

ADAM SMITH'S THE WEALTH OF NATIONS

— THE GRAPHIC NOVEL —

"GIVE IN TO YOUR OWN
SELF-INTEREST AND
BUY THIS BOOK."

— *The Tartan Tribune*

"BE SURE TO LAY YOUR
INVISIBLE HAND
ON A COPY"

— *Auld Reekie Review*



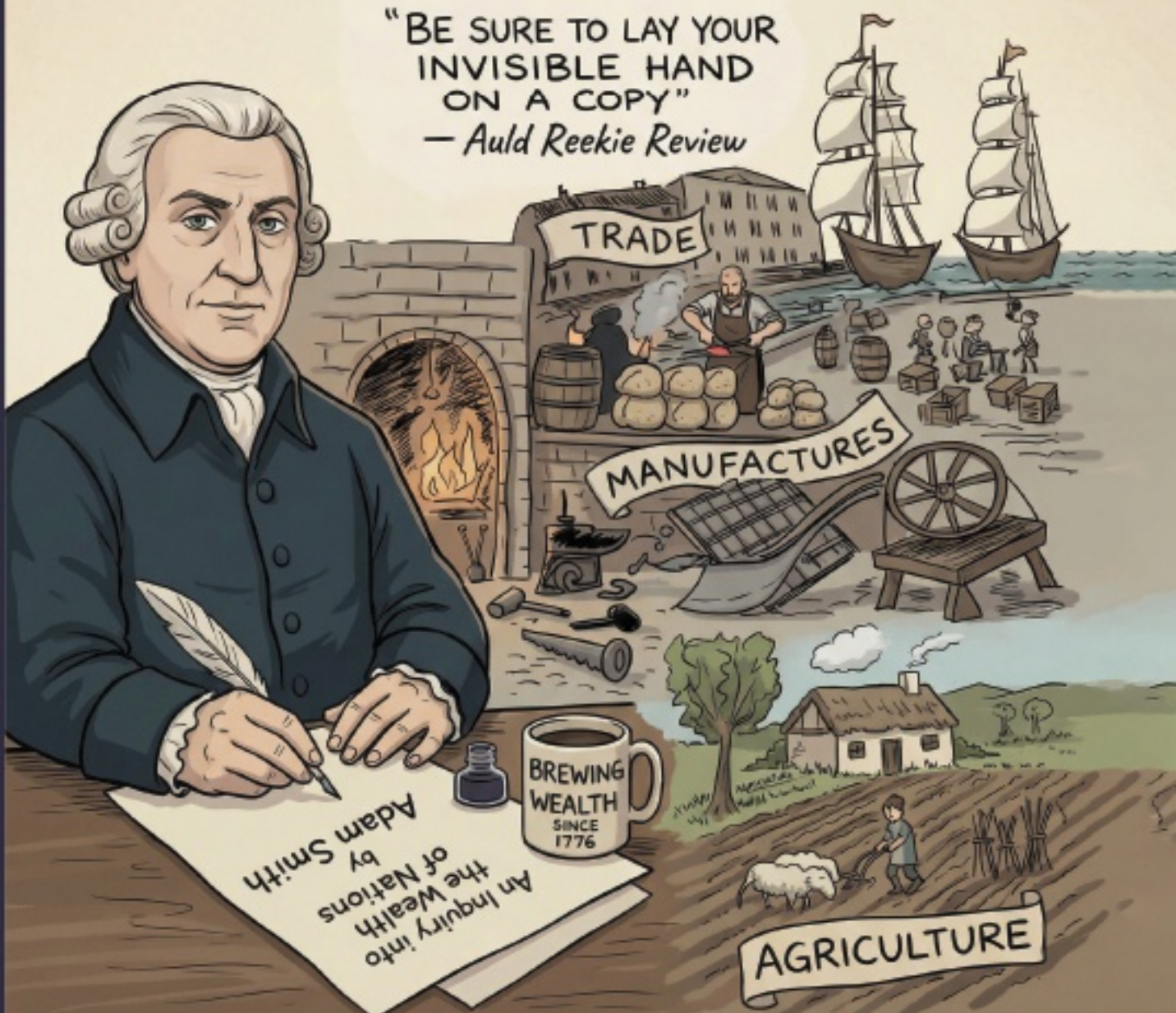
An Inquiry into
the Wealth
of Nations
by
Adam Smith

BREWING
WEALTH
SINCE
1776

TRADE

MANUFACTURES

AGRICULTURE



KIRKCALDY PUBLIC LIBRARY

ALL BOOKS TO BE RETURNED
BY DATE SHOWN

AS 1776

Adam Smith, The Wealth of Nations

8 MAY 1776	
10 AUG 1776	
20 AUG 1776	
15 SEP 1776	
10 Nov 1776	
20 DEC 1976	
12 JAN 1776	
14 APR 1777	

FINES FOR OVERDUE BOOKS

First week 1d per day, 2d per day thereafter

AS 1776

~	~~~~~
~	~~~~~
~	~~~~~

ADAM SMITH'S THE WEALTH OF NATIONS

— THE GRAPHIC NOVEL —

BY
EAMONN BUTLER

ILLUSTRATED BY
MAX RANGELEY & PARTNERS



First published in 2026 by the
Adam Smith Institute
In association with the
Foundation for Economic Education

Copyright © Adam Smith Research Trust, Eamonn Butler

The moral rights of the author have been asserted. All rights reserved. Without limiting the rights reserved above, no part of this publication may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of both the copyright owners. Permission to reprint or translate should be sought from the author.

Graphics by Max Rangeley & Partners
Printed by Ex Why Zed, Colchester CO1 2PQ, UK
ISBN 978-1-918656-00-8

ABOUT THE AUTHOR

Dr Eamonn Butler is Co-Founder of the Adam Smith Institute in London and author of a number of introductory books on economists and economic topics, including *Adam Smith—A Primer*, and *The Condensed Wealth of Nations*.

The author wishes to thank his colleagues at the Adam Smith Institute for their support and assistance in this production.

GLOSSARY

Of Scottish and vernacular terms used in the text

A'—All • An'—And • Ane—One • Anither—Another •
Awa'—Away • Aye— Yes/OK • Bairn—Child • Cauld—Cold
• Dinnae—Don't • Frae—From • Hen—Madam • Kist—Box
• Laddie—Young man • Laird—Lord • M'Lud—My Lord •
Ma—My • Mair— More • Makkin'—Making • Maun—Must •
Morn—Morning • Nae—No • Neep—Turnip • No'—Not •
Numpty—Idiot • O'—Of • O'er—Over • Och—Oh • Porkie
Pie—Lie • Sae—So • Tatties—Potatoes • Toon—Town •
Traipse—Wander • Tuppence—Two pence •
Wantin'—Wanting • Wee—Small • Wha—Who • Wi'—With
• Ye—You • Yer—Your.

THE WEALTH OF NATIONS

THE GRAPHIC NOVEL

SO WHY IS THIS
OLD BOOK SO
IMPORTANT??



FRIEDMAN KEYNES HAYEK

RICARDO

MILL

SMITH

MARX

Well,
it *was* the
foundation of
modern
economic
science...



It showed the importance
of *specialisation*, trade and
markets. How they work...
and how governments
mess them up!

It's one of the
greatest books
ever...

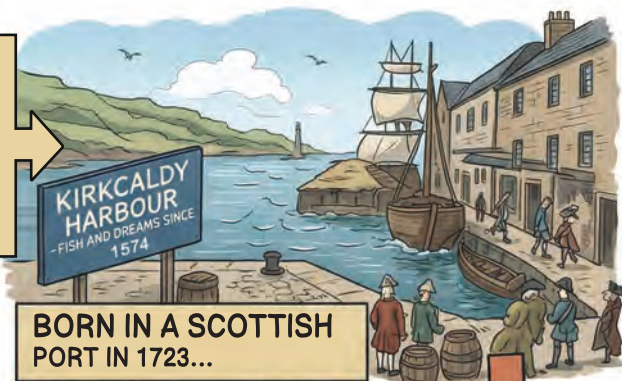
Though
it's very hard
to read...



THE
WEALTH OF
NATIONS

OK, let's
liven it up,
then!

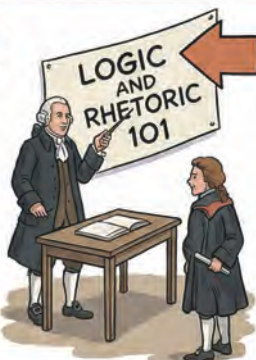
AND WHO WAS THIS ADAM SMITH GUY?



BORN IN A SCOTTISH PORT IN 1723...



WROTE ON MORALITY AND BECAME WORLD FAMOUS...



BECAME A PROF IN GLASGOW, TEACHING PHILOSOPHY...



SHONE AT SCHOOL, WENT TO GLASGOW UNIVERSITY AT 12...



STARTED TO THINK ABOUT ECONOMIC LIFE...



WROTE IT DOWN AND ...



...BECAME INTERGALACTICALLY FAMOUS!

AND WHY DID HE WRITE THIS BOOK?



Well, trade rules in Smith's time were tighter than a corset at a court carousel!

Importing printed calico? You're nicked!

Sire, these new-fangled machines will put us craftsmen out of a job!

OK, I'll ban them. Now get out, wretches!

Lending above the official rate? You're off to the Clink!

SMITH THOUGHT RESTRICTIONS ON TRADE WERE HARMFUL...

Back to Auchtertool, laddie. Only Kirkcaldy tradesmen can work here.

But there's no work there! I'll starve!

KIRKCALDY AN UNFAIR TRADE TOWN

SHOES BY ANGUS MCCLOGSUP

NOW TWICE THE PRICE - By Order, Shoemakers Guild.

They deny the work to the poor...

...and raise the prices of goods.

Free exchange makes buyers *and* sellers better off. Trade promotes harmony between nations. What's not to like?

I must explain the benefits of economic freedom and the harm done by controls.

And make economics a modern science!

With The Wealth of Nations, that is exactly what Smith did. And in it, he invented many of the ideas that economists still use today.

Awesome!



THE WEALTH OF NATIONS

BOOK I

OF THE CAUSES OF IMPROVEMENT IN THE PRODUCTIVE POWERS OF LABOUR, AND OF THE ORDER ACCORDING TO WHICH ITS PRODUCE IS NATURALLY DISTRIBUTED AMONG THE DIFFERENT RANKS OF THE PEOPLE

In which Dr Adam Smith shows how specialisation, productivity and the distribution of wealth through wages, profits and rent drive economic progress.

Bit of a flowery title...

Typical of Adam. But it's just about wealth creation.

1. WHAT WEALTH IS — AND ISN'T

KING GEORGE III AND THE PRINCE OF WALES CHECK THE NATION'S WEALTH — SO THEY THINK...

And you know how we rake in this cash?

Selling lots abroad but keeping foreign goods out?

Gold! Silver! The source of our nation's wealth and power, young George!

And yours, father. You could buy all the tea in China with that.

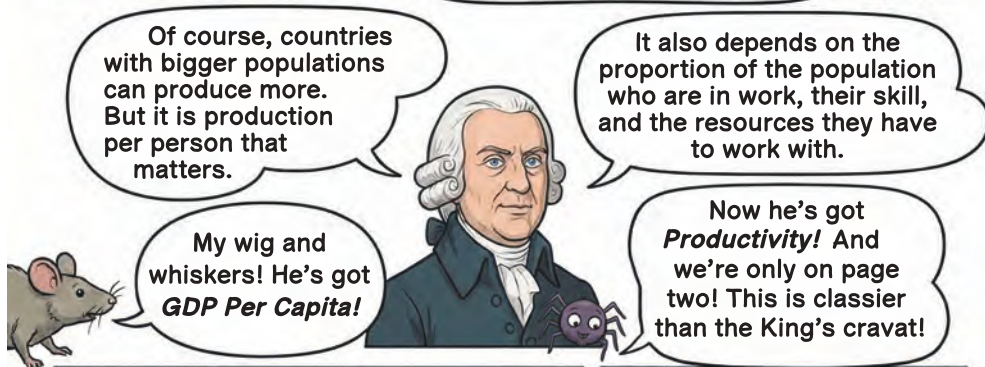
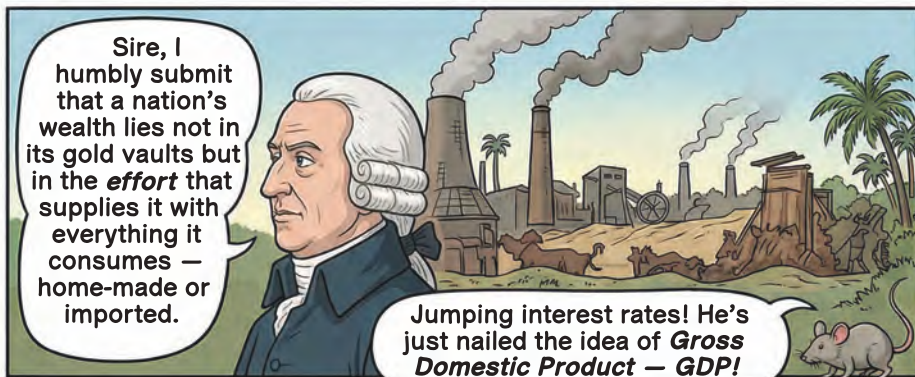
Let's not go into my tea habit.

That's it, lad! Ban foreign cloth and cheese, keep out foreign workers! Subsidise our goods and sell 'em cheap abroad! And make sure those annoying colonists buy only from us!

Ah, Dr Smith! I was just telling the prince how we grow rich by keeping out foreign goods and hoarding gold and silver.

Far be it from me to take issue, Your Majesty...

You think different, Dr Smith? Well, speak your mind!



2. SO WHAT MAKES OUR PRODUCTION SO ...ER, PRODUCTIVE?

ADAM SMITH SHOWS HIS STUDENT, THE YOUNG DUKE OF BUCCLEUCH, AROUND A PIN FACTORY

The key to efficient production, Your Grace — and thus to everyone's prosperity — is specialisation: *the division of labour*.

Let me show you it at work in this tannery....

Ah, yes! Well, this pin factory, then.

Best not, Dr Smith. You know what happened last time...!

Pins may seem a trifling product...

...But there are 18 separate steps in their manufacture...

A third points it...

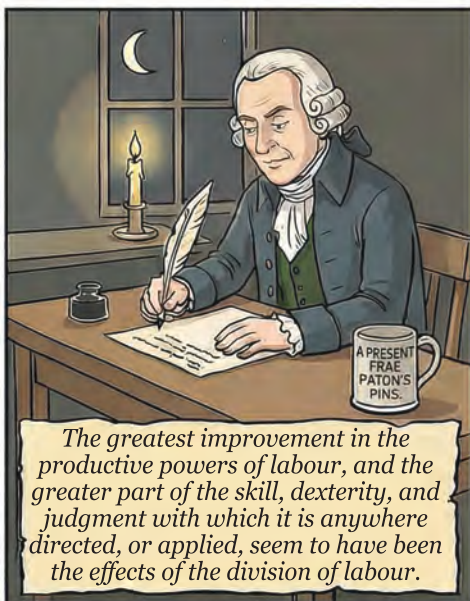
Another straightens it...

One man draws the wire...

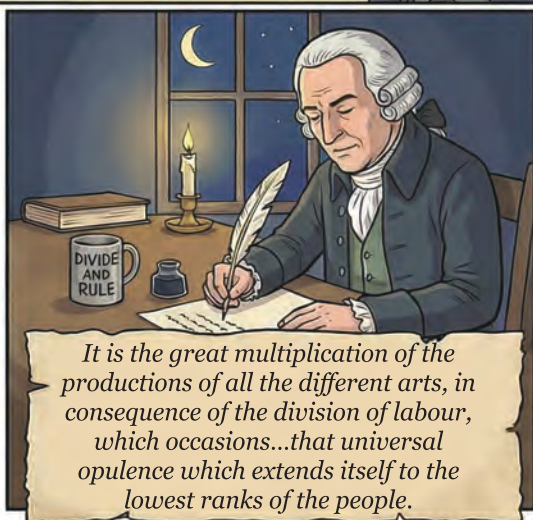
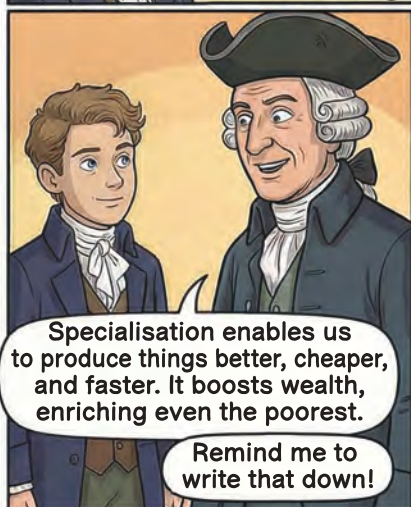
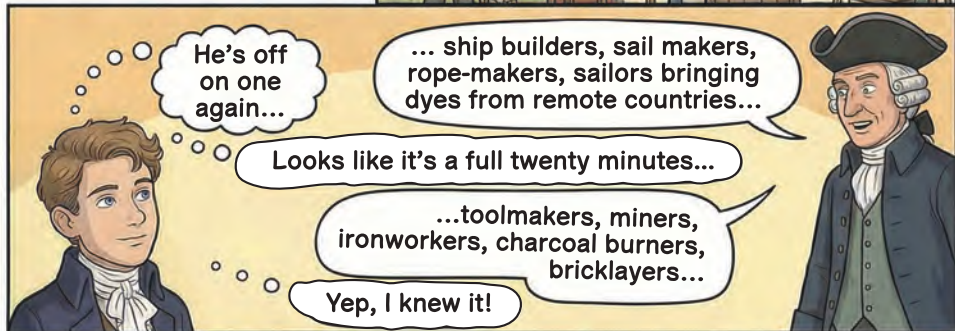
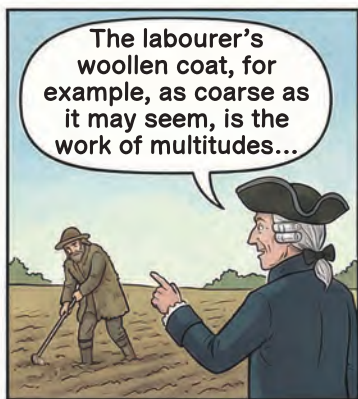
A fourth grinds the top to receive the head...

Another whitens and packs the pins...

...And more — all done by specialist hands using specialist tools.



3. TRADE — IT'S A VERY COOPERATIVE ACTIVITY!





ODE TO THE FABRICATION OF A SIMPLE WOOLLEN COAT

In the manner of Robert Burns (1759-1796)

Author of

My Love is like a Red, Red Nose, Undress to the Haggis, etc

O' woollen coat, sae rough and plain,
That warms the back o' labour's swain,
Its makkin's no a simple feat,
But weaves a tale o' toilers sweet.
The shepherd wi' his flock sae true,
The sorter, carder, combers too,
The dyer wi' his vats o' hue,
The spinner, weaver, fuller's crew —
A' their airts, an' sweat an' brain,
Maun join to craft this garment plain.

The merchants stout, the carrier host,
Wha traipse the land, frae coast to coast,
They bear the wool frae far and near,
O'er hills and glens, through weather drear.
And sailors bold, wi' ships sae tall,
Wi' rope and sail, they heed the call,
Frae distant shores, wi' strange plants growing,
To tint the cloth wi' colours' glowing.
What shipwrights, sailmakers, toilers a',
Bring a' these gifts frae worlds afar!

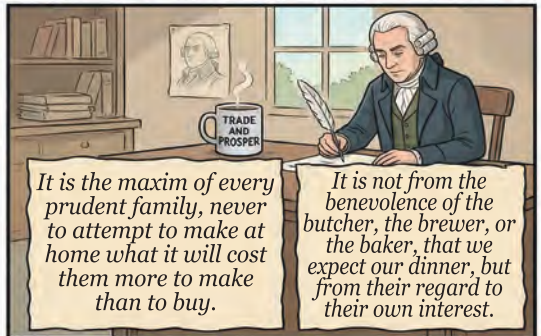
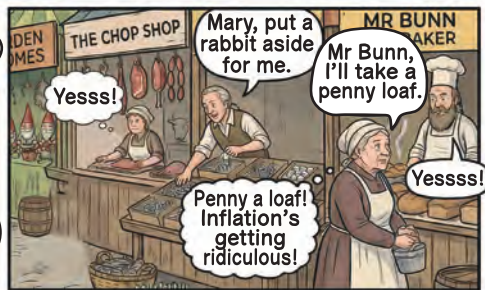
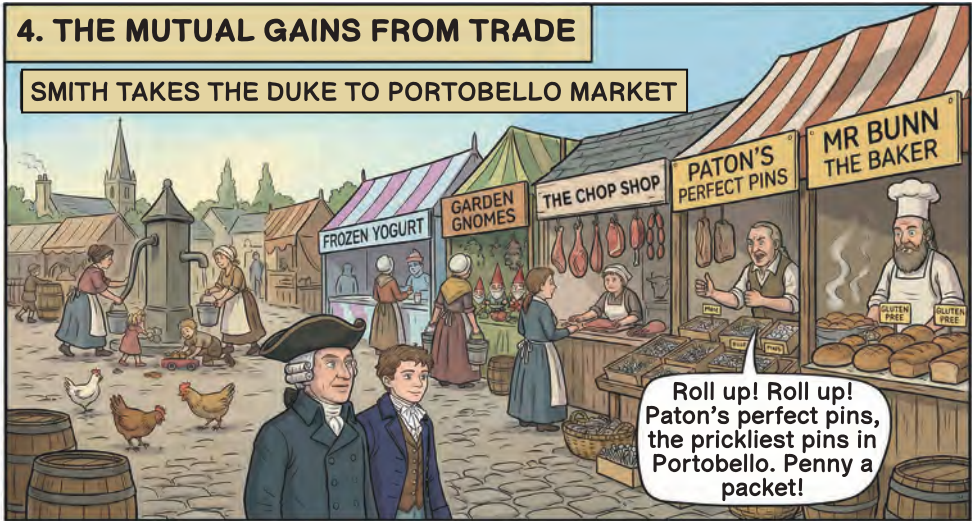
And think ye on the tools they wield,
The humble shears in shepherd's field!
Nae simple blade, but wrought wi' care,
By hands that delve in earth's deep lair.
The miner hews, the furnace roars,
The timber falls, the metal pours.
Brick-makers mould, and hammers clang,
The mill-wright's craft, the forger's bang —
A' these, and mair, their labours blend,
To shape these tools frae start to end.

Aye, this plain coat, sae coarse, sae rude,
It bears the sweat o' multitude.
Frae loom to sea, frae mine to mill,
A thousand hands its tale fulfil.
Sae raise a glass to toilers' might,
Wha craft our coats frae morn till night!



4. THE MUTUAL GAINS FROM TRADE

SMITH TAKES THE DUKE TO PORTOBELLO MARKET



5. THE WIDER THE MARKET, THE MORE WEALTH IS CREATED BY SPECIALISATION

ADAM SMITH BRINGS THE YOUNG DUKE OF BUCCLEUCH TO LONDON.



Like our driver's coach and four...



The baker's oven...



The pin maker's machines...



The butcher's block and knives...



...and our porter's trolley. All these good folk save, from their earnings, to acquire these tools...



...which enable them to produce more, better, cheaper and faster?



Precisely. And so the more the nation's prosperity grows. We all benefit from specialisation and exchange.

But, Dr Smith, some people benefit more. Their earnings are much higher than others.



True, but there are non-money elements to work too. It may be better paid because...



It's dirty and difficult...



Or costly to learn...



Or seasonal...



Or is hard to succeed in.

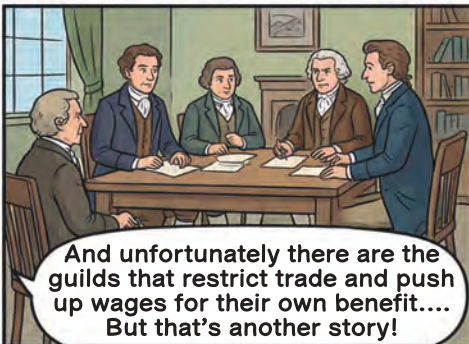


Or risky.

