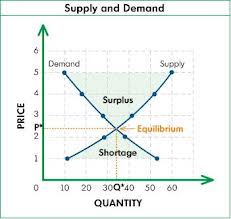
**Adam Smith is famous for his economic defense of free markets. He used the idea of an *invisible hand* in the marketplace that would bring everything to a state of equilibrium. Analyze the graph below to understand how this theory operates.**



**However, the *invisible hand* is not just a graph on a piece of paper. Examine the cartoon below and then write a sentence describing what is happening according to Adam Smith. Is this good or bad or both? Why?**

