr Burke afterwards enjoyed. To this public mark of esteem, he returned an acknowledgment equally modest and dignified.—"No preferment," he said, "could have given me so much real satisfaction. No man can owe greater obligation to a society, than I do to the University of Glasgow. They educated me; they sent me to Oxford. Soon after my return to Scotland, they elected me one of their own members; and afterwards preferred me to another office, to which the abilities and virtues of the never to be forgotten Dr Hutcheson had given a superior degree of illustration. The period of thirteen years, which I spent as a member of that society, I remember as by far the most useful, and therefore as by far the happiest and most honourable period of my life: and now, after three and twenty years absence, to be remembered in so very agreeable manner by my old friends and protectors, gives me a heart-felt joy, which I cannot easily express to you."

His mother dying in 1784, and Miss Douglas in 1788, rendered the two following years of his life rather melancholy. They died when he most needed their presence and support; and although his mind was naturally strong, yet none who have the feelings of human nature can be unmoved when they see that they have survived

* He was advanced to the bench of the Court of Session in 1816, and took the title of Lord Reston. He died, much regretted, in June 1819, and was buried near his illustrious relative in the Canongate Burying-ground of Edinburgh.

their best and earliest friends; those friends in particular, who are not so much bound to them by similarity of taste and pursuits, as those with whom they have been brought up, and who are endeared to them by mutual affections and sympathies in domestic life. After their death he gradually declined in health, and died in July 1790, previously ordering his executors to burn all his papers, those excepted which form the posthumous volume of his works, an order which was rigorously executed.

Acuteness of mind and accuracy of research characterize all the writings and inquiries of Dr Smith. His style, if not distinguished by the polished elegance of a Gibbon or a Robertson, is easy and perspicuous—concise and plain, yet not disfigured by colloquial improprieties—and although possessing little variety of metaphor or imagery, is not deficient in aptness of illustration. Brevity and precision are the prevailing features, and nowhere is exactness of definition sacrificed to ornament or rhetorical harmony. In a word, his style, though rather defective in energy, appears to have been formed on the severe model of the ancients, and if not strictly eloquent, is, perhaps, after all, what was best adapted to the subjects he treats of. But the merit of his discoveries—for discoveries they may be called—in the science of political economy—and the symmetry and regularity into which, out of confused materials, he has built up a fabric of order, together with the justness of the principles and analogies he has employed in the elucidation and developement of the general design—forms the most magnificent and enduing monument of his fame. Subsequent experience has shown some of his reasonings and conclusions to have been rather inaccurate; yet the wonder only is that these should have been so few and trifling on a subject embracing such a wide range of observation, and requiring for its illustration, under the guidance of a strong and presiding intelligence, extensive and general views, combined with much minuteness of detail. Throughout Europe his name has attained to unquestioned celebrity; and dissent from his doctrines can, in a good many cases, particularly in our own country, where partizanship mingles in every element with which it can either immediately or remotely amalgamate, be traced to the political bias of the different individuals who may chance to take up the discussion. It has been regretted that the opinions of Dr Smith on some other subjects should have been not altogether orthodox. Such a leaning, which was probably strengthened, if not created, by his intercourse with the French literati, can only be regretted, and no

more. In charity we cannot quarrel with them. They were never obtruded on the conversation of those they might offend; and at no time relaxed his friendship with such as had clearer perceptions on the points alluded to. In regard to the practical duties of morality, the character of Dr Smith is unimpeached and unimpeachable; and the amiableness and benevolence of his disposition fully correspond-ed with the maxims he enforced and recommended. The habits of deep thinking and abstract meditation in which he was occupied, while they stamped the individuality and value of his character, tended also to produce that embarrasment of manner and apparent want of frankness which have generally been found united with such habits. If, to those who were not acquainted with the springs of this peculiarity, such reserve might seem distant and unconcili-ating, it could not detract from the real worth and humanity of his character. To conclude, had he left only a single volume of what he has published, it would be inferred from the specimen, that it was the production of one who possessed a highly gifted and original mind; and if to this was superadded, what is known of his private life, he would have left to posterity the reputation, so far as hu-manity goes, of a generous, a worthy, and an amiable man.