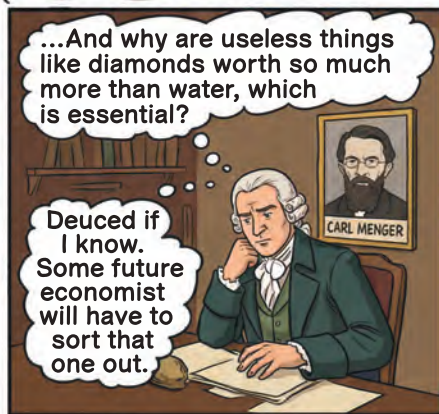
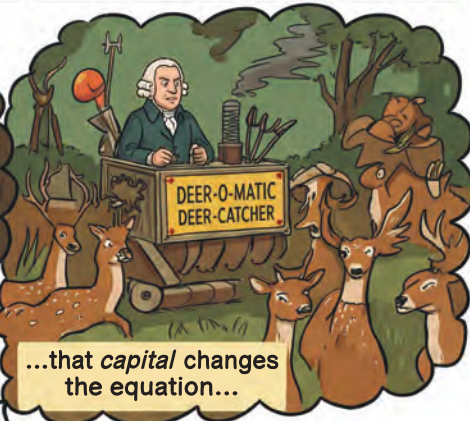
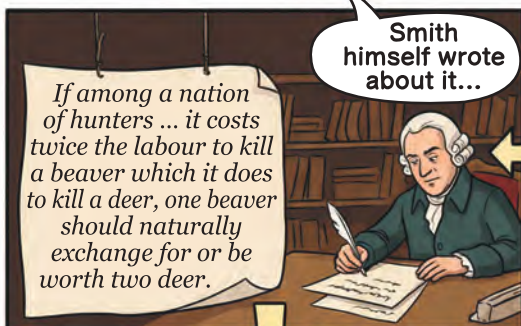
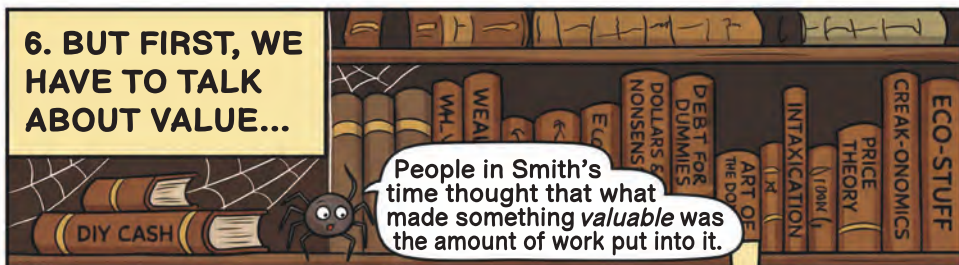
Curse those stocking frames!



And unfortunately there are the guilds that restrict trade and push up wages for their own benefit.... But that's another story!



6. BUT FIRST, WE HAVE TO TALK ABOUT VALUE...



7. HOW GREED AND CRONYISM CORRUPT MARKETS



But back to the story...

IT'S CUTLERS GUILD SOCIAL NIGHT AT THE JOLLY MERCHANT...

♪ Only a guild in a curdled beige... ♪

INSIDE

CUTLERS' GUILD SOCIAL NIGHT

To merriment and diversion, my friends!

Aye, no business tonight, eh? Haha!



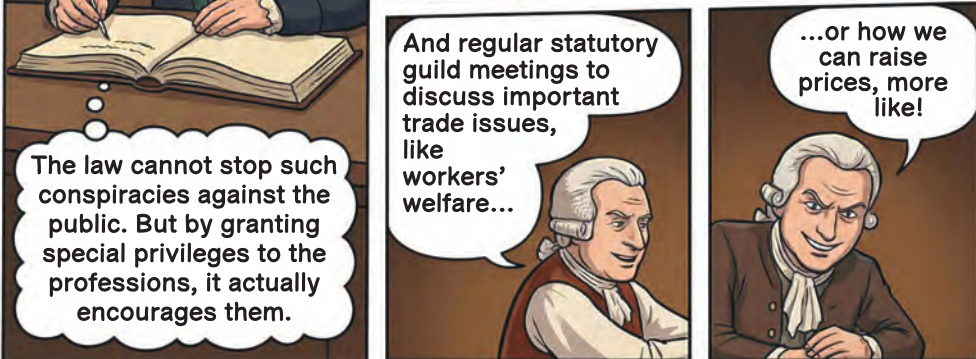
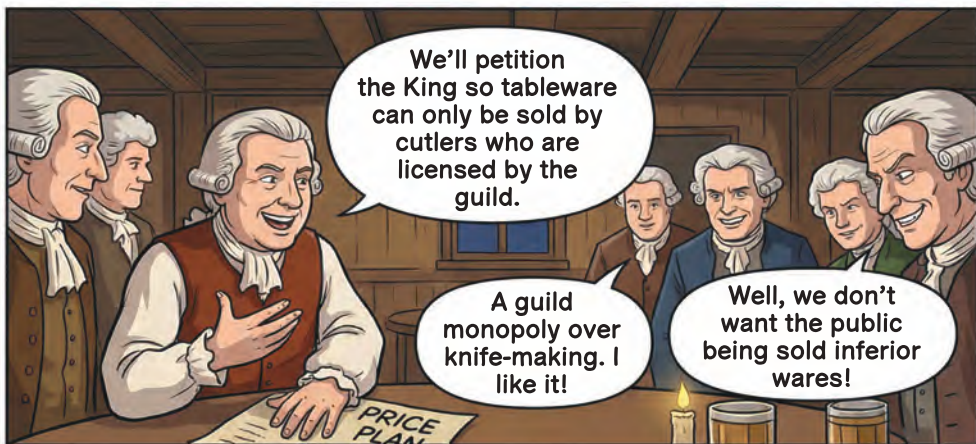
People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices....

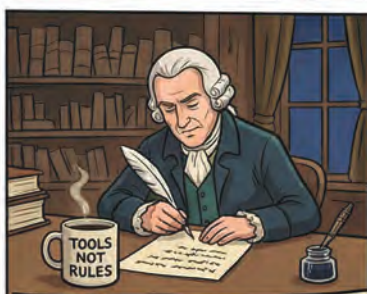
LATER...

If we all agree to raise our prices, the customers will have no choice but to pay more!

But what's to stop competitors coming in and charging less?

PRICE-FIXING PLAN





A regulation which obliges all those of the same trade ... to enter their names and places of abode in a public register, facilitates such assemblies....

A regulation which enables those of the same trade to tax themselves in order to provide for their poor renders such assemblies necessary.

An incorporation makes the act of the majority binding upon the whole...

LATER...



The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention.



In the Manner of Hans Christian Anderson (1805-1875)

Author of

*The Little Marmalade * The Princess and the Flea * Thumb Banana etc*

IN THE enchanted realm of Chromatica, where sapphire rivers sang, Queen Elara's long reign was a tapestry of joy. The people wore vibrant hats, flowing gowns, and dazzling shoes. The markets were filled with rainbows of silk and velvet.

BUT when Queen Elara passed away, a hush fell over the land. A year of mourning was declared, and people cast aside their colourful costumes for sombre clothes, to respect their beloved queen. Now no one would buy the drapers' bright fabrics, even for pennies. It was black cloth that commanded premium prices.

YET the merchants of Freetown were quick and clever. They offered dyers large sums to turn their bright fabrics black, paying double for swift work. And they paid tailors high wages to stitch black cloaks.

AS word of the high prices spread, new merchants flocked to Freetown's markets. Dyers and tailors worked by candlelight to meet the people's demand. Soon, the price of black cloth fell, so even the poorest villagers could afford black shawls. Like an invisible enchanter, the market had drawn dyes, cloth and workers together to meet the people's needs. Now every soul in Freetown was clad in black to honour their late queen.



WHEN the year of mourning ended, the new King was enthroned. Black cloth, now unwanted, piled up in the drapers' stalls. The people clamoured for scarlet doublets, turquoise gowns, and golden



hats, gladly paying high prices for the brightest hues. So the Freetown merchants worked late into the night. Dyers made radiant new pigments. Tailors crafted shimmering garments. New drapers' shops opened up. Soon every villager, rich or poor, could celebrate in the latest fashions.

TWICE the market had worked its magic. It had pulled dyes, cloth, and workers to where they were most valued—first to mourning black, then to jubilant colour—ensuring that Freetown, whether grieving or rejoicing, was always clothed as it desired.

BUT the people of neighbouring Boundbury were less fortunate. When the demand for black cloth rose, their



town council ruled that its price should be cut, so that everyone might afford black clothes. Next day, when the Boundbury drapers had sold out, they refused to buy in more, since they could make no profit from it. And because the council had ruled that only guild-approved drapers could operate in Boundbury, no others could come in. So the townsfolk had to stay indoors to avoid the disgrace of wearing their normal vibrant colours during the mourning period. Only a year later could they emerge.

**AND THE MORAL IS: AS ADAM SMITH SAID, FREE AND OPEN MARKETS
DELIVER VALUE QUICKLY AND EFFICIENTLY TO WHERE IT IS DESIRED
— BUT ARE EASILY EXTINGUISHED BY GREED AND REGULATION.**

THE WEALTH OF NATIONS

BOOK II

OF THE NATURE, ACCUMULATION, AND EMPLOYMENT OF STOCK

In which Dr Adam Smith examines the role and accumulation of capital, and productive and unproductive work.

A bit briefer...
but what does it
mean?

How *capital* drives economic growth.

Capital?
You mean
money?

Oh, no. Gold and silver don't
produce stuff. It's *investment* that
helps create prosperity. Let Adam
Smith explain it.

1. CAPITAL AND THE CITIZEN

Dr Smith,
you said you
would teach
me about
wealth. So why
have we come
to this poor
village?

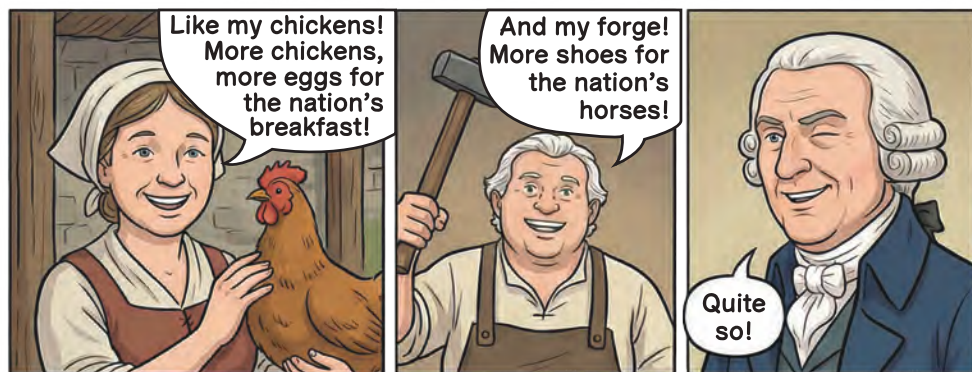
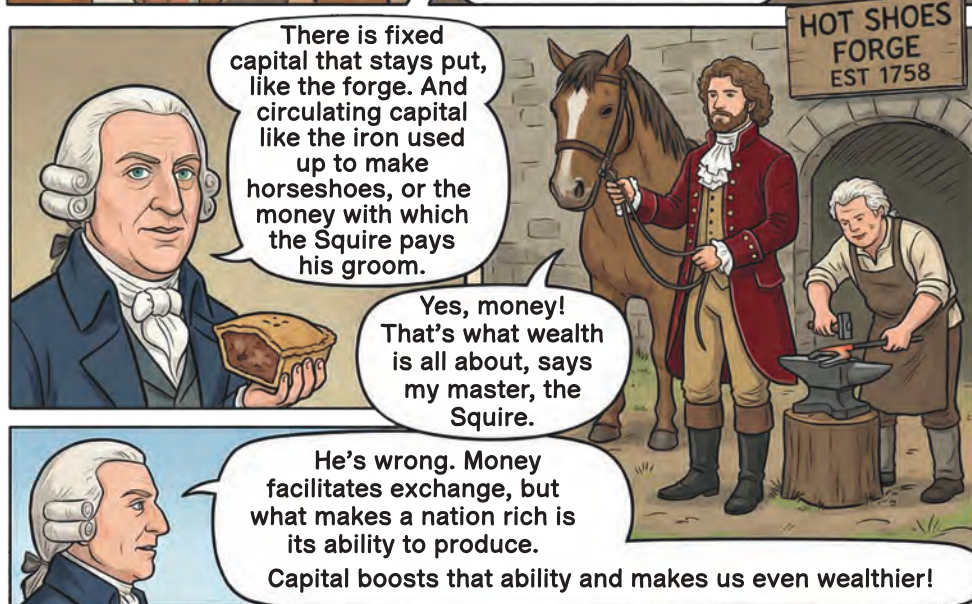
It's a common
mistake to think that
wealth is money— like
the gold in a
merchant's pockets.
But once that's spent,
it's spent.

What people own,
though — their stock
— can be used to
generate *future*
prosperity.

Some of what we
own is for living and eating.
Like our clothes, or the pie
that I have just bought....

My pies are
farm-tastic!

FRESH PIES &
EGGS



2. HOW SAVING AND CAPITAL ACCUMULATION BOOSTS PROSPERITY

To accumulate capital, people need to save part of their income, rather than *consuming* it.

You mean, not spending it all for their present enjoyment?

Exactly. Then they can invest their savings into *capital* that raises the value of *productive* labour — labour that *adds value* to things, like turning iron and wood into tools.



Another poem in iron and wood, lads! That'll serve the farmer for years!

And what would you call *unproductive* labour?

That of service providers like...

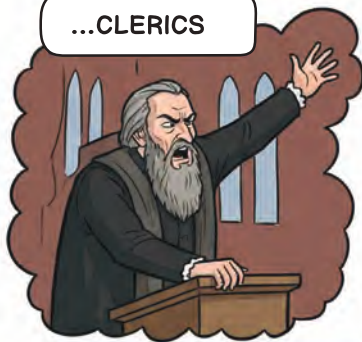
Servants....



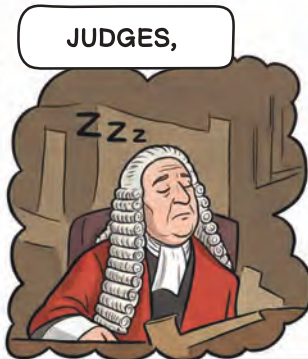
...dancers and musicians.



...CLERICS



JUDGES,



BUFFOONS.



THEIR WORK IS ENJOYED — OR *ENDURED!* — ON THE SPOT AND LEAVES NOTHING PERMANENT BEHIND.

But Dr Smith! People do value such things, and they create lasting memories.

You are a good student, Your Grace! Most people in our century think services produce no value at all!

My point is that the more that we consume right away, the less we have left for investment...
...so future prosperity will be lower.



Mercantilists just don't get this...

...to them, money is for parading your riches today, not investing for tomorrow.

GOLDHOARD & CO-MERCANTILIST BANK



Hoard and spend! That's my motto!

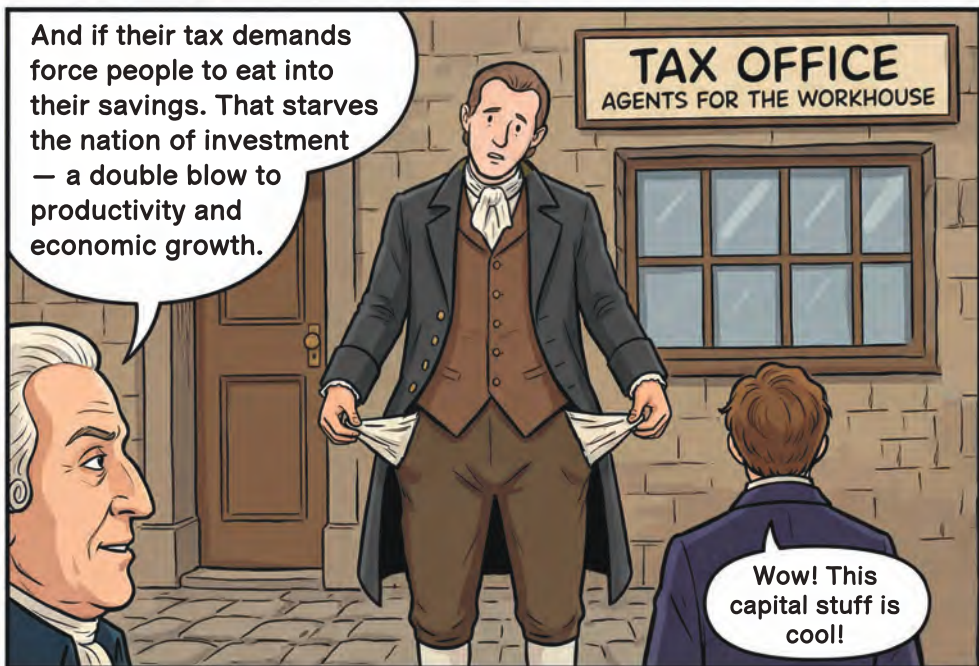
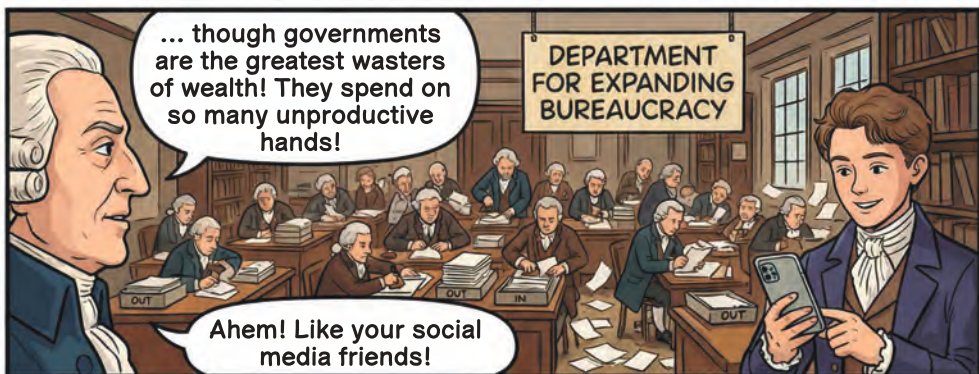
But if we consume too much and don't save...

There won't be enough for investment...



And our economy will shrink...

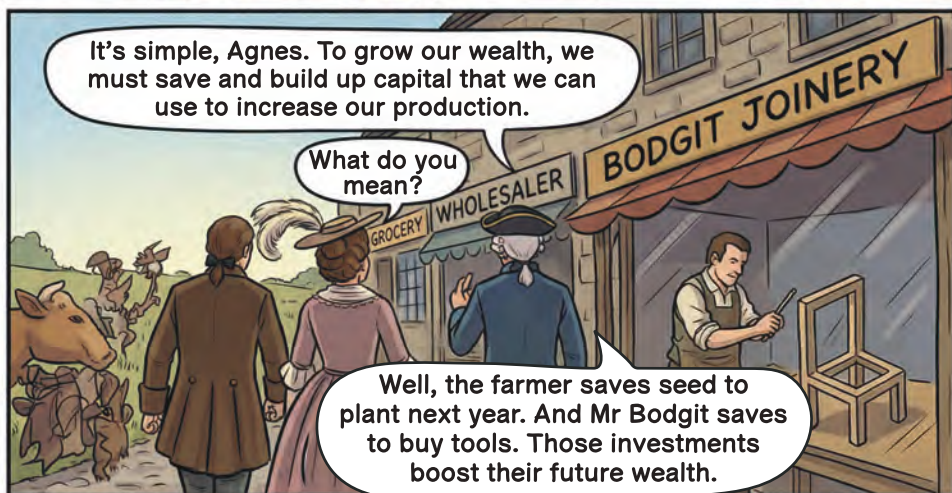
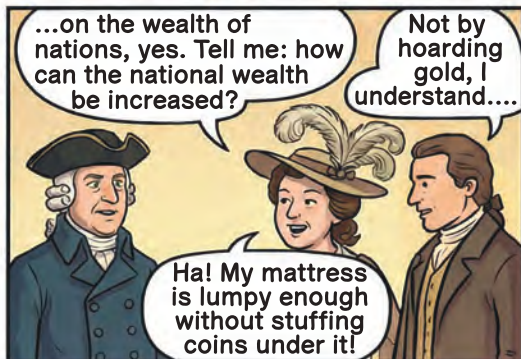
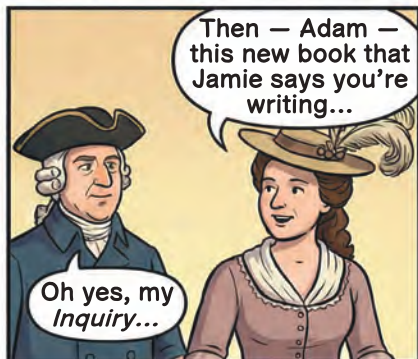


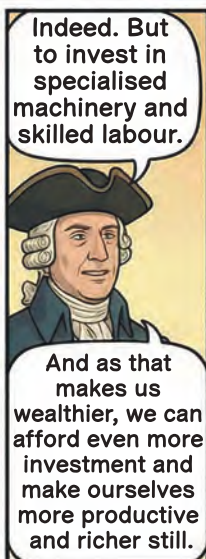
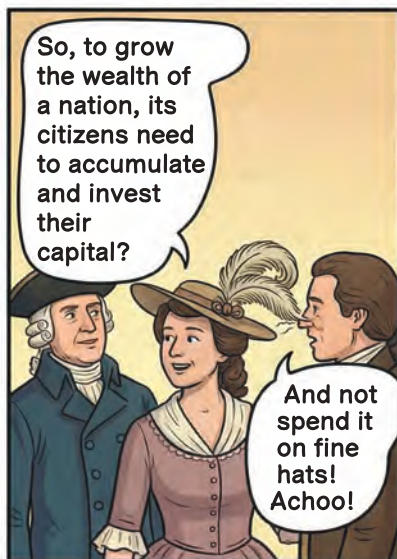


3. HOW CAPITAL, WELL INVESTED, CREATES WEALTH

And why hoarding gold isn't the fun it sounds

ADAM SMITH TAKES A WALK THROUGH HIS HOME TOWN, KIRKCALDY, WITH HIS NEIGHBOURS JAMES AND AGNES





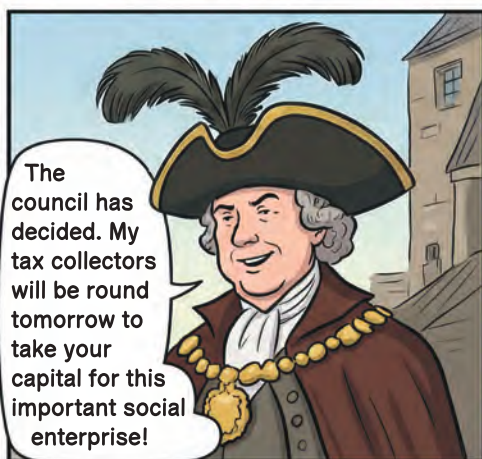
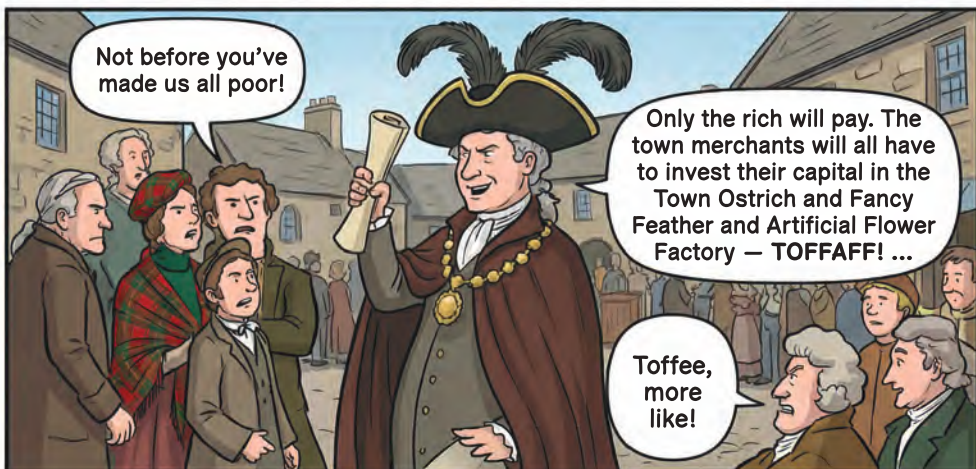


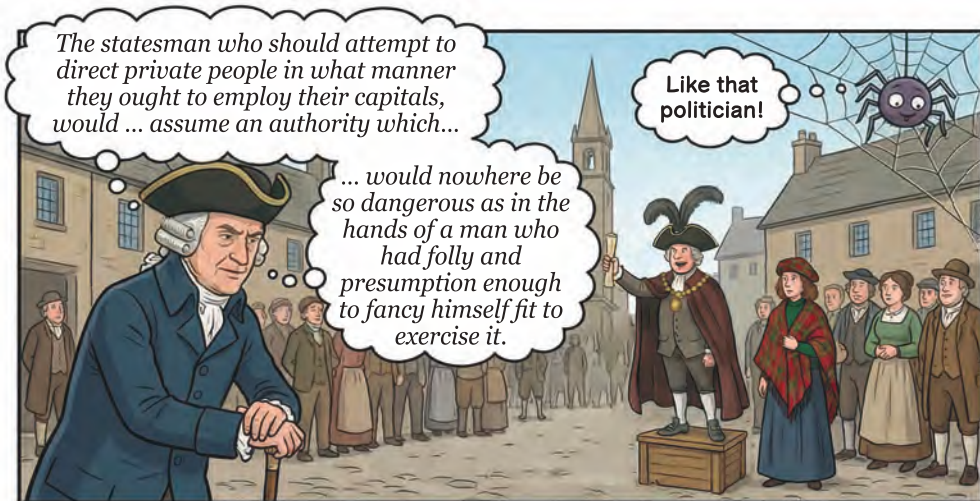
...every man of common understanding will endeavour to employ whatever stock he can command in procuring either present enjoyment or future profit.

