

Economic Systems

Free-Market Capitalism

- Businesses are **privately owned**
- Businesses **compete** with each other for people's money
- Customers will want to buy quality products for a fair price, so businesses will have to provide that

Socialism

- **Key industries** (transportation, power plants, mining, etc.) are **owned by the government** (private ownership of other things)
- Government uses its resources to **provide jobs** for as many people as possible and **keep prices low**
- The government should keep things fair

Communism

- **Workers** own the **means of production** (example: miners own the coal mine) and make decisions about production
- **No private ownership** of land, businesses, etc.
- People will want what's best for everyone, so they will make fair decisions

Economic Systems

Free-Market Capitalism

- Businesses are _____
- Businesses _____ with each other for people's money
- Customers will want to buy quality products for a fair price, so businesses will have to provide that

Socialism

- _____ (transportation, power plants, mining, etc.) are _____ (private ownership of other things)
- Government uses its resources to _____ for as many people as possible and _____
- The government should keep things fair

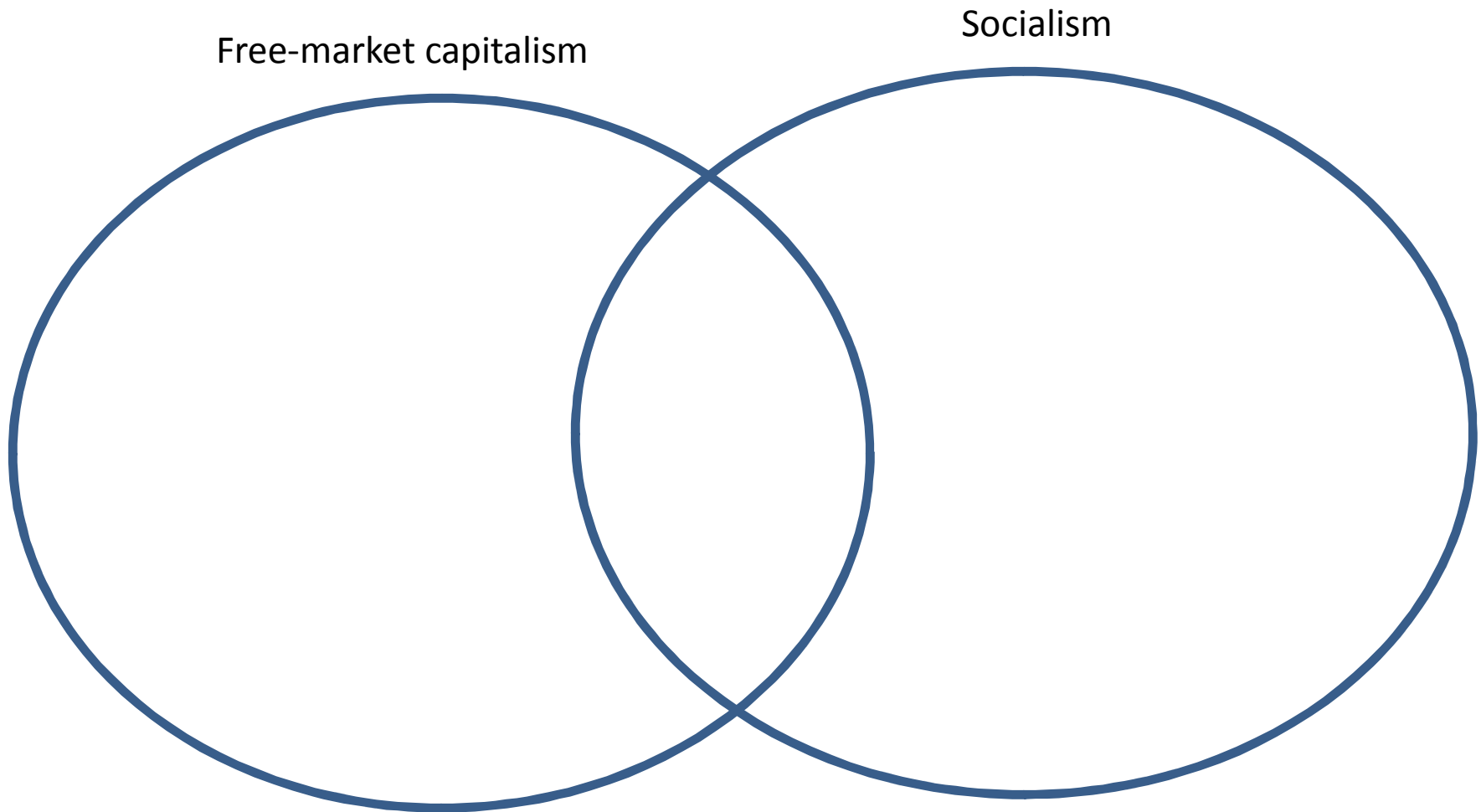
Communism

- _____ own the _____ (example: miners own the coal mine) and make decisions about production
- _____ of land, businesses, etc.
- People will want what's best for everyone, so they will make fair decisions

Name:

US History II

Use this Venn Diagram to compare and contrast the features of **free-market capitalism** and **socialism**.



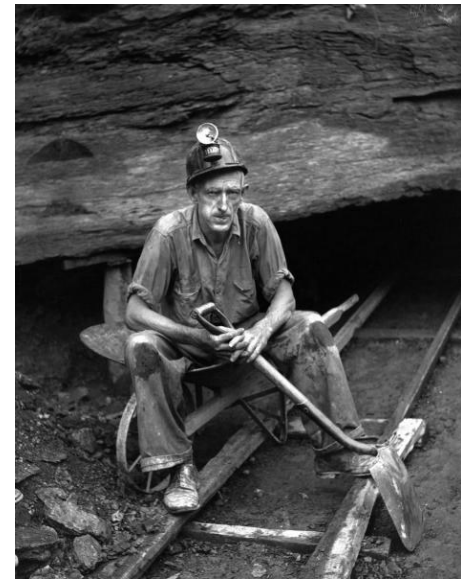
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Use your notes & your background knowledge to answer these questions:

1. Of the three economic systems we have learned about, which would **Andrew Carnegie** like the most? Explain why you think so.

2. Of the three economic systems we have learned about, which one do you think this **coal miner** would like the most? Explain why.



3. Which economic system does the US use today? Explain why you think so.