

# Star Wars Day: The Economics of an Empire

**Bloom's Level:** Understand

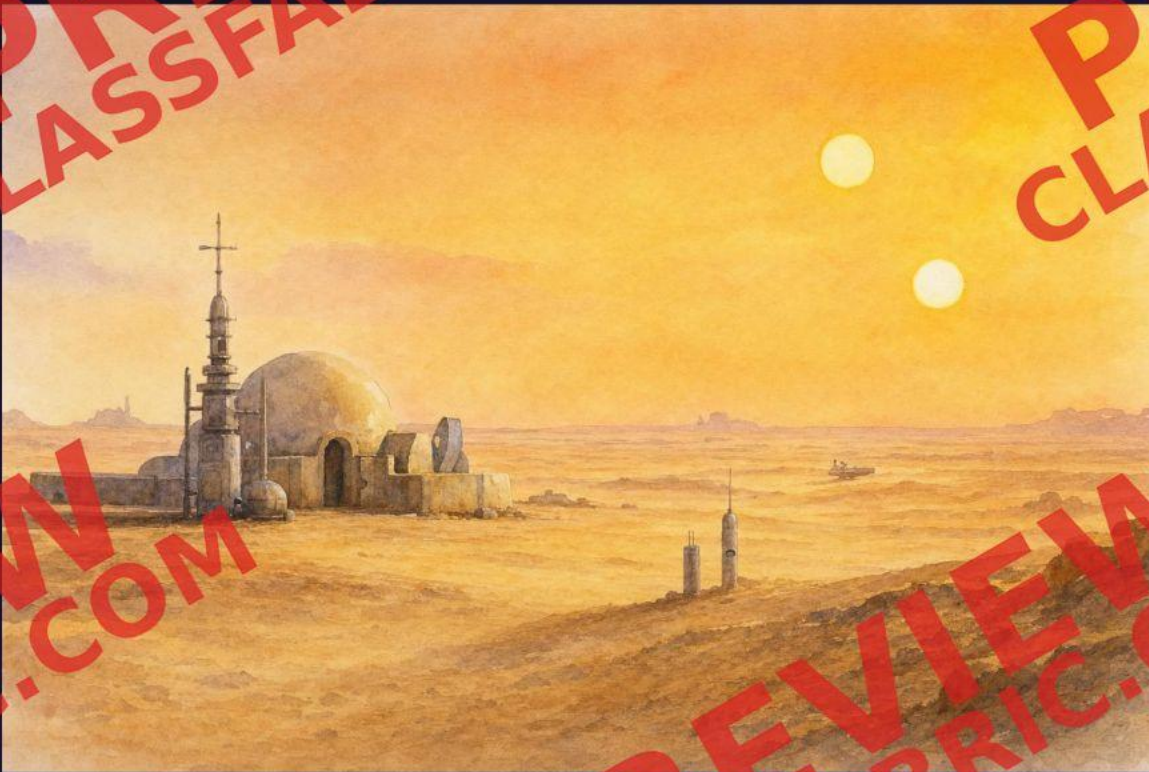
**Standard:**

NCSS.D2.Eco.3.5-8 — Economic Decision-Making

NCSS.D2.Civ.6.6-8 — Understanding Power and Governance

TEKS §113.20(b)(11)(A) — Understanding Economic Concepts

STUDENT EDITION



Moisture farmers on desert planets collect scarce water to survive — a vivid example of how scarcity shapes the value of resources in any economy.

## Star Wars Day: The Economics of an Empire

### A Galaxy Far, Far Away — and Surprisingly Close to Home

Imagine you live on a desert planet with almost no water, no trees, and no natural resources except sand. How do you survive?