This frugality and good conduct...appears from experience, sufficient to compensate, not only the private prodigality and misconduct of individuals, but the public extravagance of government.

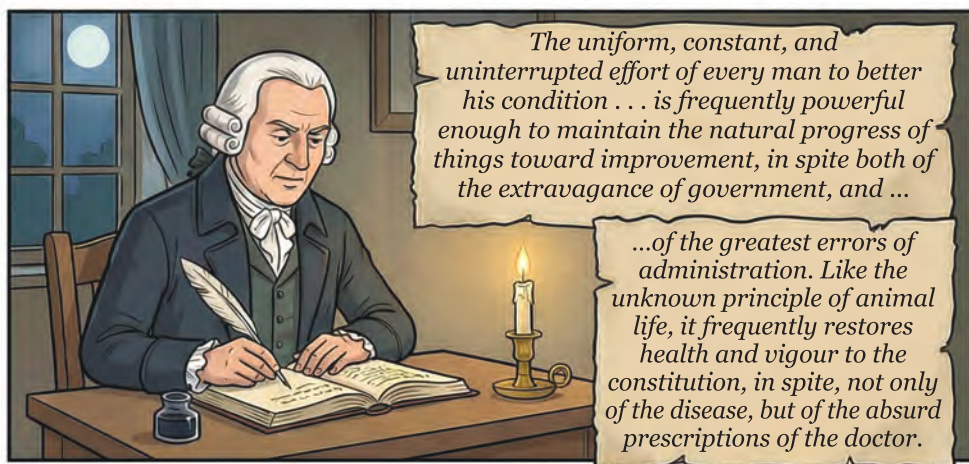
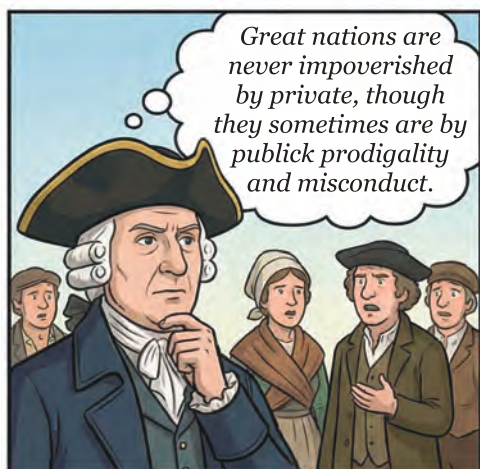
4. WHY PEOPLE SHOULD BE LEFT FREE TO INVEST FOR THEMSELVES...

...and why governments *don't* know best.

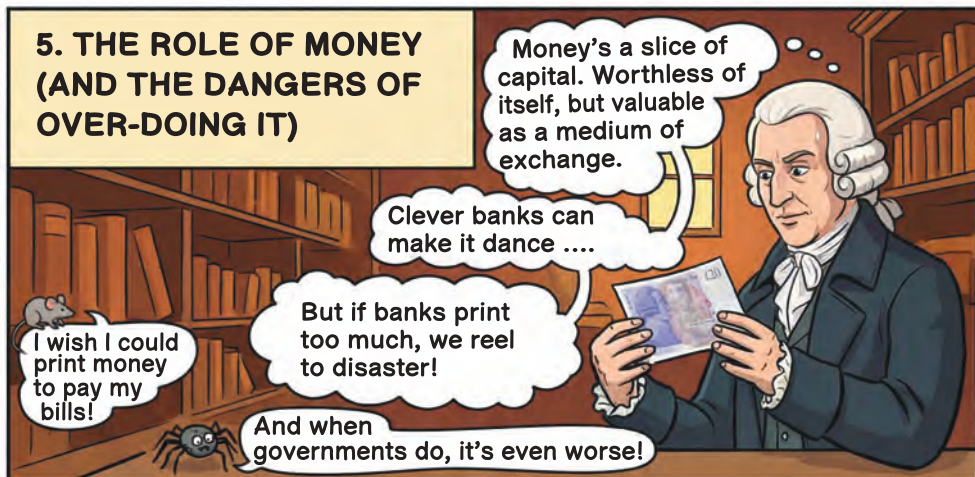


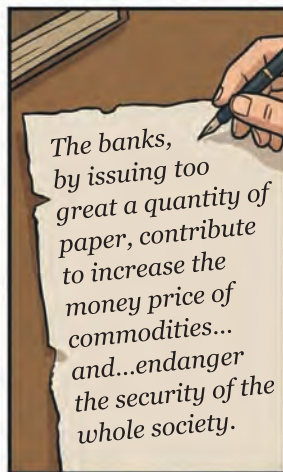
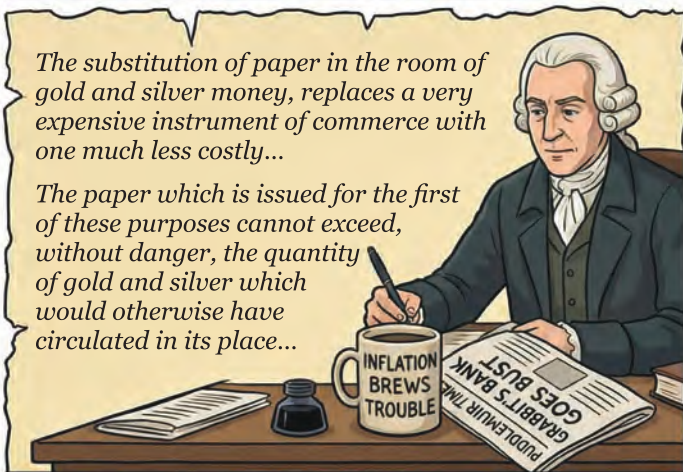




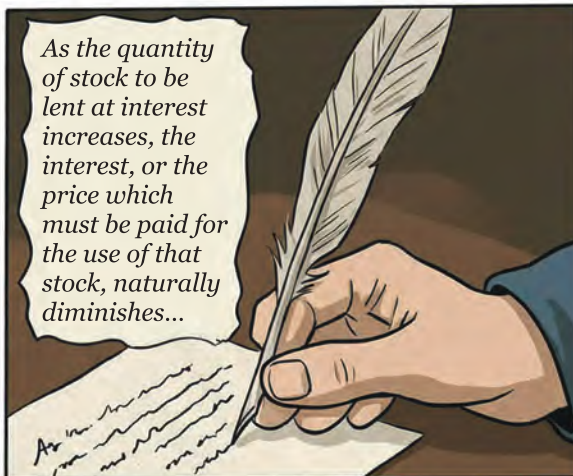
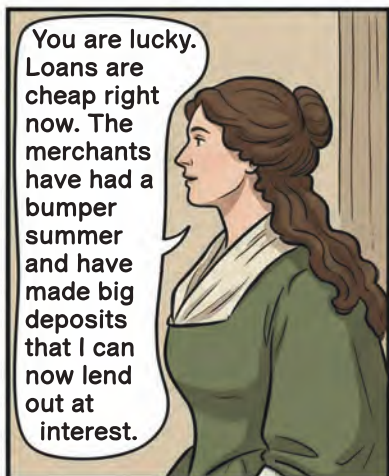
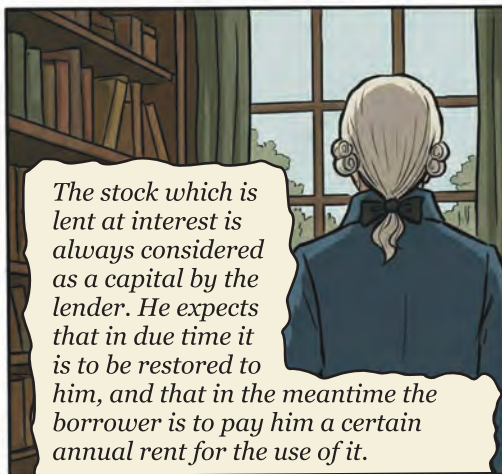


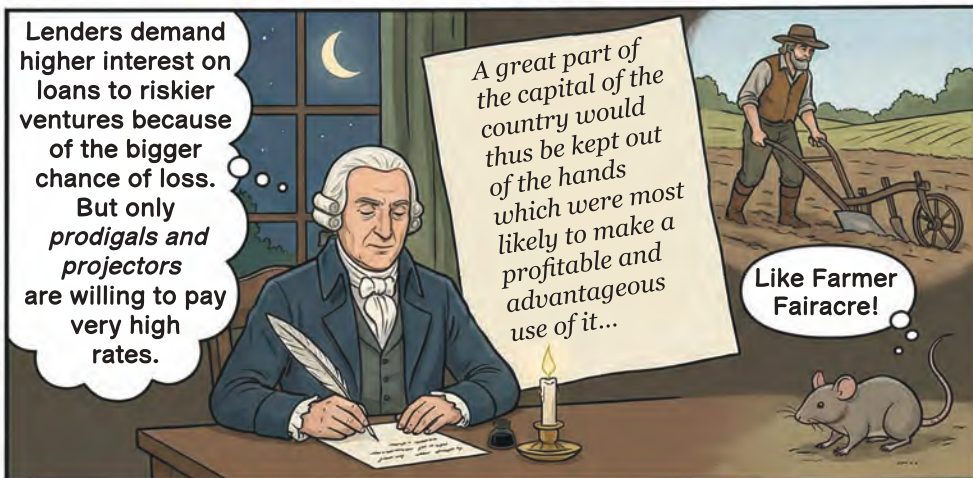
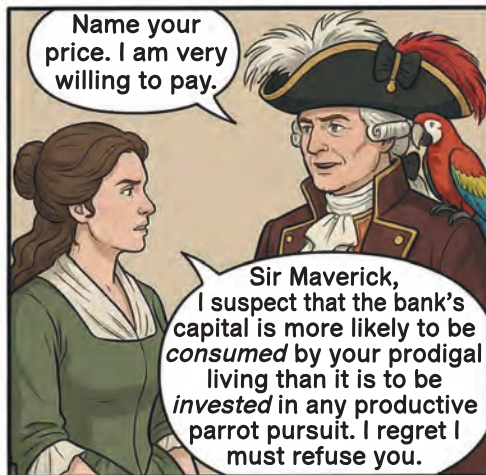
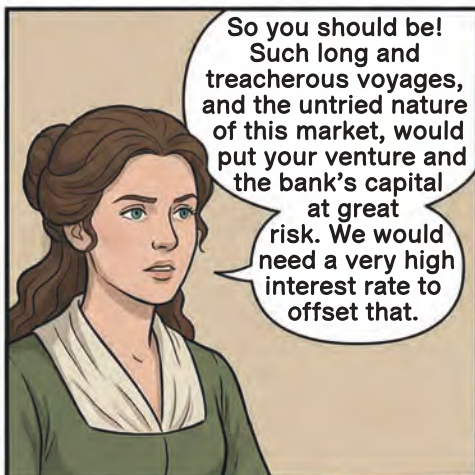
5. THE ROLE OF MONEY (AND THE DANGERS OF OVER-DOING IT)

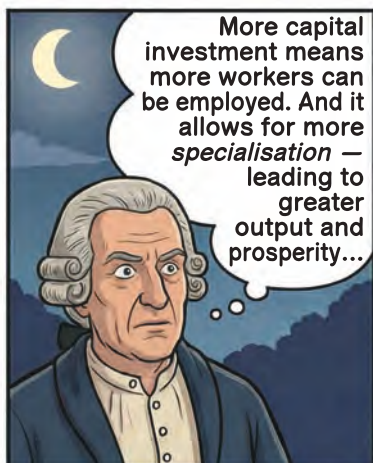
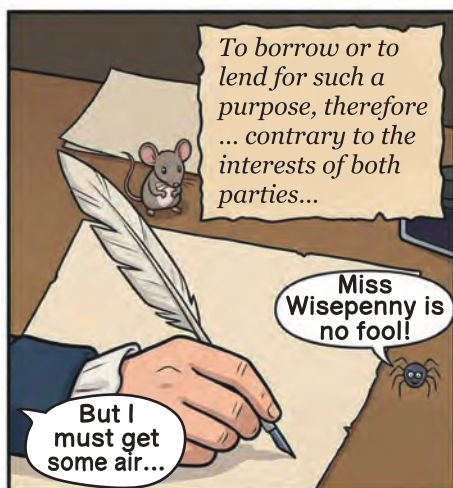
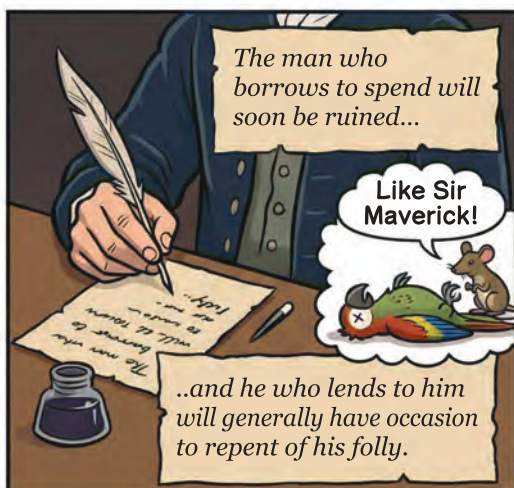




6. CAPITAL AND INTEREST







THE WEALTH OF NATIONS

BOOK III OF THE DIFFERENT PROGRESS OF OPULENCE IN DIFFERENT NATIONS

In which Dr Adam Smith analyses the historical development of wealth, agriculture, commerce and economic progress across nations.

1. AND NOW A BIT OF ECONOMIC HISTORY...

And how it shows that economic liberty is the foundation of success.

opulence

Is this
Econ 101?

No, this is
Econ Hist
1776!

Bright Europe's workshops hum with industry. Her ports throng with the sails of commerce. Here, the sage Adam Smith explains the triadic cycle: Agriculture, Manufactures, Trade. Yet there falls a shadow on Europe's errant path...

HOTSHOT
HISTORIAN
EDWARD
GIBBON

HOTSHOT
HISTORY
BOOK



That Gibbon:
scribble,
scribble,
scribble.

THE ILLUSTRATED
HISTORY OF THE
RISE OF PROSPERITY
IN EUROPE

As told to the
Duke of Buccleuch
by Dr Adam Smith
And related by
EDWARD
GIBBON, ESQ.
PART THE FIRST

And witter,
witter,
witter!

BUT BACK TO ADAM SMITH...

The path to prosperity began with farming, since sustenance is our first priority...



Then towns for manufacturing, since convenience comes next. And then trade, for only rich nations can afford luxuries...

Predictable stages of history? Like Karl Marx?

Never mind: he hasn't been born yet.

Who?

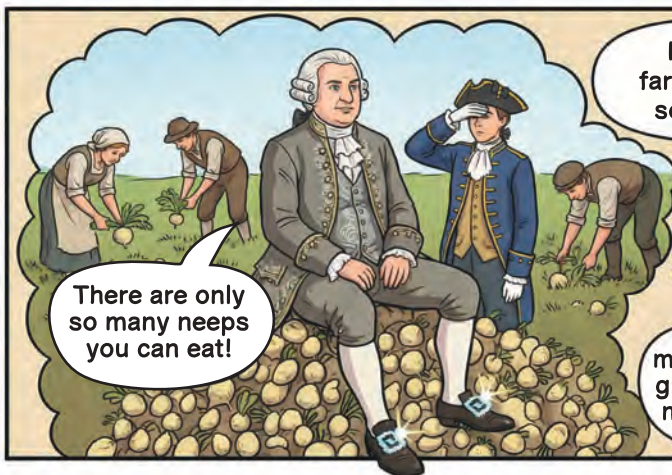
But farmers still need manufacturers, like wheelwrights and blacksmiths!



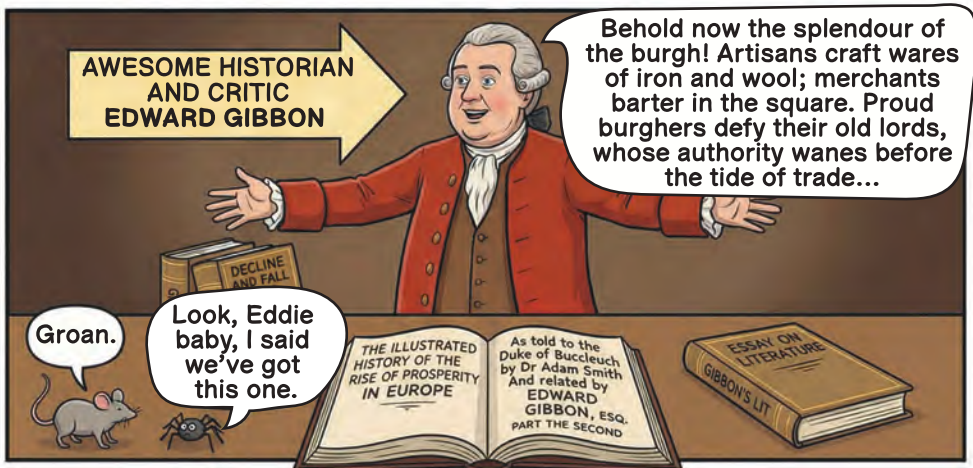
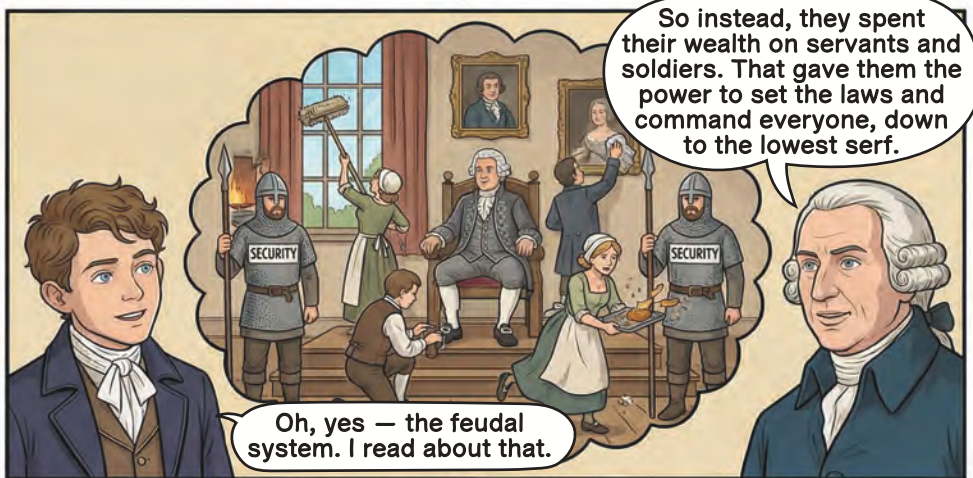
Yes, My Lord. And those manufacturers need food. But town populations could expand only insofar as there was food to feed them.

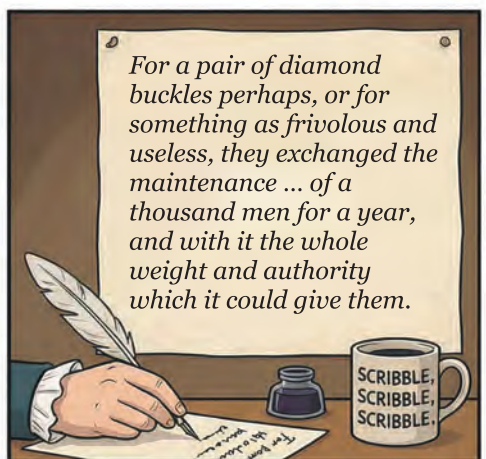
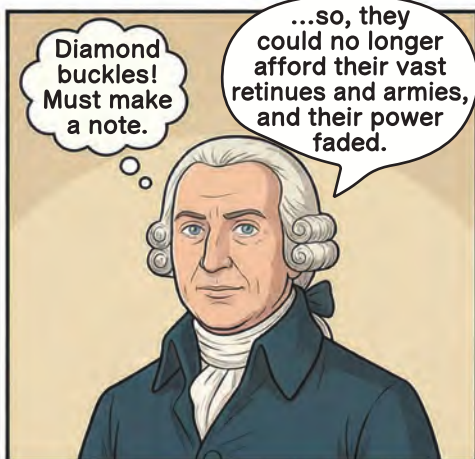
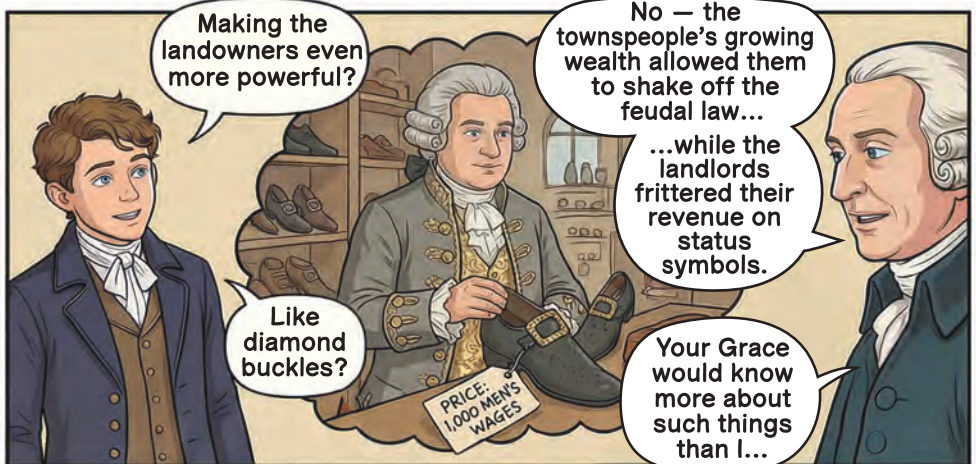
In early Europe, farms were the main source of income.

