

Name: \_\_\_\_\_

# Comparing Economic Systems

After World War II, a state of hostility developed between the United States and the Soviet Union. One major reason for this tension was the clash between communism (the economic system of the Soviet Union) and capitalism (the economic system of the United States). Both wished to promote their economic system in occupied areas across the globe.

## Capitalism

### Definition

An economic system in which people can own their own business and property. Competition between private businesses is promoted. The government supports a free market system, meaning that people have choices as far as what they spend money on.

## Communism

### Definition

An economic system in which the government has complete control over the economy. The government controls the means of production and businesses. People are allowed few choices as everyone is forced to share goods and services equally.

## DISCUSSION QUESTIONS

1. Explain one major difference between the two systems.
2. What might be one advantage of communism?
3. What is a major disadvantage of a communist system?
4. What is the biggest advantage of capitalism?
5. Describe one disadvantage of a capitalist system.
6. Why do you think both the US and Soviet Union wanted to promote their system for other countries?