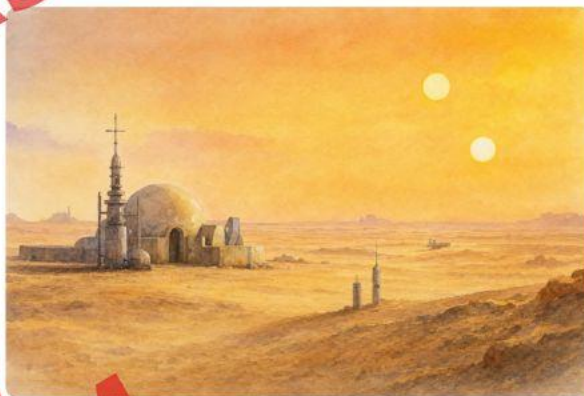
How do you pay for food, fuel, or spare parts for your speeder? If you answered "it's complicated," you already understand one of the most important ideas in economics: **scarcity**. Welcome to Tatooine — and welcome to economics class.

Every May 4th, Star Wars fans celebrate the saga that has captivated audiences for decades. But beneath the lightsabers and starships lies something surprisingly familiar: a story about power, resources, and who gets to control them. The Galactic Empire isn't just a villain — it's an economic system. And understanding how it works can help you understand the real world, too.

### What Is Scarcity, and Why Does It Matter?

**Scarcity** means that resources are limited, but people's needs and wants are not. On Tatooine, water is scarce. That's why moisture farmers like Owen Lars work so hard to pull tiny amounts of water from the desert air. Because water is rare, it has high value — people will trade a lot to get it.

Scarcity exists everywhere, not just in galaxies far, far away. Think about gasoline in your town. Oil must be drilled, refined, and transported before it reaches your local gas station. If a pipeline breaks or a storm disrupts supply, prices rise. Scarcity drives prices up. Abundance pushes prices down. This basic relationship shapes every economy — real or fictional.



Moisture farmers on desert planets collect scarce water to survive — a vivid example of how scarcity shapes the value of resources in any economy.

Can you think of something in your own community that is scarce? How does that scarcity affect its price or value?

## Trade Routes and Who Controls Them

In Star Wars, the Trade Federation blockades the planet Naboo to control its trade routes. A **trade route** is simply a path goods travel from sellers to buyers. Whoever controls that path holds enormous power.

This isn't science fiction — it's history. Ancient Rome controlled Mediterranean sea lanes. European empires fought wars over spice routes to Asia. Today, countries negotiate carefully over shipping lanes and pipelines. When one group controls the route everyone else depends on, they can charge higher prices, create shortages, or use access as a political weapon.

This kind of control is called a **monopoly** — when a single seller dominates a market with little or no competition. The Trade Federation's blockade is a monopoly in action. Without competition, they set the rules.

How is the Trade Federation's blockade similar to historical examples of trade control? What do these situations have in common?

## How Does an Empire Pay for Itself?

Here's the big question: how does the Galactic Empire afford all those Star Destroyers, stormtrooper armor, and — yes — two Death Stars?

The answer is **taxation and resource extraction**. Empires throughout history have funded themselves by taxing the people and territories they control. The Roman Empire taxed conquered provinces. The British Empire extracted resources from colonies. The Galactic Empire taxes moisture farmers on Tatooine and controls the fuel, metals, and trade that flow across the galaxy.

Every government — real or fictional — faces the same challenge: **how do you pay for the things your society needs?** Roads, armies, schools, and hospitals all cost money. Governments collect taxes to fund these services. The debate is always about who pays, how much, and whether it's fair.

## The Rebellion's Economic Argument

The Rebel Alliance isn't just fighting for freedom — they're fighting against economic control. When the Empire monopolizes resources and overtaxes citizens, it creates inequality and resentment. People who feel the system is unfair often push back. This is true in history, too: the American Revolution began partly as a protest against unfair British taxation ("no taxation without representation").

**Economic inequality** — when wealth and resources are distributed very unevenly — can destabilize even the most powerful empire. That's a lesson the galaxy learned the hard way.

Compare the Rebel Alliance's situation to the American colonists' grievances. In what ways are their economic complaints similar?

