SECTION 4 Step-by-Step Instruction

Objectives
As you teach this section, keep students focused on the following objectives to help them answer the Section Focus Question and master core content.

- Understand laissez-faire economies and the beliefs of those who supported it.
- Describe the doctrine of utilitarianism.
- Summarize the theories of socialism.
- Explain Marx’s views of the working class and the response to Marxism.

Prepare to Read

Build Background Knowledge
Ask students to recall the conditions faced by the industrial working class and how people like Engels viewed their plight. Then have them predict what reformers might propose to improve conditions.

Set a Purpose

- WITNESS HISTORY: Read the selection aloud or play the audio. (TE, p. T21) strategy. As they read, have students outline the new economic theories.

Focus Point out the Section Focus Question and write it on the board. Tell students to refer to this question as they read. (Answer appears with Section 4 Assessment answers.)

Preview Have students preview the Section Objectives and the list of Terms, People, and Places.

Note Taking Have students read this section using the Structured Read Aloud (TP, p. T21) strategy. As they read, have students outline the new economic theories.

New Ways of Thinking

Objectives
- Understand laissez-faire economies and the beliefs of those who supported it.
- Describe the doctrine of utilitarianism.
- Summarize the theories of socialism.
- Explain Marx’s views of the working class and the response to Marxism.

Terms, People, and Places
- Thomas Malthus
- Jeremy Bentham
- utilitarianism
- socialism
- means of production
- social democracy

Note Taking
Reading Skill: Identify Main Ideas Write an outline like the one here to show the new economic and social theories.

Vocabulary Builder

Use the information below and the following resources to teach the high-use word from this section.

High-Use Word: laissez-faire economics
Definition and Sample Sentence: Formulate, p. 625
vt. to devise or develop, as in a theory or plan

The coaches formulated a plan to stop the other team’s high-scoring offense.
History Background

Adam Smith and the Workers After his death in 1790, Adam Smith’s laissez-faire economic theory was used as an argument against reforms. But Smith had been concerned about the welfare of factory workers. In The Wealth of Nations, he argued that performing one specialized action all day would cause a worker to become “as stupid and ignorant as it is possible for a human creature to become,” resulting in “mental mutilation, deformity, and wretchedness.” In his earlier Theory of Moral Sentiments, Smith asserted that mind-numbing work harmed a person’s ability to make moral judgments, which had adverse effects on society. He observed that government must try to prevent this from happening to the working poor. He also argued for public education, a radical idea at the time.

Proponents of laissez-faire economics supported the free-enterprise system. One of the best-known exponents of this view was David Ricardo, who was inspired to study economics after reading Smith’s The Wealth of Nations. Like Smith, Ricardo believed that natural “laws of the free market” would lead to progress and prosperity. He saw the market as a source of innovation and efficiency, arguing that it would drive the economy forward.

J. Smith’s natural view was proved wrong, however. Although the population boom did continue, the food supply grew even faster. As the century progressed, living conditions for the Western world slowly improved—and then people began having fewer children. By the 1900s, population growth was no longer a problem in the West, but it did continue to afflict many nations elsewhere.

Ricardo’s view was also at odds with the factory system, which emerged during the Industrial Revolution. This system relied on mass production and the use of machines, which led to the creation of a new class of workers known as the working poor. Smith and Ricardo opposed any government help for the poor. They argued that individuals should accept the consequences of their actions and make their own decisions about how to improve their lot. One of the best cures for poverty was not government relief but the unrestricted “laws of the free market.” They felt that individuals should be left to improve their lot through thrift, hard work, and limiting the size of their families.

Independent Practice

As students fill in their outlines, circulate to make sure they understand the differences between laissez-faire economics and utilitarianism. For a completed version of the outline, see Teaching Resources, Unit 4, p. 49.
Socialist Thought Emerges

Instruct

- **Introduce:** Key Terms
  Have students find the key term socialism (in blue) in the text and explain its meaning. Point out the word’s root, social, and that it was supposed to lead to social good, a system that was good for all of society. Ask students to picture a society in which all work is shared and all property is owned in common. As a class, examine challenges that might arise.

- **Teach**
  Explain that Bentham and Mill wanted to reform laissez-faire economics, but socialists wanted to abolish capitalism entirely. Ask **What are the means of production? (farms, factories, railways, and other large businesses that produce and distribute goods). What is the name of the system in which individuals own the means of production? (capitalism)**. Why did socialists think that private ownership of the means of production was bad? They believed it would always lead to wealth for the rich and injustice for poor workers.

- **Quick Activity**
  Direct students’ attention to the Infographic on this page. Ask them to compare the actions Robert Owen took to those of other reformers of the time. Ask them to think of reasons why New Lanark fell into decline.

Independent Practice

Have students write a paragraph comparing Thomas More’s Utopia with Robert Owen’s New Lanark. Paragraphs should analyze which aspects of New Lanark seem ideal and which do not.

