The Classical Liberalism – as propagated by Adam Smith

Adam Smith's main tenets:
Division of Labour:
- division of labour due to man's propensity to exchange goods / services
- man always needs assistance and co-operation of others (not self-sufficient) → cf. [Aristoteles's ζῷον πολιτικόν]
- men do not help one another benevolently
- men act and co-operate out of self-love
- all men are free and equal
- social differences arise from education, profession, etc.
- ⇨ when people freely offer one another goods and services in exchange of other goods / services they benefit themselves and so do the people they co-operate with

The Invisible Hand:
- people try to invest their capital in a way to increase it most
- increasing their own profits, they automatically also increase society's profits
- society profits without it being intended by people acting out of self-love
- the 'invisible hand' takes care of everybody's profit
- intentionally to plan to promote well-being might have negative effects (i.e. no state intervention)
- no statesman should try to promote people's benefit: this would make him too powerful
- ⇨ Smith is against state-intervention

Unreasonableness of Restraint:
- the gain of other nations is not the loss of one's own nation
- monopolies are bad [as they prevent the invisible hand] and lead to artificially high prices
- there should not be any duties
- ⇨ Smith propagates free trade

Words:

precocious (adj.)	*frühreif*	**trade union (n.)**	*Gewerkschaft*
cogent (adj.)	*überzeugend, stichhaltig*	**endorse (v.)**	*unterstützen*
exposé (n.)	*Darstellung*	**manifesto (n.)**	*Programm (einer Partei)*
protectionism (n.)	*Protektionismus*	**impinge (v.)**	*negative beeinflussen*
brand (n.)	*Marke*	**sole (adj.)**	*einzig(-e, -er, -es)*
employee (n.)	*Arbeitnehmer*	**warrant (v.)**	*rechtfertigen*

Tasks:
1) Characterise in your own words classical liberalism.
2) Compare 18th-century classical liberalism to our modern understanding of liberalism.