

“WERE ALL NATIONS TO FOLLOW THE LIBERAL SYSTEM OF FREE EXPORTATION AND FREE IMPORTATION, THE DIFFERENT STATES INTO WHICH A GREAT CONTINENT WAS DIVIDED WOULD SO FAR RESEMBLE THE DIFFERENT PROVINCES OF A GREAT EMPIRE. AS AMONG THE DIFFERENT PROVINCES OF A GREAT EMPIRE THE FREEDOM OF THE INLAND TRADE APPEARS, BOTH FROM REASON AND EXPERIENCE, NOT ONLY THE BEST PALLIATIVE OF A DEARTH, BUT THE MOST EFFECTUAL PREVENTATIVE OF A FAMINE; SO WOULD THE FREEDOM OF THE EXPORTATION AND IMPORTATION TRADE BE AMONG THE DIFFERENT STATES INTO WHICH A GREAT CONTINENT WAS DIVIDED.”

Here Smith, discussing the benefits of free trade in agriculture, claims that restricting trade in grain may turn a local food shortage into a serious famine.

Use a tariff diagram of a domestic market for corn. Discuss how and why removing a tariff between two countries may prevent a famine.

[Click here to learn more about this quotation from Adam Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations*](#)



**ADAM
SMITH
WORKS**

