

# Mercantilism in North America

During the 17<sup>th</sup> Century the economic concept of Mercantilism was the popular belief of Spain, France and Britain. The economic definition during these times is that:-

**Mercantilism is economic policy under which nations sought to increase their wealth and power over their competitors by obtaining large amounts of gold and silver and by selling more goods than they bought.**

Any government (namely Spain, France and Britain) must regulate trade and production to enable it to become self-sufficient. **Colonial Trade** was therefore, the mainstay of these nations' economies. They controlled every level of a colonies trade. They exploited the colonies raw materials, especially gold and silver and dictated to the colony what they were to buy and from whom.



The British government took this system one step further when they passed the **Acts of Trade and Navigation (1650-1673)**.

These Acts became the “golden rules” for colonial trade to the Americas:-

1. Trade to and From North America was allowed **ONLY** on English or Colonial built ships and these vessels had to be operated only by English or approved Colonial crews.
2. **ALL** goods imported into the colonies must be sent directly from England and from no other port (such as Calcutta, India direct to Boston).
3. Specified or **ENUMERATED** goods from the colonies were the only goods allowed to be exported to England. Without British government prior approval, no other goods could be exported anywhere in the world from North America. Tobacco was the first “enumerated” product but eventually the list covered most North American products.

### Effects of the Acts of Trade and Navigation (1650-1673)

| Positive Effects  | Negative Effects  |
|---|---|
| New England shipbuilding prospered due to the increased demand for cargo ships. | Manufacturing in the colonies was severely limited                                    |
| Chesapeake Bay tobacco had a monopoly in England                                | Chesapeake farmers were paid low prices for their crops as the British dictated price |
| English military protected the colonies   | Colonists paid a high price for British goods   |

### Ironies of the Acts of Trade and Navigation

1. Mercantilism was not necessary – the colonies would have traded with Britain anyway due to their heritage and language
2. Deemed as necessary by the British these laws were not strictly enforced. There was too much coastline for the British navy to cover which resulted in...
3. Smuggling became popular once certain goods (sugar and tea) became restricted in the colonies.
4. By the 18<sup>th</sup> century these restrictions on the colonies created widespread resentments and resistance to British rule.

**SLAVERY** was an indirect consequence of mercantilism. In 1670 there were only a few thousand slaves in North America but by the early 18<sup>th</sup> century there were tens of thousands of imported humans from Africa. By 1750 one half of Virginia's population and two thirds of South Carolina's population were slaves.

There were three major reasons for slavery in British North America:-

1. There was reduced migration to North America from Britain. The Industrial Revolution meant there were higher wages in Britain so fewer emigrated to the colonies.
2. Slaves were a dependable work force. They were more reliable workers and would not revolt (unlike Bacon's Rebellion)
3. They were a cheaper form of labor over indentured servants or day workers. Crops such as tobacco, indigo and cotton needed a large land area and an unskilled labor force, more suitable to slaves than British immigrants.

Slave Laws were created. Early colonial slaves were always in bondage and the same was inherited by their children. In 1664 it was common in Maryland for slaves to be baptized as Christians. However being baptized did not change their status. White women could not marry black men. Racism and Slavery was now a part of North American society.