# When Governments Step In

Four policies, four ways to shape an economy

**MWH.C.5.2.C** "Examine the concept of economic interventionism (e.g., economic protectionism, child labor laws, legislation for old age pensions, health insurance)."

NAME _____ DATE _____

## 1 READ AND MARK

Read it twice

**YOUR JOB** Underline each of the four government actions in the passage. Circle the group each action was meant to help, then give each action and its linked cost or limit the same number.

### Changing the Rules in Britain

1 Imagine a young worker entering a noisy British cotton mill in the 1830s. The owner chose work hours, but Parliament began setting limits. The Factory Act of 1833 barred most children under nine from work in textile mills, except in silk mills. It also restricted hours for older children in covered mills and required some schooling. Supporters hoped to protect children's health and learning. Mill owners had to change work schedules, and inspectors had to check whether mills followed the law. The act shows one form of economic interventionism: government rules changed decisions that employers had once made themselves.

2 Government could also intervene in trade. Britain's Corn Laws restricted grain imports to protect British grain growers from foreign competition. Many landowners supported these rules because imported grain might sell for less than their crops. But restrictions on imports could also keep food prices higher for families who bought bread. Factory workers and merchants were among those who criticized the laws. Parliament repealed the Corn Laws in 1846, with the changes taking effect over several years. Unlike the Factory Act, these rules did not set conditions inside workplaces. They changed which goods could enter a market and compete with British products.

3 Later, Parliament used public programs to address the risks of aging and illness. A 1908 law established tax-funded pensions for older people who met age and income requirements. Eligible people gained a source of money, but others were excluded by the rules, and taxpayers funded the program. The National Insurance Act of 1911 provided health insurance for certain employed workers. Workers, employers, and the government contributed to its cost; covered workers could receive medical care and payments during illness. These programs did not prevent every hardship. They shifted some financial risks away from eligible individuals and spread the costs among other people.

## 2 ANSWER WITH EVIDENCE

Use the passage

1. How did the Factory Act of 1833 change a mill owner's decisions, and who was meant to benefit?

2. How did the Corn Laws protect one group while creating a possible cost for another?

3. How did the 1908 pension law shift financial risk, and what limited its reach?

4. How did the 1911 health insurance law share the cost of illness, and who could receive its benefits?

## 3 YOUR TURN

Your own words

A fast-growing city has too few affordable rental homes. In four sentences, propose a government action not described in the passage, explain who would benefit and one possible drawback, then compare its method with one policy in the passage.

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## PART 1 · READ AND MARK

Underline each of the four government actions in the passage. Circle the group each action was meant to help, then give each action and its linked cost or limit the same number. Accept any marking that follows this job and points at the right text.

## PART 2 · ANSWERS

| # | QUESTION | ANSWER |
|---|---|---|
| 1 | How did the Factory Act of 1833 change a mill owner's decisions, and who was meant to benefit? | **It limited the employment and hours of children in covered textile mills and required some schooling. Children were meant to benefit through better protection of their health and learning.** |
| 2 | How did the Corn Laws protect one group while creating a possible cost for another? | **Import restrictions protected British grain growers from foreign competition, but they could keep food prices higher for families buying bread.** |
| 3 | How did the 1908 pension law shift financial risk, and what limited its reach? | **Tax-funded pensions gave eligible older people a source of money. Age and income rules excluded others, and taxpayers funded the program.** |
| 4 | How did the 1911 health insurance law share the cost of illness, and who could receive its benefits? | **Workers, employers, and the government contributed. Certain employed workers could receive medical care and payments during illness.** |

## PART 3 · YOUR TURN (SAMPLE ANSWER)

The city could limit how much landlords raise rent each year. This could help tenants with low wages stay in their homes. Some landlords might spend less on repairs if their rental income falls. Like the Factory Act's limits on employers, the rent rule would place a legal limit on a business decision.

Accept reasonable distinctions between a policy's intended benefit and its possible costs or exclusions. For the open task, look for a new government action, a plausible benefit and drawback, and an accurate comparison with a passage policy.