

DBO 2: ECONOMICS: CAPITAL VERSUS COMMUNISM

ESSAY RESPONSE:

Task: Using information from the documents and your knowledge of United States history, write an essay in which you (1) Describe how these two economic systems attempt to meet the needs of the people. (2) Evaluate how successful each system has been at meeting the economic needs of the people.

Directions: Write a well-organized essay (5 paragraphs, 6 sentences each) that includes an introduction, several paragraphs relating to the task above, and a conclusion. Use evidence from the documents to support your response. Be sure to include relevant historical facts, examples, details, and additional related outside information.

Historical Context:

Economic systems attempt to meet the needs of the people. Capitalism and communism represent two different ways to meet people's economic needs.

Using information from the document(s), answer the question(s) that follow the document.

DOCUMENT 1: "Katia," a 16-year-old ninth grader from Moscow (quote) (1980)

"Capitalisms are rich people who own factories and have lots of money and workers.... A factory can belong to one person in Capitalism but in (Communism) it belongs to the government.... I am for the idea of (Communism). It seems to me that you have more of an opportunity to live well. You won't lose your job in (Communism) ...I've heard about the unemployment problem in America. People can't find any kind of job.... That's the way we heard about it – that (in) the West, unemployment, everything there is bad, a real mess."

Describe the speaker's point of view about capitalism.

DOCUMENT 2: Ralph Waldo Emerson (adapted)

"Wealth brings with it its own checks and balances. The basis of (a capitalism) economy is noninterference (by the government). The only safe rule is found in the self-adjusting meter of demand and supply. Open the doors of opportunity to talent and virtue and they will do themselves justice, and property will not be in bad hands. In a free and just commonwealth, property rushes from the idle and imbecile to the industrious, brave and persevering."

a. According to the author, why is capitalism successful?

DOCUMENT 3: Friedrich Engels, *Principles of Communism*

"Above all, (the government)... will have to take the control of industry and of all branches of production out of the hands of... competing individuals, and instead institute a system as a whole, that is for the common account, according to a common plan, and with the participation of all members of society. It will... abolish competition.... Private property must therefore be abolished."

- a. Who controls the means of production and all property in a communist system?
- b. What happens to competition in a communist system?

DOCUMENT 4: T.P. Whitney, “The Russian Peasant Wars on the Kremlin” (1954) “Andrei, his wife, his father, and (his) elder son all have to work on the collective farmlands.... He is not stupid and sees that almost all the produce ends up in the hands of the Government. The local Communist party boss is always coming back... for more and more. Andrei and his family know ahead of time that they are going to get (a) very small return for working on the collectivized fields. Naturally this conditions (changes) their attitudes. They are constantly on a sort of slow-down strike....”

- a. Why are Andrei and his family slowing down the pace of their work?

DOCUMENT 5: Adam Smith, *The Wealth of Nations*

“*The Wealth of Nations* carries the important message of laissez faire, which means that the government should intervene as little as possible in economic affairs and leave the market to its own devices. It advocates the liberation of economic production from all limiting regulation in order to benefit the people...”

- a. Does Adam Smith support Capitalism or Communism?
- b. Who does he say benefits from his point of view?

DOCUMENT 6: Karl Marx and Friedrich Engels, *The Communist Manifesto* (1848) “...masses of laborers... crowded into factories. They are slaves of the machine and the manufacturer. Instead of rising as industry progresses, they sink deeper and deeper into poverty...”

- a. Do these men support Capitalism or Communism?
- b. Why are people sinking deeper into poverty?

DOCUMENT 7: Harry Schwartz, *The New York Times* (1952)

“The (communist) worker’s standard of living is raised by several benefits the government provides. He receives free medical care. He does not have to worry about being unemployed. Old and disabled people receive social insurance.... The government also provides nurseries and kindergartens for the children of working mothers....”

- a. Does Harry Schwartz have a positive view of communism or negative?
- b. How does this questions help you answer the question?