

Capitalism and Industrialism

-Capitalism-

Capitalism means that goods and services are owned by individual people, these goods/services can be transferred to whoever with little to no restrictions.

Basically a person can become a business owner and have full control over their business. The more capitalist a nation, the less the government involves itself in how a business owner can run their business. If you are struggling to think about how this works, just think of our country. We live in capitalism!

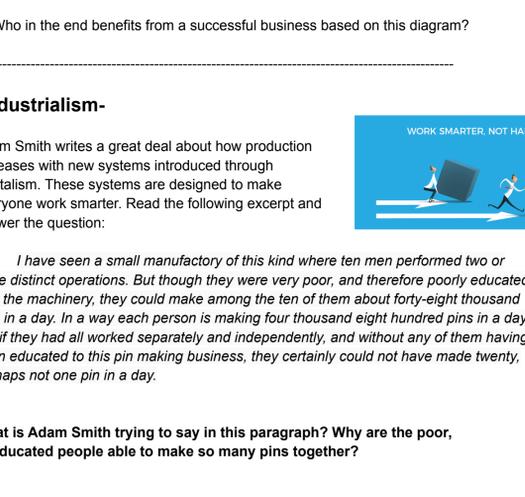
In the mid to late 1700's, during the time of the Agricultural revolution, Capitalism was new and no one really had a name for it. In 1776 Adam Smith wrote *The Wealth of Nations*. The book does not define capitalism, instead it merely observes all of the different ways an economy with money works, how it forces inefficient farmers off their own land, and how it feeds people in a city.

Read the following Excerpt and summarize its meaning:

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages.

1.

What is Adam Smith saying on why capitalism works?



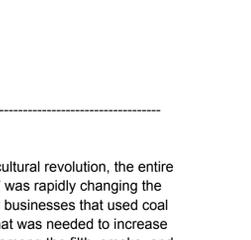
2.

Look at the above diagram and answer the questions:

- A. Who or what does labor represent in this diagram?
- B. Give two examples of what nature might mean and how it would go to production:
- C. Who in the end benefits from a successful business based on this diagram?

-Industrialism-

Adam Smith writes a great deal about how production increases with new systems introduced through capitalism. These systems are designed to make everyone work smarter. Read the following excerpt and answer the question:



I have seen a small manufactory of this kind where ten men performed two or three distinct operations. But though they were very poor, and therefore poorly educated with the machinery, they could make among the ten of them about forty-eight thousand pins in a day. In a way each person is making four thousand eight hundred pins in a day. But if they had all worked separately and independently, and without any of them having been educated to this pin making business, they certainly could not have made twenty, perhaps not one pin in a day.

3.

What is Adam Smith trying to say in this paragraph? Why are the poor, uneducated people able to make so many pins together?

Adam Smith also wrote about the new effects capitalism has on the people who survive in it. While the benefits he makes clear are increased production and efficiency of work, the downsides he also believes are clear. Read the following excerpt:

On the progress of the division of labour of the people who are frequently confined to one or two very simple operations. The man whose whole life is spent in performing a few simple operations, of which the effects are nearly always the same, has no moment to exercise his inventiveness or exert his understanding of his craft. He naturally loses the habit of such exertion, and generally becomes as stupid as it is possible for a human to become. The uniformity of his stationary life naturally corrupts the courage of his mind, and makes him hate the irregular, uncertain, and adventurous life. It corrupts even the activity of his body, and renders him incapable of exerting his strength with energy and perseverance in any other employment than that to which he has been bred.

4.

What does Adam Smith believe happens to someone who works a simple job in a new manufactory?

Why is this different from how a farmer works?

By the mid 1800's, over 100 years after the start of the agricultural revolution, the entire world had changed permanently. The "Industrial Revolution" was rapidly changing the looks of every city it touched. Cities were full of people, new businesses that used coal and steam to produce goods were allowed to do anything that was needed to increase profits. Throughout this entire period people had to just live among the filth, smoke, and other toxins that infested their homes. Read the following first hand account by the philosopher Frederich Engles: (Below is a picture of a weir)

In dry weather, a long string of the most disgusting, blackish-green, slime pools are left standing on this bank, from the depths of which bubbles of gas constantly arise and give forth a stench unendurable even on the bridge forty or fifty feet above the surface of the stream. But besides this, the stream itself contains weirs (below is a picture of a weir), behind which slime and refuse accumulate and rot in thick masses. Above the bridge are tanneries, bone mills, and gasworks, from which all drains and [waste] find their way into the river, which receives further the contents of all the neighbouring sewers and toilets. It may be easily imagined, therefore, what sort of residue the stream deposits.



5.

Based on this reading do you think Frederich Engles, the writer, likes Industrialism?

Why do cities today not still look the way Engles describes in the passage? What's changed?

In a poem from his book, *A Tale of Two Cities*, Charles Dickens writes about how the entire period of the Industrial Revolution felt to many involved:

*It was the best of times,
it was the worst of times,
it was the age of wisdom,
it was the age of foolishness,
it was the [era] of belief,
it was the [era] of incredulity,
it was the season of Light,
it was the season of Darkness,
it was the spring of hope,
it was the winter of despair*

6.

What do you think Charles Dickens is trying to say about Industrialism and life during this time period?