

CHAPTER
19
SECTION 4

Section Summary

NEW WAYS OF THINKING

Many thinkers tried to understand the great changes taking place in the early Industrial Age. Middle-class business leaders supported the *laissez-faire*, or “hands-off” approach. They believed that a free market would help everyone, not just the rich. However, one British *laissez-faire* economist, **Thomas Malthus**, thought the poor would always suffer. He believed population would grow faster than the food supply. He did not think the government should help the poor. He believed people should improve their own lives through hard work and have fewer children.

Other thinkers sought to soften *laissez-faire* doctrines. They felt some government help was needed. The British philosopher and economist **Jeremy Bentham** supported **utilitarianism**. He believed that the goal of society should be the “greatest happiness for the greatest number” of citizens. Other thinkers, such as John Stuart Mill, strongly believed in individual freedom, but wanted the government to step in to prevent harm to workers.

To end poverty and injustice, some offered a radical solution—**socialism**. Under socialism, the **means of production**—the farms, factories, railways, and other businesses—would be owned by the people as a whole, not by individuals. Some early socialists, such as **Robert Owen**, set up communities in which all work and property were shared. They were called Utopians.

The German philosopher **Karl Marx** formulated a new theory. His theory predicted a struggle between social classes that would end in a classless society that he called communist. Marx wrote that the struggles of the **proletariat**, or working class, would end because wealth and power would be equally shared. In practice, **communism** later referred to a system in which a small elite controlled the economy and politics. In the 1860s, German socialists adapted Marx’s beliefs to form **social democracy**, which called for a slow transition from capitalism to socialism.

Review Questions

1. Why did middle-class leaders support *laissez-faire* economics?

2. What did Jeremy Bentham believe the goal of society should be?

READING CHECK

What group of early socialists formed communities in which all work and property were shared?

VOCABULARY STRATEGY

Find the word *formulated* in the underlined sentence. Note that the base word is *form*. What does it mean “to form” something? Think of synonyms of the word *form*, such as *plan*, *shape*. Use the meaning of the word *form* and the synonyms you think of to help you learn what *formulated* means.

READING SKILL

Identify Main Ideas What are the main ideas of Karl Marx’s theory?