Monitor Progress

To ensure student understanding, have them look up the root or related word (e.g., “Instruct” in the text and explain its meaning. For the key terms socialism, communism, capitalism, and utilitarianism, have students look up the root word and write a sentence that explains the term using the root or related word (e.g., “In communism, the community owns the means of production.”)

Answers

- Mill believed government should intervene to prevent harm to its citizens, such as abuse of workers.

Thinking Critically

1. It appears that children in New Lanark attended classes instead of living in crowded, dirty conditions.
2. Students’ answers should include specific reasons.

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Bentham’s ideas influenced the British philosopher and economist John Stuart Mill. Although he believed strongly in individual freedom, Mill wanted the government to step in to improve the hard lives of the working class. “The only purpose for which power can be rightfully exercised over any member of a civilized community against his will,” Mill wrote, “is to prevent harm to others.” Therefore, while middle-class business and factory owners were entitled to increase their own happiness, the government should prevent them from doing so in a manner that would harm workers.

Mill further called for giving the vote to workers and women. These groups could then use their political power to win reforms. Most middle-class people rejected Mill’s ideas. Only in the later 1800s were his views accepted.
SLOWLY ACCEPTED. TODAY’S DEMOCRATIC GOVERNMENT, HOWEVER, HAVE ABSORBED MANY IDEAS FROM MILL AND OTHER UTILITARIANS.

**Checkpoint** What did John Stuart Mill see as the proper role of government?

**Socialist Thought Emerges**

While the champions of laissez-faire economics praised individual rights, other thinkers focused on the goal of society in general. They condemned the evils of industrial capitalism, which they believed had created a gulf between rich and poor. To end poverty and inequality, they offered a radical solution—*socialism*. Under socialism, the people as a whole, rather than private individuals, would own and operate the means of production—the farms, factories, railways, and other large businesses that produced and distributed goods. Socialism grew out of the Enlightenment faith in progress, its belief in the basic goodness of human nature, and its concern for social justice.

**Are Utopians Dreamers?** A number of early socialists established communities in which all work was shared and all property was owned in common. When there was no difference between rich and poor, they said, fighting between people would disappear. These early socialists were called *Utopians.* The name implied that they were impractical dreamers. The Utopian Robert Owen set up a model community in New Lanark, Scotland, to put his own ideas into practice.

**Owen Establishes a Utopia** A poor Welsh boy, Owen became a successful mill owner. Unlike most industrialists at the time, he refused to use child labor. He campaigned vigorously for laws that limited child labor and encouraged the organization of labor unions.

**Checkpoint** What did early socialists believe?

**Karl Marx Explains Class Struggles**

In the 1840s, Karl Marx, a German philosopher, condemned the ideas of the Utopians as unrealistic idealism. He formulated a new theory, *scientific socialism,* which he claimed was based on a scientific study of history. He teamed up with another German socialist, Friedrich Engels, whose father owned a textile factory in England.

**Vocabulary Builder**

- *utopian* (AWRtuh puh tuhn) adj. an unrealistic idealist
- *communist* (kuhm uh muh nist) adj. or n. someone who believes in the classless society
- *bourgeoisie* (boo ruhz wuh see) n. the middle class

Marx and Engels wrote a pamphlet, *The Communist Manifesto,* which they published in 1848. “A specter [ghost] is haunting Europe,” it began, “the specter of communism.” *Communism* is a form of socialism advocated by Marx, in which an inevitable struggle between social classes would lead to the creation of a classless society where all means of production would be owned by the community. In *The Communist Manifesto,* Marx theorized that economics was the driving force in history. He argued that there was “the history of class struggles” between the “haves” and the “have-nots.” The “haves” have always owned the means of production and thus controlled society and all its wealth. In industrialized Europe, Marx said, the “haves” were the bourgeoisie. The “have-nots” were the proletariat, or working class. According to Marx, the modern class struggle pitted the bourgeoisie against the proletariat. In the end, he predicted, the proletariat would be victorious.

**Vocabulary Builder**

- *classless* (KLASS luss) adj. not based on class
- *bourgeoisie* (boo ruhz wuh see) n. the middle class

**Teach** Explain Marx’s ideas. Ask According to Marx, what kind of struggle drove history? (the class struggle) Which two groups were in conflict? (the haves and have-nots) Who was the proletariat? (the working class) How would capitalism come to an end? (The workers would unite and overthrow it.) What would the ideal society look like? (classless, with wealth and means of production owned in common by all)

**Quick Activity** Tell students that in the United States today, people continue to debate the degree to which government should intervene to alleviate social and economic problems. Use the Think-Write-Pair-Share strategy (TR, p. T23) to have students discuss this issue.

**Independent Practice** Direct students’ attention to the poster on page 626. Ask them which political ideas the poster expresses. Then have them create a poster for one of the political systems they have studied.

