Since the Mayflower docked in 1620, America has behaved as a friendly home for the people searching for a brighter financial future. Bhu Srinivasan, the author of Americana, is one of those immigrants: he got to the USA from India in the year 1984, when he was eight years old.

While growing up, Srinivasan migrated all across the country together with his family as the career of his mother grew: he stayed in cities such as Virginia, New York state, California, and Washington. Afterward, he would be enticed back down the West Coast to take part in the heady periods of the early internet boom.

In general, Srinivasan understood, his traveling around the country had been essentially economic in nature, as he together with his family had looked for the best opportunities that were available. Economics was the first thing that made his family move to the country, and that had then shaped their stay there. Definitely, the same holds true for millions of people.

As a matter of fact, it’s possible to think about the entire US history from an economic, instead of a political, viewpoint – also, that’s what you’ll see in these book chapters. They’ll inform you basically on how much capitalism has added to the growth as well as the identity of the United States.

Chapter 1 - Ancient America was already connected to capitalism from the voyage of the Mayflower to the Revolutionary War.

The account of the Mayflower as well as the settling of the pilgrims in New England in the year 1620 is really popular. However, an important question is usually ignored: how was the trip financed? The answer displays how close the tie between America as well as capitalism was right from the start, and describes the settlers’ fight for their liberty afterward.

The voyage was backed up by a group of investors in England through a company known as the Virginia Company of London. Various people put in little amounts, restricting their financial risk. They are likely to gain massively; however, just in the relatively improbable situation that the voyage was a huge success. It was an early kind of what we refer to as venture capital funding now.

As things happened, the New World did actually give a lot of financial opportunities for traders back in England. A specific early achievement was beaver skin, which was sold as a luxury product in Europe. The colonists got it through trade with Native Americans, who were expert at hunting beaver and preparing the skins. Afterward, tobacco became a massive trade, particularly on the farmlands of Virginia and Maryland. This period, the slaves did the hard work, the first of whom had gotten in Virginia one year before the Mayflower.

The tobacco trade developed to astounding amounts, contributing to 80% of colonial exports to England in 1700. However, America's ties with Great Britain, which was still part of, started to look one-sided. One problem appeared to the forefront: taxation without representation. In the year 1765, confronting war debts, England had started to tax American colonies through the Stamp Act, signifying that getting any official document was liable to an additional fee. Still, in the English parliament, the colonies were not represented. Who was the person that represented their rights then?

American negotiators as well as Daniel Dulany and Benjamin Franklin obtained the Stamp Act repealed; however, more issues were unavoidable. In protest at still extra British taxes, some Bostonians took a ship known as the Dartmouth captive at the port in the year 1773, tipping its cargo – which had 45 tons of tea – into the harbor. The Revolutionary War started immediately.

The independence of America may have been essentially about securing liberty; however, it was essentially about money. The American colonies as well as their dwellers were not satisfied anymore with their initial aim of offering a profit for the Englishmen across the ocean.

Chapter 2 - As America developed, its transit networks grew as well.

The newly-created USA’s unique geography had both positive and negative parts of commerce. On one part, the south bragged perfect environments for growing cotton. Also, all thanks to the cotton gin, a time-saving innovation that mechanically sorted out the cotton plant’s seeds, it was likely to cover big portions of land with plantations. The American cotton industry flourished, hugely improving the worldwide cotton supply.

Even as American cotton traveled across the globe, it was hard to travel across the vastness of America itself. Hence, developing transportation, turned into a big business.

Steamboat came first. Before that, sailing relied on water currents as well as wind. However, as early as the 1780s, the state of New York was ready to enhance the effectiveness of river travel. To this end, officials urged a well-known New Yorker called Robert Livingston to form a boat powered by steam, alluring him with a monopoly license for commercial river transit in return. Together with the eccentric engineer called Robert Fulton, Livingston accepted the offer.

The year 1807 was when their first steamboat was launched, traveling from lower Manhattan to Albany in 32 hours. Both Livingston and Fulton then maximize their profitable New York monopoly; however, soon, America’s waterways were busy exercises in capitalism as contending corporations competed for business. Cornelius Vanderbilt, a steamboat entrepreneur would turn into the country’s wealthiest man.