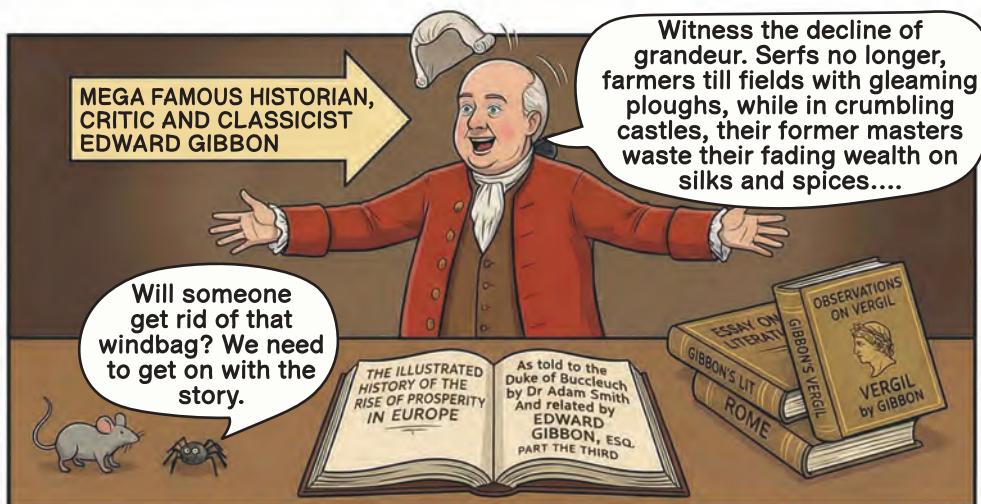
There are only so many neeps you can eat!

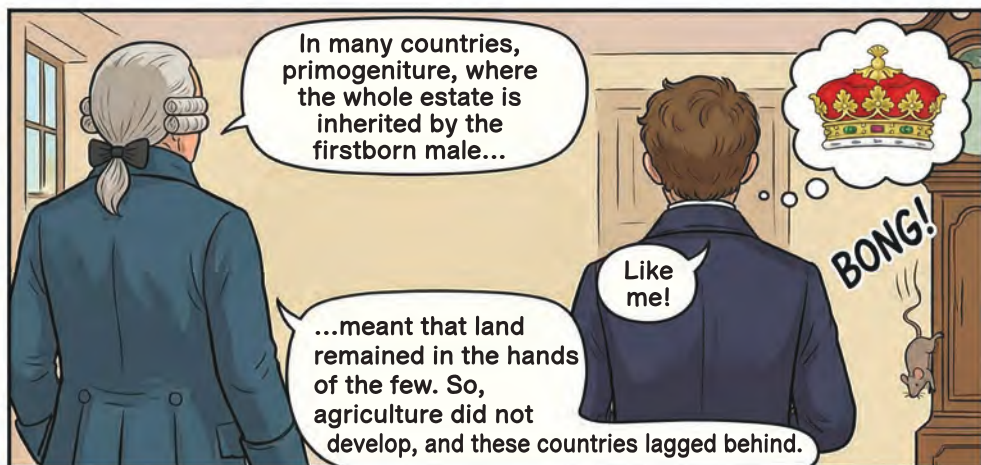
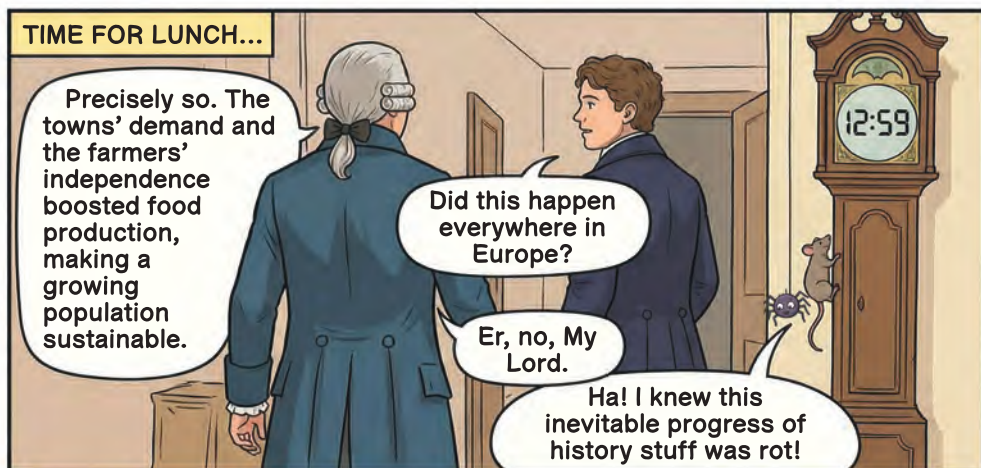
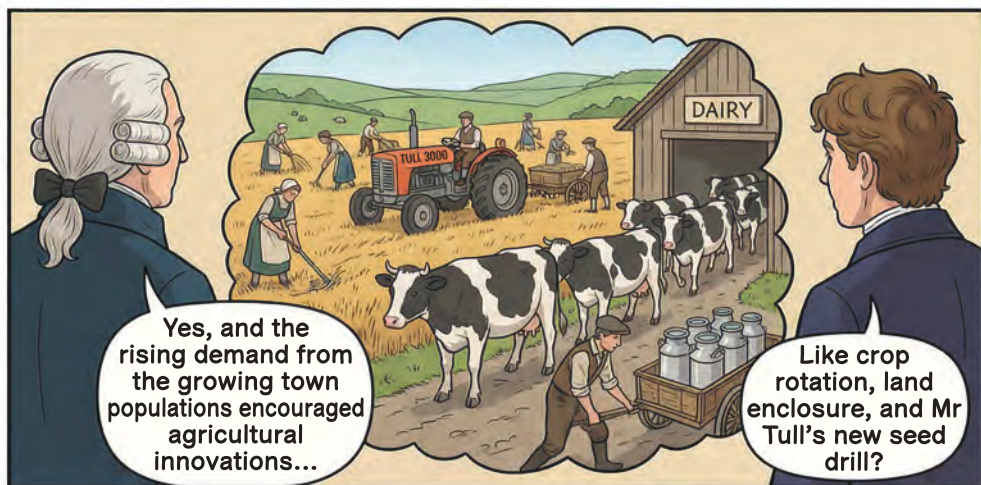


But before manufacturing arose, the great landowners found nothing to exchange for their profits.



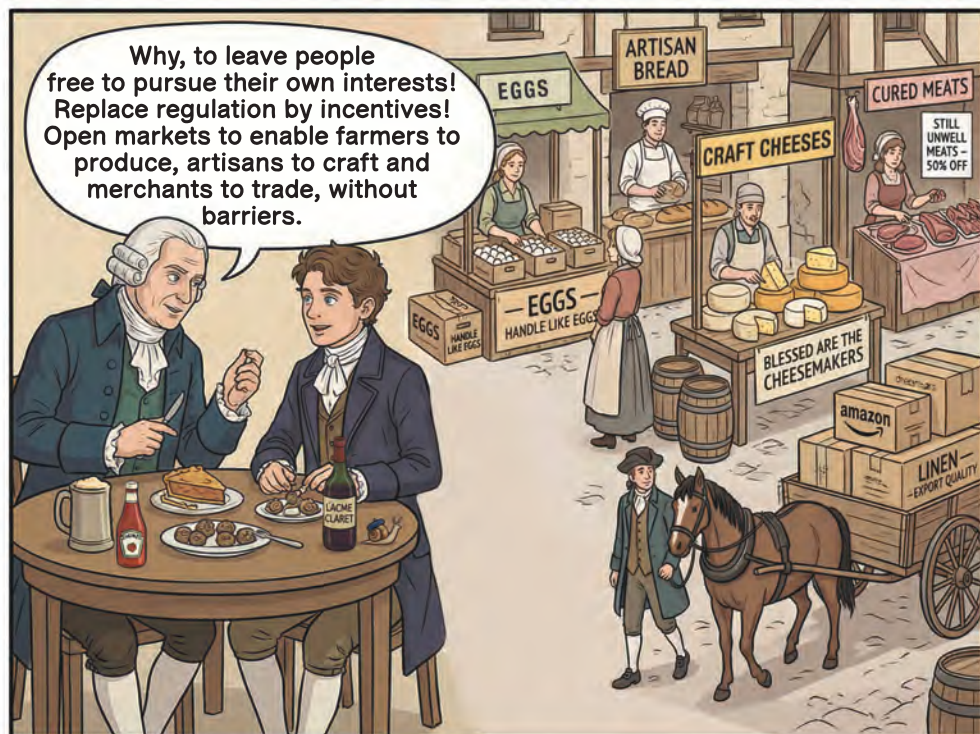
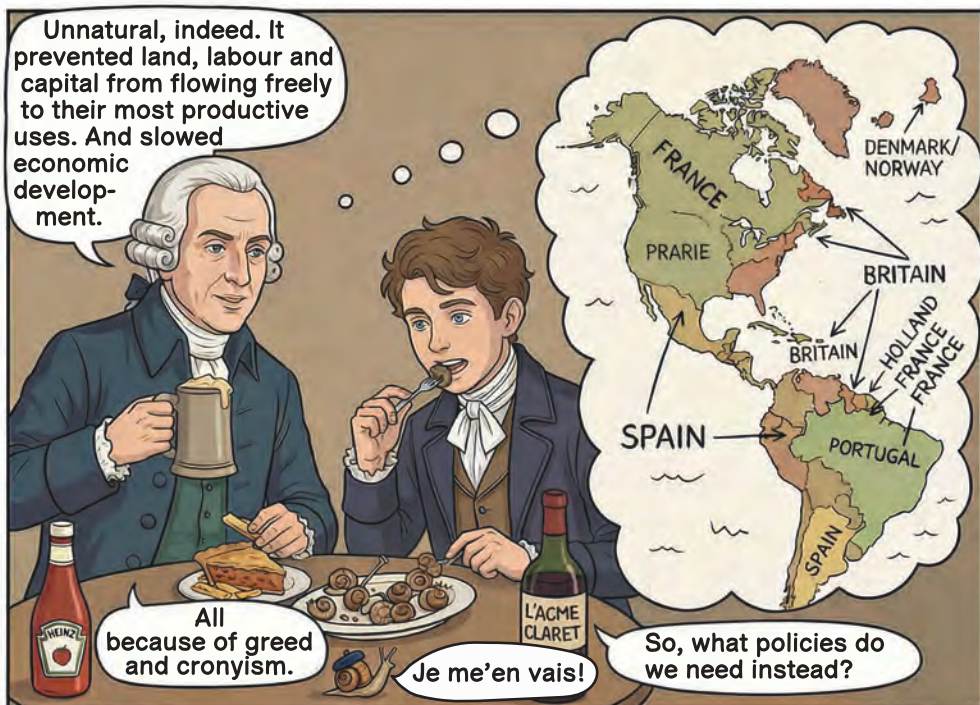


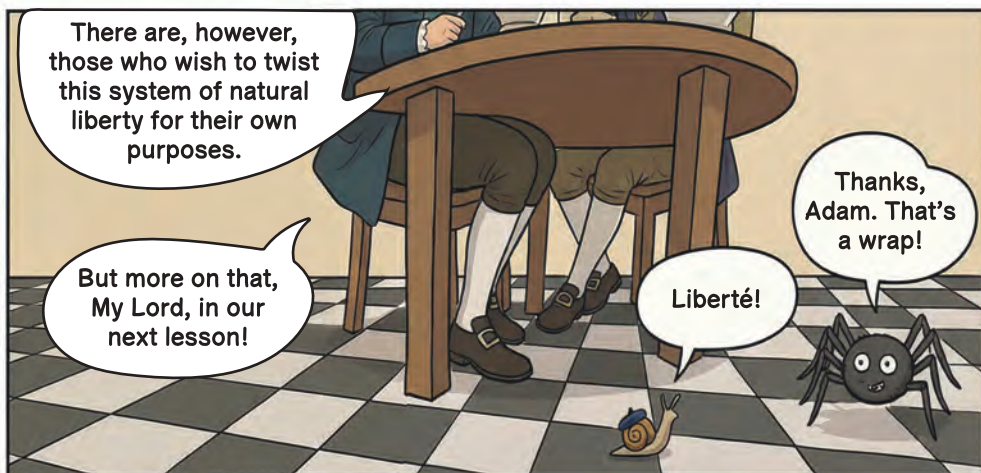
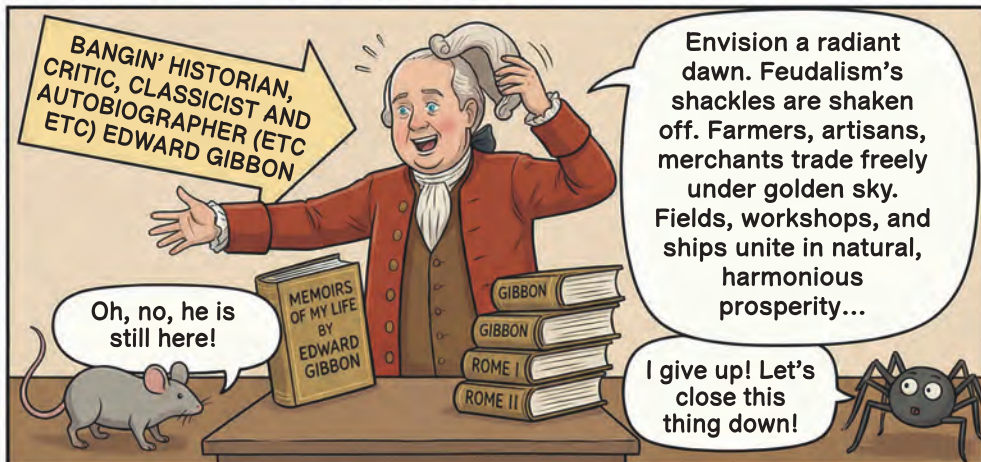
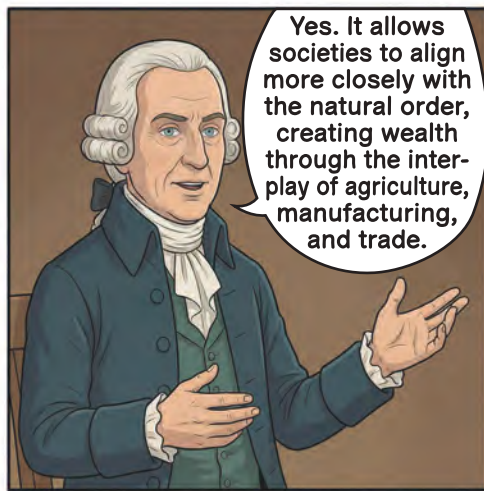






It seems a very unnatural route to prosperity.





THE WEALTH OF NATIONS

BOOK IV

OF SYSTEMS OF POLITICAL ECONOMY

In which Dr Adam Smith critiques the prevailing mercantilist and agricultural explanations of wealth creation and argues instead for free markets, capital and individual self-interest.

Well, that seems clear enough.

Don't get too confident!

1. THE PURPOSE OF ~~ECONOMICS~~

Political Economy — A.S.

It's all about how to generate income for the people.

And revenue for the state!

Well, the smallest revenue necessary for the state.

DEPARTMENT OF PAPERWORK

MAIN THEORIES OF WEALTH CREATION

MERCANTILE SYSTEM

AGRICULTURAL SYSTEM

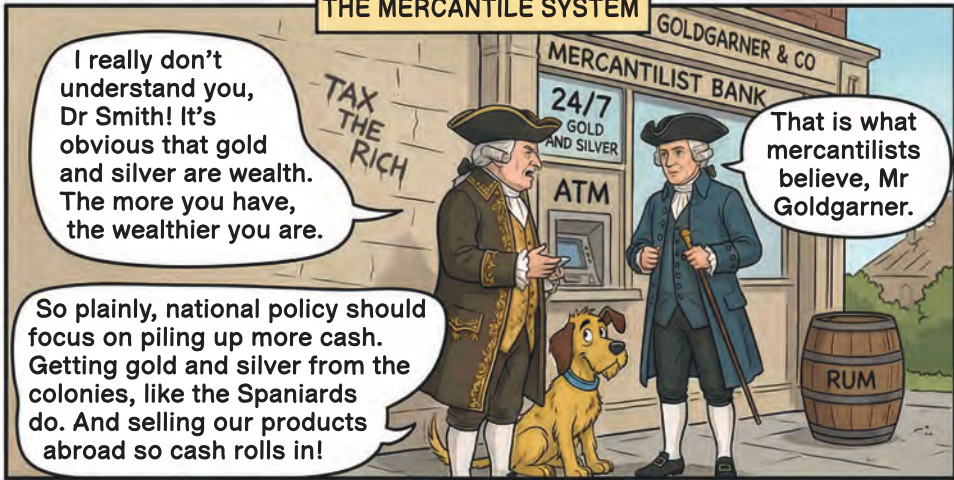
MY SYSTEM
(THE RIGHT ONE)

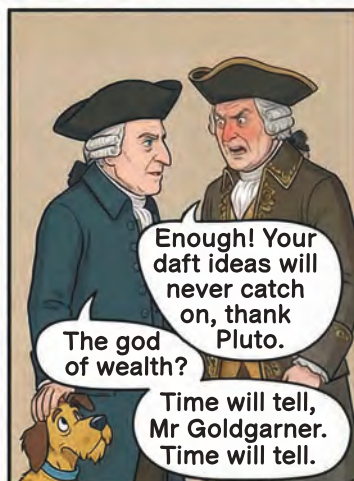
Today, there are two main theories on how to generate national wealth —

the mercantile system and the agricultural system.

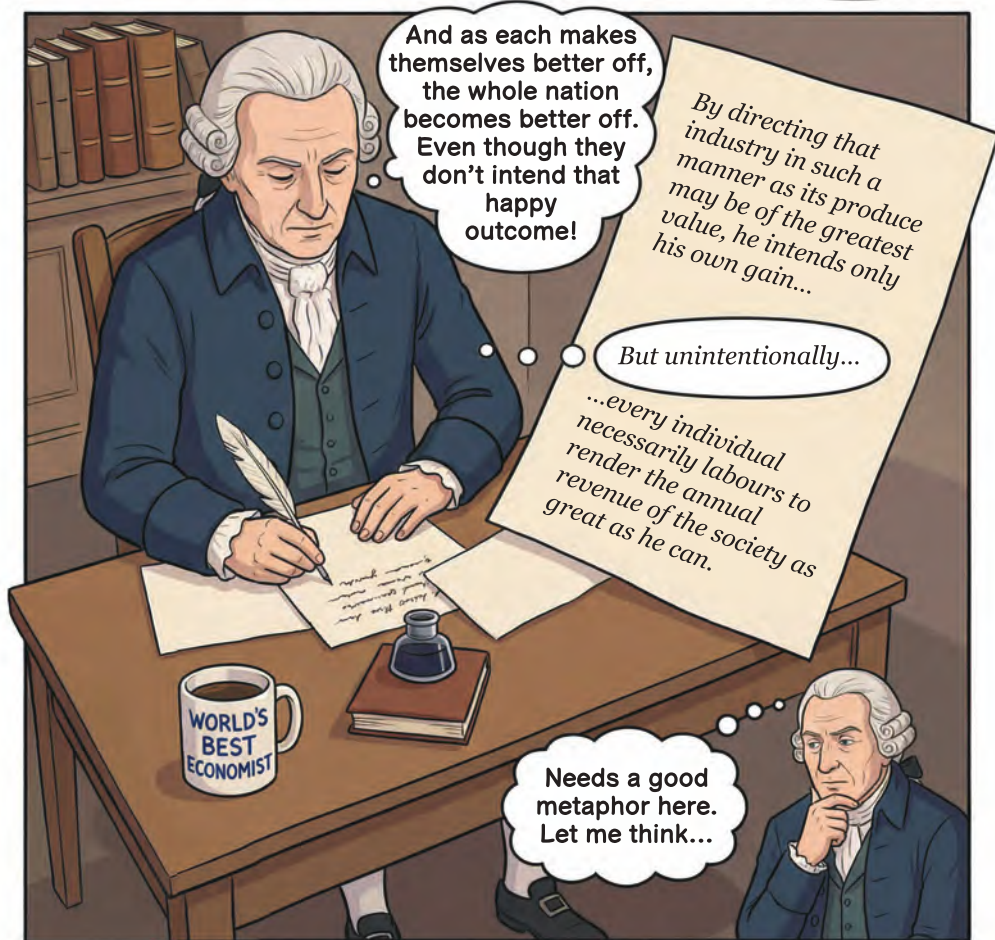
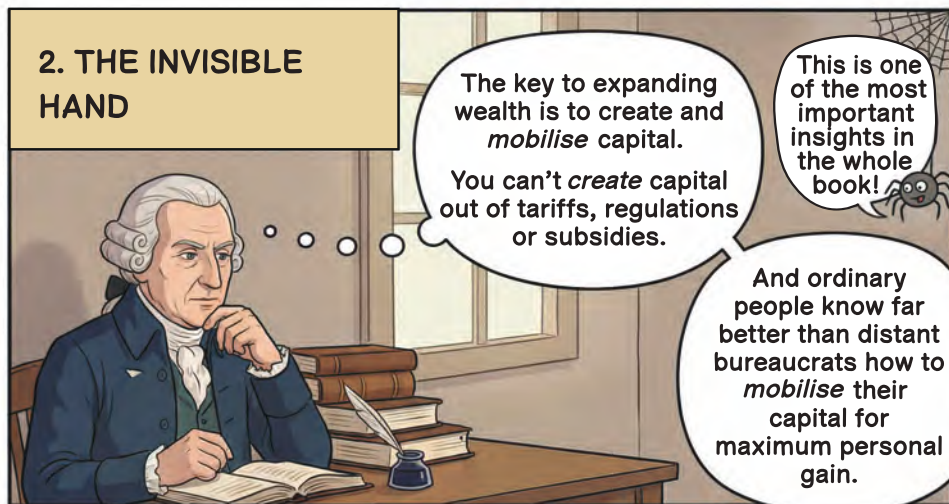
And he's going to tell us why they're both wrong.

THE MERCANTILE SYSTEM





2. THE INVISIBLE HAND





THE STRAND MAGAZINE



SHERLOCK HOLMES

The Adventure of the Invisible Hand

By ARTHUR CONAN DOYLE

The autumn fog shrouded London's streets. In our small apartment in 221B Baker Street, Sherlock Holmes lounged in his armchair, a haze of pipe smoke clouding his sharp features, his eyes half-closed in thought. I smoothed the page in my notebook to begin writing up our latest adventure for the *Strand* magazine.

At this late hour, the crackle of the fire was our only companion. But a sharp rap at the door broke the silence. It was Mrs Hudson, followed by a gentleman whose agitation indicated he had come on a matter of urgency. "Mr. Holmes, Dr. Watson," she announced. "This is Mr. George Sharp, a banker from Threadneedle Street."

Sharp, a stout man with a florid complexion, wasted no time. "Mr. Holmes, I am at my wits' end! Gold coins are vanishing from the vault at my bank, Sharp & Co.! There are no signs of intrusion, and nobody enters the vault alone. It is as if our gold is stolen by an invisible *hand*!"

Holmes's eyes flickered, like a hound catching a scent. "Invisible hand?" he murmured, leaning forward. "A phrase coined by Adam Smith. But pray, elucidate the particulars."

Sharp recounted a tale of losses from the sealed vault — amounts small enough to evade casual notice but



accumulating to significant sums. The vault, he assured us, was solid, its locks untouched. Holmes, now fully alert, sprang to his feet. "To Threadneedle Street! And Watson — bring your revolver."

The bank's vault was a fortress of iron and granite. Holmes trained his magnifying glass over its locks, hinges, walls, yet found no trace of tampering. His long shadow flickered in the gaslight. "This *invisible hand*," he said, "is no metaphor, Watson. It's human devilry!"

We interviewed the staff, including the head clerk, Mr Archibald Wiley, a former Royal Engineer, whose meticulous ledgers and systems were the pride of the bank.

That night, Sharp concealed us in the darkened vault, behind a pillar. As hours crept by, my limbs grew stiff, but Holmes remained alert, his senses attuned to the faintest sound. At the stroke of midnight, there came a strange whirring noise. To our astonishment, from under the counting table arose a mechanical arm. Its metal fingers deftly lifted two gold coins from one of the boxes, then returned, concealing them in a hidden compartment below.



