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This document has been specifically prepared to highlight some of those key sections of Adam Smith's influential 1776 work, *An Inquiry into the Nature and Causes of the Wealth of Nations*, which themselves may have direct implications for sustainable development.

**NOTE:** Text emphasised personally by Esakin has been placed in *italics*.

**Reference:**

Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations* [online]. McMaster University (Canada) – Archive for the History of Economic Thought. Available from: <http://socserv.mcmaster.ca/econ/ugcm/3ll3/smith/wealth/> [Accessed: 10 January 2008, Re-accessed: 02 April 2008].

**BOOK TWO**

**OF THE NATURE, ACCUMULATION, AND EMPLOYMENT OF STOCK**

**Reference:**

Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations: Book Two – Of the nature, accumulation, and employment of stock* [online]. McMaster University (Canada) – Archive for the History of Economic Thought. Available from: <http://socserv.mcmaster.ca/econ/ugcm/3ll3/smith/wealth/wealbk02> [Accessed: 10 January 2008, Re-accessed: 02 April 2008].

**CHAPTER 1: Of the Division of Stock**

**Paragraph 29 of Chapter 1 (three paragraphs from the end of Chapter 1 in web-link);**  
**(Smith implying the need for the sustainable development of earth's natural environment):**

*"The produce of land, mines, and fisheries, when their natural fertility is equal, is in proportion to the extent and proper application of the capitals employed about them. When the capitals are equal and equally well applied, it is in proportion to their natural fertility." (Italicised emphasis added.)*

**Paragraph 16 of Chapter 1 in web-link:**

**(Smith's perspective on "when" land is seen to have value to humans. This view may have influenced humans to see earth's natural land as having greater value when it is humanly "improved"):**

*"Thirdly, of the improvements of land, of what has been profitably laid out in clearing, draining, enclosing, manuring, and reducing it into the condition most proper for tillage and culture. An improved farm may very justly be regarded in the same light as those useful machines which facilitate and abridge labour, and by means of which an equal circulating capital can afford a much greater revenue to its employer. An improved farm is equally advantageous and more durable than any of those machines, frequently requiring no other repairs than the most profitable application of the farmer's capital employed in cultivating it..." (Italicised emphasis added.)*

## CHAPTER V: Of the Different Employment of Capitals

### Paragraph 12 of Chapter V in web-link;

**(Smith implicitly acknowledging the inherent value of nature and nature's cycles, and his perception of the value which humans then derive from nature):**

"No equal capital puts into motion a greater quantity of productive labour than that of the farmer. Not only his labouring servants, but his labouring cattle, are productive labourers. *In agriculture, too, nature labours along with man; and though her labour costs no expense, its produce has its value, as well as that of the most expensive workmen. The most important operations of agriculture seem intended not so much to increase, though they do that too, as to direct the fertility of nature towards the production of the plants most profitable to man. A field overgrown with briars and brambles may frequently produce as great a quantity of vegetables as the best cultivated vineyard or corn field. Planting and tillage frequently regulate more than they animate the active fertility of nature; and after all their labour, a great part of the work always remains to be done by her.* The labourers and labouring cattle, therefore, employed in agriculture, not only occasion, like the workmen in manufactures, the reproduction of a value equal to their own consumption, or to the capital which employs them, together with its owners' profits; but of a much greater value. Over and above the capital of the farmer and all its profits, they regularly occasion the reproduction of the rent of the landlord. This rent may be considered as the produce of those powers of nature, the use of which the landlord lends to the farmer. It is greater or smaller according to the supposed extent of those powers, or in other words, according to the supposed natural or improved fertility of the land. It is *the work of nature which remains after deducting or compensating everything which can be regarded as the work of man.* It is seldom less than a fourth, and frequently more than a third of the whole produce. No equal quantity of productive labour employed in manufactures can ever occasion so great a reproduction. In them nature does nothing; man does all; and the reproduction must always be in proportion to the strength of the agents that occasion it. The capital employed in agriculture, therefore, not only puts into motion a greater quantity of productive labour than any equal capital employed in manufactures, but in proportion, too, to the quantity of productive labour which it employs, it adds a much greater value to the annual produce of the land and labour of the country, to the real wealth and revenue of its inhabitants. Of all the ways in which a capital can be employed, it is by far the most advantageous to the society." *(Italicised emphasis added.)*

### Last paragraph - Paragraph 12 of Chapter V in web-link;

**(Insight from Smith, important for understanding how to possibly change human behaviour toward that of sustainable practices: that is, focus on personal benefit ("private profit")):**

"*The consideration of his own private profit is the sole motive which determines the owner of any capital to employ it either in agriculture, in manufactures, or in some particular branch of the wholesale or retail trade. The different quantities of productive labour which it may put into motion, and the different values which it may add to the annual produce of the land and labour of the society, according as it is employed in one or other of those different ways, never enter into his thoughts....*" *(Italicised emphasis added.)*