## Summary: The Force of Economics

So what does Star Wars teach us about economics? Quite a lot, actually. Scarcity makes resources valuable. Trade routes create power. Monopolies reduce competition and raise prices. And every empire — real or fictional — must find a way to pay for itself, often by taxing the people it governs.

Next time you watch a Star Wars film, look past the special effects. Ask yourself: Who controls the resources? Who benefits? Who pays? Those questions don't just belong in a galaxy far, far away — they belong in every economy, including yours.

May the economic forces be with you.

## Lesson Objective

In this lesson, you will explore how economic concepts like scarcity, trade, monopolies, and taxation show up in the Star Wars universe — and in the real world. By the end, you will be able to explain how controlling resources and trade routes creates power, and why economic decisions made by governments and businesses affect everyday people.

**Standard:** NCSS.D2.Eco.3.5-8 — Economic Decision-Making; TEKS §113.20(b)(11)(A) — Understanding Economic Concepts

**Bloom's Level:** Understand

**Bloom's Goal:** Students will demonstrate understanding of key economic concepts — including scarcity, monopoly, trade control, and taxation — by explaining how these forces shape power and inequality in both fictional and real-world contexts

**Explanation:** At the Understand level, students move beyond simply recalling facts and begin to interpret and explain ideas in their own words. This lesson asks students to make sense of economic concepts by connecting them to familiar stories and real historical examples, building a deeper grasp of how economic decisions impact societies.



Trade routes — whether across Earth's oceans or a fictional galaxy — determine who controls goods, prices, and political power.

## Application Questions

Read each question carefully, think about what you learned in the article, and write a complete response using evidence and examples.

1. The article explains that scarcity drives prices up and abundance pushes prices down. Using the example of water on Tatooine OR gasoline in your community, explain how scarcity affects the value of a resource and what might happen to prices if that resource suddenly became more available.

Think about: Think about what scarcity means and how the relationship between supply and demand changes the price people are willing to pay for something.

2. The Trade Federation's blockade of Naboo is described as a monopoly. In your own words, explain what a monopoly is and why having one gives a group so much economic and political power over others.

Think about: Think about what happens when there is no competition — who benefits, who is harmed, and how does control over a trade route become control over people?

3. The article compares the Rebel Alliance's fight against the Empire to the American colonists' protest against British taxation. What economic complaint did both groups share, and why might unfair taxation lead people to resist or rebel against a government?

Think about: Think about what the phrase 'no taxation without representation' means and how economic inequality can cause people to feel the system is unfair.

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## Primary Source Analysis (DBQ)

Read the primary source excerpt below carefully. Then answer the four questions that follow. Use evidence from the source and what you have learned to support your answers.

### Proclamation on the Taxation of Outer Rim Territories [Government]

#### Proclamation]

By order of the Imperial Senate, all moisture farmers, traders, and merchants operating within the Outer Rim Territories are hereby required to submit a resource levy equal to thirty percent of all harvested water, refined fuel, and traded goods. These contributions shall fund the continued peace and security provided by the Empire across all star systems. Failure to comply will result in the seizure of property and suspension of trade licenses. The Senate recognizes that some hardship may result, but the costs of maintaining order and infrastructure across the galaxy must be shared by all citizens. Governors of each sector are authorized to collect and enforce this levy without further approval from the Senate. Issued in the 14th year of Imperial Rule.

— Imperial Senate Proclamation, 14th Year of Imperial Rule (fictional adapted document)

1. Who issued this proclamation, and how might that affect its reliability or point of view? Why might the Imperial Senate describe the tax as necessary for 'peace and security' rather than as a burden on citizens? [Sourcing]

2. Based on what you know about how empires fund themselves, why would the Galactic Empire need to collect taxes from Outer Rim Territories like Tatooine? How does this connect to the broader idea of resource extraction discussed in the article?

[Context]

3. According to the proclamation, what specific resources are being taxed, and what does this tell you about which resources are most valuable in the galaxy? What economic concept from the article helps explain why these particular resources are being targeted?