"All we have to do now, Watson," said Holmes, "is to wait and see who retrieves those coins. But we both know who that will be."

I had no idea, of course, but we waited until, as usual, Mr Sharp and Mr Wiley opened up the vault in the morning. "All seems in order," said Wiley. But as Sharp looked around, we saw Wiley surreptitiously opening the hiding-place under the table. Before he could empty the stolen coins into his pocket, Holmes sprang forward. "Explain yourself, Mr. Wiley!"

Caught, Wiley confessed to a scheme of singular ingenuity: as a former engineer, he built a mechanical device under the counting table, designed to take small amounts that he could later retrieve. "I

drew inspiration from Adam Smith, Wiley stammered, "the Invisible Hand...."

Holmes's lip curled in disdain. "Smith's Invisible Hand was no instrument of theft, Wiley, but the creator of public harmony. Perhaps in prison you can improve yourself by reading Smith's *Theory of Moral Sentiments*. Secure him, Watson, as I dismantle this infernal contraption."

"You see, Mr Sharp," said Holmes, as the constables came to collect Wiley, "this was no invisible hand, but a very real one, serving only the greed of its master."

Sharp, overcome with gratitude, pressed a large reward upon us, which Holmes declined with a wave. "The solution," he replied, "is my reward."

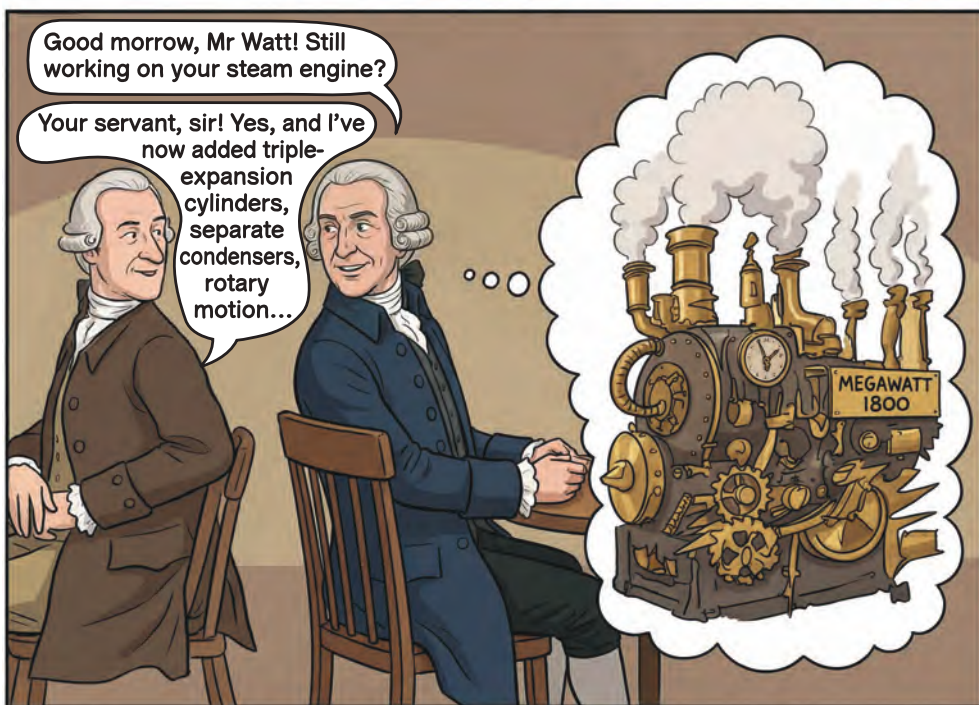
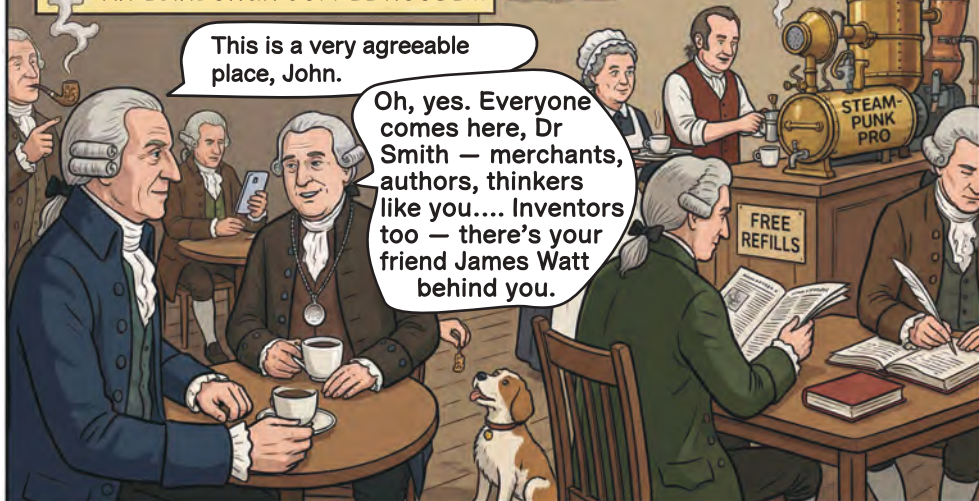
We returned to Baker Street, the morning fog clearing. "Self-interest is natural, Watson, but greed drives us to *cheat* others," said Holmes, "not to *serve* them. Only a greedy person like Wiley would think in such a way."

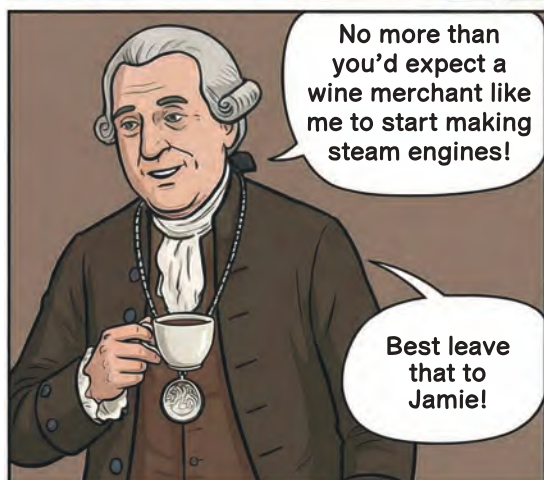
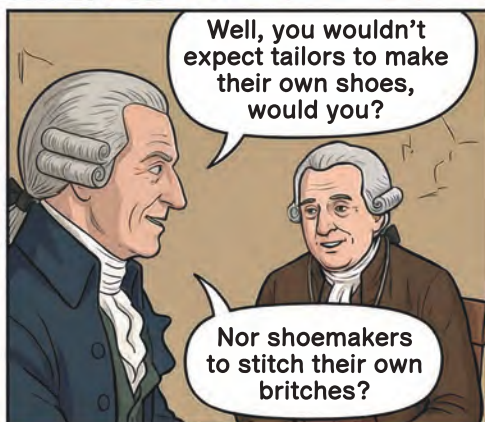
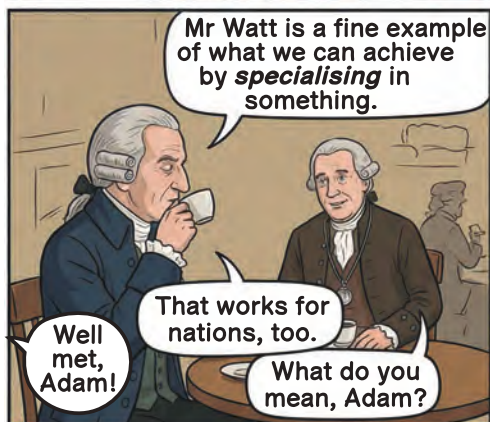
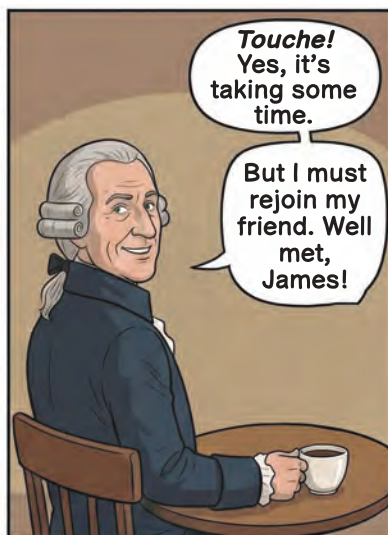
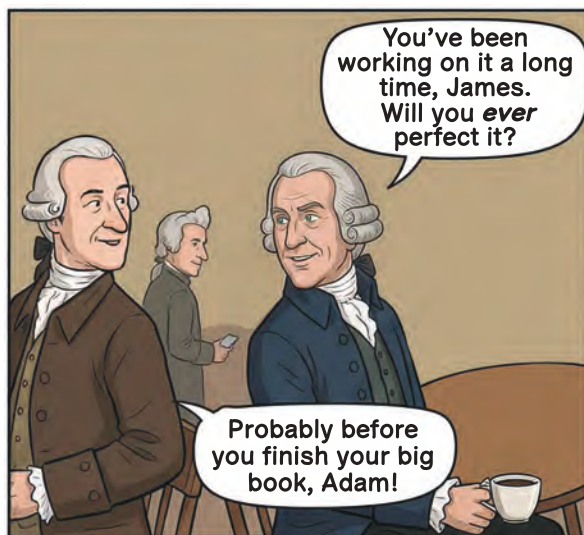
Holmes lit his pipe, the smoke curling like the threads of the mystery now resolved. I smoothed my notebook and took out my pen once more.



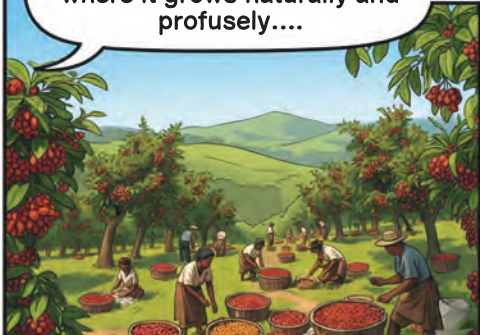
3. SPECIALISATION IN TRADE

A FRIEND TAKES ADAM SMITH TO
AN EDINBURGH COFFEE HOUSE...





...It comes from the colonies, where it grows naturally and profusely....



While the colonists import metal goods from our expert manufacturers in Sheffield.



So, each gets better and cheaper goods through specialisation and trade.

But shouldn't we try to make as much as we can ourselves, instead of spending our gold abroad?



It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy... What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom.

Ha! I've just been writing about this, John!

I still think we should try to be self-sufficient, Adam.

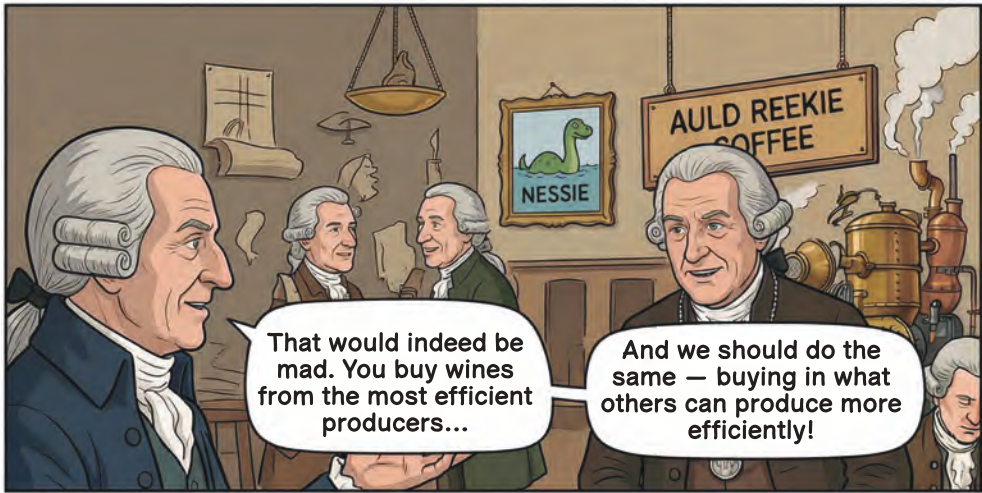
Well, you're a wine merchant, John. Why not become truly self-sufficient and build yourself a vineyard here? Make *your own* wine to sell!



In cold, rainy Scotland? Are ye mad?

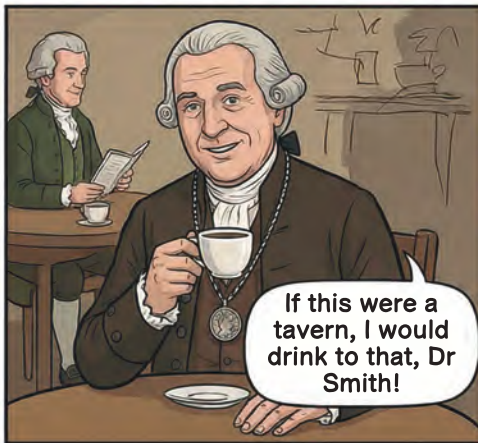




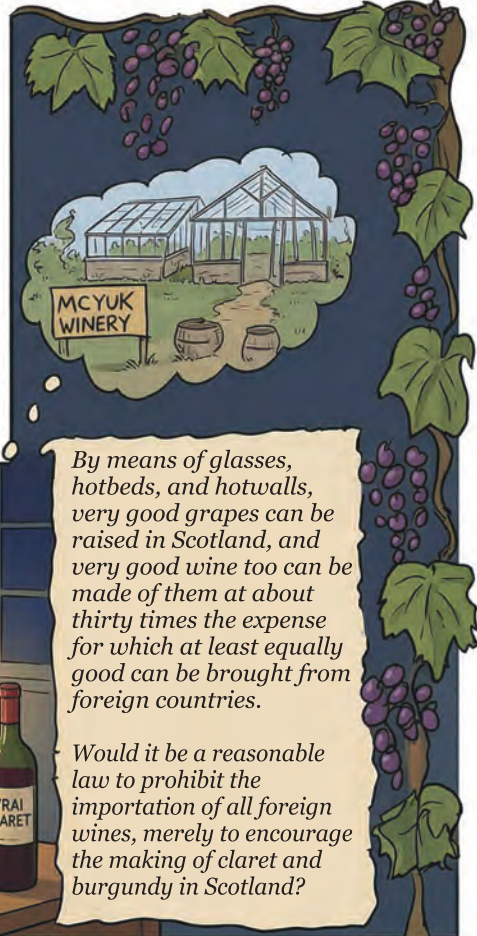


That would indeed be mad. You buy wines from the most efficient producers...

And we should do the same — buying in what others can produce more efficiently!



If this were a tavern, I would drink to that, Dr Smith!

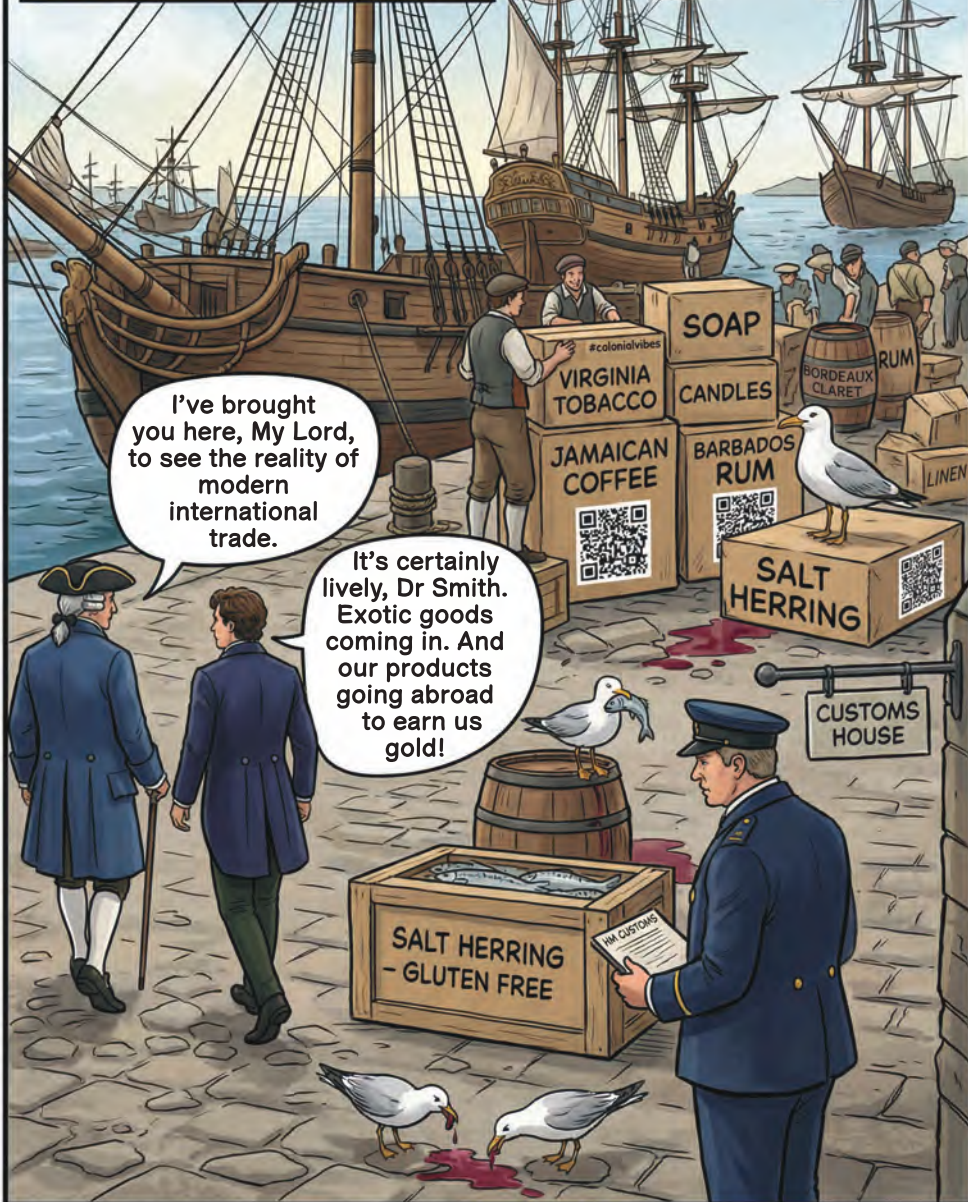


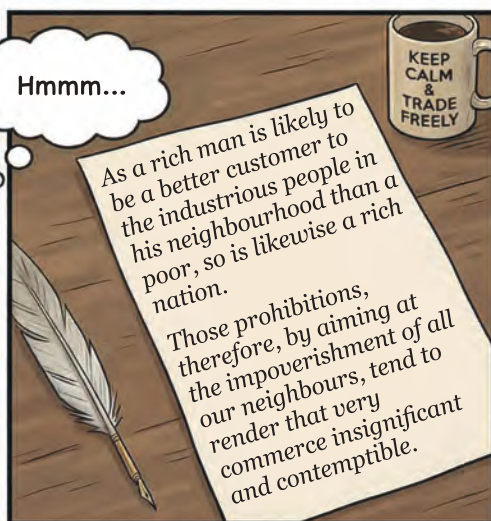
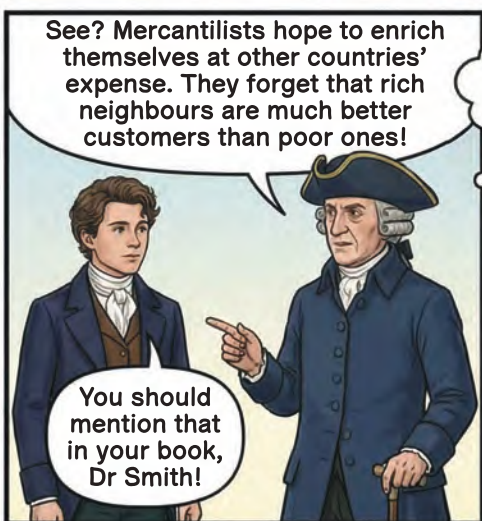
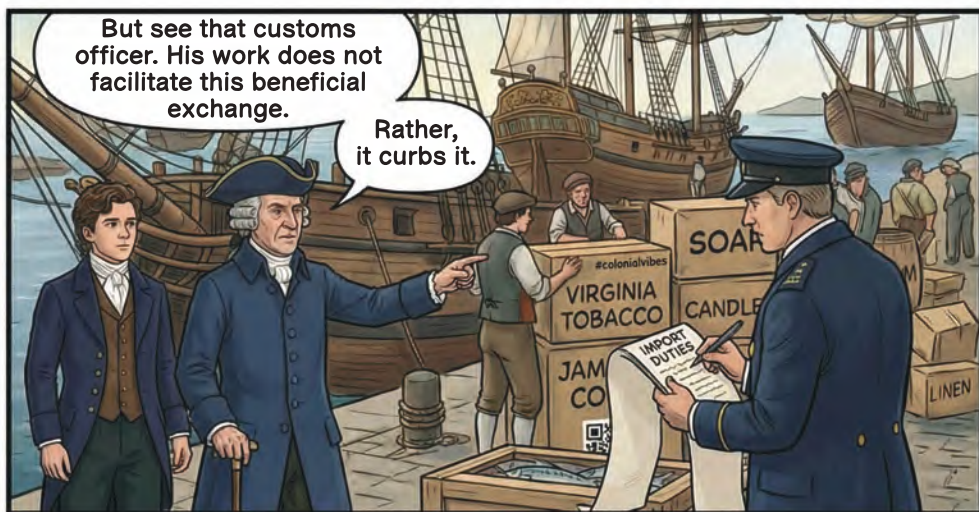
By means of glasses, hotbeds, and hotwalls, very good grapes can be raised in Scotland, and very good wine too can be made of them at about thirty times the expense for which at least equally good can be brought from foreign countries.

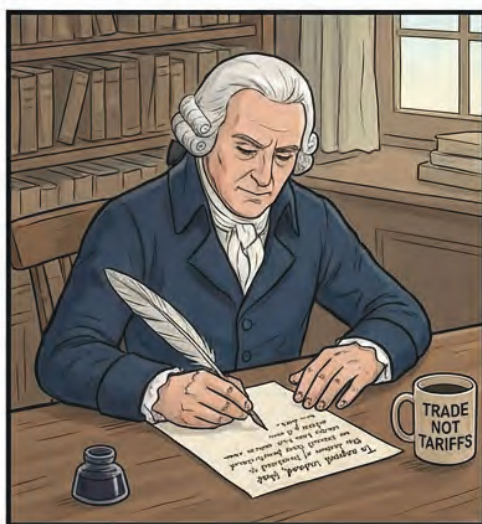
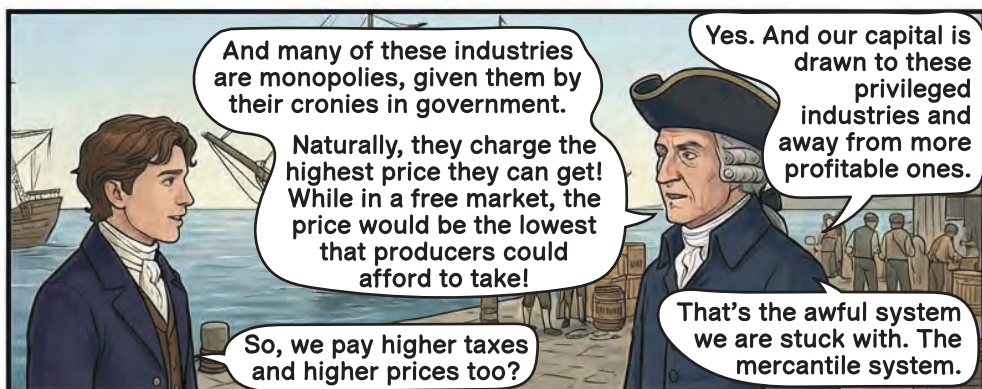
Would it be a reasonable law to prohibit the importation of all foreign wines, merely to encourage the making of claret and burgundy in Scotland?