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AN

INQUIRY

INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

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 conveniences 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.

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 downfal 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 show—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 inconveniences 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 improvement 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 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 workhouse, 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 workhouse. 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.

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 straights 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 pe-

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 simplicity of operation. The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour. The separation of different trades and employments from one another, seems to have taken place, in consequence of this advantage. This separation, too, is generally carried furthest in those countries which enjoy the highest degree of industry and improvement; what is the work of one man in a rude state of society, being generally that of several in an improved one. In every improved society, the farmer is generally nothing but a farmer; the manufacturer, nothing but a manufacturer. The labour, too, which is necessary to produce any one complete manufacture, is almost always divided among a great number of hands. How many different trades are employed in each branch of the linen and woollen manufactures, from the growers of the flax and the wool, to the bleachers and smoothers of the linen, or to the dyers and dressers of the cloth! The nature of agriculture, indeed, does not admit of so many subdivisions of labour, nor of so complete a separation of one business from another, as manufactures. It is impossible to separate so entirely the business of the grazier from that of the corn-farmer, as the trade of the carpenter is commonly separated from that of the smith. The spinner is almost always a distinct person from the weaver; but the ploughman, the harrower, the sower of the seed, and the reaper of the corn, are often the same. The occasions for those different sorts of labour returning with the different seasons of the year, it is impossible that one man should be constantly employed in any one of

them. This impossibility of making so complete and entire a separation of all the different branches of labour employed in agriculture, is perhaps the reason why the improvement of the productive powers of labour in this art, does not always keep pace with their improvement in manufactures. 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 expense 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 expense. 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 hardware 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.

This great increase in the quantity of work, which, in consequence of the division of labour, the same number of people are capable of performing, is owing to three different circumstances ;—first, to the increase of dexterity in every particular workman ; secondly, to the saving of the time which is commonly lost in passing from one species of work to another ; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many.

First, the improvement of the dexterity of the workman necessarily increases the quantity of the work he can perform ; and the division of labour, by reducing every man's business to some one simple operation, and by making this operation the sole employment of his life, necessarily increases very much the dexterity of the workman. A common smith, who, though accustomed to handle the hammer, has never been used to make nails, if upon some particular occasion he is obliged to attempt it, will scarce, I am assured, be able to make above two or three hundred nails in a day, and those, too, very bad ones. A smith who has been accustomed to make nails, but whose sole or principal business has not been that of a nailer, can seldom, with his utmost diligence, make more than eight hundred or a thousand nails in a day. I have seen several boys under twenty years of age, who had never exercised any other trade but that of making nails, and who, when they exerted themselves, could make, each of them, upwards of two thousand three hundred nails in a day. The making of a nail, however, is by no means one of the simplest operations. The same person blows the bellows, stirs or mends the fire as there is occasion, heats the iron, and forges every part of the nail : in forging the head, too, he is obliged to change his tools. The different operations into which the making of a pin, or of a metal button, is subdivided, are all of them much more simple, and the dexterity of the person, of whose life it has been the sole business to perform them, is usually much greater.

The rapidity with which some of the operations of those manufactures are performed, exceeds what the human hand could, by those who had never seen them, be supposed capable of acquiring.

Secondly, the advantage which is gained by saving the time commonly lost in passing from one sort of work to another, is much greater than we should at first view be apt to imagine it. It is impossible to pass very quickly from one kind of work to another that is carried on in a different place, and with quite different tools. A country weaver, who cultivates a small farm, must lose a good deal of time in passing from his loom to the field, and from the field to his loom. When the two trades can be carried on in the same workhouse, the loss of time is no doubt much less. It is even in this case, however, very considerable. A man commonly saunters a little in turning his hand from one sort of employment to another. When he first begins the new work he is seldom very keen and hearty; his mind, as they say, does not go to it, and for some time he rather trifles than applies to good purpose. The habit of sauntering and of indolent careless application, which is naturally, or rather necessarily, acquired by every country workman who is obliged to change his work and his tools every half hour, and to apply his hand in twenty different ways almost every day of his life; renders him almost always slothful and lazy, and incapable of any vigorous application even on the most pressing occasions. Independent, therefore, of his deficiency in point of dexterity, this cause alone must always reduce considerably the quantity of work which he is capable of performing.

