

Background for “The Test of a Nation”

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September 2026

Overview

This imagined letter in Adam Smith’s voice draws almost entirely from *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776; hereafter WN). Citations are given at paragraph level following the Glasgow Edition numbering (e.g., WN I.viii.36). The letter rests principally on five bodies of text: the opening paragraphs of the Introduction; the division of labor and the pin factory (WN I.i); the wage chapter, WN I.viii (“Of the Wages of Labour”); the education discussion of WN V.i.f (“Of the Expence of the Institutions for the Education of Youth”); and the account of necessities in WN V.ii.k.

The letter advances the following claims drawn from Smith’s writings:

1. The *Wealth of Nations* opens by framing national opulence as the annual flow of “necessaries and conveniencies of life” that a nation’s labor supplies, judged relative to the number of people who must consume them (WN Intro.1-2).
2. Servants, laborers, and workmen “make up the far greater part of every great political society,” and what improves their circumstances “can never be regarded as an inconveniency to the whole” (WN I.viii.36).
3. “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (WN I.viii.36).
4. It is “but equity” that those who feed, clothe, and lodge the whole body of the people should have such a share of the produce of their own labor as to be themselves “tolerably well fed, cloathed and lodged” (WN I.viii.36).
5. The necessities of life include not only what nature requires but “whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without” — Smith’s examples being the linen shirt and leather shoes (WN V.ii.k.3).
6. What raises wages is not the “actual greatness of national wealth, but its continual increase”; the mechanism is competition among masters for scarce hands where the funds employing labor grow (WN I.viii.17), and among workers for scarce work where they stand still (WN I.viii.24); the dynamic sentence itself is WN I.viii.22.
7. The progressive state is “the cheerful and the hearty state to all the different orders of the society. The stationary is dull; the declining melancholy” (WN I.viii.43).

8. The division of labor is the great engine of a nation's riches, exhibited in the pin manufactory (WN I.i.3).

9. The same division of labor, by confining the worker to a few simple operations, produces the "torpor of his mind," rendering him incapable of rational conversation, just judgment, and the great interests of his country — a state into which the laboring poor of every improved society must fall "unless government takes some pains to prevent it" (WN V.i.f.50).

10. Smith's remedy was specific and limited: a little school in every parish or district, the master "partly, but not wholly paid by the public"; the essential attainments of reading, writing, and account; and the public power to "facilitate," "encourage," and "even impose" their acquisition, including by examination before a man could obtain the freedom of a corporation or set up a trade (WN V.i.f.54-57).

As in the earlier background papers, I back each major claim with Smith's texts, and where the letter extends beyond what Smith explicitly argued, I identify the extension as mine.

1. The Spine: A Test Assembled from Two Applications

Letter's claim: *"But open it to the first page, and you will find that my measure of a nation's wealth was never its treasure. Read it to the end, and it offers a harder test: To judge whether a nation is flourishing, ask what its economy does for — and to — the far greater part of its people: whether their work lets them live decently, and what that work does to their minds."*

Textual Basis

Every substantive component of the spine is Smith's; the assembly is mine, and the letter's wording is chosen to say so.

Smith never states a combined wages-and-minds test in a single sentence. The materials sit in three places. The Introduction frames national wealth as provision relative to population. The wage chapter supplies the judgment about flourishing and the standard of decent living (WN I.viii.36). Book V supplies the judgment about minds (WN V.i.f.50). The letter's verb — the book "offers" a test — was selected in preference to "I proposed" or "my test was" precisely because the one-sentence formulation is my construction from Smith's parts, not a sentence Smith wrote. The letter also signals the assembly in its own geography — "open it to the first page" for the measure, "read it to the end" for the full test.

The assembly is nonetheless faithful to an argument Smith makes. The step from "they are the far greater part" to "their condition is indispensable to judging the whole as flourishing" is not my inference alone; Smith draws it explicitly in a sentence the letter does not quote:

“But what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (WN I.viii.36).

The first of these two sentences is the arithmetic bridge; the second is the letter’s marquee quotation. I omitted the bridge sentence from the letter for compression, and record it here as evidence that the argument’s direction is Smith’s own.

