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**Title of Lesson:** From Mercantilism to Capitalism: A brief History of U.S Economic systems (Economics or American History Class) 2- 90 min Classes

**Do Now:** Over the course of two days students will complete a set of lessons that will help them write a 5 paragraph compare and contrast essay between mercantilism and capitalism

**Lesson Objective:** TSWBAT explain how mercantilism increase trade to the colonies  
TSWBAT explain the role of private property in an economic system  
TSWBAT explain how modern American capitalism works  
TSWBAT compare and contrast mercantilism and capitalism

**Standard:**

Discuss how mercantilism and the establishment of colonies led to increased global trading during the 17th and 18th centuries.

Explain how governmental protection of property rights and regulation of economic activity impacted the development of the U.S. economy.

**Grade Level Expectation (GLE):**

Analyze change or continuity in the United States over time based on information in stimulus material (H-1A-H1)

Interpret or analyze historical data in a map, table, or graph to explain historical factors or trends (H-1A-H4)

Contrast past and present events or ideas in U.S. history, demonstrating awareness of differing political, social, or economic context (H-1A-H1)

Compare contemporary and historic economic systems (e.g., ownership and control of production and distribution, determination of wages)  
(E-1A-H4)

Evaluate and use multiple primary or secondary materials to interpret historical facts, ideas, or issues (H-1A-H3)

**Anticipatory Set/Essential Question:**

Day 1 Lesson 1

In this lesson, students conduct research to determine the ways that different U.S. colonies had to obtain goods from other countries and colonies. They then create a poster to share information about their colony with the class.

Day 1 Lesson 2

A key concept of our democratic society is the right to own private property. In this lesson, students are given scenarios and asked to brainstorm and list possible courses of action. They then write a statement that tells what the group considers the best course of action.

Day 2 Lesson 3

## Defining Economics

A) Ask students to list all the ideas they can on one piece of paper that deal with the question:

"What is economics?" or "List all the things that have to do with the economy."

B) Generate a class list using the overhead projector. Have students take notes.

C) Then classify the elements the students listed under the major headings:

Business	Taxes	Trade	Employment	Resources	Production
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### **Materials Required:**

- Interdependence/Mercantilism student handout
  - Poster board
  - Markers
  - Old magazines for pictures
  - Tape or glue
  - Internet Access
  - Magazines
  - Textbooks
- 
- Scenarios page, copied and cut into cards

Napster Case student handout

### **Instructional Strategies Used:**

Whole Class, Small Group, Peer tutoring

### **Guided Practice or Mini Lesson:**

Day 1 Lesson 1& 2

Brief lecture introducing the concepts of mercantilism and private property

Day 2 Lesson 3

### **Process or Activity Period:**

Day 1 Lesson 1:

1. Divide the class into pairs or groups of three. It would be ideal to have enough groups so that there was one group for each colony.

2. Assign a colony to each group: New England (Rhode Island, Connecticut, Massachusetts and New Hampshire), Middle (Delaware, Pennsylvania, New York and

New Jersey) or Southern (Maryland, Virginia, North Carolina, South Carolina and Georgia — later to include Vermont and Maine).

3. Using poster board and computer, the students create a poster for their colony as described on the Interdependence/Mercantilism student handout.
4. Students cut out pictures, draw pictures or write words that describe the different aspects of the colony.
5. Following are the areas to be described for each colony:
  - a. Description of the colony (land, people, jobs, location, etc.).
  - b. Resources (farmland/crops, rivers, ocean/fishing, etc).
  - c. Needs (ships, household supplies, different crops, etc.).
  - d. Trading partners (West Indies, Britain, other colonies, etc.).
6. Students will display their posters and make a presentation to the rest of the class.

#### Day 1 Lesson 2

1. Divide the students into groups of three or four.
2. Give each group one of the scenario cards. Ask one person to read the scenario out loud to his/her group.
3. The job of the team is to brainstorm all possible courses of action that could be taken to solve the problem of the scenario. No value judgments should be made.
4. The team members should then decide what solution they, as a group, would take and why.
5. Each group presents its scenario to the class.
6. After all groups have presented, ask what these scenarios have in common. In each case, something that belongs to someone else — their property — can be taken or used by another person.