Thirdly, and lastly, every body must be sensible how much labour is facilitated and abridged by the application of proper machinery. It is unnecessary to give any example. I shall only observe, therefore, that the invention of all those machines by which labour is so much facilitated and abridged, seems to have been originally owing to the division of labour. Men are much more likely to discover easier and readier methods of attaining any object, when the whole attention of their minds is directed towards that single object, than when it is dissipated among a great variety of things. But, in

consequence of the division of labour, the whole of every man's attention comes naturally to be directed towards some one very simple object. It is naturally to be expected, therefore, that some one or other of those who are employed in each particular branch of labour should soon find out easier and readier methods of performing their own particular work, wherever the nature of it admits of such improvement. A great part of the machines made use of in those manufactures in which labour is most subdivided, were originally the inventions of common workmen, who, being each of them employed in some very simple operation, naturally turned their thoughts towards finding out easier and readier methods of performing it. Whoever has been much accustomed to visit such manufactures, must frequently have been shown very pretty machines, which were the inventions of such workmen, in order to facilitate and quicken their own particular part of the work. In the first fire-engines, a boy was constantly employed to open and shut alternately the communication between the boiler and the cylinder, according as the piston either ascended or descended. One of those boys who loved to play with his companions, observed that, by tying a string from the handle of the valve, which opened this communication, to another part of the machine, the valve would open and shut without his assistance, and leave him at liberty to divert himself with his play-fellows. One of the greatest improvements that has been made upon this machine, since it was first invented, was in this manner the discovery of a boy who wanted to save his own labour.

All the improvements in machinery, however, have by no means been the invention of those who had occasion to use the machines. Many improvements have been made by the ingenuity of the makers of the machines, when to make them became the business of a peculiar trade; and some by that of those who are called philosophers or men of speculation, whose trade it is not to do any thing, but to observe every thing; and who, upon that account, are often capable of combining together the powers of the most distant and dissimilar objects. In the progress of society, philosophy or speculation becomes, like every other employment, the

principal or sole trade and occupation of a particular class of citizens. Like every other employment, too, it is subdivided into a great number of different branches, each of which affords occupation to a peculiar tribe or class of philosophers; and this subdivision of employment in philosophy, as well as in every other business, improves dexterity, and saves time. Each individual becomes more expert in his own peculiar branch; more work is done upon the whole; and the quantity of science is considerably increased by it.

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. Every workman has a great quantity of his own work to dispose of beyond what he himself has occasion for; and every other workman being exactly in the same situation, he is enabled to exchange a great quantity of his own goods for a great quantity, or, what comes to the same thing, for the price of a great quantity of theirs. He supplies them abundantly with what they have occasion for, and they accommodate him as amply with what he has occasion for, and a general plenty diffuses itself through all the different ranks of the society.

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-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 brickmaker, the bricklayer, the workmen who attend the furnace, the millwright, 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 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 conveniences; 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 ac-

commodated. 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 naked savages.

CHAPTER II.

Of the Principle which gives occasion to the Division of Labour.

THIS division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual, consequence of a certain propensity in human nature which has in view no such extensive utility—the propensity to truck, barter, and exchange one thing for another.

Whether this propensity be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to inquire. It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contracts. Two greyhounds, in running down the same hare, have sometimes the appearance of acting in some sort of concert. Each turns her towards his companion, or endeavours to intercept her when his companion turns her towards himself. This, however, is not the effect of any contract, but of the accidental concurrence of their passions in the same object at that particular time. Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog. Nobody ever saw one animal, by its gestures and natural cries, signify to another, this