[Close Reading]

4. The article compares the Galactic Empire's taxation to real historical empires like Rome and Britain. How does this proclamation support or challenge that comparison? What similarities do you notice between this document and historical examples of taxation without representation?

[Corroboration]

## Civic Action Scenario

Read the scenario below carefully. Identify the stakeholders listed and consider how each is affected by the situation. Then answer all three questions in complete sentences, using what you have learned about scarcity, trade, monopolies, and economic decision-making.

**Scenario:** The small town of Riverton depends on a single company, MegaFuel Corp., to supply all of its gasoline and heating oil. Recently, MegaFuel Corp. announced it would raise fuel prices by 40% because it controls the only pipeline into the region. Local families are struggling to heat their homes and get to work or school. The town council is debating whether to ask the state government to investigate MegaFuel Corp. for unfair business practices. Some residents want the government to step in and regulate prices, while others believe the company has the right to charge whatever it wants.

**Stakeholders:** Riverton residents and families who depend on affordable fuel | MegaFuel Corp. executives and shareholders | Riverton Town Council members responsible for community welfare | State government regulators who oversee business practices

1. How does MegaFuel Corp.'s control of the only pipeline into Riverton represent a monopoly, and how does this connect to the concept of scarcity discussed in the article?

2. What responsibilities do elected officials on the Riverton Town Council have toward their community in this situation, and what civic actions could they take to address the problem?

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3. Should the state government have the right to regulate MegaFuel Corp.'s prices? Use evidence from the article and your own reasoning to support your answer.

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## Economic Decision Tree

Read the scenario below carefully. Then study the two options, including their costs and benefits. Finally, answer the three analysis questions using what you have learned about economic decision-making.

**Scenario:** The planet Naboo has just broken free from the Trade Federation's blockade. Queen Amidala and her advisors must now decide how to rebuild Naboo's economy. The planet has rich natural resources — including rare plasma energy — that other systems desperately want. The queen must choose how to manage these resources going forward. She can either allow open, competitive trade with many buyers across the galaxy, or she can grant one powerful corporation exclusive rights to extract and sell Naboo's plasma in exchange for a large upfront payment to the government.

### Option A: Open Competitive Trade

Costs:

- The government earns less money upfront because no single buyer pays a large guaranteed fee.
- Managing trade agreements with many different buyers requires more government workers and resources.
- Prices for Naboo's plasma may fluctuate unpredictably as market competition shifts supply and demand.

Benefits:

- Competition among many buyers keeps prices fair and prevents any one group from gaining too much power.
- Citizens of Naboo benefit from a wider variety of goods and trading partners in return.
- No single corporation can use its control over plasma to pressure or threaten Naboo's government.

### Option B: Exclusive Corporate Contract

Costs:

- Granting one corporation exclusive rights creates a monopoly, which can lead to higher prices and fewer choices for buyers.
- Naboo becomes economically dependent on one corporation, giving that company significant political leverage.
- If the corporation mismanages resources or goes bankrupt, Naboo's entire economy could suffer.

Benefits:

- The government receives a large, guaranteed payment upfront that can immediately fund schools, roads, and rebuilding efforts.
- Having one organized partner simplifies trade management and reduces the government's administrative workload.
- The corporation may invest in advanced technology to extract plasma more efficiently, boosting overall production.

1. What is the main trade-off Queen Amidala faces when choosing between Option A and Option B? Use the terms 'costs' and 'benefits' in your answer.

2. How does Option B relate to the concept of a monopoly described in the article? Explain why a monopoly could be a problem for Naboo and its trading partners.

3. The article states that economic inequality can destabilize even the most powerful empire. Which option do you think is more likely to create economic inequality on Naboo, and why?

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## Close Reading Passage

Read the passage carefully. Then answer the five questions that follow. Use evidence from the passage to support your answers.