Two wording choices in the spine deserve note. “To judge whether a nation is flourishing” takes its operative word directly from Smith’s “flourishing and happy.” And “whether their work lets them live decently” reflects Smith’s standard of “tolerably well fed, cloathed and lodged,” with necessities defined by decency and custom (Section 3 below). The “for — and to” construction, which organizes the entire letter, is mine.

2. The First Page, the Far Greater Part, and the Flourishing Sentence

Letter’s claim: *“My book opens by measuring a nation’s wealth in terms of the ‘necessaries and conveniencies of life’ its labor supplies to its people... And since servants, laborers, and workmen ‘make up the far greater part of every great political society,’ to know how well a nation is supplied, look first to them.” “From that arithmetic came a sentence I would set above the door of every ministry of finance...”*

Textual Basis

The Introduction’s opening paragraphs frame the wealth of a nation in terms of provision: the annual labor of every nation is the fund which supplies it with “all the necessities and conveniencies of life which it annually consumes,” and the nation is “better or worse supplied” according as that produce “bears a greater or smaller proportion to the number of those who are to consume it” (WN Intro.1-2). This is a framing of national provision or opulence.

Smith’s judgment about workers arrives in WN I.viii.36, where he observes that “servants, labourers and workmen of different kinds, make up the far greater part of every great political society,” draws the arithmetic conclusion quoted in Section 1 above, and issues the flourishing sentence.

The letter’s compression — reading the first page’s framing together with the wage chapter’s arithmetic — is the assembly acknowledged above. The Introduction’s measure is an economy-wide average — annual produce relative to population — not a distributional statistic. A sufficiently unequal distribution could therefore leave the far greater part ill-supplied despite a high average.

The letter’s gloss on the flourishing sentence — “however grand its fortunes, a society that fails the many is not flourishing” — makes explicit what the sentence’s construction implies: Smith’s

claim is constitutive, not charitable. He does not say such a society is ungenerous; he denies it the predicate “flourishing and happy.”

The condition of the many is not a cost to be weighed against national success but a component of what national success means. The framing of that sentence as the test’s floor (“But that tells you only when a nation fails”) is the letter’s device: logically, Smith’s sentence states a necessary condition for flourishing, and the letter’s subsequent sections supply the positive standard. “The door of every ministry of finance” is, of course, my image.

3. Decency by Custom: The Equity Sentence and the Linen Shirt

Letter’s claim: *“I answered in plain terms: those who feed, clothe, and lodge the whole body of the people ’should have such a share of the produce of their own labour’ as to live ’tolerably well fed, cloathed and lodged.’” “I counted among the necessities of life ’whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without.’” “Custom moves with time and country. A nation never outgrows my test. It only changes what passing requires.”*

Textual Basis

Smith’s full sentence reads:

“It is but equity, besides, that they who feed, cloath and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged” (WN I.viii.36).

The letter quotes the sentence in two verbatim fragments and elides its opening clause. The elision is deliberate and should be recorded plainly: in contemporary American usage, “equity” can cue a policy debate distinct from Smith’s meaning, and the letter omits it for rhetorical focus while retaining the fairness claim in the quoted fragments and the surrounding prose.

The definition of necessities is from the discussion of taxes on consumable commodities:

“By necessities I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without” (WN V.ii.k.3).

Smith’s examples are exactly the letter’s: the linen shirt — “strictly speaking, not a necessary of life,” since “the Greeks and Romans lived, I suppose, very comfortably, though they had no linen,” yet in “the present times” a “creditable day-labourer would be ashamed to appear in public without” one — and leather shoes, which “custom... has rendered... a necessary of life in England,” with Smith noting the standard’s variation across Scotland and France and between men and women. This passage does the letter’s most important definitional work: it prevents

“tolerably well” from being read as biological survival. The standard is social decency — appearing in public without shame.

Precision requires marking where the letter stops. Smith’s passage establishes that necessities depend partly on custom and that the customary standard differs across countries, ranks, and time. It does not state a law that economic growth continuously raises the customary standard.

“A nation never outgrows my test. It only changes what passing requires” is my formulation: an application of Smith’s custom-relative standard.

The letter deliberately draws no conclusion about how contemporary American gains have been distributed relative to the customary standard; that question is empirical and contested.