is mine, that yours; I am willing to give this for that. When an animal wants to obtain something either of a man, or of another animal, it has no other means of persuasion, but to gain the favour of those whose service it requires. A puppy fawns upon its dam, and a spaniel endeavours, by a thousand attractions, to engage the attention of its master who is at dinner, when it wants to be fed by him. Man sometimes uses the same arts with his brethren, and when he has no other means of engaging them to act according to his inclinations, endeavours, by every servile aud fawning attention, to obtain their good will. He has not time, however, to do this upon every occasion. In civilized society he stands at all times in need of the co-operation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons. In almost every other race of animals, each individual, when it is grown up to maturity, is entirely independent, and, in its natural state, has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this: Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. 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. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow-citizens. Even a beggar does not depend upon it entirely. The charity of well-disposed people, indeed, supplies him with the whole fund of his subsistence. But though this principle ultimately provides him with all the necessaries of life which he has occasion for, it neither does nor can provide him with them

as he has occasion for them. The greater part of his occasional wants are supplied in the same manner as those of other people, by treaty, by barter, and by purchase. With the money which one man gives him he purchases food. The old clothes which another bestows upon him he exchanges for other old clothes which suit him better, or for lodging, or for food, or for money, with which he can buy either food, clothes, or lodging, as he has occasion.

As it is by treaty, by barter, and by purchase, that we obtain from one another the greater part of those mutual good offices which we stand in need of, so it is the same trucking disposition which originally gives occasion to the division of labour. In a tribe of hunters or shepherds, a particular person makes bows and arrows, for example, with more readiness and dexterity than any other. He frequently exchanges them for cattle or for venison with his companions; and he finds at last that he can in this manner get more cattle and venison, than if he himself went to the field to catch them. From a regard to his own interest, therefore, the making of bows and arrows grows to be his chief business, and he becomes a sort of armourer. Another excels in making the frames and covers of their little huts or moveable houses. He is accustomed to be of use in this way to his neighbours, who reward him in the same manner with cattle and with venison, till at last he finds it his interest to dedicate himself entirely to this employment, and to become a sort of house-carpenter. In the same manner a third becomes a smith or a brazier; a fourth a tanner or dresser of hides or skins, the principal part of the clothing of savages. And thus the certainty of being able to exchange all that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he may have occasion for, encourages every man to apply himself to a particular occupation, and to cultivate and bring to perfection whatever talent or genius he may possess for that particular species of business.

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of dif-

ferent professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street-porter, for example, seems to arise not so much from nature, as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were, perhaps, very much alike, and neither their parents nor play-fellows could perceive any remarkable difference. About that age, or soon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarce any resemblance. But, without the disposition to truck, barter, and exchange, every man must have procured to himself every necessary and conveniency of life which he wanted. All must have had the same duties to perform, and the same work to do, and there could have been no such difference of employment as could alone give occasion to any great difference of talents.

As it is this disposition which forms that difference of talents, so remarkable among men of different professions, so it is this same disposition which renders that difference useful. Many tribes of animals, acknowledged to be all of the same species, derive from nature a much more remarkable distinction of genius than what, antecedent to custom and education, appears to take place among men. By nature a philosopher is not in genius and disposition half so different from a street-porter, as a mastiff is from a greyhound, or a greyhound from a spaniel, or this last from a shepherd's dog. Those different tribes of animals, however, though all of the same species, are of scarce any use to one another. The strength of the mastiff is not in the least supported either by the swiftness of the greyhound, or by the sagacity of the spaniel, or by the docility of the shepherd's dog. The effects of those different geniuses and talents, for want of the power or disposition to barter and exchange, cannot be brought into a common stock, and do not in the least contribute to the better accommodation and conveniency of the species. Each animal is

still obliged to support and defend itself, separately and independently, and derives no sort of advantage from that variety of talents with which nature has distinguished its fellows. Among men, on the contrary, the most dissimilar geniuses are of use to one another; the different produces of their respective talents, by the general disposition to truck, barter, and exchange, being brought, as it were, into a common stock, where every man may purchase whatever part of the produce of other men's talents he has occasion for.

CHAPTER III.

That the Division of Labour is limited by the Extent of the Market.

As it is the power of exchanging that gives occasion to the division of labour, so the extent of this division must always be limited by the extent of that power, or, in other words, by the extent of the market. When the market is very small, no person can have any encouragement to dedicate himself entirely to one employment, for want of the power to exchange all that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for.

