

**Part 1: Facts Practice**

1. Fill in the missing parts of the timeline. (When a date is missing for an event, enter the date. When the date is given, but the name of an event is missing, enter the name. If you don't have enough room, put a single number, and use the space at the bottom to write the description for it. *Make sure the timeline is truly complete before moving on!*)



**Total Points This Page: 9 pts**

**Part 2: Early American Political Economy**

2. What are agrarianism and mercantilism? Who wanted each kind of political economy in early America?

Agrarianism is a kind of political economy modeled after the ancient Roman Republic that proposes that the ideal citizen is an independent farmer — like the Roman hero Cincinnatus — because farming is a virtuous way of life and compatible with liberty. Thomas Jefferson believed in agrarianism. Mercantilism is a kind of political economy that says that merchants are the most important people in society because they create more wealth for a country and should be encouraged by the government in a manner similar to what was practiced by Great Britain. Alexander Hamilton believed in mercantilism.

**(5 pts: 1 pt for agrarianism based on citizen-farmer of Rome; 1 pt for mercantilism using laws to favor merchants; 1 pt for Jefferson; 1 pt for Hamilton; 1 pt for spelling and grammar)**

3. What were the two big arguments between Americans leading up to the Civil War?

The two big arguments between Americans leading up to the Civil War were the argument or slavery caused by the abolitionists and the argument over the Tariff that “encouraged” northern industry, but hurt southern farmers who had slaves.

**(3 pts: 1 pt for slavery; 1 pt the Tariff; 1 for spelling and grammar)**

**Part 3: Industrial Political Economy**

4. How did the creation of the Transcontinental Railroad lead to a new political economy?

The building of the Transcontinental Railroad was the last great act of mercantilist “encouragement” to proto-industrial progress. The project made no sense financially, and it quickly went bankrupt, but certain government officials and their business partners made off with huge sums of money for building it anyway. This led to a backlash against corrupt partnerships of big government and big business in American culture, and the call for the *regulation* of industry as such.

**(4 pts: 1 pt for bankruptcy; 1 pt for profiteering by corrupt government and business interests; 1 pt for *regulation* ; 1 for spelling and grammar)**

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5. How did the rise of the Standard Oil company lead to a new political economy? What happened to that company?

The rise of the Standard Oil company led to the new political economy of *regulation*. If mercantilism was meant to “encourage” the growth of business, that the rise of such a company proved there was no need for that kind of government action. Instead, it was thought of as *too successful*, especially when they drove competitors out of business. Standard Oil was broken up into multiple separate companies by the federal government.

**(4 pts: 1 pt for being “too successful”; 1 pt for regulation; 1 pt for break up ; 1 for spelling and grammar)**

#### **Part 4: The Modern Mixed Economy**

6. Why did Americans decide to switch to a mixed economy? What president started it?

The basic idea of a mixed economy is that industry should be left free to accomplish whatever it can, because this creates the greatest amount of happiness and progress, but if there is a social problem that people believe the government can fix, it should step in in order to support those in need. Americans believed it was a good idea to adopt such a system because of the Great Depression, when Franklin Delano Roosevelt proposed it.

**(4 pts: 1 pt for combining freedom and socialism; 1 pt the Great Depression as the trigger ; 1 pt for Roosevelt; 1 for spelling and grammar)**

7. What kind of political economy does America have today? Why isn't it a mixed economy any more?

America either has a mixed economy or socialism. It's now hard to tell. The social contract of socialism is that government should control most of the economy. If we look at education, housing, and healthcare, we see the government involved and controlling most things. It seems clear that America is either now a socialist country, or at least on the cusp of becoming one.

**(4 pts: 1 pt for mixed economy as freedom + government; 1 pt for socialism as government control, 1 pt for recent examples ; 1 for spelling and grammar)**

**Total Points This Page: 12 pts**

**Total Points on Test: 33 pts**