4. Why Wages Rise: Smith’s Dynamic Claim

Letter’s claim: *“Not riches. Growth. ‘It is not the actual greatness of national wealth, but its continual increase, which occasions a rise in the wages of labour.’ The mechanism is a bidding war...”*

Textual Basis

The quotation is exact, and Smith’s next sentence sharpens it:

“It is not, accordingly, in the richest countries, but in the most thriving, or in those which are growing rich the fastest, that the wages of labour are highest” (WN I.viii.22).

The bidding mechanism is likewise Smith’s. Where revenue and stock are increasing, the demand for “those who live by wages” necessarily increases, and masters bid against one another for workers. Smith describes the scarcity of hands occasioning “a competition among masters, who bid against one another, in order to get workmen.” In the stationary case the competition reverses: hands multiply beyond employment, and workers are “obliged to bid against one another in order to get” work, driving wages down toward the rate Smith calls “the lowest rate which is consistent with common humanity.” The competition among masters is WN I.viii.17; the North American example is WN I.viii.23; the stationary-country mechanism and the China examples are WN I.viii.24.

The section’s closing is taken from Smith’s: “The progressive state is in reality the cheerful and the hearty state to all the different orders of the society. The stationary is dull; the declining melancholy” (WN I.viii.43). The letter renders Smith’s subject, “the progressive state,” as the growing state — a paraphrase kept outside the quotation marks, in Smith’s plain sense of progressive as advancing — and quotes the remainder of the sentence verbatim.

The letter also marks the American example with one word that Smith's text does not contain at that point: “free workers.” The wage mechanism of WN I.viii concerns hired labor; enslaved people stood entirely outside it — their scarcity enriched owners, not themselves. On a Labor Day letter, leaving that unmarked risked making colonial America sound like an uncomplicated workers’ paradise. The series returns to Smith on slavery, at length, in October.

The letter's one modern sentence — that in recent decades China grew rapidly, wages surged, and hundreds of millions climbed out of extreme poverty — is a contemporary factual claim, not a Smith claim. The World Bank estimates that close to 800 million people in China moved above the international extreme-poverty line over the four decades following the beginning of reform (World Bank and Development Research Center of the State Council, *Four Decades of Poverty Reduction in China*, 2022), and the ILO estimates that average monthly real wages in China in 2022 were about 2.6 times their real value in 2008 (International Labour Organization, *Global Wage Report 2022–23*). How China's growth began is a large institutional question the letter does not enter.

5. The Level Comparison the Letter Omits

Smith’s own presentation of the American exhibit turns on a level comparison the letter does not use: “England is certainly, in the present times, a much richer country than any part of North America. The wages of labour, however, are much higher in North America than in any part of England” (WN I.viii.22-23).

The letter omits it because, to a modern reader trained to connect wage levels to productivity levels, a level fact explained by a growth rate reads as a non sequitur unless the underlying model is taught — and a thousand-word letter cannot teach it. The letter therefore confines itself to change-language and direct observation: rising pay amid scarce hands; begging amid stagnation.

6. China’s Stagnation: Smith’s Institutional Explanation

Smith had more to say about China. Those additional assessments tie this letter to an earlier one in the series.

China, he wrote, “had perhaps, even long before his time, acquired that full complement of riches which the nature of its laws and institutions permits it to acquire” (WN I.viii.24); and in the following chapter, that this complement “may be much inferior to what, with other laws and institutions, the nature of its soil, climate, and situation might admit of.”

Among those institutions he names insecurity of property for the poor: where “the rich or the owners of large capitals enjoy a good deal of security, the poor or the owners of small capitals enjoy scarce any, but are liable, under the pretence of justice, to be pillaged and plundered at any

time by the inferior mandarines” (WN I.ix.15). In Smith’s diagnosis, China’s attainable ceiling was partly set by its laws and institutions; its stagnation was therefore not simply a geographic destiny.

This is a failure of the very pillar — justice — that was the subject of the June letter. The September letter omits this thread for space; I record it because it shows Smith’s assessment as an institutional diagnosis, which is why the modern reversal, under changed institutions, is consistent with his institutional diagnosis rather than a refutation of it. This section reconstructs Smith’s diagnosis of the China described to him by eighteenth-century reports; it does not independently endorse the accuracy of every report on which he relied.