But, Rivers, did not link the whole key locations well –therefore, individuals made their own. Erie Canal of 1825 was the first canal project that begun, linking western Buffalo to eastern Albany. Through waterways, individuals could now travel well from Chicago to New York City. The state itself paid for the canal: a clever piece of public infrastructure spending that massively improved commerce. The model was imitated extensively.

However, as the Industrial Revolution collected steam, canals were immediately succeeded by railroads. Starting from the 1830s onwards, the advantages of rail, which sped up travel, communication, as well as trade, became obvious. A lot of railroad companies developed, looking to take advantage of the developing technology –however, they required the assistance of local governments, which needed to permit them prominent domain – the right to take charge of private land on the track path.

Railroads turned into a big business, both due to their benefits and also due to the abundant employment they offered in laying tracks. However, this was never hands-off, laissez-faire capitalism; it depended on a difficult balance between private firms and governmental support, typical of ventures in America as at then.

Chapter 3 - The economy of the American South, built on cotton as well as slavery, showed no fit for the fast-growing North.

The Mexican–American War that happened between1846–48 gave the USA huge swathes of the western area, as well as the region that would quickly become California. It was extremely good fortune that, at nearly exactly the same period, gold was found there. The legendary Gold Rush witness numerous Americans traveling west in pursuit of fortune –although the growing transportation network didn't reach that far yet.

One repercussion of this was that rich California was immediately given statehood. Still, the choice to include California into the Union brought about problems. California turned into a "free state." This tipped the uncertain balance between "free" and "slave" states, provoking the "slave" states of the South. It was a choice that added to growing political tensions, which would ultimately lead to the civil war.

The South extremely relied on slavery due to its outstanding, abominable economics. Individuals that are slaves weren't only economically significant due to the work they did on numerous cotton plantations; however, also due to the fact they were extensively used as loan collateral – owners lent money against them, similar to how people do with land nowadays. Slavery successfully became the financial foundation on which the whole South depended.

This whole thing contributes to a strange, inflated economy. In the year1859, the nearly four million enslaved individuals were worth an approximated $2.8 billion – in 1859 money. For perspective, as at then, the railroad track was worth $1 billion, and the federal government's whole spending was just $69 million. As terrible as it is, enslaved people were America's most cherished asset – by an absurd distance.

All thanks to both its internal slave trade as well as its external cotton trade, the American South was rich. However, as soon as Civil War happened, it saw itself susceptible to one clever move: the North blockaded the Southern ports, totally blocking off trade and hindering an inflow of the iron required to build and repair the necessary railroad tracks. Therefore, the South saw itself drained of resources.

On the other hand, the North was doing well economically. It kept on importing iron, permitting the maintenance of the railroads required by the military. As a matter of fact, the North even proceeded to grow its own rail network: the Pacific Railway Act was accepted in the year 1862, eventually linking the two coasts.

Also, in the year 1859 – two years before the Civil War began– a vital discovery was found in Pennsylvania: oil. As soon as slavery was stopped, it would shape how American capitalism formed.

With generous gold and oil, America was a land of remarkable natural resources. However, as the 19th century advanced, many bold innovations showed that its people would be every bit as vital as an asset.

Chapter 4 - A series of remarkable innovations took place in America during the late 19th century.

Since when the cotton gin had accelerated that industry, America had recognized the significance of a great discovery. For instance, telegraphy, created and supported by Samuel Morse, allowed the instant transmission of messages across far distances as early as the year 1843; developing in parallel with the railroads, telegraphs played a big part in the Civil War.

But, years after the War, produced the most incredible series of innovations and inventions.

The typewriter was one of it which was produced by the gun-making company, E. Remington & Sons when the Civil War ended, when the request for Remington's key product, firearms, dropped. The typewriter produced not only words; however, employment as well, and typing turned into one of the few lines of work that women were supported to engage in.

Artificial light was another vital innovation –even though the lightbulb was just one of over a thousand patents filed by Thomas Edison. Incredibly skilled at creating things with a clear practical aim, Edison had already done numerous revolutionary adjustments to telegraphy when he shifted his focus to the growing field of electricity.