**The first part of this exercise does not need to be used if the students have a good understanding of the concept of private property. You can start the lesson at this point.**

7. Discuss this statement with the class: "The right to private property is the social-political principle that adult human beings may not be prohibited or prevented by anyone from acquiring, holding and trading (with willing parties) valued items not already owned by others." Source: The Internet Encyclopedia of Philosophy
8. This discussion should then lead into the concept of the different kinds of property (intellectual, artistic and material), and what part the government plays in the ownership of property.

9. Distribute the Napster Case handout. As a class, discuss the case and answer the questions on the sheet.
10. Students will write a paper answering the following question: This case involved intellectual or artistic property. How does it compare to government intervention in real-property cases? Give an example.

For more information about the Napster case, visit [http://law.freeadvice.com/intellectual\\_property/copyright\\_law/napster.htm](http://law.freeadvice.com/intellectual_property/copyright_law/napster.htm).

### **Scenario 1**

Your family owns a piece of land next to a public park. The city wants that land for a parking lot, so they take it by eminent domain. This is the power of the state to take private property for public use with payment of compensation to the owner. What could you do?

### **Scenario 2**

A new kid at school has left his locker open a little. You saw that he had left his MP3 player in the locker. What could you do?

### **Scenario 3**

Last semester you wrote a paper on the effect of exercise. You're taking a class this year that requires a paper on almost the same topic. What could you do?

### **Scenario 4**

"Santa" brought you a new DVD for Christmas. Your friend says he would like a copy of it. You have a DVD burner on your computer. What could you do?

### **Scenario 5**

You really want the brand of sneakers that just came out on the market. You're visiting your aunt in another city and you see someone who has a pair that looks as though they would fit you. What could you do?

### **Scenario 6**

You're supposed to write a poem for the school newspaper. Your friend from another city e-mailed you one that he wrote. What could you do?

## Day 2 Lesson 3

A) Use Chapter 16 of the textbook (*American Civics*) to define the following terms. Divide the class into groups and have students define a set of questions. Then have the group members teach the class the definitions by

- posting a definition on the board or overhead with
- one example from the economy in reality.
- Students should also use their term correctly in a full original sentence.

### The Terms

Section One Pg. 308-315	Section Two Pg. 315-319	Section Three Pg. 319-327
<ol style="list-style-type: none"><li>1. Standard of Living</li><li>2. Economy</li><li>3. Free market</li><li>4. Free competition</li><li>5. Profit and profit motive</li><li>6. Invest</li><li>7. Copyright</li><li>8. Patent</li><li>9. Scarcity</li><li>10. Law of supply</li><li>11. Law of demand</li><li>12. Capitalism</li><li>13. Capital</li><li>14. Capitalist</li><li>15. Stock</li><li>16. Free enterprise system</li><li>17. Monopoly</li><li>18. Merger</li><li>19. Trust</li><li>20. Conglomerate</li><li>21. Public utilities</li><li>22. Command Economy</li><li>23. Mixed economy</li></ol>	<ol style="list-style-type: none"><li>1. Single proprietorships</li><li>2. Partnership</li><li>3. Corporation</li><li>4. Stockholders</li><li>5. Dividends</li><li>6. Charter</li><li>7. Board of Directors</li><li>8. Executives</li><li>9. Management</li><li>10. Preferred Stock</li><li>11. Common stock</li><li>12. Bonds</li><li>13. Interest</li></ol>	<ol style="list-style-type: none"><li>1. Factors of Production</li><li>2. Land</li><li>3. Rent</li><li>4. Labor</li><li>5. wages</li><li>6. Salaries</li><li>7. Productivity</li><li>8. Entrepreneurs</li><li>9. Managers</li><li>10. Gross income</li><li>11. Net income</li></ol>

### Examples (Modeling): Using the Internet

Use the following website: <http://www.humanities.mq.edu.au/Ockham/y6402.html>

### Interpreting Primary Sources

Students will analyze documents written by Adam Smith and answer the following questions:

In *The Wealth of Nations* Adam Smith argues that the progress of human well-being has been due and will continue to be due primarily to free exchange, which makes possible division of labour, and that government cannot hasten this natural process. The chief function of government is to protect freedom of exchange by upholding justice, i.e. property rights.