7. The Pin Factory and Its Shadow

Letter’s claim: *“The engine of a nation’s riches is the division of labor. I made a pin factory famous to prove it...” “That is the miracle. Here is its shadow.” “The person whose whole life is spent on a few simple operations ‘generally becomes as stupid and ignorant as it is possible for a human creature to become.’... I did not blame the worker. I blamed the work that asked nothing of his mind.”*

Textual Basis

The pin factory is WN I.i. Smith’s text contains two distinct contrasts, and the letter is careful to use the right one. The first concerns “a workman not educated to this business,” who “could scarce, perhaps, with his utmost industry, make one pin in a day, and certainly could not make twenty.” The second — the letter’s — concerns the same ten men Smith saw divide the work into “about eighteen distinct operations” and produce “upwards of forty-eight thousand pins in a day”: had they “all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day” (WN I.i.3).

The shadow is WN V.i.f, and the passage deserves quotation at length, because the letter compresses it severely:

“The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private

life. Of the great and extensive interests of his country he is altogether incapable of judging... His dexterity at his own particular trade seems, in this manner, to be acquired at the expence of his intellectual, social, and martial virtues. But in every improved and civilized society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it.” (WN V.i.f.50)

The letter’s “unfit for conversation, judgment, and the duties of a citizen” compresses Smith’s list — rational conversation; generous, noble, or tender sentiment; just judgment concerning the ordinary duties of private life; the great and extensive interests of his country; and, in the elided clause, the country’s defense. “Duties of a citizen” is my summary term for the civic tail of that list.

“I did not blame the worker. I blamed the work that asked nothing of his mind” is my wording, added to prevent a modern reader from hearing contempt in Smith’s brutal language. Its substance is directly Smith’s causal analysis in the passage above: the worker “has no occasion to exert his understanding,” and “naturally loses, therefore, the habit of such exertion.” The preceding sentence of Smith’s text states the general law the letter’s line presupposes: “the understandings of the greater part of men are necessarily formed by their ordinary employments” (WN V.i.f.50). The fault, in Smith’s account, lies in the structure of the work, not the worker.

I want to address an issue that some Smith scholars call an inconsistency: specialization leads to innovation and the “torpor” of the mind. E. G. West treated the two passages as genuinely conflicting views, and Nathan Rosenberg argued that they can be reconciled (E. G. West, “Adam Smith’s Two Views on the Division of Labour,” *Economica* 31, no. 121 (1964): 23-32; Nathan Rosenberg, “Adam Smith on the Division of Labour: Two Views or One?” *Economica* 32, no. 126 (1965): 127-139).

In WN I.i, Smith argues that 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,” so that workers in each branch “should soon find out easier and readier methods of performing their own particular work,” and indeed “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” (WN I.i.8). Book I thus credits divided labor with sharpening the worker’s ingenuity.

Book V says it makes him “as stupid and ignorant as it is possible for a human creature to become.”

I adopt a Rosenberg-like reading, and Smith himself supplies its core in the torpor passage itself: “His dexterity at his own particular trade seems, in this manner, to

be acquired at the expence of his intellectual, social, and martial virtues” (WN V.i.f.50).

The specialization that concentrates the mind on a single object makes it better at that object — quicker, defter, and, while the work still admits of improvement, inventive within it — and duller beyond it: less able to grasp the whole of which the task is a part, to reason generally, or to judge concerns wider than the operation before it. The two books describe the two sides of one exchange, dexterity purchased with breadth.

Book V adds a temporal point that completes the account: once an operation is perfected and its effects are “always the same, or very nearly the same,” the worker “has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur” — even the task-local ingenuity of Book I presupposes work still capable of surprising its worker, and Smith notes in Book I that as manufactures mature, improvement migrates to specialist machine-makers and to “philosophers or men of speculation” (WN I.i.9). The further distinction developed here — task-specific ingenuity while a process remains open to improvement, torpor once the operation becomes fixed — is my interpretation of the two passages.

It is the reading on which the letter is built: the letter’s “miracle” and “shadow” are the two sides of one exchange, not two Smiths.