### How Does an Empire Pay for Itself?

Here's the big question: how does the Galactic Empire afford all those Star Destroyers, stormtrooper armor, and — yes — two Death Stars? The answer is taxation and resource extraction. Empires throughout history have funded themselves by taxing the people and territories they control. The Roman Empire taxed conquered provinces. The British Empire extracted resources from colonies. The Galactic Empire taxes moisture farmers on Tatooine and controls the fuel, metals, and trade that flow across the galaxy. Every government — real or fictional — faces the same challenge: how do you pay for the things your society needs? Roads, armies, schools, and hospitals all cost money. Governments collect taxes to fund these services. The debate is always about who pays, how much, and whether it's fair. The Rebel Alliance isn't just fighting for freedom — they're fighting against economic control. When the Empire monopolizes resources and overtaxes citizens, it creates inequality and resentment. People who feel the system is unfair often push back.

1. According to the passage, what are the two main ways the Galactic Empire funds itself? [\[Comprehension\]](#)

2. The passage states that every government faces the same challenge. What is that challenge, and what solution does the passage identify? [Comprehension]

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3. Based on the passage, why might citizens of the Galactic Empire join the Rebel Alliance? What economic conditions might push them to rebel? [Inference]

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4. The passage compares the Galactic Empire to the Roman Empire and the British Empire. What can you infer about the long-term stability of empires that rely heavily on taxation and resource extraction from the people they control? [Inference]

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5. The author uses the phrase "real or fictional" twice in this passage. Why does the author repeat this phrase, and how does it affect the overall message of the passage?

[Craft]

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## Hypotheticals

Read each scenario carefully, then answer both questions using what you have learned about economics, scarcity, and power.

**Scenario 1:** The planet Lothal has rich deposits of a rare metal called coaxium, which is used to power starships across the galaxy. The Galactic Empire has taken control of all coaxium mines on Lothal and refuses to allow any other company or government to mine or sell it. As a result, the price of coaxium has skyrocketed, and smaller planets that depend on starship travel are struggling to afford fuel. Local miners who once earned a living from the mines have lost their jobs and income.

a) How does the Empire's control of coaxium represent a monopoly, and what are the economic costs of that monopoly for the people of the galaxy?

b) If a group of independent miners wanted to challenge the Empire's control and restart competition in the coaxium market, what obstacles might they face, and how could increased competition change prices?

**Scenario 2:** The Outer Rim planets are some of the poorest in the galaxy. They are far from the galactic core, have few natural resources, and receive little support from the central government. The Empire collects heavy taxes from these planets to fund its military, including the construction of a new fleet of Star Destroyers.

Citizens on Outer Rim planets pay high taxes but see almost none of that money spent on local roads, schools, or clean water systems. Frustration is growing, and some citizens are beginning to organize protests.

a) Using what you know about taxation and government spending, explain why the citizens of the Outer Rim might feel the Empire's tax system is unfair.

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b) How is the situation on the Outer Rim similar to the economic complaints of the American colonists before the Revolution? What do both situations suggest about the relationship between unfair taxation and political unrest?

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## Multiple Choice

Choose the best answer for each question based on what you have learned about economics using examples from Star Wars and the real world.

1. What does the term 'scarcity' mean in economics?
  - A. Resources are limited while people's needs and wants are not
  - B. There is more supply than demand for a product
  - C. A government controls all resources in a country
  - D. Prices are set by a single powerful seller
2. On Tatooine, water is scarce. Based on what you know about scarcity, what would most likely happen to the price of water on Tatooine?
  - A. The price would fall because no one wants it
  - B. The price would stay the same no matter what
  - C. The price would be high because water is rare and valuable
  - D. The price would be set by the Rebel Alliance
3. The Trade Federation blockades Naboo to control its trade routes. What is a trade route?
  - A. A law that sets prices for goods in a market
  - B. A path that goods travel from sellers to buyers
  - C. A tax collected by the government on imported items
  - D. A type of currency used to buy and sell products

4. When the Trade Federation controls Naboo's trade routes and faces no competition, this is an example of which economic concept?

