



## Empire of Wealth

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### Introduction

The American economy is by far the world's largest, but it is also the most dynamic and innovative. The nation used its English political inheritance, as well as its diverse, ambitious population and seemingly bottomless imagination, to create an unrivaled economy capable of developing more wealth for more and more people as it grows.

But America has also been extremely lucky. Far from a guaranteed success, our resilient economy continually suffered through adversity and catastrophes. It survived a profound recession after the Revolution, an unwise decision by Andrew Jackson that left the country without a central bank for nearly eighty years, and the disastrous Great Depression of the 1930s, which threatened to destroy the Republic itself. Having weathered those trials, the economy became vital enough to Americanize the world in recent decades. Virtually every major development in technology in the twentieth century

originated in the United States, and as the products of those technologies traveled around the globe, the result was a subtle, peaceful, and pervasive spread of American culture and perspective.

### Questions for Discussion

1. To what extent was the successful establishment of the American colonies dependent on the emergent tobacco crop? Describe the impact of the tobacco market on the early colonial economy and on the rise of the slave-trade between the American colonies and Africa.
2. "People with an economic advantage, however 'unfair' that advantage may be, will always fight politically as hard as they can to maintain it." How does this remark hold true in light of early colonial disputes with Britain? Were American colonists justified in resisting taxes levied by Britain? How did the economic and political consequences of the American resistance enable the colonies to become stronger?
3. What were some of the immediate advantages the nascent America reaped in adopting policies of unfettered trade advanced by Adam Smith in *The Wealth of Nations*? How is American dependence on Smith's economic policies of capitalism visible in the fabric of our government today?
4. How did the many technological advances of the eighteenth and nineteenth centuries assist in keeping the early American economy on a sure footing? Consider how the invention of the cotton gin, the spinning mill, the steam engine, and the building of the Erie Canal helped revolutionize America as an industrial power. Did these advances produce any long-lasting negative economic consequences? To what extent is the history of America's economy a history of its inventions?
5. Why did philosophical disagreements between Thomas Jefferson and Alexander Hamilton over a standardized financial regulatory system and the Bank of the United States produce economic volatility in America for more than a century? Why do you think it took so long for our country's leaders to correct this oversight?
6. "No one ... had more influence on shaping the Democratic Party and its economic policy before Franklin Roosevelt than Andrew Jackson." What motives inspired Jackson's policies with respect to land and banking, and how did his acts directly alter the prosperity of the United States? What kind of legacy did Jackson's efforts have on the reputation of the Democratic Party?
7. What were some of the economic advantages Northern and Southern states had at the outset of the Civil War, and how did these advantages help predict the outcome of the conflict? What were some of the benefits of the Civil War to the American economy in the long term?
8. In the nineteenth century, America was dominated by industrialists and men of resources like Cornelius Vanderbilt, Andrew Carnegie, Henry Clay Frick, and John D. Rockefeller. How did these figures shape the evolution of the American corporation and the pursuit of accounting? How would you characterize the role of these captains of industry in the nascent labor movement in American society?
9. Describe the economic series of events that led to the Great Depression. Is such a catastrophic collapse of our nation's economy possible today? Why or why not? How did the first hundred days of Franklin Roosevelt's presidency aid in the nation's recovery from its economic woes?
10. How did America's efforts in the First and Second World War theaters of conflict impact the nation's economic stability? By the middle of the twentieth century, how had the international community's perception of America as an economic power changed?
11. Is the twentieth-century popularization of the computer as economically significant to the history of our country as earlier inventions and developments? Discuss some of the ways in which the computer has revolutionized our everyday life and our economy in the past two decades.

12. *An Empire of Wealth* concludes its analysis of the nation's economy on September 11, 2001. What are some of the economic developments that have taken place since the terrorist attack on our country? Based on what you've read of America's history, do you think it's safe to make any assumptions about our country's economic management this ongoing conflict?

#### **About the Author**

John Steele Gordon is the author of *A Thread Across the Ocean*, *The Business of America*, *The Great Game*, *Hamilton's Blessing*, and *The Scarlet Woman of Wall Street*. His writing has appeared in the *New York Times* and the *Wall Street Journal*. He is a columnist for *American Heritage*. He lives in North Salem, New York.