There are some sorts of industry, even of the lowest kind, which can be carried on nowhere but in a great town. A porter, for example, can find employment and subsistence in no other place. A village is by much too narrow a sphere for him; even an ordinary market-town is scarce large enough to afford him constant occupation. In the lone houses and very small villages which are scattered about in so desert a country as the Highlands of Scotland, every farmer must be butcher, baker, and brewer for his own family. In such situations we can scarce expect to find even a smith, a carpenter, or a mason, within less than twenty miles of another of the same trade. The scattered families that live at eight or ten miles distance from the nearest of

them, must learn to perform themselves a great number of little pieces of work, for which, in more populous countries, they would call in the assistance of those workmen. Country workmen are almost everywhere obliged to apply themselves to all the different branches of industry that have so much affinity to one another as to be employed about the same sort of materials. A country carpenter deals in every sort of work that is made of wood; a country smith in every sort of work that is made of iron. The former is not only a carpenter, but a joiner, a cabinet-maker, and even a carver in wood, as well as a wheel-wright, a plough-wright, a cart and waggon maker. The employments of the latter are still more various. It is impossible there should be such a trade as even that of a nailer in the remote and inland parts of the Highlands of Scotland. Such a workman, at the rate of a thousand nails a day, and three hundred working days in the year, will make three hundred thousand nails in the year. But, in such a situation, it would be impossible to dispose of one thousand, that is, of one day's work in the year.

As by means of water-carriage a more extensive market is opened to every sort of industry than what land-carriage alone can afford it, so it is upon the sea-coast, and along the banks of navigable rivers, that industry of every kind naturally begins to subdivide and improve itself, and it is frequently not till a long time after that those improvements extend themselves to the inland parts of the country. A broad-wheeled waggon, attended by two men, and drawn by eight horses, in about six weeks' time carries and brings back between London and Edinburgh near four ton weight of goods. In about the same time a ship, navigated by six or eight men, and sailing between the ports of London and Leith, frequently carries and brings back two hundred ton weight of goods. Six or eight men, therefore, by the help of water-carriage, can carry and bring back, in the same time, the same quantity of goods between London and Edinburgh as fifty broad-wheeled waggons, attended by a hundred men, and drawn by four hundred horses. Upon two hundred tons of goods, therefore, carried by the cheapest land-carriage from London to Edinburgh, there must be charged the maintenance of

one hundred men for three weeks, and both the maintenance, and what is nearly equal to the maintenance, the wear and tear of four hundred horses as well as of fifty great waggons. Whereas, upon the same quantity of goods carried by water, there is to be charged only the maintenance of six or eight men, and the wear and tear of a ship of two hundred tons burthen, together with the value of the superior risk, or the difference of the insurance between land and water-carriage. Were there no other communication between those two places, therefore, but by land-carriage, as no goods could be transported from the one to the other, except such whose price was very considerable in proportion to their weight, they could carry on but a small part of that commerce which at present subsists between them, and consequently could give but a small part of that encouragement which they at present mutually afford to each other's industry. There could be little or no commerce of any kind between the distant parts of the world. What goods could bear the expense of land-carriage between London and Calcutta? Or, if there were any so precious as to be able to support this expense, with what safety could they be transported through the territories of so many barbarous nations? Those two cities, however, at present carry on a very considerable commerce with each other, and, by mutually affording a market, give a good deal of encouragement to each other's industry.

Since such, therefore, are the advantages of water-carriage, it is natural that the first improvements of art and industry should be made where this conveniency opens the whole world for a market to the produce of every sort of labour, and that they should always be much later in extending themselves into the inland parts of the country. The inland parts of the country can for a long time have no other market for the greater part of their goods, but the country which lies round about them, and separates them from the sea-coast and the great navigable rivers. The extent of their market, therefore, must for a long time be in proportion to the riches and populousness of that country, and consequently their improvement must always be posterior to the improvement of that country. In our North Ameri-

can colonies the plantations have constantly followed either the sea-coast or the banks of the navigable rivers, and have scarce anywhere extended themselves to any considerable distance from both.