- A. Scarcity
- B. Taxation
- C. Monopoly
- D. Trade deficit

5. How does a monopoly most likely affect prices for consumers?

- A. Prices tend to fall because the seller wants to attract more customers
- B. Prices tend to rise because there is little or no competition
- C. Prices stay the same because the government controls them
- D. Prices are determined by how many workers are employed

6. The article states that the Galactic Empire funds itself through taxation and resource extraction. Why do governments collect taxes?

- A. To punish citizens who break the law
- B. To pay for services and goods that society needs, such as roads and schools
- C. To prevent other countries from trading with them
- D. To create scarcity and raise the value of resources

7. The article compares the Galactic Empire's taxation to the British Empire's taxation of American colonists. What economic complaint did both groups share?

- A. They both wanted to create a monopoly on trade routes
- B. They both believed taxes were being collected unfairly by a controlling power
- C. They both refused to use currency and preferred to barter
- D. They both wanted to eliminate scarcity by sharing all resources equally

8. Which of the following best describes economic inequality?
- A. When two countries trade the same amount of goods with each other
  - B. When a government charges different tax rates for different products
  - C. When wealth and resources are distributed very unevenly among people
  - D. When supply and demand are perfectly balanced in a market
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9. According to the article, what is one reason the Rebel Alliance fights against the Galactic Empire?
- A. The Rebels want to create their own monopoly on trade routes
  - B. The Empire's monopoly on resources and unfair taxation create inequality and resentment
  - C. The Rebels disagree with the Empire's decision to lower taxes
  - D. The Empire refuses to allow any trade between planets
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10. Which question best reflects the economic thinking described at the end of the article?
- A. How many lightsabers does the Empire produce each year?
  - B. Which planet has the most advanced technology in the galaxy?
  - C. Who controls the resources, who benefits, and who pays?
  - D. How long does it take to travel between planets in hyperspace?

## True / False

Read each statement carefully. Write T if the statement is true or F if the statement is false.

1. Scarcity means that resources are limited while people's needs and wants are not.  
 True  False
2. On Tatooine, water is abundant and therefore has very little value.  
 True  False
3. When the supply of a resource decreases, its price typically rises.  
 True  False
4. A monopoly exists when a single seller dominates a market with little or no competition.  
 True  False
5. The Trade Federation's blockade of Naboo is an example of a monopoly over trade routes.  
 True  False
6. The Galactic Empire funded itself entirely through voluntary donations from citizens across the galaxy.  
 True  False

7. Governments collect taxes in order to pay for services such as roads, armies, and schools.

True  False

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8. The American Revolution was partly a protest against unfair taxation by the British government.

True  False

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9. Economic inequality occurs when wealth and resources are distributed very unevenly across a society.

True  False

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10. Whoever controls trade routes holds little power because goods can always find alternative paths to buyers.

True  False

## Vocabulary

Study each vocabulary term and its definition below. These words will help you understand the economic concepts explored in the lesson about Star Wars and real-world economics. As you read, look for each term in the article and think about how it connects to both the Star Wars universe and your own life.

### Scarcity

Scarcity is the condition in which resources are limited while people's needs and wants are unlimited, making those resources more valuable.

Explain in your own words:

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### Trade Route

A trade route is a path that goods travel along as they move from sellers to buyers, and whoever controls it holds significant economic power.

Explain in your own words:

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### Monopoly

A monopoly occurs when a single seller dominates a market with little or no competition, allowing them to set prices and control access to goods.

Explain in your own words:

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### **Taxation**

Taxation is the process by which a government collects money from individuals and businesses to pay for public services and needs.

Explain in your own words:

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### **Resource Extraction**

Resource extraction is the process of taking natural resources from a territory, often used by empires or governments to generate wealth and fund their operations.

