**Activities**

Complete the following notes. They will give you an outline of the information contained in the passage. The main points, **relations of cause-effect**, illustrations etc. are clearly indicated in the text by logical connectors. Look out for them.

•  (par. 1) The Industrial Revolution:

The Industrial Revolution and her implications led to growth of two systems of thought:

1) Economic science                      2) Socialism

|  |
| --- |
| 1. Adam Smith – Wealth of nations
 |
| 1. Malthus – Essay on population
 |
| 1. Ricardo – Principles on political Economy and Taxation
 |
| 1. John Stuart Mill – Principles of Political Economy
 |

 • (par. 2-3) Facts of Industrial Revolution.

|  |
| --- |
| 1. Agrarian revolution
 |
| 1. Factory sistem
 |

• (par. 4) Decrease in rural population.

causes:     1) Destruction of common – field system of cultivation

     2)  Enclosures on a large scale of common and waste lands

     3)  Consolidation of small farms into large

• (par. 5) Agricultural advance.

cause — more scientific approach:

e.g.

|  |
| --- |
|  Improving of cattle’s breed |
|  Rotation of crops |
|  Steam - plough |
| Agricultural societies |

• (par. 6-7) Growth of industry.

causes;

1) mechanical inventions in textile industry

e.g.

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| --- |
|  Spinning – jenny |
|  Water – frame |
|  Crompton’s mule |
|  Self – acting mule |

most important:

|  |
| --- |
| steam engine |
| Cotton mill |

2) mechanical revolution in iron industry

e.g.

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|  Smelting by pit - coal |
|  Steam – engine to blast furnaces |

3) improved means of communication

e.g.

|  |
| --- |
|  Canal system |
|  Turnpike roads |
| Railroad |

results:   1) Increase of commerce

     2) substitution of factory system for domestic system.

• (par. 8) Revolution in distribution of wealth:

rise in rents caused by

|  |
| --- |
| 1. Money invested in improvements
 |
| 1. Enclosure system
 |
| 1. Consolidation of farms
 |
| 1. High price of corn
 |

social changes in country life:

• (par. 9) Social changes in manufacturing world:

consequences:

 1) Character completely changed

2) Ceasing to work and live with their labourers

3) class conflict.

• (par. 10) Misery of working people often caused by:

|  |
| --- |
| 1. Condition of labour under the factory system
 |
| 1. Rise of prices
 |
| 1. Sudden fluctuations of trade
 |

Conclusion:

the effects of the Industrial Revolution prove that free competition may produce wealth without producing well – being.

**OF THE PRINCIPLE OF UTILITY**

***TASK***

**Identify from the text**:

a) The definition of utility

b) The principle on which it is based

c) The way in which utility can affect policies

I. Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure.* It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne.

[…]

III. By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness, (all this in the present case comes to the same thing) or (what comes again to the same thing) to prevent the happening of mischief, pain, evil, or unhappiness to the party whose interest is considered: if that party be the community in general, then the happiness of the community: if a particular individual, then the happiness of that individual.

[…]

V. It is in vain to talk of the interest of the community, without understanding what is the interest of the individual. A thing is said to promote the interest, or to be *for* the interest, of an individual, when it tends to add to the sum total of his pleasures: or, what comes to the same thing, to diminish the sum total of his pains.

VI. An action then may be said to be conformable to the principle of utility, or, for shortness sake, to utility, (meaning with respect to the community at large) when the tendency it has to augment the happiness of the community is greater than any it has to diminish it.

VII. A measure of government (which is but a particular kind of action, performed by a particular person or persons) may be said to be conformable to or dictated by the principle of utility, when in like manner the tendency which it has to augment the happiness of the community is greater than any which it has to diminish it.

THOMAS MALTHUS’ ESSAY on POPULATION

* 12,000 years ago 🡪 sedentary agriculture was introduced
* World’s population has grown exponentially since that time
* Food sustains life, provides energy, promotes growth
* Malthus
	+ Food fundamentally constrains population growth
	+ Population persist at a level adequate to support life 🡪 subsistence level
	+ Positive checks 🡪 ruled population level
	+ Criticize Elizabethan “Poor Laws” 🡪 food redistribution to the poor would unravel in the long run
	+ Has in mind “preventative checks”