Individuals instantly noticed. Edison got backing from William H. Vanderbilt who inherited his father's wealth, and J.P. Morgan, the extremely influential financier. Edison didn't earn the first huge innovation in artificial light – that credit went to Charles Brush, whose system functioned by electrifying two separated carbon rods. However, Edison's bulb immediately attested the superior idea, and in the year 1882, he did well in lighting a little power grid's worth of offices in New York, as well the New York Times headquarters.

Not all inventions took the shape of a new product. As a matter of fact, one vital one basically rearranged the products that are already existing. Before A.T. Stewart an Irish immigrant came along, a shop's goods were kept behind the counter. Customers needed to request for them, and they would then bargain for a price. Stewart's innovative idea was to take the products to the front of the counter, give them a set price, and thus turn shopping from a totally transactional activity into an experience that individuals liked and even did for fun. Stewart's Cast Iron Palace which was his department store opened in the year 1862, and it was a runaway hit.

Stewart accumulated a wealth of about $40 and $50 million – surprising for the time. He was only one of the Americans who showed a talent not only for invention but for business as well. Although, there were two men who exceeded Stewart: John D. Rockefeller and Andrew Carnegie.

Chapter 5 - Two major tycoons, Rockefeller, and Carnegie, shaped the Gilded Age.

Mark Twain created the word “the Gilded Age” in his 1873 novel of the exact name. It was an appropriate depiction of an era where opportunities for American entrepreneurs as well as investors looked limitless – even though, instead of gold, the key commodities were oil and steel.

The worth of oil wasn’t instantly obvious on its finding; however, after experimentation, its worth as a source of fuel got clear. All that was left was to improve the difficult process of extracting the oil, transporting it, and refining it for usage. Maximizing efficiency in this process, it immediately became obvious, was the path to success.

The path to real efficiency, as John D. Rockefeller immediately understood, was to increase the operation massively. A young businessman known as Rockefeller who was the co-founder of an oil company with $1,000 of his savings and $1,000 lent from his father, was really confident with numbers to lend huge sums and spurn profits in the short period so as to grow his refinement facilities. This permitted a cleverly streamlined production process. Also, he paid a lot to buy out his business colleagues, certain of the value of the investment. The company in this situation is Standard Oil, proved well worth it.

Andrew Carnegie is another great tycoon of the age was, he was an immigrant from Scotland. He was able to leave his first work in a telegraph office when his smart investments began paying out way more than his income.

Although Carnegie was never a normal entrepreneur. He challenged the value of riches and took it as his aim to give his wealth out philanthropically. Still, he was a clever investor, able to rebuild his riches after a big market crash in the year 1873 – the Gilded Age was not all clear sailing – and then defeat the rising steel industry. It had immediately become obvious that steel provided a more strong substitute to iron, and was a better suitable to railroads.

Still, even the huge success of the steel industry needed the government’s assistance. British steel was more affordable than that produced even by the efficient Carnegie. In order to maintain its developing industry, the US Congress imposed a tariff on imported British steel. That provided the nation’s steel industry the increase it required to ultimately turn into the largest in the globe. Also, it showed the means to the more active part the government would ultimately play in the economy of the country. Also, that wouldn't usually be good news for people such as Rockefeller and Carnegie.

Chapter 6 - As the 20th century began, the government began to use more power over how businesses should work.

Tariffs weren't the only means the government came to the assistance of the industry. During the year 1892, at the height of a union disagreement at the Carnegie-owned H.C. Frick Coke Company, the governor of Pennsylvania dispatched eight thousand troops to assist repossess the factory from employees striking over efficiency reductions. In this situation, the state acted in the interests of business; however, afterward, it would usually take the opposite side.

Democrat William Jennings Bryan's incendiary campaign for the presidency in the year 1896 was an early harbinger of that. He cast himself as a defender of the working man, protesting against the gold standard, which, due to a financial crisis in the year 1893, had extensively been regarded as holding back the economy. Bryan's influential rhetoric changed the Democrats into the party of the workers, as opposed to the pro-business Republicans.