I took some editorial license in writing that the pin factory is “the most famous story I ever told.” It is not, I believe, an unfair characterization, though I can offer no proof.

8. What Smith Actually Proposed

Letter’s claim: *“A little school in every district, its master ‘partly, but not wholly paid by the public.’ The essentials — to ‘read, write, and account’ — facilitated, encouraged, and even required. Modest in curriculum, ambitious in reach: a nation that grows rich by narrowing its people’s work owes them the means of keeping their minds whole.”*

Textual Basis

The letter is deliberately exact about the scale of Smith’s remedy, because Smith is so often conscripted as a generic advocate of state-provided education. His proposal, in WN V.i.f.54: “For a very small expence the public can facilitate, can encourage, and can even impose upon almost the whole body of the people, the necessity of acquiring those most essential parts of education.”

Facilitation means “establishing in every parish or district a little school, where children may be taught for a reward so moderate, that even a common labourer may afford it; the master being partly, but not wholly paid by the public; because, if he was wholly, or even principally paid by

it, he would soon learn to neglect his business” (WN V.i.f.55). (The letter cut that incentive-design clause for space; it is quintessential Smith, wary of full public salary even in his own proposal, and pointing to Scotland’s parish schools as the working example.) Encouragement means “small premiums, and little badges of distinction” for children who excel (WN V.i.f.56). Imposition means “obliging every man to undergo an examination or probation” in the essentials “before he can obtain the freedom in any corporation, or be allowed to set up any trade either in a village or town corporate” (WN V.i.f.57). The essentials are “to read, write, and account.”

“Modest in curriculum, ambitious in reach” is my characterization, and it is arithmetically Smith’s: the curriculum focuses on three essentials with the goal of reaching “almost the whole body of the people.” The letter’s principle sentence — a nation that grows rich by narrowing its people’s work “owes” its people the means of keeping their minds whole — states as an obligation what Smith argues as a necessary public interest: the laboring poor “must necessarily fall” into the torpor “unless government takes some pains to prevent it,” the education of the common people “requires... the attention of the publick” (WN V.i.f.52-53) in a civilized and commercial society more than that of people of rank (who provide it privately), and the state “derives no inconsiderable advantage from their instruction” (WN V.i.f.61). The word “owes” is my moral compression of that case; the case itself is Smith’s.

The letter’s one contemporary gesture, “Your machines have changed; the question has not. Wherever work grows narrow, repetitive, and paced by something other than the worker, my warning waits,” is mine. It names no technology deliberately: Smith’s diagnosis concerns the structure of work (narrow, repetitive, mentally undemanding).

A qualification on finance. Smith did not prescribe one exclusive financing model. In the conclusion to Book V.i, he says that education may without injustice be funded by the general contribution, but that its expense might with equal propriety, and perhaps some advantage, be borne entirely by beneficiaries or voluntary contributors; where those sources prove insufficient, general revenue should make up the deficiency (WN V.i.i.5–6). The letter therefore attributes public responsibility, partial support, and even compulsion of basic attainment to Smith—not a categorical commitment to a wholly tax-financed or state-operated school system.

9. The Close

Letter’s claim: *“A flourishing nation improves the circumstances of the people who do its work without diminishing the people themselves. Do not ask only what workers produce. Ask what their work produces in them.”*

Textual Basis

The first sentence joins the letter’s two applications, and each half is anchored. “Improves the circumstances” is lifted from the arithmetic bridge sentence recorded in Section 1: “what

improves the circumstances of the greater part can never be regarded as an inconveniency to the whole” (WN I.viii.36). Thus, the close returns the letter to the one Smith sentence it never quoted. The letter’s phrase, “Without diminishing the people themselves,” summarizes the Book V shadow. The joining of the two into a single standard of national flourishing is the letter’s synthesis, as throughout.

In writing, “Do not ask only what workers produce. Ask what their work produces in them.”, I am building directly on Smith, as noted in Section 7: the understandings of the greater part of men “are necessarily formed by their ordinary employments.” Work is, in Smith’s account, literally productive of the worker’s mind; the close states that fact as an imperative of attention. The final line returns the test to the reader, which is where Smith’s own procedure leaves it: he supplied the criteria and the evidence of his age; the verdict on any nation or time is an application.