

Choices and Enterprise

How liberty, property, and limited government shaped economic life

8.14.A “explain why a free enterprise system of economics developed in the new nation, including minimal government regulation, taxation, and property rights; and”

NAME _____ DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline each sentence that explains why Americans supported free enterprise, then circle the words or phrases about regulation, taxes, and property rights.

Building an Economic System

- ① After winning independence, many Americans wanted an economy different from the one they had known under British rule. British trade rules had limited where colonists could buy and sell certain goods and how those goods could be shipped. Merchants, farmers, and artisans remembered these controls. Revolutionary ideas also stressed individual liberty. In the new nation, leaders often believed that people would work, trade, and create businesses more freely when government did not direct every economic choice. This belief helped shape a free enterprise system.
- ② Property rights were another important part of this system. A property right allowed a person to own land, tools, a shop, or the goods produced by work. Owners could usually decide how to use, sell, or improve their property, while laws protected them from having it taken without legal process. These protections gave people a reason to invest money and effort. A farmer might improve a field, or a craftsperson might buy equipment, because each expected to benefit from the result.
- ③ Many early Americans also supported limited government regulation and relatively low taxation. Regulation means rules that guide or limit economic activity. Leaders still used laws to enforce contracts, protect property, and collect revenue, so the economy had rules. However, they generally avoided controlling every price, business decision, or trade choice. Lower taxes left more money with households and businesses to spend, save, or invest. Together, limited regulation, lower taxation, and protected property rights encouraged private citizens to make economic decisions and seek profit.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 How did experiences under British trade rules help lead Americans to support less government control of economic choices?

2 How did property rights encourage a farmer or craftsperson to invest money and effort?

3 According to the passage, why could lower taxes support free enterprise?

4 Why did limited government regulation not mean that the economy had no rules?

3 YOUR TURN _____ Your own words

Invent a business in the new nation. Write 3 or 4 sentences explaining how protected property rights, limited regulation, and lower taxes could affect the owner's choices.

PART 1 • READ AND MARK

Underline each sentence that explains why Americans supported free enterprise, then circle the words or phrases about regulation, taxes, and property rights. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	How did experiences under British trade rules help lead Americans to support less government control of economic choices?	British rules limited where colonists could buy and sell certain goods and how goods could be shipped. Americans wanted more freedom to trade and make business decisions.
2	How did property rights encourage a farmer or craftsman to invest money and effort?	Property rights protected what people owned and let them use, sell, or improve it. A farmer or craftsman could expect to benefit from improvements or equipment.
3	According to the passage, why could lower taxes support free enterprise?	Lower taxes left households and businesses with more money to spend, save, or invest.
4	Why did limited government regulation not mean that the economy had no rules?	Leaders still used laws to enforce contracts, protect property, and collect revenue. Limited regulation meant they generally did not control every price, business decision, or trade choice.

PART 3 • YOUR TURN (SAMPLE ANSWER)

Maya opens a shoe repair shop and owns the tools and money she earns from her work. Protected property rights give her a reason to buy better tools because she can benefit from using them. Limited regulation lets her make many business choices, and lower taxes leave her more money to save or invest in her shop.

Accept equivalent explanations that connect British controls and ideas about liberty to support for free enterprise. For Part 3, responses should accurately explain the effects of all three features, not merely list them.