Republican William McKinley won Bryan in both 1896 and 1900, however, McKinley was murdered a year after. His successor, Theodore Roosevelt the vice president, turned out to have extremely different opinions.

Roosevelt's great aim was a phenomenon, recent during that period, referred to as "trusts:" enormous, state-spanning firms that were successfully monopolies over certain industries. Trusts usually made use of generic-sounding terms such as "American" or "General" – the National Tube Company, say, or American Bridge Co. These corporations naturally had a stifling impact on the market.

The largest coup of the trusts movement was J.P. Morgan urging Andrew Carnegie to sell off his large steel company. This turned Carnegie into the wealthiest man in the universe and it also made the new United States Steel Corporation the first company ever valued at a billion dollars.

Immediately after resuming office, Roosevelt showed his opinion that, although merging businesses into trusts shouldn't be forbidden, it ought to certainly be restricted and regulated by the government. He believed that it was the duty of the government to balance the interests of opposing parties such as labor, capital, as well as the entire public.

This new role of the government even spread into the production of food. Upton Sinclair's novel The Jungle that was published in the 1906 –although it meant an exposure of poor working circumstances for immigrants –brought about controversy through its precise, graphic explanations of a meatpacking factory and its low hygiene measures. A surprised Roosevelt acted fast, and Congress immediately enacted the Federal Meat Inspection Act – a win for consumer protection over capitalist interests.

Theodore Roosevelt's own Republican party didn't even nominate him for president—hence, set the pattern for the closer part that government would play in forming 20th-century American capitalism.

Chapter 7 - The duty of the government in the economy grew and grew, particularly during periods of war and crisis.

As technology got to ever-greater heights, the demand for government regulation became more and more apparent. For example, the automobile boom, needed a powerful regulating hand to evade disorganized, bloody scenes in the streets. Also, the government got interested in radio, a technology with obvious significance for the state –particularly in times of war.

The USA's entry into World War I in the year 1917 had a transformative impact on the duty of the state. The government's active role prompted radio's growth, as it rapidly demonstrated significant for communication with ships. Also, the war signified that the nation required to invest, at really short notice, in its basically unprepared military. That needed a lot of funding: in the year 1916, the budget of the government was $734 million; in the year 1918, it had increased to $12.7 billion.

This increase was mainly funded with income tax. Introduced all thanks to the Sixteenth Amendment before the war, in wartime, it rapidly turned into the government's largest source of tax revenue. The money was spent by the government on the industry, turning into the largest client of the nation's shipbuilders and gunmakers, and thus supporting the steel industry as well. The government effectively became in charge of the railroads too.

The state maintained a more active part even when the war finished. One repercussion of its raised income tax revenue was that the government was now less reliant on the money it got from alcohol taxation: one cause why it was possible to introduce prohibition in the year 1920. This, eventually, was not a model of good governance, forming a vibrant black market and the bootlegging industry.

In spite of this, the 1920s were a successful period in the US, as Calvin Coolidge who was the outgoing president at that time boasted at the end of 1928. However, disaster was looming.

In the year 1929, immediately after Herbert Hoover took over from Coolidge, the stock market went through a terrible crash. Aggravating the issue was that the government, particularly longtime treasury secretary Andrew Mellon, did not trust intervention: he thought that the market would fix itself on its own. However, that didn't happen– things only became worse into the early 1930s. Numerous banks failed, and unemployment increased.

As you would have thought, Hoover didn't win the 1932 presidential election. Democrat Franklin Delano Roosevelt, his successor took fast action to fix the economy through the New Deal. Getting sweeping powers from Congress, Roosevelt shut down the entire country's banks for a short time and ultimately took the nation off the restrictive gold standard. It was a massive increase in government powers, very similar in wartime. All of a sudden, it was official: the government was in charge of maintaining the economy.

Chapter 8 - After World War II, the growth of suburbia changed American culture – for the people who were invited.