The nations that, according to the best authenticated history, appear to have been first civilized, were those that dwelt round the coast of the Mediterranean sea. That sea, by far the greatest inlet that is known in the world, having no tides, nor consequently any waves except such as are caused by the wind only, was, by the smoothness of its surface, as well as by the multitude of its islands, and the proximity of its neighbouring shores, extremely favourable to the infant navigation of the world; when, from their ignorance of the compass, men were afraid to quit the view of the coast, and, from the imperfection of the art of ship-building, to abandon themselves to the boisterous waves of the ocean. To pass beyond the pillars of Hercules, that is, to sail out of the Straits of Gibraltar, was, in the ancient world, long considered as a most wonderful and dangerous exploit of navigation. It was late before even the Phenicians and Carthaginians, the most skilful navigators and ship-builders of those old times, attempted it, and they were for a long time the only nations that did attempt it.

Of all the countries on the coast of the Mediterranean sea, Egypt seems to have been the first in which either agriculture or manufactures were cultivated and improved to any considerable degree. Upper Egypt extends itself nowhere above a few miles from the Nile, and in Lower Egypt that great river breaks itself into many different canals, which, with the assistance of a little art, seem to have afforded a communication by water-carriage, not only between all the great towns, but between all the considerable villages, and even to many farm-houses in the country; nearly in the same manner as the Rhine and the Maese do in Holland at present. The extent and easiness of this inland navigation was probably one of the principal causes of the early improvement of Egypt.

The improvements in agriculture and manufactures seem likewise to have been of very great antiquity in the provinces of Bengal in the East Indies, and in some of the eastern provinces of China; though the great ex-

tent of this antiquity is not authenticated by any histories of whose authority we, in this part of the world, are well assured. In Bengal the Ganges and several other great rivers form a great number of navigable canals, in the same manner as the Nile does in Egypt. In the eastern provinces of China, too, several great rivers form, by their different branches, a multitude of canals, and, by communicating with one another, afford an inland navigation much more extensive than that either of the Nile or the Ganges, or perhaps than both of them put together. It is remarkable that neither the ancient Egyptians, nor the Indians, nor the Chinese, encouraged foreign commerce, but seem all to have derived their great opulence from this inland navigation.

All the inland parts of Africa, and all that part of Asia which lies any considerable way north of the Euxine and Caspian seas, the ancient Scythia, the modern Tartary and Siberia, seem in all ages of the world to have been in the same barbarous and uncivilized state in which we find them at present. The sea of Tartary is the frozen ocean which admits of no navigation, and though some of the greatest rivers in the world run through that country, they are at too great a distance from one another to carry commerce and communication through the greater part of it. There are in Africa none of those great inlets, such as the Baltic and Adriatic seas in Europe, the Mediterranean and Euxine seas in both Europe and Asia, and the gulfs of Arabia, Persia, India, Bengal, and Siam, in Asia, to carry maritime commerce into the interior parts of that great continent; and the great rivers of Africa are at too great a distance from one another to give occasion to any considerable inland navigation. The commerce, besides, which any nation can carry on by means of a river which does not break itself into any great number of branches or canals, and which runs into another territory before it reaches the sea, can never be very considerable; because it is always in the power of the nations who possess that other territory to obstruct the communication between the upper country and the sea. The navigation of the Danube is of very little use to the different states of Bavaria, Austria, and Hungary, in comparison of what it would be if any of them possessed the whole of its course till it falls into the Black Sea.

CHAPTER IV.

Of the Origin and Use of Money.

When the division of labour has been once thoroughly established, it is but a very small part of a man's wants which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.