**Questions for Discussion**

1. What is Adam Smith's critique of the mercantile system?
2. What difference does he see between society in the age of hunters, of shepherds, of commercial civilization?
3. What colonial policy does he propose?
4. What is accomplished by the 'invisible hand', and how?
5. What does Smith say about the rights and interests of the lowest classes?
6. In what way did Malthus and Ricardo destroy the optimism (if that's a fair description) of Adam Smith's account of social development and make economics the "gloomy science"?

**Assessment:**

Day 1 Lesson 1: Students will be evaluated using the following rubric

Category	10 - Above Standard	9 - Meets Standard	8 - Approaching Standard	7 - Below Standard	6 - Unacceptable
<b>Content — Accuracy (score x 2)</b>	All facts displayed on the poster are accurate.	All facts but one or two displayed on the poster are accurate.	All facts but three or four displayed on the poster are accurate.	Most of the facts displayed on the poster are accurate.	Information is incorrect and distracts from the finished product.
<b>Graphics — Relevance</b>	All graphics are related to the topic and make it easier to understand.	All graphics are related to the topic and most make it easier to understand.	All graphics relate to the topic, but do not help in the understanding.	Few graphics relate to the topic.	The graphics do not relate to the topic.
<b>Knowledge Gained</b>	Student can answer all questions	Student can accurately	Student can only accurately	Student appears to have	Student cannot demonstrate

	related to facts in the poster and can describe process used to create the poster.	answer most questions related to facts in the poster and can describe processes used to create the poster.	answer about 75 percent of questions related to facts in the poster and can describe processes used to create the poster.	insufficient knowledge about the facts or processes used in the poster.	any knowledge learned.
<b>Required Elements</b>	The poster includes more than just the required elements.	All required elements are included on the poster.	All but one of the required elements are included on the poster.	Several required elements are missing.	Most required elements are missing.
<b>Attractiveness</b>	The poster is exceptionally attractive in terms of design, layout and neatness.	The poster is attractive in terms of design, layout and neatness.	The poster is acceptably attractive, though it may be a bit messy.	The poster is distractingly messy or very poorly designed.	The poster appears to have been thrown together with little thought.

Day 1 Lesson 2: Students will be evaluated using the following rubric

Category	4	3	2	1
<b>Quality of Information</b>	Information clearly relates to the main topic. It includes at least four supporting details and/or examples.	Information clearly relates to the main topic. It provides two or three supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
<b>Sources</b>	All sources (information and graphics) are accurately documented in the desired format.	All sources (information and graphics) are accurately documented, but a few are not in the desired format.	All sources (information and graphics) are accurately documented, but many are not in the desired format.	Some sources are not accurately documented.
<b>Mechanics</b>	There are no grammatical, spelling or punctuation errors.	There are almost no grammatical, spelling or punctuation errors.	There are just a few grammatical, spelling or punctuation errors.	There are many grammatical, spelling or punctuation errors.

Day 2 Lesson 3: Students will complete true/false evaluation.

True/false Correction

Determine if each of the statements is true. Correct any falsehoods in the statement.

- 1) A business owned by two or more people that is not incorporated is called a proprietorship.
- 2) The right to own and use private property is guaranteed by the United States Constitution.
- 3) In a command economy, no one person or group decides how many people will work in a certain job.

- 4) In a mixed economy, the government sometimes acts as referee.
- 5) Partnerships receive charters to operate from states.
- 6) When economists use the word *land*, they also mean the natural resources that come from the land.
- 7) The managers of a corporation decide when to issue dividends to stockholders

**Closure Activity:**

Day 1 Lesson 1 Students will be questions to check for comprehension.

Day 1 Lesson 2 Students assigned homework on modern capitalism

Day 2 Lesson 3 **Wrap Up and Homework (Independent Practice):** The Economy In The News

A) Have students locate a newspaper article or Internet news web page with an economic story.

B) Have students summarize and describe the article to the class.

C) Make a list of economic concepts covered by the students. Define and discuss each.

