Adam Smith: Introduction to Document Based Questions

*Read the excerpts below and respond to the questions. After you have answered the questions, write a one-paragraph response to the question on the back page.*

The following excerpts are from Adam Smith’s *The Wealth of Nations*.

A. The sole purpose of all production is to provide the possible goods to the consumer at the lowest possible price. Society should assist producers of goods and services only to the extent that assisting them benefits the consumer… he intends his own gain; and he is in this, as in many other cases, led by an invisible hand to Promote an end which was no part of his intention…By pursuing his own interest, he frequently promotes that of society….

B. “*The Wealth of Nations* carries the important message of laissez faire, which means that the government should intervene as little as possible in economic affairs and leave the market to its own devices. It advocates the liberation of economic production from all limiting regulation in order to benefit the people...”

1. According to Adam Smith, what should the role of the government be in the economy?

C. I have seen a small manufactory [factory] of this kind where ten men only were employed, and where some of them performed two or three distinct operations…The could… make among them … upwards of 48,000 pins a day… But if they had all wrought [worked] separately and independently. They certainly could not each of them have made twenty… in a day.

1. According to Smith, why were workers in a factory so productive?

D. First, every individual should be able to continually exert themselves to find a job that will make them as much money as possible….a profession that is to each individual’s own advantage and not that of the government…We must trust with perfect security that free trade should be able to exist without any involvement of kings and their officials.

3. Based on the document above, state one **economic** right that Adam Smith believes people should have.

Put it all together:

The Enlightenment has had a large impact on the political, social and economic history of the world. Use what you know about the Enlightenment and the documents above to respond to the following question:

How are the ideas Adam Smith wrote about in *The Wealth of Nations* similar to the economy we have in the United States today? You must cite at least 2 sources.

Example of what the citation should look like with a fake sentence: According to Smith, Joel Allen is extremely wealthy (Doc. A).