**Activities**

•  (par. 1) The Industrial Revolution

Is the substitution of competition for the medieval regulations which had previously controlled the production and distribution of wealth.

led to growth of two systems of thought:

1) Economic science                      2) Socialism

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| a)Adam Smith |
| b)Malthus |
| c)Ricardo |
| d) John Stuart Mill            |

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

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| 1)far greater rapidity which marks the growth of population. |
| 2) relative and positive decline in the agricultural population |

• (par. 4) Decrease in rural population.

causes:     1)  destruction of the common-field system of cultivation;

     2)   the enclosure, 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.

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|  Breed of cattle |
|  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:

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| steam engine |
|  Power-loom |

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.

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|  Grand Trunk canal |
| Grand Junction canal |
| railroad |

results:   1)  regular recurrence of periods of over-production and of depression

     2) substitution of factory system for domestic system.

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

rise in rents caused by

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| 1) Money invested in improvements |
| 2) enclosure system |
| 3) consolidation of farms |
| 4) high price of corn |

social changes in country life:

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

The new class of great capitalist employers made enormous fortunes, they took little or no part personally in the work of their factories, their hundreds of workmen were individually unknown to them.

consequences:

 1)  old relations between masters and men disappeared

2)  “cash nexus” was substituted for the human tie

3) class conflict.

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

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| 1) conditions of labour |
| 2) rise of prices |
| 3) fluctuations of trade |

Conclusion:

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