4. THE ELUSIVE UTOPIA OF FREE TRADE

**ADAM SMITH TAKES HIS STUDENT
ON AN EDUCATIONAL TRIP TO
EDINBURGH'S PORT, LEITH.**

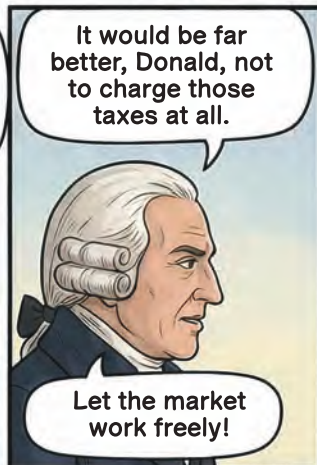
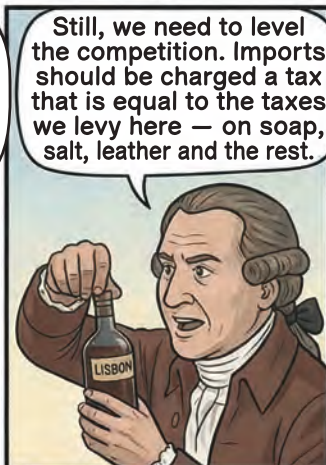
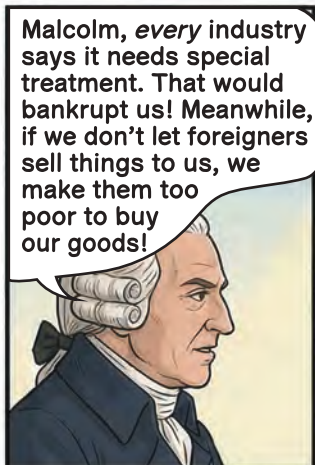
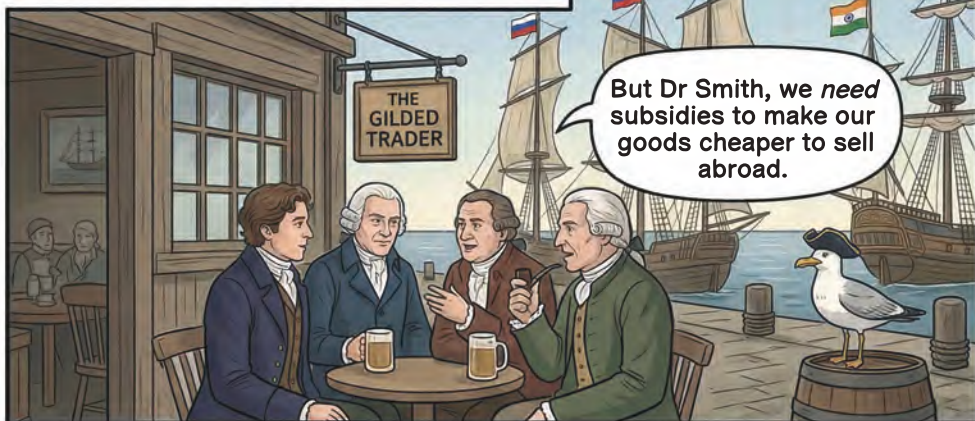


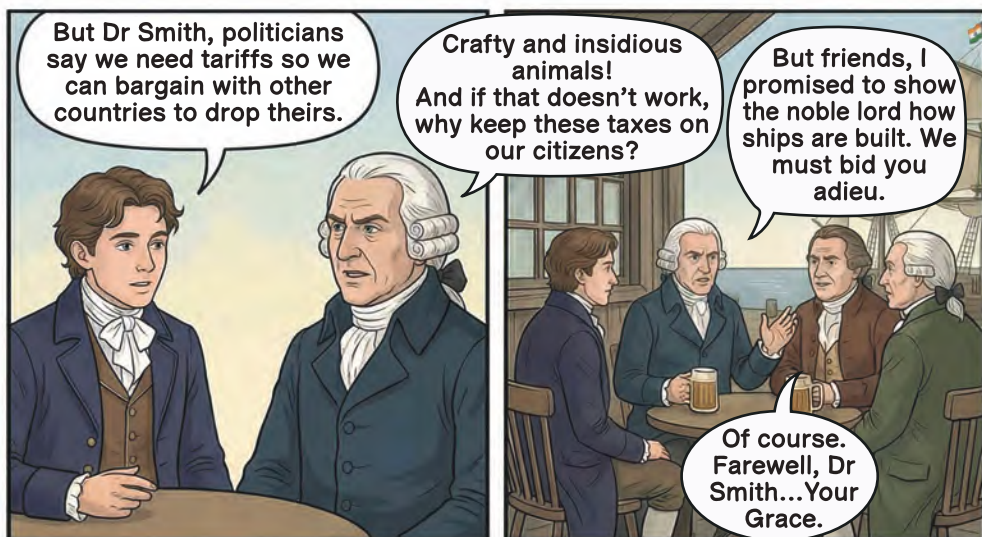


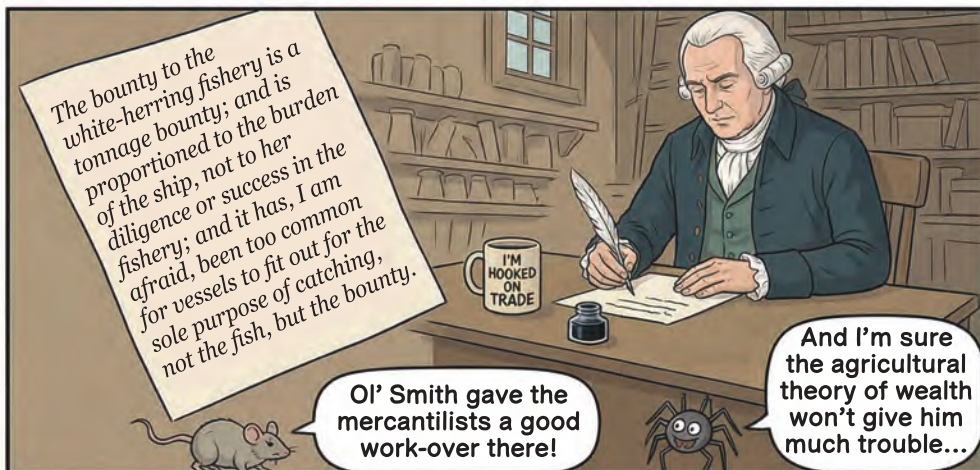
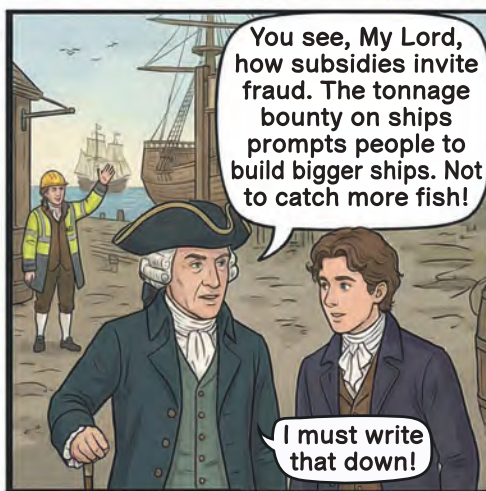


5. THE CASE FOR – AND AGAINST – IMPORT CONTROLS

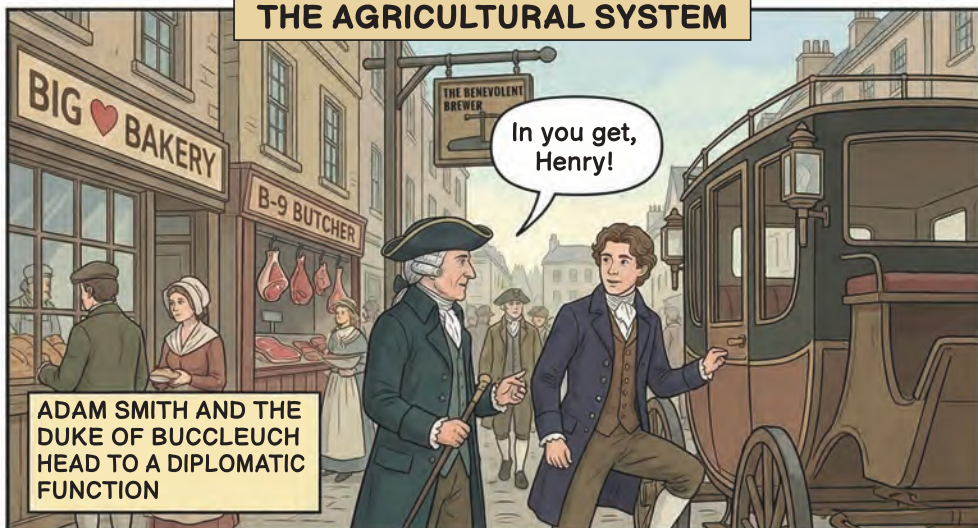
SMITH AND THE DUKE MEET SOME LEITH MERCHANT FRIENDS

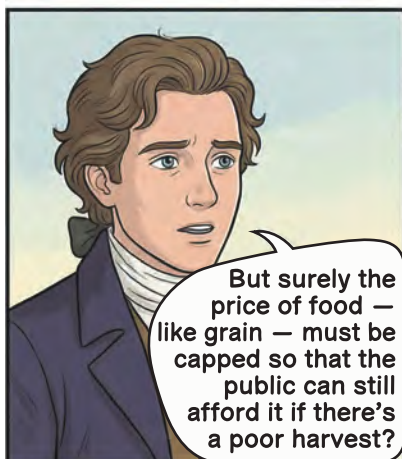
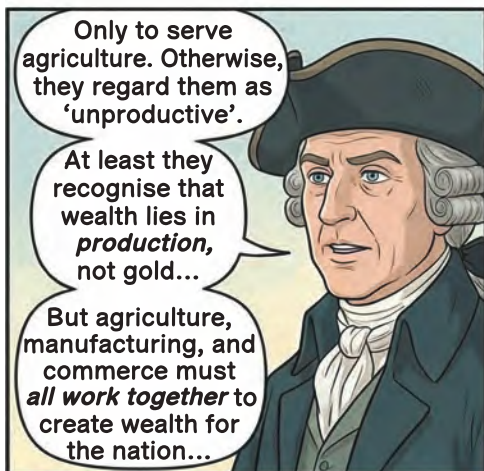






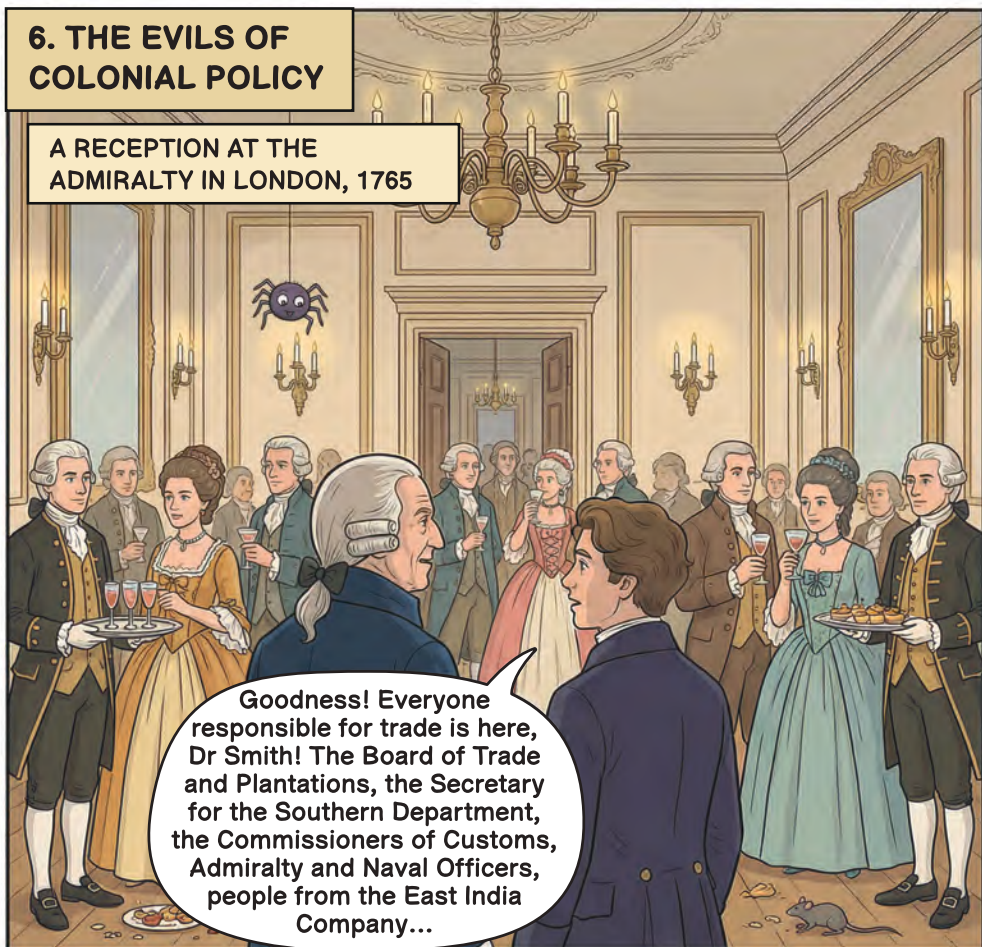
THE AGRICULTURAL SYSTEM





6. THE EVILS OF COLONIAL POLICY

A RECEPTION AT THE ADMIRALTY IN LONDON, 1765



A FEW MINUTES LATER ON...

Good evening gentlemen! Dr Smith, Your Grace. And so glad to see you here, Dr Franklin. The colonial sugar and tobacco trade is so important to us. And to you, I suppose.

Commissioner, Dr Smith and I believe that Britain's restrictions on that trade benefit neither of us.

What? How do you make that out?

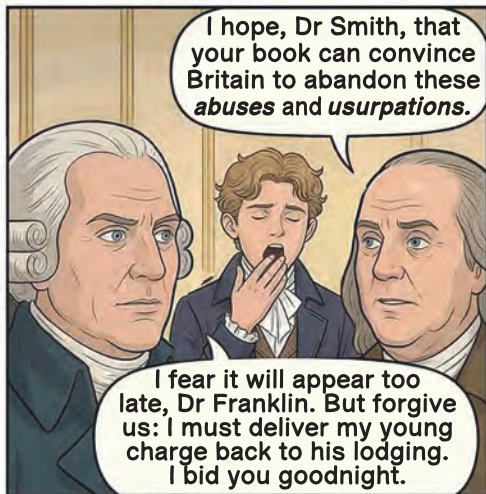
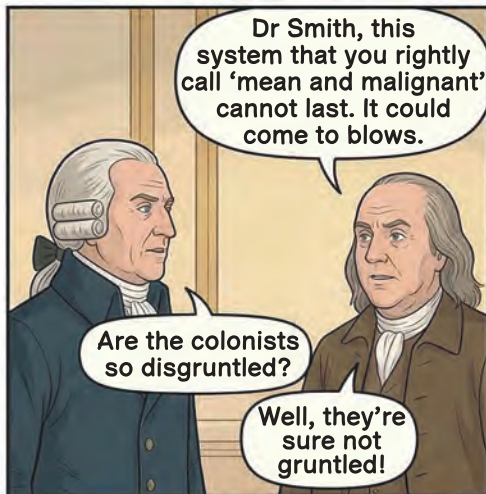
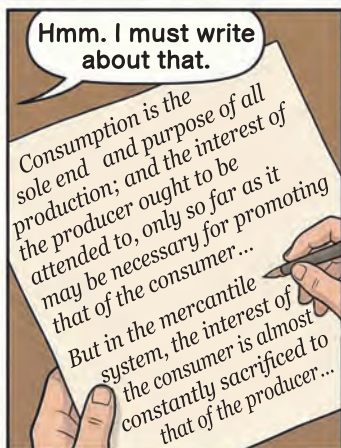
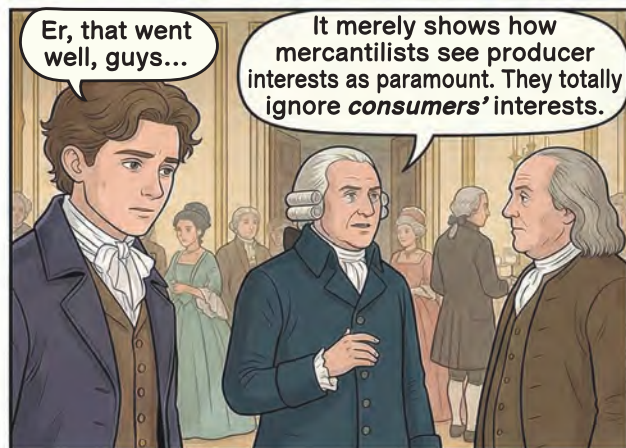
Sir, it is only the British monopoly conferred by these mean and malignant rules that makes the plantations so highly profitable.

And it's only because they are so profitable that they can afford to employ slaves.

Nonsense! The plantations are very efficient. Slaves cost very little to maintain.

But they gain nothing from the success of the crop, Commissioner, so have no incentive to farm it well...

...while there are no monopoly restrictions on American corn, and it's very cost-effectively farmed — by *free* people.



A BETTER THEORY OF LIFE, WEALTH CREATION, AND EVERYTHING



What's this bit all about, then?

Now we find out what Smith is proposing instead of these failed theories!



INQUIRY DRAFTS

7. THE SUPERIORITY OF THE MARKET SYSTEM

SMITH AND HIS STUDENT RETURN TO THEIR LODGINGS



We shouldn't give privileges to merchants or to farmers based on flawed theories. Leave citizens free to pursue their own economic interests! That'll boost the national wealth!

What then is the role of government?



To stick to its own knitting, Henry! Defence, justice, a few public works to facilitate trade and commerce.

Then leave markets to work, and competition to regulate them.



Sorry for all the pot 'oles, gents!

Ah, here we are. I bid you goodnight, Henry.



All systems either of preference or of restraint, therefore, being thus taken away, the obvious and simple system of natural liberty establishes itself Every man...is left perfectly free to pursue his own interest his own way....

The sovereign is completely discharged from a duty... the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society.

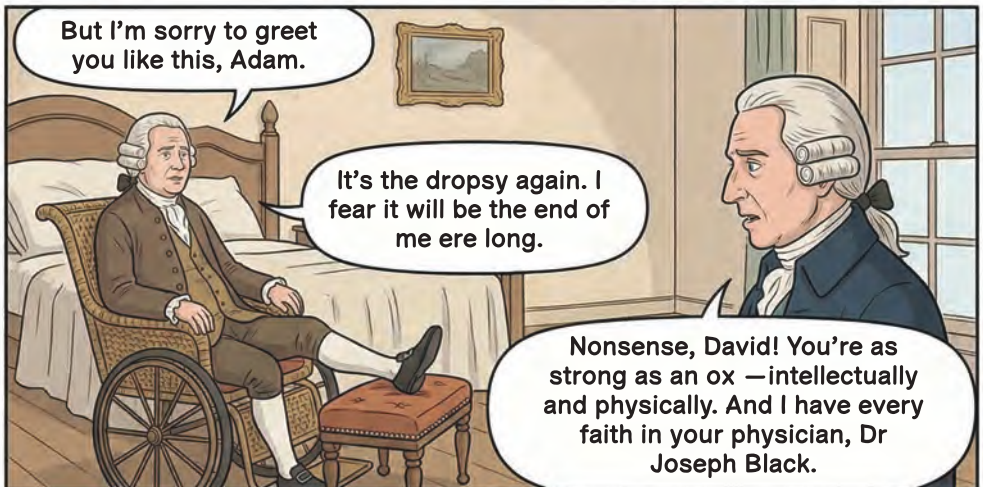
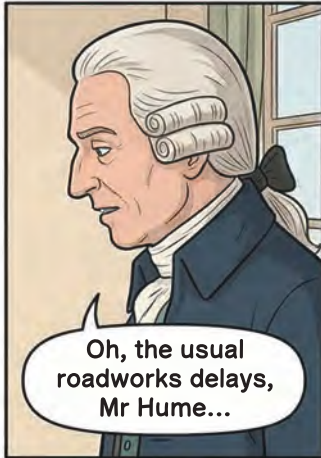
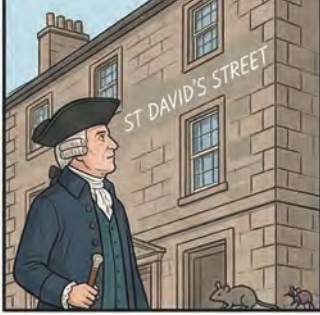
That didn't take long...

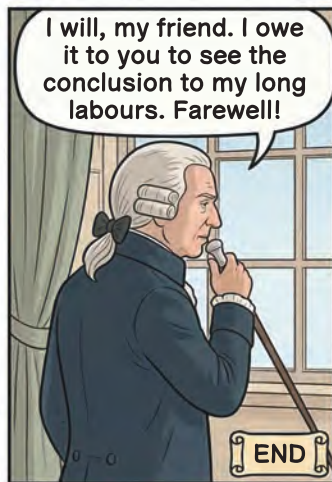
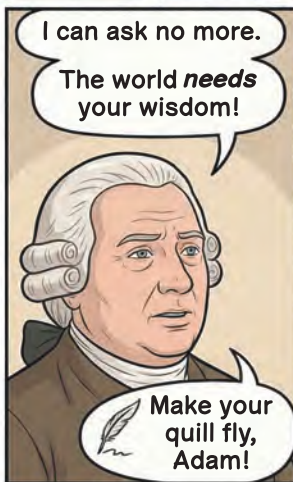
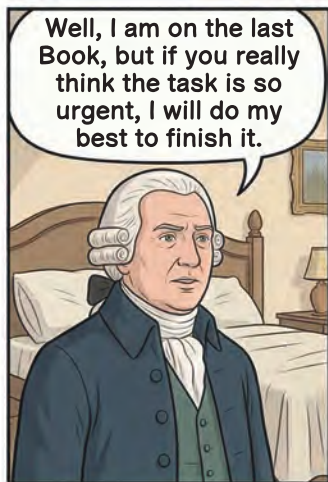
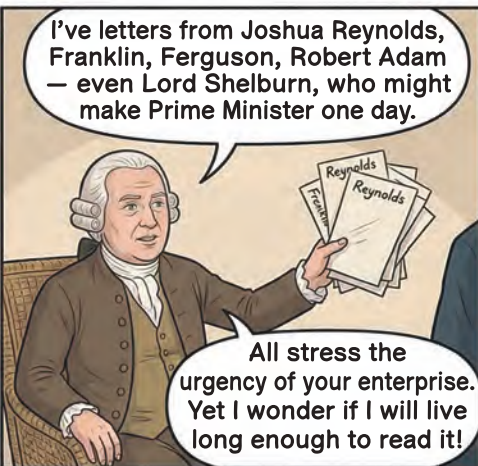
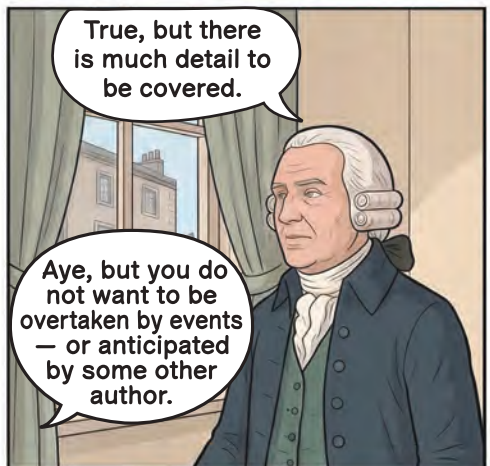
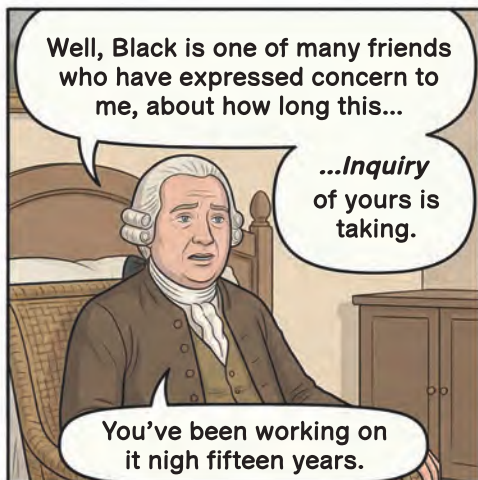
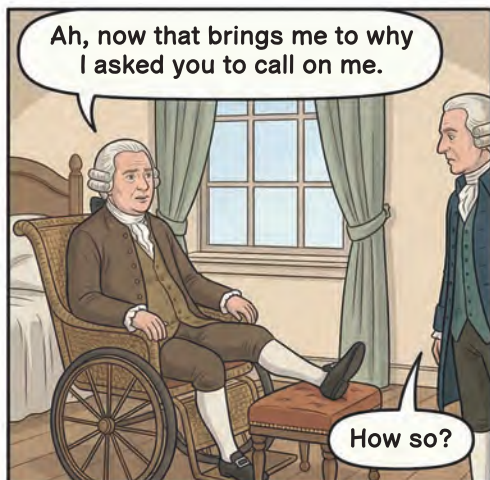
Well, he's a clever chap!