But when the division of labour first began to take place, this power of exchanging must frequently have been very much clogged and embarrassed in its operations. One man, we shall suppose, has more of a certain commodity than he himself has occasion for, while another has less. The former consequently would be glad to dispose of, and the latter to purchase, a part of this superfluity. But if this latter should chance to have nothing that the former stands in need of, no exchange can be made between them. The butcher has more meat in his shop than he himself can consume, and the brewer and the baker would each of them be willing to purchase a part of it. But they have nothing to offer in exchange, except the different productions of their respective trades, and the butcher is already provided with all the bread and beer which he has immediate occasion for. No exchange can in this case be made between them. He cannot be their merchant, nor they his customers; and they are all of them thus mutually less serviceable to one another. In order to avoid the inconveniency of such situations, every prudent man in every period of society, after the first establishment of the division of labour, must naturally have endeavoured to manage his affairs in such a manner, as to have at all times by him, besides the peculiar produce of his own industry, a certain quantity of some one commodity or other, such as he imagined few people

would be likely to refuse in exchange for the produce of their industry.

Many different commodities, it is probable, were successively both thought of and employed for this purpose. In the rude ages of society, cattle are said to have been the common instrument of commerce; and though they must have been a most inconvenient one, yet in old times we find things were frequently valued according to the number of cattle which had been given in exchange for them. The armour of Diomede, says Homer, cost only nine oxen; but that of Glaucus cost an hundred oxen. Salt is said to be the common instrument of commerce and exchanges in Abyssinia; a species of shells in some parts of the coast of India; dried cod at Newfoundland; tobacco in Virginia; sugar in some of our West India colonies; hides or dressed leather in some other countries: and there is at this day a village in Scotland where it is not uncommon, I am told, for a workman to carry nails instead of money to the baker's shop or the alehouse.

In all countries, however, men seem at last to have been determined by irresistible reasons to give the preference, for this employment, to metals above every other commodity. Metals can not only be kept with as little loss as any other commodity, scarce any thing being less perishable than they are, but they can likewise, without any loss, be divided into any number of parts, as by fusion those parts can easily be reunited again; a quality which no other equally durable commodities possess, and which, more than any other quality, renders them fit to be the instruments of commerce and circulation. The man who wanted to buy salt, for example, and had nothing but cattle to give in exchange for it, must have been obliged to buy salt to the value of a whole ox, or a whole sheep, at a time. He could seldom buy less than this, because what he was to give for it could seldom be divided without loss; and if he had a mind to buy more, he must, for the same reasons, have been obliged to buy double or triple the quantity, the value, to wit, of two or three oxen, or of two or three sheep. If, on the contrary, instead of sheep or oxen, he had metals to give in exchange for it, he could easily proportion the quantity of the metal to the pre-

cise quantity of the commodity which he had immediate occasion for.

Different metals have been made use of by different nations for this purpose. Iron was the common instrument of commerce among the ancient Spartans, copper among the ancient Romans, and gold and silver among all rich and commercial nations.

Those metals seem originally to have been made use of for this purpose in rude bars, without any stamp or coinage. Thus we are told by Pliny,* upon the authority of Timaeus, an ancient historian, that, till the time of Servius Tullius, the Romans had no coined money, but made use of unstamped bars of copper, to purchase whatever they had occasion for. These rude bars, therefore, performed at this time the function of money.

The use of metals in this rude state was attended with two very considerable inconveniences; first, with the trouble of weighing, and secondly, with that of assaying them. In the precious metals, where a small difference in the quantity makes a great difference in the value, even the business of weighing, with proper exactness, requires at least very accurate weights and scales. The weighing of gold, in particular, is an operation of some nicety. In the coarser metals, indeed, where a small error would be of little consequence, less accuracy would, no doubt, be necessary. Yet we should find it excessively troublesome, if, every time a poor man had occasion either to buy or sell a farthing's worth of goods, he was obliged to weigh the farthing. The operation of assaying is still more difficult, still more tedious; and, unless a part of the metal is fairly melted in the crucible, with proper dissolvents, any conclusion that can be drawn from it, is extremely uncertain. Before the institution of coined money, however, unless they went through this tedious and difficult operation, people must always have been liable to the grossest frauds and impositions, and, instead of a pound weight of pure silver, or pure copper, might receive, in exchange for their goods, an adulterated composition of the coarsest and cheapest materials, which had, how-

* Plin. Hist. Nat. lib. 33, cap. 3.