The USA was very ready for World War II than it had been for the first world war. Roosevelt was still in control, did not go into the war until the year 194; however, he started increasing the US military as early as 1939. Also, he accurately projected that the US would have to sell planes to the Allied forces. One again, the state, increasing its duty, even co-opted the car factories of an unwilling Henry Ford, who was fearful – with some justification – of total government control. There was, efficiently, no place for capitalism during the time of war.

But, the return of over 15 million soldiers to civilian life, encouraged the private economy in the years after the war. Bill Levitt who was a former naval office and a housing developer was one main force behind this.

The issue that Levitt succeeded to fix was that these whole new veterans require houses to stay; however, there was any room available in the cities. In the year1947, Levitt purchased a big area of land on Long Island, that is found outside New York. On the land, he built a whole there, using a neat and extremely American formula, similar to the one Henry Ford had used before to perfect the Model T: make just the exact thing as several times as possible, and you'll obtain both quality as well as affordability. Levitt built his houses very fast, efficiently, and to a uniform standard, ushering in the era of suburbia.

Suburban life became extremely well known–however, just white Americans were relocating out of the city. Levitt wouldn't sell his houses to African-Americans, and most other developers wouldn't sell their houses too. Levitt asserted an economic rationale for this: his ambitious homeowners basically didn't want to stay in mixed racial areas; therefore, they wouldn't buy there.

It would ultimately turn illegal to discriminate in this way; however, that barely fixed the issues. In the year 1957, riots happened when the first black family relocated into the flagship suburban town Levittown, Pennsylvania. Due to these various levels of discrimination, African-American families mainly remained in the cities.

Decades following the war, suburbs were one marker of the extreme cultural change in the US. Road network was another development– a transportation change with extreme repercussions for the entire nation's economy.

Chapter 9 - Essentially American, highways had a lot of knock-on impacts on the economy.

President Eisenhower referred to his $33 billion highway bill of 1956 as the “greatest public works program in world history.” It would provide 41,000 miles’ worth of interstate highways, intending to link each of the major cities across the land. However, usually with those kinds of advances, it had some unexpected effects.

One of the consequences was that a lot of roadside businesses were forced to leave business –like the diner, the gasoline station, as well as motel that Harland Sanders had been operating for several decades in Corbin, Kentucky. The issue was that drivers were only able to access or leave the new highways through particularly made “on-ramps,” which meant economic disaster for any business not found near an exit. Sanders had less choice than to shut down the shop.

Although the 65-year-old wasn’t willing to retire. Through years, he had carefully improved his well-known recipe for fried chicken, inventively made with the use of a pressure cooker. The “Colonel,” as he began to refer to himself, chose to franchise his technique and its secret spice mixture. Before long, he had a hit on his hands.

Kentucky Fried Chicken wasn’t just the only food company to owe some kinds of debt to the country’s highways. In San Bernardino, California, the brothers Dick and Maurice McDonald had formed a very-efficient food preparation system that changed their single drive-in location into a bustling achievement. In the year 1954, the brothers came to the notice of milkshake machine seller Ray Kroc when he got to know that they made use of eight of his machines. What kind of business, Kroc thought, could require to make 48 milkshakes at the same time?

Kroc was really pleased by the operation that he turned into a McDonald’s franchisee, following the brothers’ model strictly. By the year 1961, there were nearly 300 McDonald’s spots, giving a reassuring uniformity to the various highway stops across the nation that had once endangered the end means of Harland Sanders’s.

Then, roads both got from the economy and contributed to it. Definitely, they were dependent on the domination of the car –as well as the concept of suburbia. But the car required oil, which had been a rich natural resource for a century in America. However, as more and more cars moved along highways and crawled into cities, the nation drained its supply. The USA became reliant on oil from the Middle East after the 1960s, importing more products than it exported for the first time ever since the 19th century.

Chapter 10 - As technological developments in computing soared, economics soared as well.

It wasn’t somewhat like striking oil, but the remarkable – and extraordinarily profitable – the development of computing had a lot of its vital instances in the USA. As a matter of fact, the field’s roots stretched back as far as 1890, in the nation’s Census Office.

