Adam Smith (I Lost My Password So Im Resubmitting Essay, Research Paper

“Let the market alone” is one of the pieces of advice Adam Smith gave to the world for it to live by (Heilbroner 69). Smith said this regarding the economy and government intervention. No one would have expected that this advice could pertain to a culture that is far more complex and advanced than the one Smith lived in over 200 years ago. Nevertheless, his theories although thought up in the 1700’s still pertain to the daily routine of our economy in the 1900 and going into the next millennium. Adam Smith was mainly concerned with “promoting the wealth of the entire nation” including the pauper, noble, and bourgeoisie (Heilbroner 53). Some could say Smith was like a prophet for seeing a solution that would last for centuries. He envisioned the market working in a way no other could have seen it in his time. He believed in letting the market work with minimal government intervention. Furthermore, he hypothesized that the market forces would direct society toward progression. Smith also understood that the invisible hand, which itself is a market force, would steer society and the economy towards equilibrium. He derived this hypothesis after questioning how the economy can work without any structure (Heilbroner 55).Adam Smith wrote two renowned novels that cast his ideas into the spotlight in Europe, The Wealth of Nations and The Theory of Moral Sentiments. Smith’s novel The Wealth of Nations, which pertained more to the economy than social behavior, was practically an instruction manual for running a successful economy. It explained how the rise and fall of demand and supply affect market prices. Moreover, the novel changed the way the society in Europe thought the economy worked. For example, before Smith’s novel money was not thought of as a tool to spend, rather it was a tool for survival which bought a family food and clothing. Saving money purely for the reason of saving was not common; accumulation was thought to be unfavorable for the economy and therefore looked down upon (Heilbroner 64). The Wealth of Nations also changed society opinions from that of government control of businesses and trade and a negative view upon accumulation of money, to little or no governmental regulations and provided clarity upon the need for the accumulation of money for capital purposes (Heilbroner 64). Many philosophers displayed their devotion and belief of Smith’s ideas. Parson Malthus and David Ricardo both progressed on the ideas of Smith despite their personality conflicts. While Malthus concentrated mainly on the subject of population which tended to agree with Smith, Ricardo took Smith’s teachings another way (Heilbroner 81). Malthus suggested that the world would not be able to sustain the amount of mouths needing to be fed. This thought was understandable due to the shortage of grain and the inflation of prices in England at the time. Ricardo, on the other hand saw that ” the escalator of progress” worked differently in respect to different classes: some usually the people who kept “the escalator” running did not benefit from it and those who did nothing got a free ride to the top (Heilbroner 79). These thoughts helped society become what it has become.

If the society is to flourish what it comes down to, according to Adam Smith, are dollars and cents or that “pounds and shillings regulate everything” (Webb). In a letter to The Times newspaper, Sylvanius Webb insists that these observations by Smith are incorrect. However, by analyzing ones day to day actions one may see the hustle and bustle of every day life is to make those dollars and cents. Moreover, is Webb refuting David Smith or Smith’s idea? How could Webb refute the idea of the market and the invisible hand when we could clearly see it in action on a day to day basis? Webb’s ignorance stems from the same people who said the earth was flat even when it was proven otherwise. Furthermore, if not for a successful and growing economy people would be left to live their life out as a pauper with no hope in elevating their class. Smith’s depictions of the future and its economic state were correct. The market is still controlled by the invisible hand. Most of Smith’s ideas such as minimal governmental intervention still cause debates. The most recent is a case which is the probably the number one business issue of the 1990’s: United States vs. Microsoft Corp. Whether or not we can classify Microsoft Corp. as a monopoly and whether the government should intervene was the question that caused a controversy. I would expect that Smith would encourage this type of intervention because of his intense disapproval of monopolies and belief that they are viruses to the economy. Although Smith disagrees with government intervention he would surely invoke the U.S government to take action against Microsoft. Smith’s depictions of the workings of the economy were completely accurate. In today’s times I don’t believe Webb would take a standpoint opposing Smith. Webb like any person with common sense would see the market forces in action. He would realize why the government should not get involved with the daily occurrences of the economy. Rather, the government should get involved when uncontrollable circumstances occur which would disrupt the motions of a natural economy