

Capitalism and Socialism, Smith 1

As you're reading the selection from Adam Smith's *Wealth of Nations* (Book I, Chapters 1-2), consider the questions below.

1. What idea about production does the story of the pin-factory illustrate?
2. What is the effect of introducing a division of labor? How, specifically, does it bring this effect about?
3. What "propensity in human nature" does Smith point out at the beginning of Book 1, Chapter 2? What does Smith think this natural inclination causes and how does it do it?
4. How can people in "civilized societies" secure the "co-operation and assistance of great multitudes" necessary to provide for their needs? Is it, for instance, secured through a natural social instinct or perhaps through benevolence (a general spirit of charity and love of humanity)?
5. Does cooperation as described by Smith illustrate what Mandeville describes in the *Fable of the Bees*? If so, how? If not, why not?
6. Are human beings different in the way Smith implies? How do these differences allegedly help the division of labor?
7. What does the comparison to dog breeds imply about the differences between individuals? Is this comparison accurate?
8. Are there activities it would be better if people did themselves rather than having others do it for them through the division of labor? Child care? Car maintenance? Thinking deeply about the world, their place in it, and their lives?
9. In what ways could it be good to encourage independence or self-reliance rather than interdependence through the division of labor? In what ways is interdependence better?