During that time, a young man known as Herman Hollerith created the concept of keeping data about US citizens, not in handwritten records, but instead on a punch card that could be fed into a machine. He utilized basic electrical circuits to allow the machines to count the number of cards that had specific data points. The ability of these machines quickly became clear, and immediately the Census Office had one for all living Americans it had on file. Hollerith created the Tabulating Machine Company, which sometime afterward would turn into International Business Machines –well known as IBM.

IBM, as well as the nascent computing industry as a whole, made vast advances during the early 20th century, and by the year1962 demand was increasing for IBM computers. To such a great extent, as a matter of fact, that a young salesman known as Ross Perot got to know that there was much money to be made in assisting the individuals he sold to get value out of their machines. He created Electronic Data Systems to offer programming services to companies.

It would be an understatement to state that demand soared. In the year 1968, just six years in, Wall Street bankers were asking him to go public; one company valued EDS at $150 million.

Perot accepted it and immediately became the first tech billionaire. A lot of startups would follow the same footsteps afterward.

That exact year, another innovative company was created: Intel, a Silicon Valley pioneer. It would go public in only three years. The founders of Intel, Bob Noyce, and Gordon Moore had already had a taste in substantial success as two of eight engineers who had previously created Fairchild Semiconductor, a top maker of the most significant part in a computer.

Other graduates of Fairchild Semiconductor used another means and into venture capital, establishing the massively influential companies Kleiner Perkins and Sequoia – funders that would assist to make numerous tech success stories.

This, definitely, was the exact model of funding, essentially, that had sent the Mayflower across the Atlantic one time. Not that all the things for the tech industry would be simple sailing, definitely.

Chapter 11 - In spite of the powerful dot-com bubble, American capitalism as well as democracy stay closely intertwined.

Not all financial advances during the late 20th century had anything to do with computing. Some development were much more abstract ventures in pure money-making, such as the well-known “junk bonds” market, and huge financial firm Berkshire Hathaway. When got Berkshire Hathaway was a textile company when Warren Buffett got it during the 1960s, –however, when it got to his hands, it turned into a finance juggernaut.

The giddy economics of Silicon Valley seemed ever-more enticing as the century came to its end, particularly with the improvement of the internet.

A lot of young tech firms acquired fast wealth. An early browser known as Netscape went public during the year 1995 only 15 months after foundation. Yahoo!, as well, went public during the year 1996, after only nine months as a company –achieving a 10,000% return for its venture capital funder, Sequoia.

But, Netscape, would immediately see itself surpassed. Bill Gates's Microsoft made the operating system where the majority of the computers ran and basically began giving their own browser for free, spelling trouble for the startup.

A particularly remarkable "dot-com bubble" failure was Time Warner's 1999 fusion with AOL – which is an internet service provider that had as well made clever moves in online advertising. Time Warner, a big, owned television networks, magazines, entertainment company Warner Bros., and an entire cable television service. Still, the internet looked really tempting that they joined with AOL at a split of 45:55; AOL shareholders acquired more than Time Warner –only as the dial-up technology AOL relied on was being replaced by broadband.

Although it was a business that looked to be crumbling during the 1990s, that would set the pace in the new age. With its ground-breaking products, Apple had a big impact on industries such as telephones and music, and one of its founders known as Steve Jobs became an icon.

Jobs passed away in October of 2011, during the exact time that the protesters of Occupy Wall Street were protesting against the huge inequality of the capitalist system – which a company such as Apple, with its cheaply operating factories in China, represented. Was it ironic, then, that a lot of protesters took the time to grieve Jobs's death?

Probably not, says the author. Capitalism has usually been the main force behind the nation's growth, encouraging invention on to ever greater heights. Still, as history shows, it has long needed a steadying hand. American capitalism, rich with flaws, has for a long time worked closely with democracy.

Americana: A 400-Year History of American Capitalism by Bhu Srinivasan Book Review

Capitalism has been the main force of American history, from ancient trade in tobacco and cotton down to startup tech firms. However, American capitalism has never for once been a totally free marketplace: the government has usually played a vital part in providing the industry assistance, limiting its excesses, and looking out for consumers. Both Capitalism and democracy have formed the history of the country.

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