**Monitor Progress** Check Reading and Note Taking Study Guide entries for student understanding.

**History Background**

Robert Owen Although Robert Owen had mixed success, he left many important legacies. He himself left school at the age of ten to work in the textile industry. When he became a wealthy factory co-owner, he fought for reforms in working hours, child labor, and education. Jeremy Bentham was one of the partners in Owen’s New Lanark community, where education for workers’ children included a nursery school, a new idea in Britain. In 1825, Owen left New Lanark and started a small cooperative agricultural community across the sea in New Harmony, Indiana. Although the community failed and depleted his resources, the cooperative movement later revived. There are many cooperatives today founded on Owen’s ideas. Owen returned to Britain and helped establish the trade union movement, another important legacy.

**Monitor Progress**

**Teach** Explain Marx’s ideas. Ask According to Marx, what kind of struggle drove history? (the class struggle) Which two groups were in conflict? (the haves and have-nots) Who was the proletariat? (the working class) How would capitalism come to an end? (The workers would unite and overthrow it.) What would the ideal society look like? (classless, with wealth and means of production owned in common by all)

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**Karl Marx Explains Class Struggles/Marxism in the Future**

**Instruct**

- **Introduce:** Vocabulary Builder Have students read the Vocabulary Builder term and definition. Ask students to speculate about how the thinkers introduced in this section formulated their theories. Ask them what they think Marx meant when he said his theory was based on scientific study of history.

**Teach** Explain Marx’s ideas. Ask According to Marx, what kind of struggle drove history? Which two groups were in conflict? Who was the proletariat? (the working class) How would capitalism come to an end? (The workers would unite and overthrow it.) What would the ideal society look like? (classless, with wealth and means of production owned in common by all)

**Quick Activity** Tell students that in the United States today, people continue to debate the degree to which government should intervene to alleviate social and economic problems. Use the Think-Write-Pair-Share strategy (TR, p. T23) to have students discuss this issue.

**Independent Practice** Direct students’ attention to the poster on page 626. Ask them which political ideas the poster expresses. Then have them create a poster for one of the political systems they have studied.

**Monitor Progress** Check Reading and Note Taking Study Guide entries for student understanding.

**Answer** Early socialists believed that all property and all means of production should be owned by the people as a whole.

**Chapter 19 Section 4 625**
Assess and Reteach

Assess Progress

- Have students complete the Section Assessment.
- Administer the Section Quiz.  
- To further assess student understanding, use Progress Monitoring Transparencies, 82

Reteach

If students need more instruction, have them read the section summary.

- Reading and Note Taking Study Guide, p. 181
- Adapted Reading and Note Taking Study Guide, p. 181
- Spanish Reading and Note Taking Study Guide, p. 181

Extend

Viewpoints

To help students appreciate different viewpoints about industrialization, have them read the selection Responses to the Industrial Revolution and complete the worksheet.

- Teaching Resources, Unit 4, p. 50

Answers

- The proletariat would overthrow capitalism through revolution, take control of the means of production, and create a classless society.
- Marx was wrong about international revolution, and by the 1990s, few communist countries remained.

Section 4 Assessment

1. Sentences should reflect an understanding of each term, person, or place listed at the beginning of the section.
2. Laissez-faire economics, utilitarianism, socialism, and communism (Marxism)
3. (a) Adam Smith believed in a free market without government intervention. (b) Thomas Malthus believed population growth would lead to famine. (c) David Ricardo formulated the “Iron Law of Wages,” which stated the wage increases were futile as family size increased. (d) Utilitarianism believed government should intervene to curb abuses; socialists wanted to abolish capitalism altogether and have the people own the means of production. (e) They might have lessened workers’ suffering and made them less likely to stage revolutions.

Marxism in the Future

At first, Marxism gained popularity with many people around the world. Leaders of a number of reform movements adapted the idea that power should be held by workers rather than by business owners. Marx’s ideas, however, would never be practiced exactly as he imagined.

Marxism Briefly Flourishes

In the 1860s, Germany adopted Marx’s beliefs to form a social democracy, a political ideology in which there is a gradual transition from capitalism to socialism instead of a sudden violent overthrow of the system. In the late 1800s, Russian socialists embraced Marxism, and the Russian Revolution of 1917 set up a communist-inspired government. For much of the 1900s, revolutionaries around the world would adapt Marxist ideas to their own situations and needs. Independence leaders in Asia, Latin America, and Africa would turn to Marxism.

Marxism Loses Appeal

As time passed, however, the failure of Marxist governments would illustrate the flaws in Marx’s arguments. He predicted that workers would unite across national borders to wage class warfare. Instead, nationalism won out over working-class loyalty. In general, people felt stronger ties to their own countries than to the international communist movement. By the end of the twentieth century, few nations remained with communist governments, while nearly every economy included elements of free-market capitalism.

Checkpoint

How accurate did Marx’s predictions about social classes prove to be?

Progress Monitoring Online

For: Self-quiz with vocabulary practice
Web Code: naa-1941

Quick Write: Write a Thesis Statement

As in other types of essays, it is important to clearly state your thesis, or main idea, when writing an explanatory essay. Write a thesis statement followed by a short paragraph on one of the theories discussed in this section.

For additional assessment, have students access Progress Monitoring Online at Web Code naa-1941.

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