Final Evaluation: Students should write a 5 paragraph essay comparing and contrasting early mercantilism with modern capitalism. Use the following rubric to grade.

<b>Category</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Quality of Information</b>	Information clearly relates to the main topic. It includes at least four supporting details and/or examples.	Information clearly relates to the main topic. It provides two or three supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
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<b>Mechanics</b>	There are no grammatical, spelling or punctuation errors.	There are almost no grammatical, spelling or punctuation errors.	There are just a few grammatical, spelling or punctuation errors.	There are many grammatical, spelling or punctuation errors.

Handouts:

# Interdependence/Mercantilism – Student Handout

Name \_\_\_\_\_

1. Select the colony that you will be studying and place the name in the center of your poster. Do research using your textbook or the following sites:

## Resources

Thirteen Originals, [www.timepage.org/spl/13colony.html#mass](http://www.timepage.org/spl/13colony.html#mass)

About: U.S. History, <http://americanhistory.about.com/library/charts/bkolonial13.htm>

The 13 Colonies, [http://en.wikipedia.org/wiki/Thirteen\\_Colonies](http://en.wikipedia.org/wiki/Thirteen_Colonies)

Social Studies for Kids: The 13 American Colonies, [www.socialstudiesforkids.com/articles/ushistory/13colonies2.htm](http://www.socialstudiesforkids.com/articles/ushistory/13colonies2.htm)

2. The items to be displayed for each colony are as follows:

- **Description of the colony** (land, people, jobs, location, etc.)
- **Resources** (farmland/crops, rivers, ocean/fishing, etc.)
- **Needs** (ships, household supplies, different crops, etc.)
- **Trading partners** (West Indies, Britain, other colonies, etc.)

3. You can use pictures from magazines, draw pictures or use words to make your poster.

4. Remember to label the items on your poster. Make sure that spelling and grammar are correct and your information is accurate.

5. You will get bonus points for citing your sources on the back of your poster.

## Scenario Cards – Student Handout

### **Scenario #1**

Your family owns a piece of land next to a public park. The city wants that land for a parking lot, so they take it by eminent domain. This is the power of the state to take private property for public use with payment of compensation to the owner. What could you do?

### **Scenario #2**

A new kid at school has left his locker open a little. You saw that he had left his MP3 player in the locker. What could you do?

### **Scenario #3**

Last semester you wrote a paper on the effect of exercise. You're taking a class this year that requires a paper on almost the same topic. What could you do?

# Napster Case – Student Handout

Name \_\_\_\_\_

"The right to private property is the social-political principle that adult human beings may not be prohibited or prevented by anyone from acquiring, holding and trading (with willing parties) valued items not already owned by others." Source: *The Internet Encyclopedia of Philosophy*

**Napster** was a Web site that offered downloads of copyrighted music at no cost. In February 2001, the court ruled that Napster must cease operation. More court cases followed, but the decision was upheld. Some facts about Napster that came up in the court case included the following:

- In six months, 3,600,000,000 (3.6 billion) pieces of music were downloaded
- 90 percent of that music was copyrighted
- There were 100 users per second at Napster
- There was a six-month growth from 200,000 pieces downloaded to 20 million pieces downloaded
- No royalties were paid to the artists

The artists appealed to the government that their property was being stolen. Artists were not being paid for the creation, production and publication of their work. The following statement was made by Hilary Rosen, president and CEO of the Recording Industry Association of America.

"Given the overwhelming nature of this court's and the Ninth Circuit's earlier conclusions that Napster violates copyright laws, we're confident that ultimately this will pave the way for a legitimate online music market to take hold and flourish."

For more information about the Napster case, go to Napster Case, [http://law.freeadvice.com/intellectual\\_property/copyright\\_law/napster.htm](http://law.freeadvice.com/intellectual_property/copyright_law/napster.htm).

As a class, answer the following questions:

1. What is the basic issue of the Napster case?
2. Who benefited from the use of Napster and what was that benefit?
3. Who had a loss from the use of Napster and what was that loss?
4. How did the government become involved?
5. What was the role of the government in the case?

Your job is to write a paper on the following topic:

**This case involved intellectual or artistic property. How does it compare to government intervention in real-property cases? Give an example.**