INTERLUDE

**SMITH VISITS HIS FRIEND,
THE PHILOSOPHER DAVID
HUME, IN EDINBURGH**





THE WEALTH OF NATIONS

BOOK V

OF THE REVENUE OF THE SOVEREIGN OR COMMONWEALTH

In which Dr Adam Smith examines public finance, taxation, government expenditure, and the role of the state in supporting economic activity.



Oh, he did actually finish it, then?

Yes. Rushed a bit, but I think Hume and the others got to him!



1. PUBLIC EXPENDITURE

DEFENCE



The No.1 duty of government?
Defence! Protecting us from enemies. Which needs an army...

In agricultural societies, families can tend the crops while the men are away at war.

That's me off to the war, Flora! Look after the neeps! Oh, and the wee bairn!

But in a manufacturing age, when artisans go to war, their income stops.

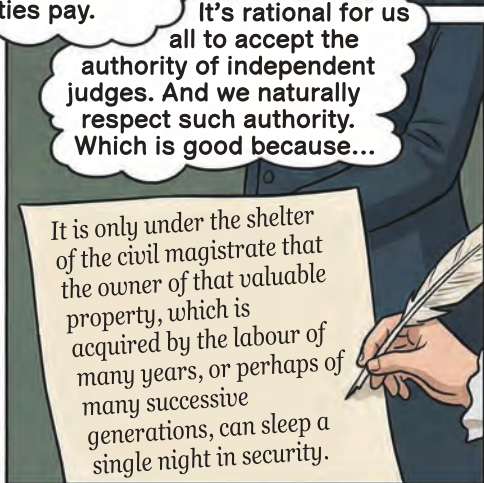
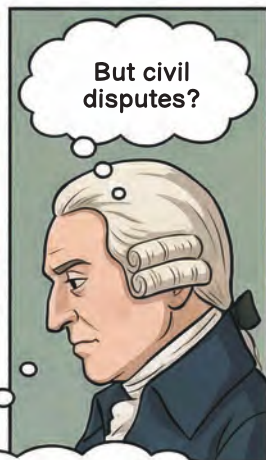
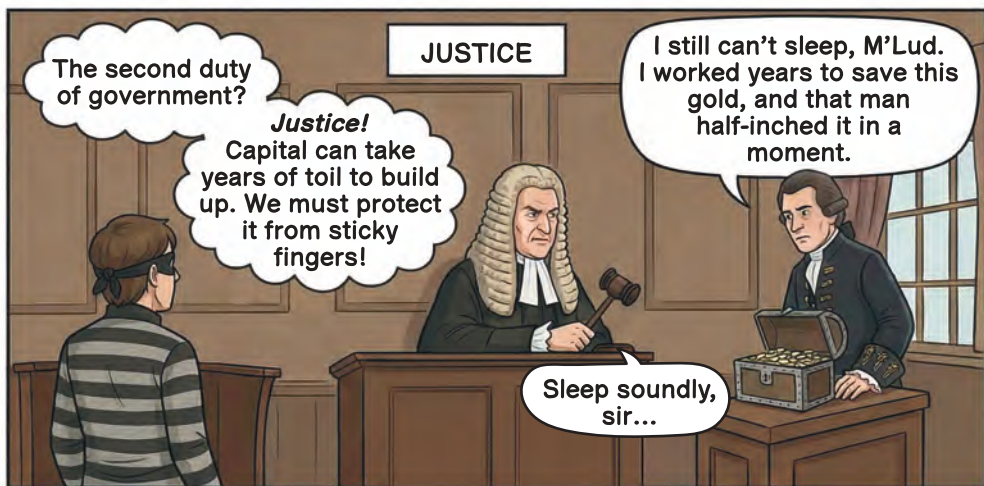
So the **state** has to pay for defence.

Who's going to support my family when I'm away?

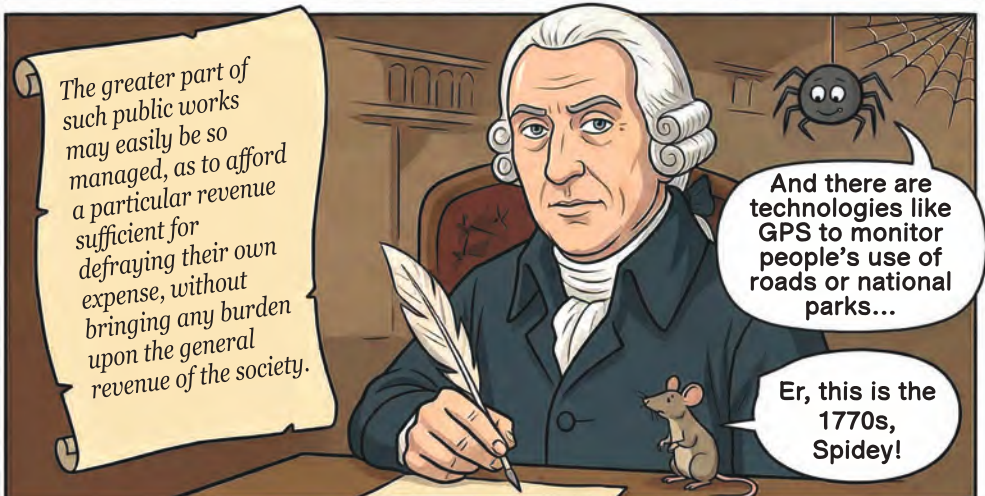
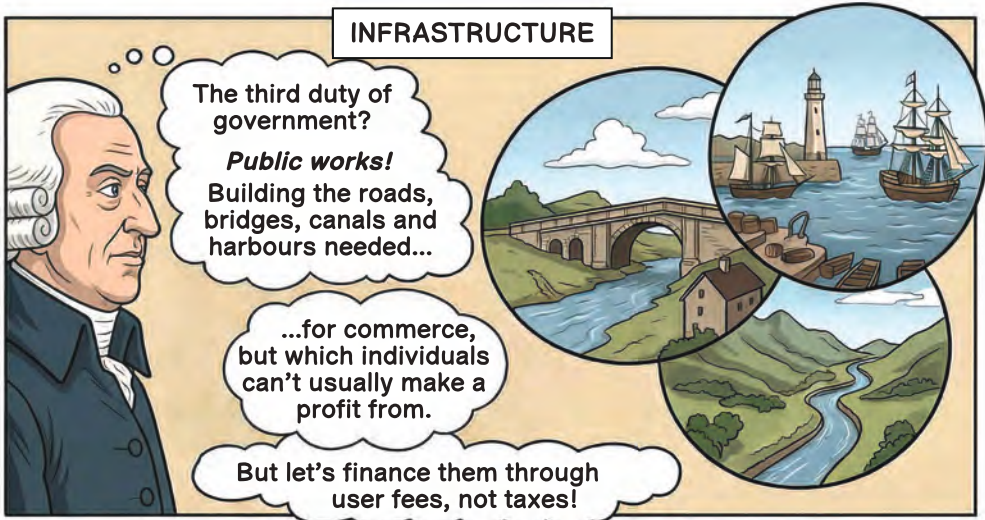


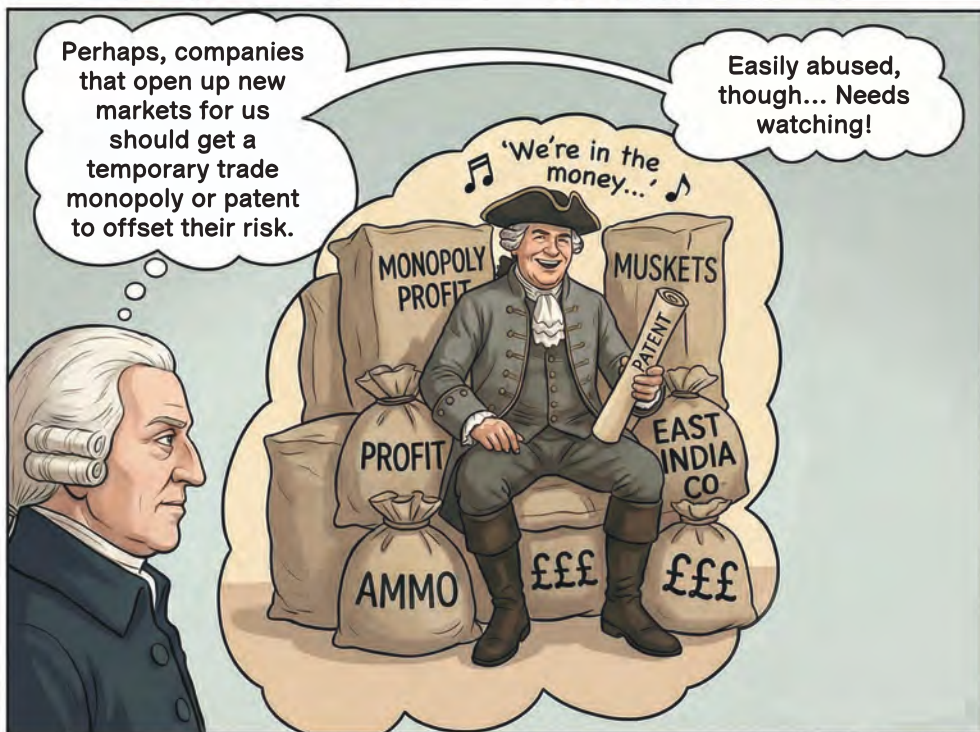
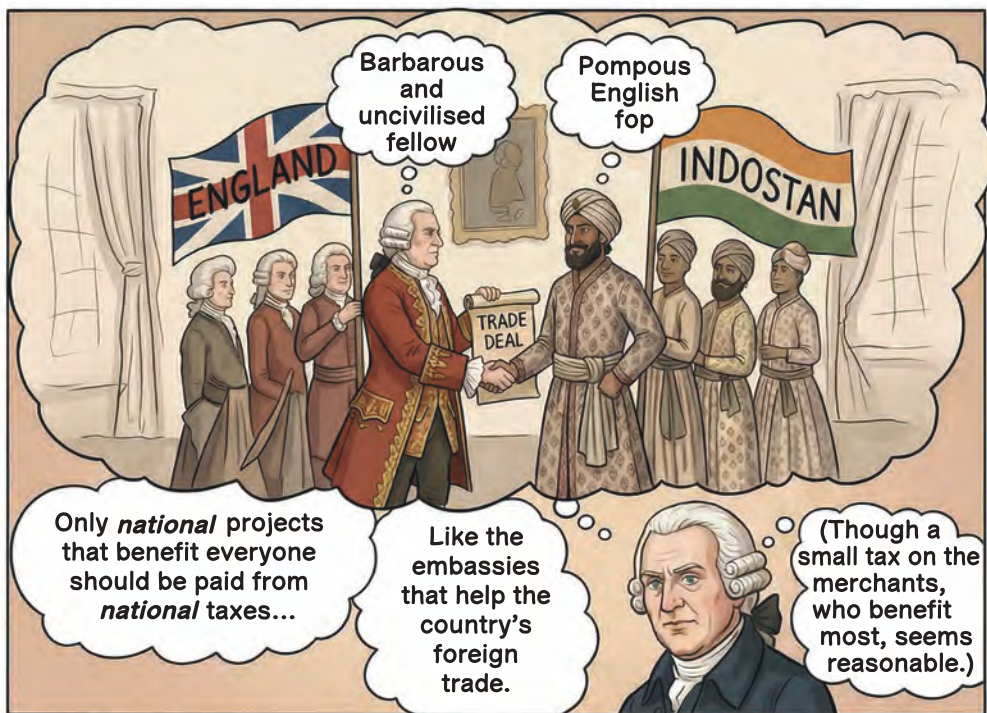
Dinnae worry, Wally. The King'll pay well for your service!

I'll believe *that* when I see it.



INFRASTRUCTURE





EDUCATION OF THE YOUNG (AND OLD)

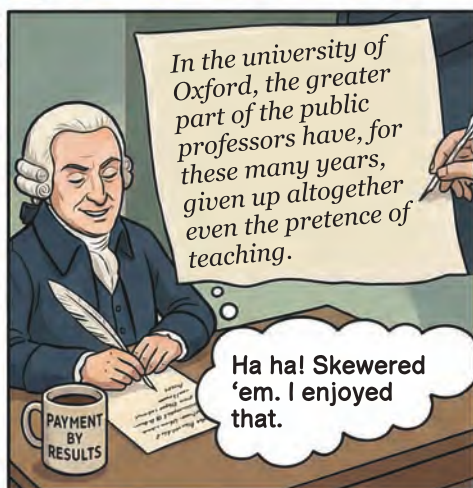
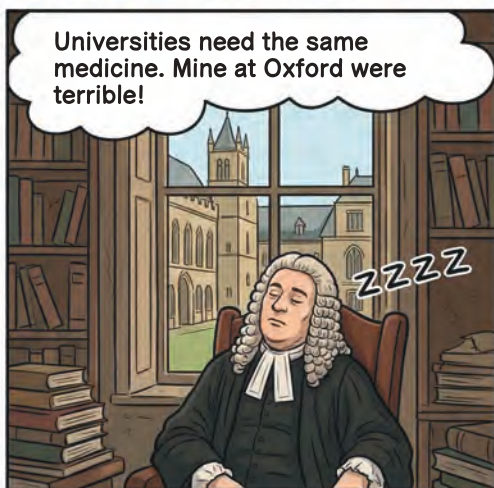
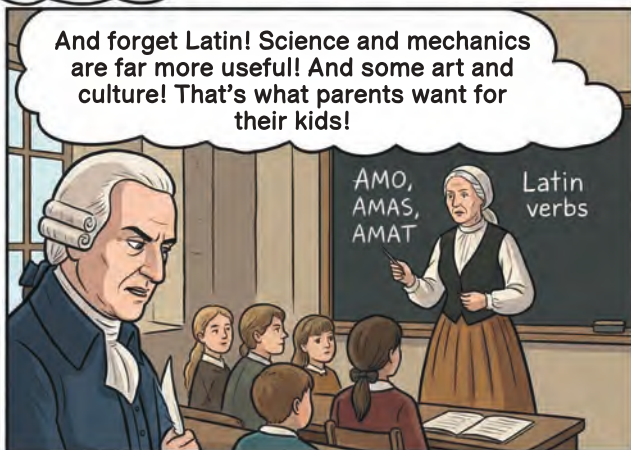
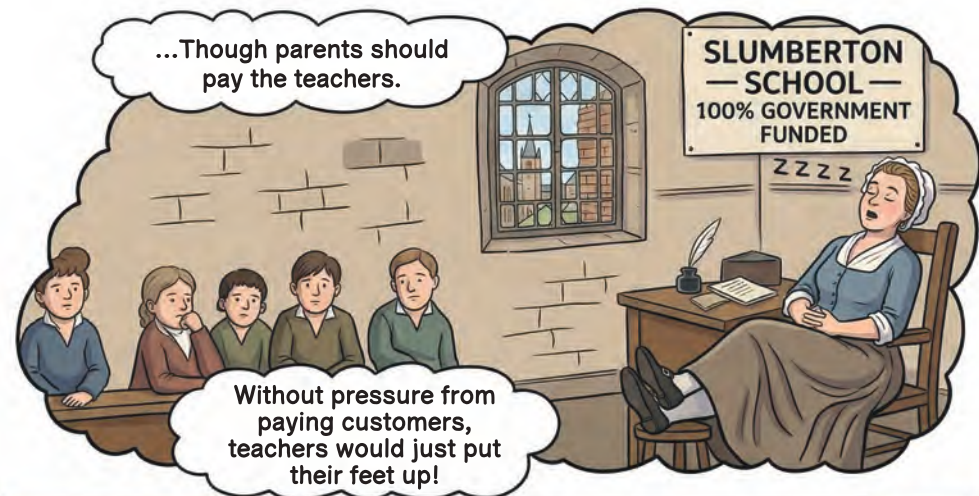
Education benefits everyone too. Workers need to grow, not just grind.

Adam anticipating Marx on 'alienation'? Spooky!

The man whose whole life is spent in performing a few simple operations... has no occasion to exert his understanding...

But who's to pay for local school-building? Labourers can't afford much.

So it has to be the government, I suppose...





THE MERCANTILIST HERALD AND REACTIONARY TIMES

All the Economicks that's Fit to Print
June 18, 1776



SHAKE UP COLLEGES, SAYS ADAM SMITH

By Jon Quill, Education Correspondent.

Oxford is reeling from an attack by firebrand Scottish economist Adam Smith, who says that because dons get paid whether they work or not, *"the greater part of the public professors have, for these many years, given up even the pretence of teaching."* Ouch!

Colleges are organised *"not for the benefit of the students, but for the interest, or more properly speaking, for the ease of the masters,"* Smith told me over a latte in The Dozy Don. He has a point. At Boringham College, the cobwebbed Prof Max Blank has been in post since Queen Anne but has not given a lecture since George II. And Prof Snoozanne Drabb teaches Latin declensions to empty

halls, while her students get a better education in the local taverns.

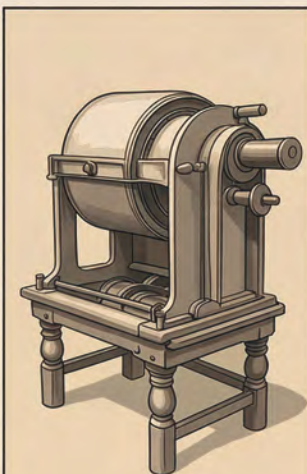
"In some universities the salary makes... frequently but a small part of the emoluments of the teacher" says Smith.

The rest comes from student fees, so profs have to give their students value. But an Oxford prof gets 100% salary. So as for teaching, *"it is certainly his interest...to neglect it altogether..."*

Academics, prickle at Smith's idea of performance-related pay. "Must I caper like a mountebank to teach Rhetoric?" asks Prof Stan Danbore. Others say that lectures would ruin the student experience. Some as young as 96 have talked of retiring.

But the students gambling on a cockroach race in *The Sleepy Scholar*, were more positive. "It's not Latin declensions but markets, mechanics and science that we want to learn about. We'd all pay for that!" Tavern keeper Ginny Tonic agreed. "I'll still see them in here," she said. "But at least Oxford wouldn't be producing *total* wastrels."

Oxford's Chancellor, sleeping off his lunchtime Canary wine, was unavailable for comment. But a deputy told me: "We've lots of friends in Parliament who love to dine here and enjoy our fine cellars. They'll not abandon us to mere customers. We will see off this upstart economist."



CROPPER'S MECHANICAL WIG-CLEANING MACHINE

*For the Modern
Gentleman of Fashion!*

Free your periwig from dust and vermin! Cropper's patented device, with an ingenious hand-crank, brushes and perfumes your wig to pristine glory in minutes. Save your labour and preserve your dignity! Price: £1 or lease for 6d. monthly. Visit WigWorks, St. Paul's.

DR FOSTER'S ELIXIR

For the Banishment of Melancholy!



Ladies, suffer lethargy no longer! Dr Foster's Elixir, compounded of rare herbs from the Orient and the finest spirits, restores the humours to perfect balance. One spoonful daily cures swooning fits, hot flushes and

ague.
Price: 6d. per bottle. Sold at
Pestlethwaite's Apothecary,
Cheapside.

2. PAYING FOR PUBLIC STUFF

Like teachers, civil servants should also be paid by results.

MINISTRY
OF PUBLIC
STUFF

ZZZZZZ

CAULD
KIST

WEE
SCRUBBER

TEA

Public services are never better performed than when their reward comes in consequence of their being performed, and is proportioned to the diligence employed in performing them.

Governments are bad at running things, though!

Oops!

TEA

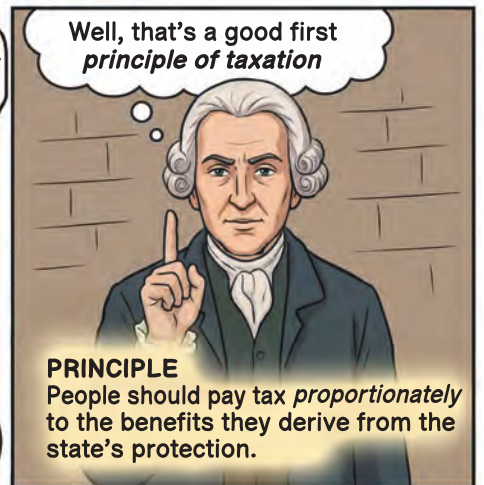
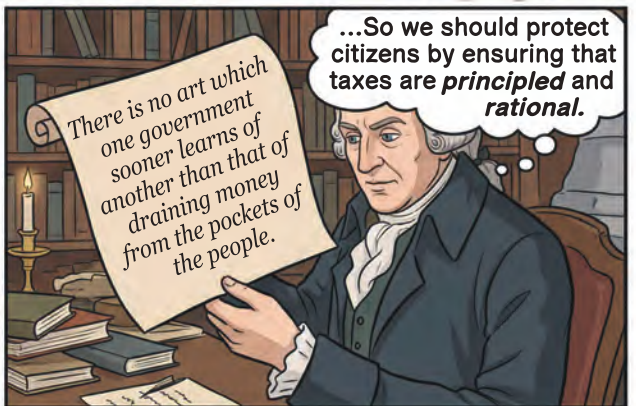
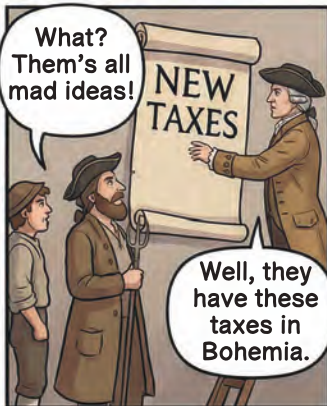
Privatise the lot! They'd be better managed and would generate more wealth for the nation!

