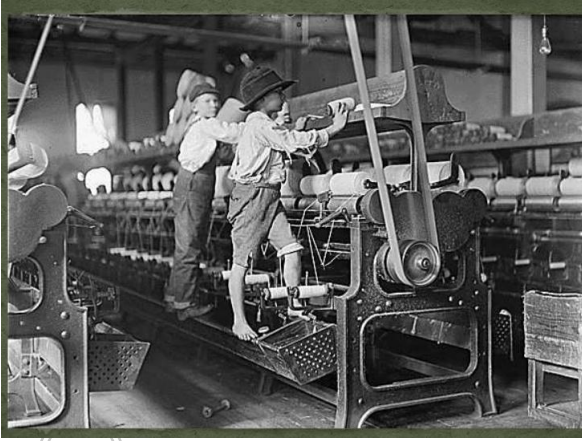


Agenda for February
19th

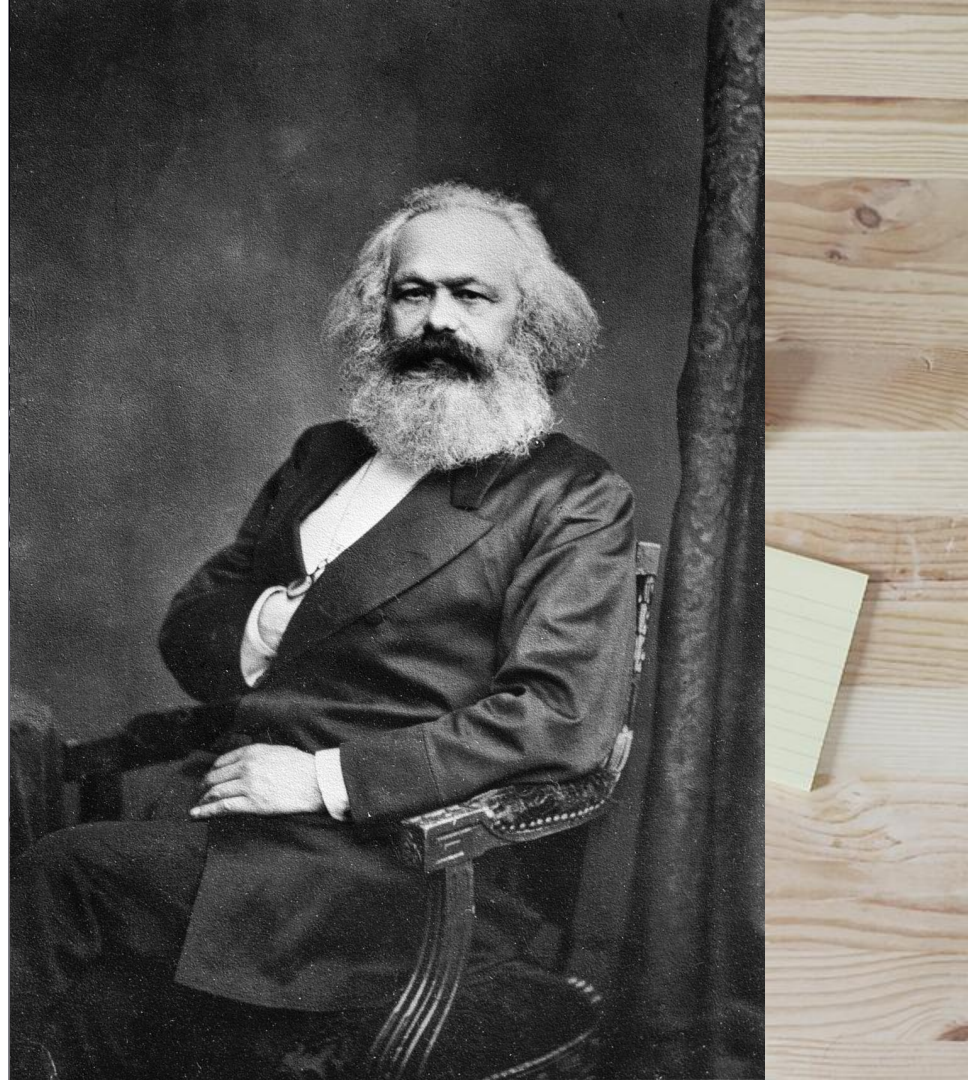


1. QUIZ

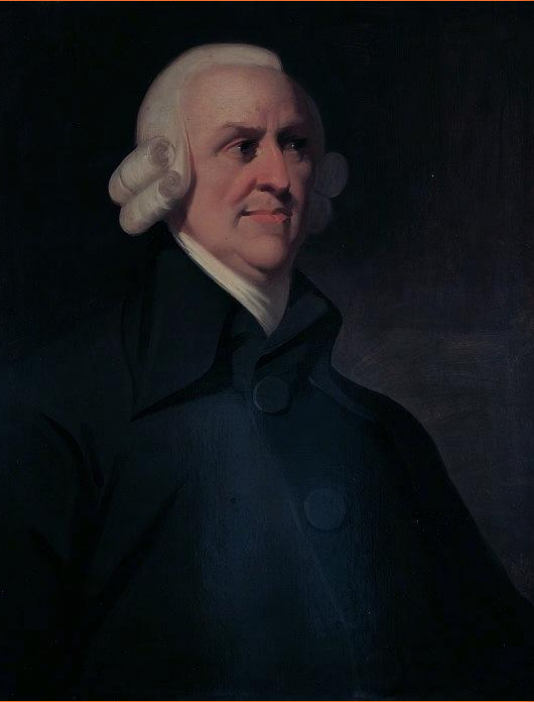


Industrialization Philosophies

How did industrialization affect the way people felt about the economy and government?



