

DISCUSSION & REVIEW QUESTIONS:

- Professor Schweikart begins the video by informing us that, “Americans didn’t invent free market capitalism. But you might say they perfected it. In doing so, they created more wealth for more people than any society in the history of the world.” Considering the long-lasting, continuing, astonishing success of America, why do you think that so many other nations don’t apply the free-market model in their own countries?
- Professor Schweikart goes on to clarify, “I define capitalism as an economic system in which individuals freely decide what they will produce and who they will serve. Since both parties have to consent, it is a system in which success demands that you serve the needs of others before you are rewarded for your work.” What do you think makes this model so successful? What underlying factors are at play in this model that compel people to be successful?
- We learn from Professor Schweikart that, “The early colonists... set up a common storehouse of grain from which people were supposed to take what they needed and put back what they could. Lands were also held in common and were worked in common. The settlers owned no land of their own. Though there was no name for this system, it was an ideal socialist commune.” Why didn’t this work? Professor Schweikart answers this question by indicting the communist model, stating that, “As the colonists learned, when everyone is entitled to everything, no one is responsible for anything. A colonist who started his workday early or stayed late received the same provision of food as a colonist who showed up late, went home early, or didn’t work at all.” What problems did the communist model so blatantly reveal, especially in terms of human nature?
- Professor Schweikart shares with us that, “As its young governor, William Bradford, noted, by adopting the communal system “We thought we were wiser than God.” So they quickly abandoned the commune for private ownership. Soon, they had an abundance, which they celebrated with the holiday we now know as ‘Thanksgiving.’” What important differences set capitalism apart from mercantilism in regards to quality of life for each individual in a society? What about in terms of incentives?
- At the end of the video we learn that “Over the next 150 years, this hard-learned lesson that men should be responsible for their own economic fate became conventional wisdom in the colonies,” and that “...it was the wisdom of experience, not academic ideology, that created America’s free-market principles. The result has been the most prosperous and free nation in the history of the world.” Do you think that this hard-earned lesson still holds true today? Why or why not? What is so important about people learning to be responsible for themselves?

EXTEND THE LEARNING:

CASE STUDY: Jamestown Colony

INSTRUCTIONS: Read the article “Jamestown Settlement and the ‘Starving Time,’” then answer the questions that follow.

- What do you think compelled those first colonists to go? What incentives did the company give them? What mistakes did they make? How many out of the first 144 survived?
- What happened after Captain Smith returned to England? What desperate measures did the colonists resort to?
- Do you think that those of us who currently enjoy the prosperity of living in America owe anything to those original colonists who learned the hard lesson of individual responsibility and made the decision to become more capitalist? Why or why not?



QUIZ

AMERICA'S SOCIALIST ORIGINS

1. What created America's free-market principles?

- a. Academic ideology.
- b. Wisdom of experience.
- c. We will never know.
- d. The War of 1812.

2. America didn't invent free market capitalism, but you could say it _____ it.

- a. abandoned
- b. ruined
- c. limited
- d. perfected

3. What is mercantilism?

- a. An economic system where businesses are operated for the benefit of the state.
- b. An economic system where businesses are operated for the benefit of a colony.
- c. An economic system where every man is for himself.
- d. An economic system that has capitalistic roots.

4. Why did the early colonists' socialist communes fall apart almost immediately?

- a. There were not enough men to work the land.
- b. They each received a parcel of land that they were not able to maintain.
- c. Because when everyone was entitled to everything, no one was responsible for anything.
- d. They were not prepared for the harsh winters.

5. After gaining independence, none of the Founders could be called capitalists, but they did intuitively gravitate towards free market principles.

- a. True
- b. False



QUIZ - ANSWER KEY

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<http://www.ushistory.org/us/2c.asp>

2c. Jamestown Settlement and the "Starving Time"



Jamestown, Virginia, was the site of the first permanent English settlement in the Americas. The settlers chose a location close to the water, hoping to establish a thriving community.

The first joint-stock company to launch a lasting venture to the New World was the Virginia Company of London. The investors had one goal in mind: gold. They hoped to repeat the success of Spaniards who found gold in South America.

In 1607, 144 English men and boys established the Jamestown colony, named after King James I.

The colonists were told that if they did not generate any wealth, financial support for their efforts would end. Many of the men spent their days vainly searching for gold.

As a consequence, the colonists spent little time farming. Food supplies dwindled. Malaria and the harsh winter besieged the colonists, as well. After the first year, only 38 of the original 144 had survived.

"Work or Starve"

The colony may well have perished had it not been for the leadership of John Smith. He imposed strict discipline on the colonists. "Work or starve" was his motto, and each colonist was required to spend four hours per day farming.



An early advocate of tough love, John Smith is remembered for his strict leadership and for saving the settlement from starvation.

An accidental gunpowder burn forced Smith to return to England in 1609. After his departure, the colony endured even more hardships. A new boatload of colonists and supplies sank off the coast of Bermuda on its way to help the hungry settlement. The winter of 1609-10, known as the "starving time," may have been the worst of all.

Disease and hunger ravaged Jamestown. Two desperate colonists were tied to posts and left to starve as punishment for raiding the colonies' stores. One colonist even took to cannibalism, eating his own wife. The fate of the venture was precarious. Yet still more colonists arrived, and their numbers included women.



Pictured are the three ships that brought the original settlers to Jamestown in 1607: the *Susan Constant*, the *Godspeed*, and the *Discovery*.

Despite the introduction of tobacco cultivation, the colony was a failure as a financial venture. The king declared the Virginia Company bankrupt in 1624.

About 200,000 pounds were lost among the investors. The charter was thereby revoked, and Virginia became a royal colony, the first in America to be ruled by the Crown.

Investments in permanent settlements were risky indeed. The merchants and gentry paid with their pocketbooks. Many colonists paid with their lives. For every six colonists who ventured across the Atlantic, only one survived.