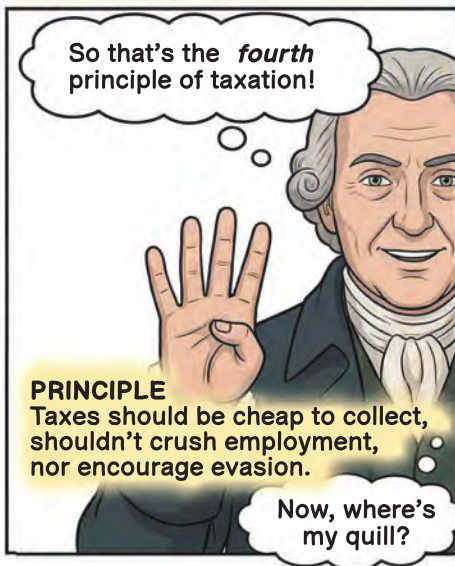
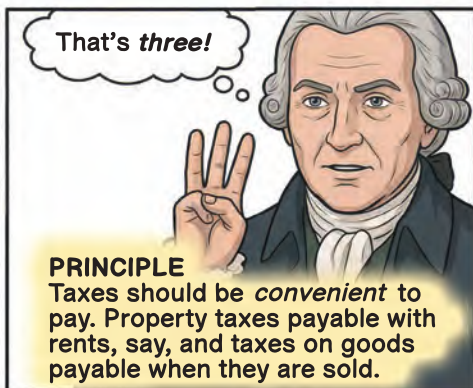
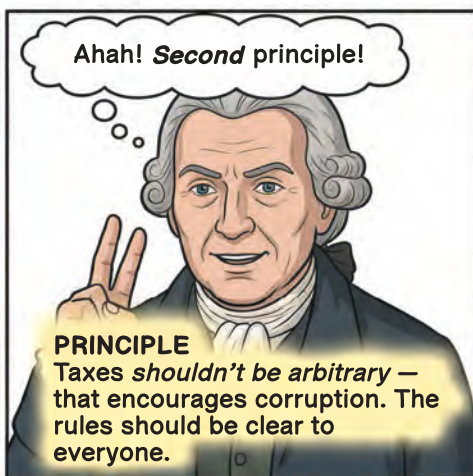
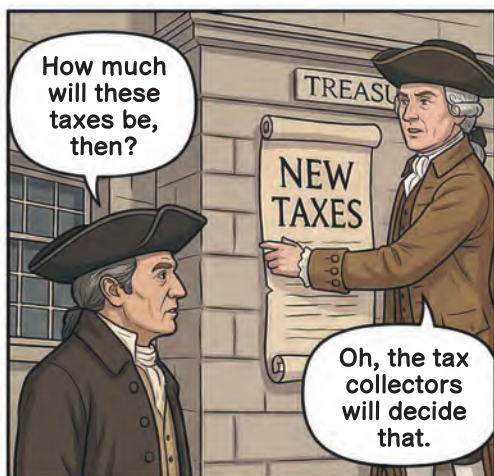
Yuk! I must speak to that tea merchant!

That Smith! Never his mind on where he is!

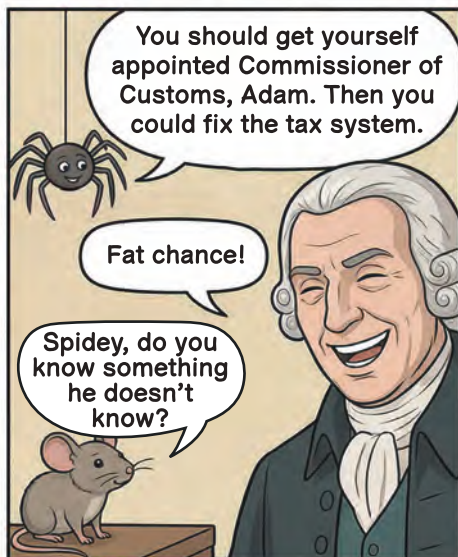
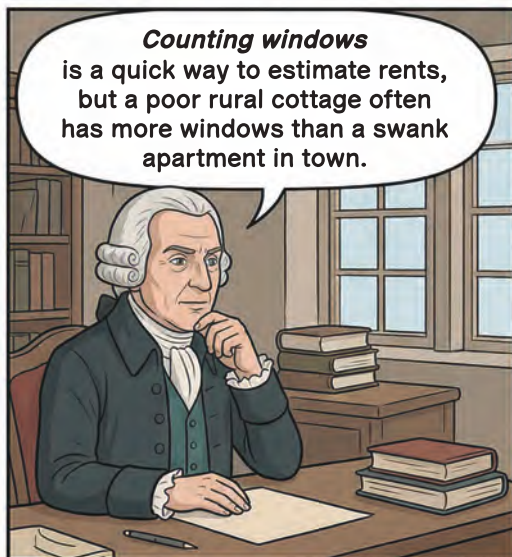
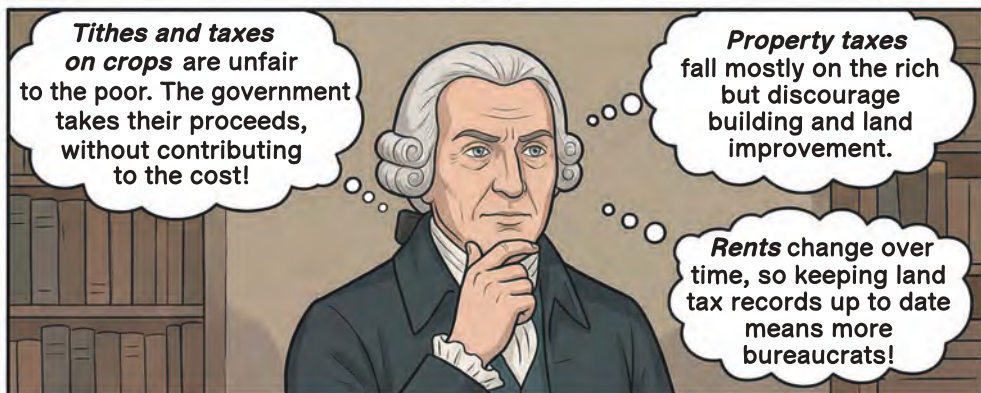
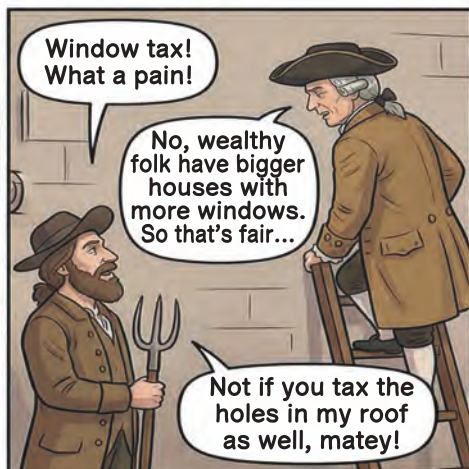
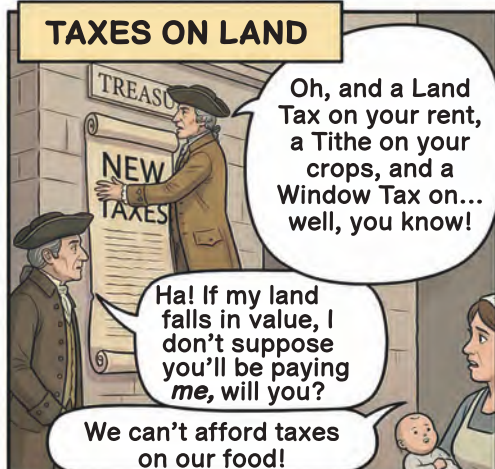
TAXATION

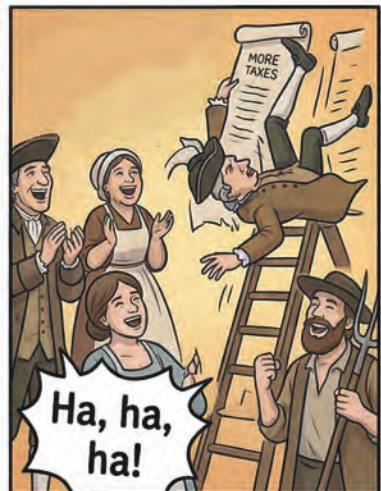
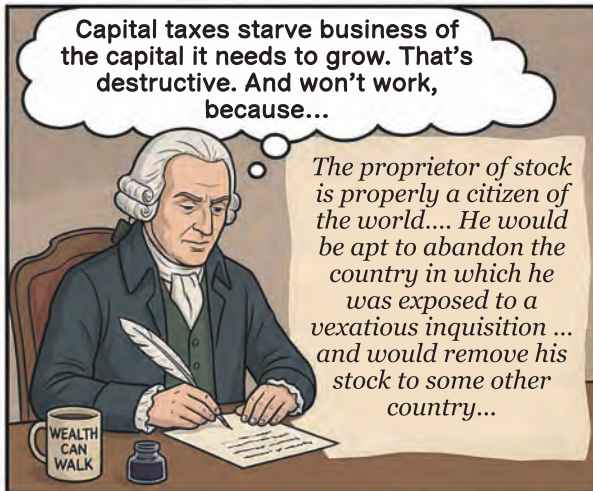
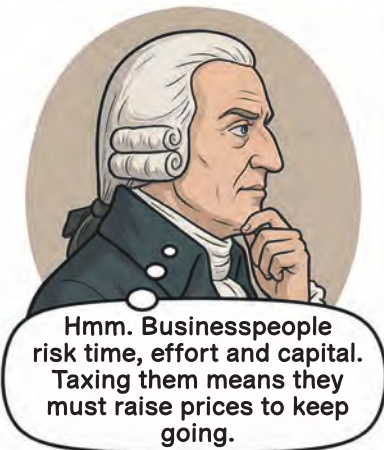
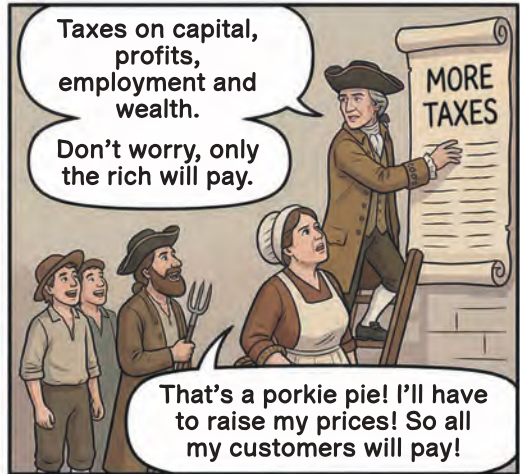
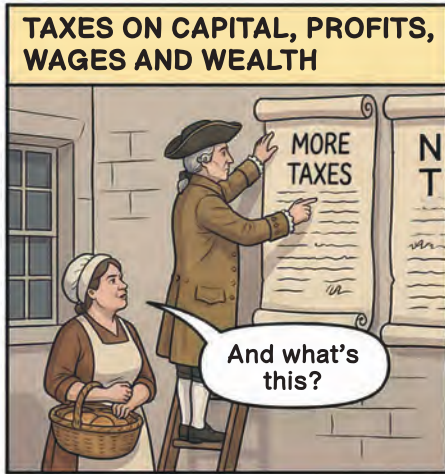
THE PRINCIPLES OF TAXATION



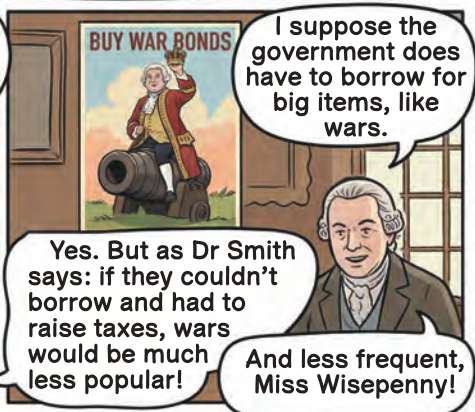
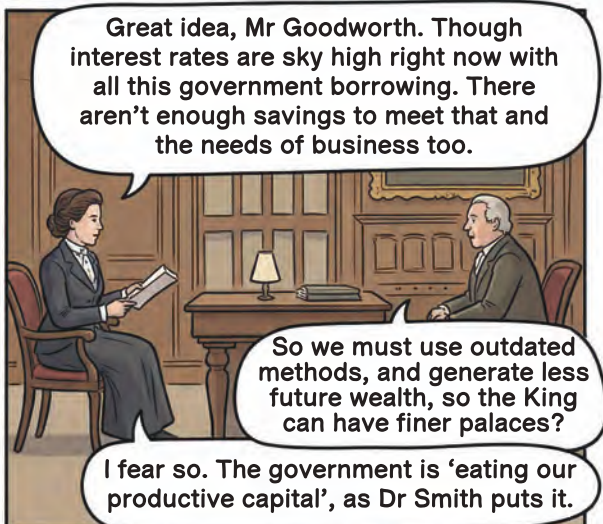
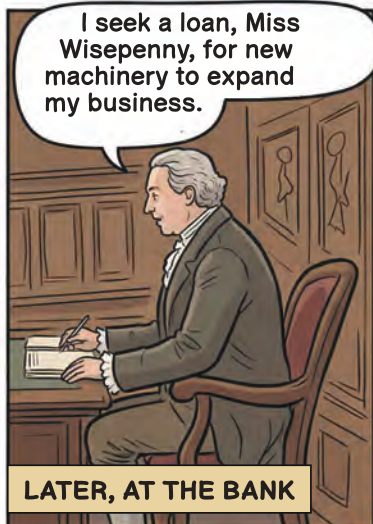


TAXES ON LAND



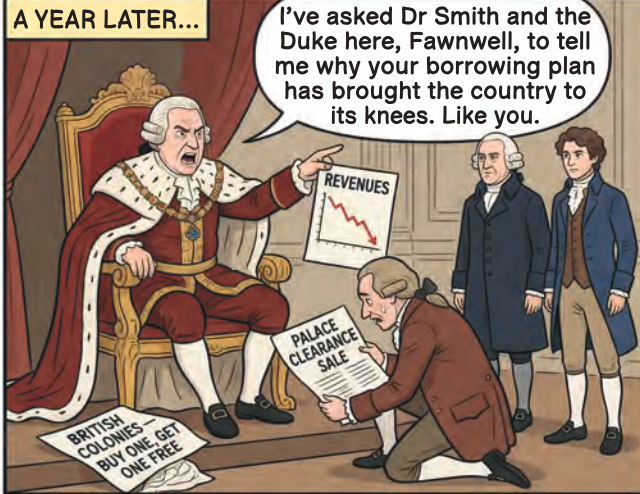


3. PUBLIC BORROWING

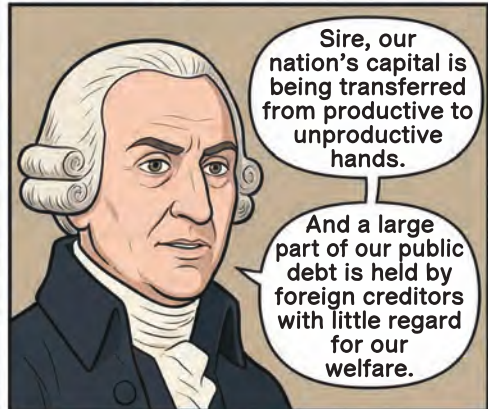
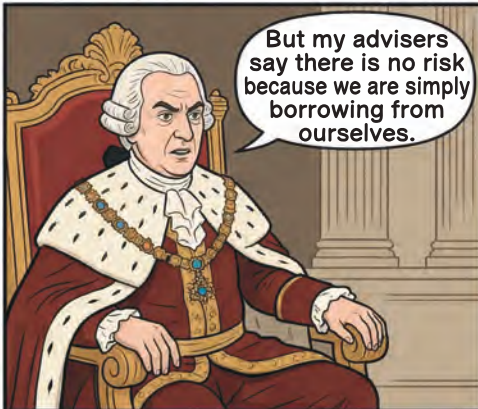
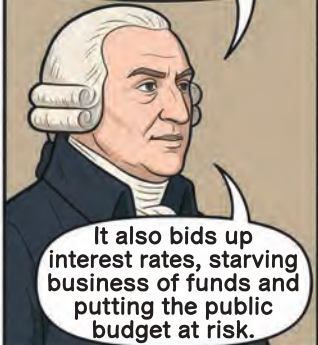


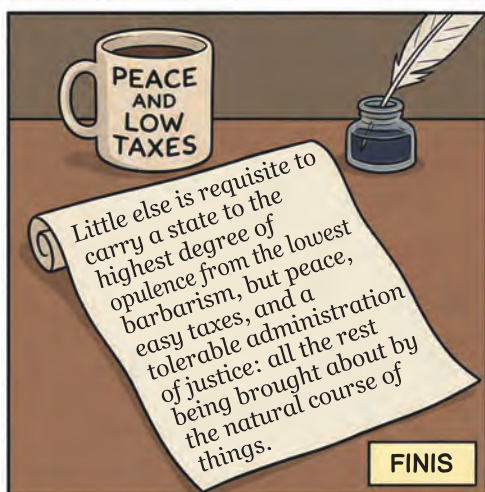
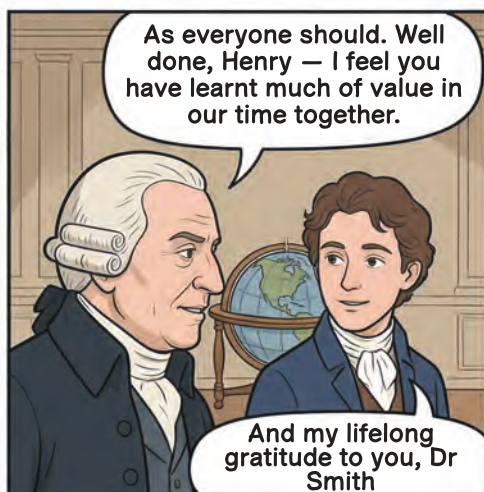
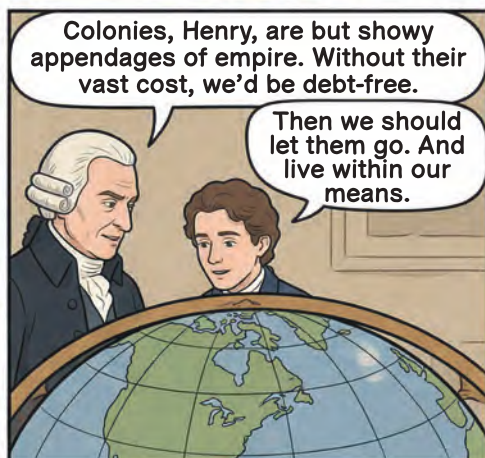
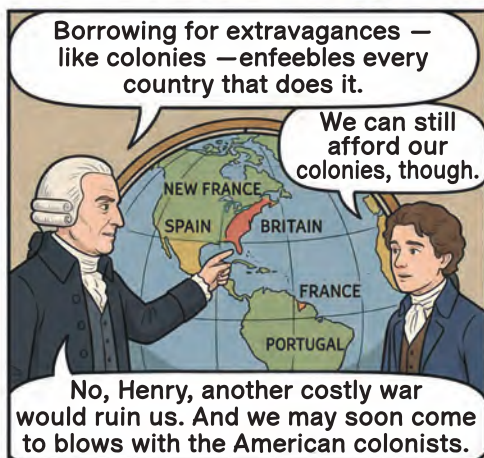
4. THE DANGERS OF PUBLIC DEBT – AND HOW COLONIES MAKE YOU POORER

A YEAR LATER...

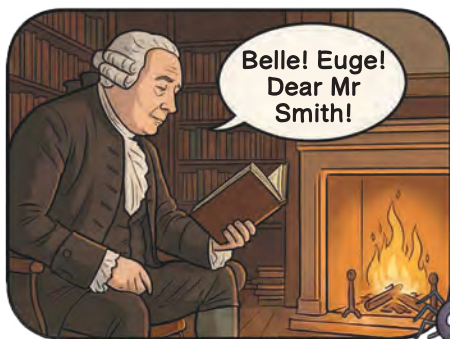


Sire, public borrowing takes the capital that productive businesses need for investment – consuming it on gratification today.





EPILOGUE



Adam Smith did finish *The Wealth of Nations* and David Hume lived long enough to read it. It got rave reviews from everyone. And set economics off on its modern course.



As a reward, Smith was given a high-paying government job — Commissioner of Customs. He was expected to pocket the cash and put his feet up. But he actually did the job, going into the office every day.



Though he *did* buy a nice big house in Edinburgh, where he enjoyed meeting up with friends for intellectual discussions.



He also wrote tax and trade reform policies for the Prime Minister, William Pitt the Younger.

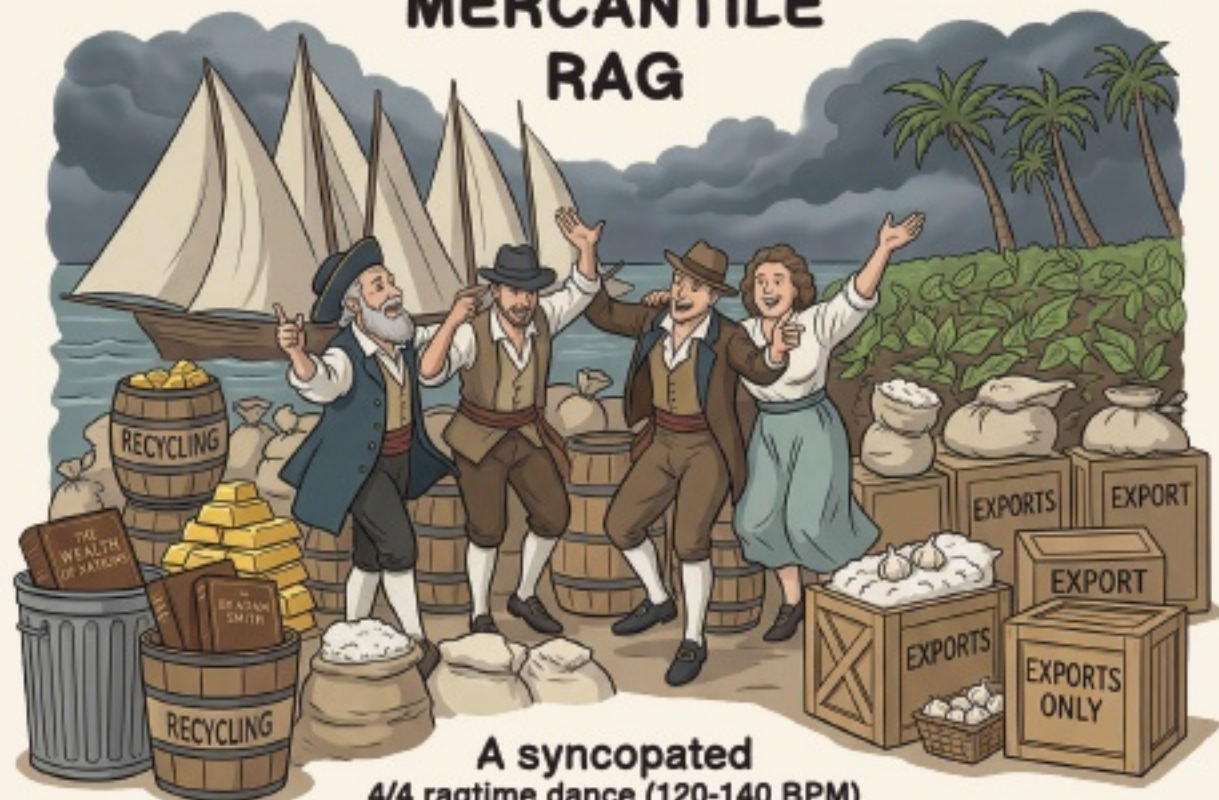


It's said that at one of his evenings with his intellectual friends, he felt tired and said "Friends, we must resume this conversation in another place." He went to bed and died shortly afterwards.



But he lives on through his writings. Particularly *The Wealth of Nations*, one of the greatest products of human civilisation.

THE MERCANTILE RAG



**A syncopated
4/4 ragtime dance (120-140 BPM)
After Tom Lehrer's *Vatican Rag***

First you pile up all the gold,
That's the game of ages old!
Keep your exports high and strong,
Bullion's where our hearts belong!

Slap on tariffs, raise those walls,
Ignore their pleas,
Don't take their calls,
Forget their economies,
Keep our monopolies,
Doin' the Mercantile Rag!

Smith says "No, you've got it skewed,
Wealth's in work, not gold accrued.
Save, invest, let markets race,
Then you'll grow at record pace!"

"Let those goods go on their way,
Love free trade, shout hip hooray!
Competition—that's so cool ..."

— Bah! Don't listen to that fool!

Colonies, they're ours to squeeze,
Pluck their wealth like picking fleas!
Stop their trade with foreign lands,
Keep their riches in our hands!

So kings and merchants, in cahoots,
Rig your markets, fill your boots.
Plunder and grab and stash
Up all that lovely cash!
You get the picture,
You make yourself richer,
Doin' the Mercantile Rag!

END

WHAT THEY SAY ABOUT ADAM SMITH AND THE WEALTH OF NATIONS —THE GRAPHIC NOVEL—

By Eamonn Butler

Illustrated by Max Rangeley & Partners



ADAM SMITH
INSTITUTE

ISBN 978-1-916656-00-8



9 781918 656008

FEE Foundation for
Economic Education