Capitalism



Adam Smith - Father of
Capitalism

Capitalism - an economic system based on private ownership and on the investment of money in business ventures in order to make a profit.

Laissez-faire Economics refers to an economic system where the government does not interfere with businesses.

Laissez-faire thinkers, such as Adam Smith, came up with the economic system of Capitalism.

Capitalists believe that businesses will regulate themselves and in the three natural laws of economics.

Three Natural Laws of Economics

- The law of self interest (People work for their own good)
- The law of competition (Competition forces people to make a better product)
- The law of supply and demand (Enough goods would be produced at the lowest possible price to meet demand in a market economy)

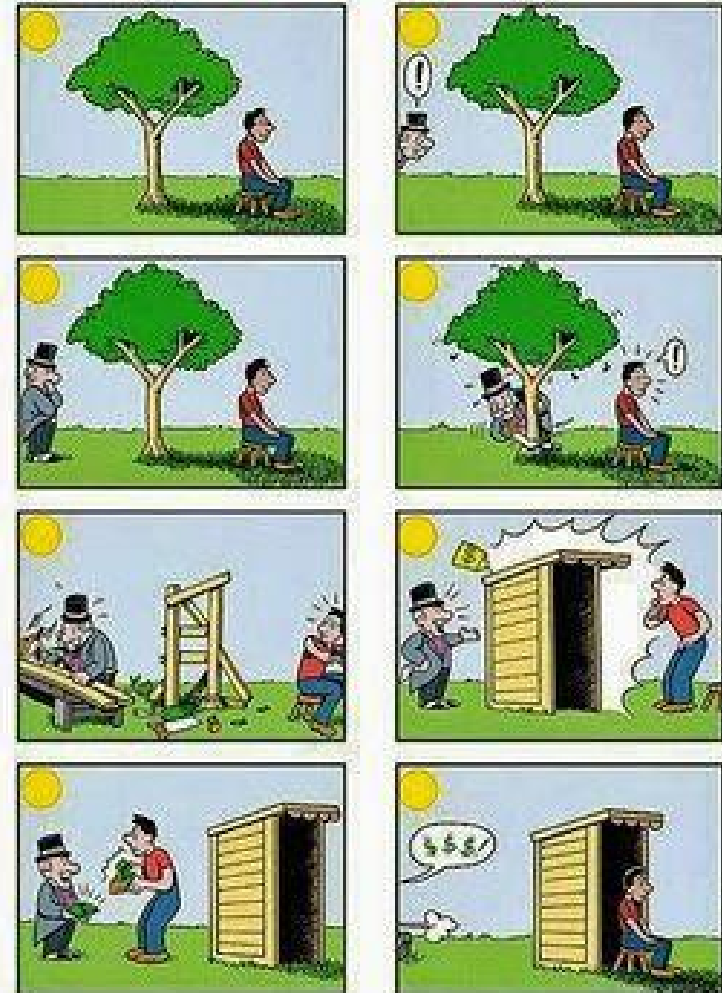


Capitalism and Poor Workers

Laissez-Faire thinkers opposed government efforts to help poor workers.

Felt that creating minimum wage laws and better working conditions would upset the free market system, lower profits, and decrease the production of wealth in society.

CAPITALISM



Rise of Socialism



Karl Marx - Father of
Communism

Socialism - economic system in which the factors of production are owned by the public and operate for the welfare of all

Utilitarianism is the philosophy that the government should promote the greatest good for the greatest number of people.

People saw how negative industrialization was in some ways and it inspired them to have ideas of utopia.

Socialism came out of this way of thinking.

Socialist Arguments

Socialists argued that the government should plan the economy.

Wanted the government to control factories, mines, railroads, and other key industries to make these places safer, more fair for workers, promote equality, and to end poverty.



Socialist Successes

Workers became fed up with conditions and formed labor unions.

Union members would demand changes from business owners, under threat of strikes.

Child labor laws enforced.



Radical Socialism/ Marxism/ Communism

Communism - economic system in which all means of production are owned by the people and private property does not exist. All goods and services are shared equally.

Karl Marx and Frederick Engels argued that human societies were always in warring classes (Proletariat and the Bourgeoisie)

According to them, the capitalist system would destroy itself, the proletariat would eventually overthrow the bourgeoisie and seize the means of production.

The government would soon cease to exist, and a perfect, classless society would develop.

