

## Adam Smith and Mercantilism

Adam Smith, Scottish political economist, from his book, *The Wealth of Nations*, 1776 CE

While Great Britain encourages in America the manufacturing of pig and bar iron, by exempting them from duties to which the like commodities are subject when imported from any other country, she imposes an absolute prohibition upon the erection of steel furnaces and slit-mills in any of her American plantations: She will not suffer her colonies to work in those more refined manufactures, even for their own consumption; but insists upon their purchasing of her merchants and manufactures all goods of this kind which they have occasion for. She prohibits the exportation from one province to another by water, and even the carriage by land upon horseback, or in a cart, of hats, of wools, and woolen goods, of the produce of America; a regulation which effectually prevents the establishment of any manufacture of such commodities for distant sale, and confines the industry of her colonists in this way to such coarse and household manufactures as a private family commonly makes for its own use, or for that of some of its neighbors in the same province. To prohibit a great people from making all they can of every part of their own produce, or from employing their stock and industry in a way that they judge most advantageous to themselves, is a manifest violation of the most sacred rights of mankind."

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