

phy?" The first one I'll mention, is Adam Smith, a Scottish bachelor, Professor of Moral Philosophy at the University of Glasgow. And at the time that Adam Smith wrote, the Industrial Revolution had not yet transformed economic life. Adam Smith was really the spokesman for the small, enterprising merchants in England, And in his inquiry into the nature and causes of the wealth of nations he made out a classic case against the archaic system in existence at that time and gave us the first systematic treatment of the study of economics. In place of the planned economy of mercantilism Smith called for freedom in combining the factors of production - land, labor and capital. He pointed out that greater specialization would increase wealth; all of government, he said, should be passive. The government should practice a policy of freedom; of laissez faire, as the French call it.

Smith maintained that competition was a definite and essential element of a system of free enterprise, and we associate the free enterprise system with the classical school of economics of Adam Smith.

The next author influencing our present-day thinking is Thomas Robert Malthus, who put his finger on the real-world problems of population and depression. Malthus observed his environment keenly and noted that during the Napoleonic Wars industrial capitalism had made remarkable advances in Great Britain. Factories had become numerous; the population increased by leaps and bounds. And England had become a battleground of hostile classes. When we look at the population statistics of the 18th and 19th Centuries we see that the population doubled approximately every generation. Unemployment, depressions, hunger and malnutrition gradually transformed the Age of Enlightenment which had prevailed during the 18th Century, into the Age of Pessimism, and the recognition that man's future was bleak. Just as we have an era of rising expectations in many of the lesser-developed nations today, so we had a period of pessimism and the prospect of growing disillusionment in the England in