Explain in your own words:

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### **Economic Inequality**

Economic inequality is the uneven distribution of wealth and resources among people or groups in a society, which can cause resentment and instability.

Explain in your own words:

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### **Blockade**

A blockade is the act of sealing off a place to prevent goods, people, or supplies from entering or leaving, used as an economic and political weapon.

Explain in your own words:

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### **Competition**

Competition in economics refers to the rivalry between sellers in a market, which typically leads to lower prices and better choices for buyers.

Explain in your own words:

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### **Abundance**

Abundance is a condition in which a resource is plentiful and widely available, which typically causes its price or value to decrease.

Explain in your own words:

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### **Trade-off**

A trade-off is the sacrifice of one thing in order to gain something else, reflecting the reality that resources are limited and choices must be made.

Explain in your own words:

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## Exit Ticket

Answer both questions in 1-2 sentences each using what you learned from the lesson.

1. What is scarcity, and how does it affect the price or value of a resource? Use an example from the lesson to support your answer.

2. How did the Galactic Empire pay for its military and government, and how does this compare to how real governments fund their services?



Moisture farmers on desert planets collect scarce water to survive — a vivid example of how scarcity shapes the value of resources in any economy.

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Trade routes — whether across Earth's oceans or a fictional galaxy — determine who controls goods, prices, and political power.

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# Star Wars Day: The Economics of an Empire

## CROSSWORD PUZZLE



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# Star Wars Day: The Economics of an Empire

## CROSSWORD PUZZLE

### ACROSS

- \_\_\_\_\_ is the process of taking natural resources from a territory, often used by empires or governments to generate wealth and fund their operations.
- \_\_\_\_\_ is the uneven distribution of wealth and resources among people or groups in a society, which can cause resentment and instability.
- A \_\_\_\_\_ is a path that goods travel along as they move from sellers to buyers, and whoever controls it holds significant economic power.
- \_\_\_\_\_ is the condition in which resources are limited while people's needs and wants are unlimited, making those resources more valuable.
- A \_\_\_\_\_ is the act of sealing off a place to prevent goods, people, or supplies from entering or leaving, used as an economic and political weapon.

### DOWN

- A \_\_\_\_\_ is the sacrifice of one thing in order to gain something else, reflecting the reality that resources are limited and choices must be made.
- A \_\_\_\_\_ occurs when a single seller dominates a market with little or no competition, allowing them to set prices and control access to goods.
- \_\_\_\_\_ in economics refers to the rivalry between sellers in a market, which typically leads to lower prices and better choices for buyers.
- \_\_\_\_\_ is a condition in which a resource is plentiful and widely available, which typically causes its price or value to decrease.
- \_\_\_\_\_ is the process by which a government collects money from individuals and businesses to pay for public services and needs.

# Star Wars Day: The Economics of an Empire

## WORD SEARCH

E C O N O M I C I N E Q U A L I T Y S C B J V N  
G C S B H X W R F M Y O K A X Q K M P F K H C Q  
E Z C Q Y H I X C E N L S H M O N O P O L Y R S  
U B A N M Q A S R L F W B Y T Y Z C G F C N X M  
J Q R O S W D G Z C M S P D N Y G Y S O G F L I  
O T C M S L Z L H H T P L B Q L J R N T T U G C  
C U I B H X L R C S M G Q V N O Q T X Y S O Q O  
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O E M D N K J M Q U A U G J H S H P M N U L K Z  
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V J X Z R I I T T N L I L E I M W H N R C C U P  
K D A E P B V Z N Z K Y P V H S T J A S A K Q L  
T A X A T I O N D Y U K K R N B Q T N B Y A B H  
H D H E F J E D R O N L E V B G W P T L M D U Y  
A P R E S O U R C E E X T R A C T I O N O E E S

### FIND THESE WORDS

Economic Inequality  
Abundance  
Taxation

Resource Extraction  
Blockade  
Trade-off

Competition  
Monopoly

Trade Route  
Scarcity