

American History Lesson 18
Outline: Colonial America, Mercantilism, and the Road to Rebellion

1. Introduction to Mercantilism

- Definition: Belief that there is a finite amount of wealth in the world, prompting nations to compete for resources.
- Mercantilist Policies: Aimed to export as much as possible while importing as little as possible.
- Government regulation of trade was key, with tariffs and taxes on imports.

2. Global Imperial Rivalry in the New World

- Different European powers focused on distinct industries in their colonies:
 - Spanish: Gold and silver mining in Latin America.
 - British: Tobacco and staple crops in North America.
 - French: Fur trapping and fishing in Canada.
 - British/French (West Indies): Sugar plantations.
- Colonies seen as enriching the home country by supplying raw materials and purchasing finished goods.

3. Colonial Trade and the Navigation Acts

- Colonies exported raw materials to the home country, receiving finished goods in return.
- British Parliament passed Navigation Acts (1650s-1760s) to regulate American trade:
 - Colonists could only trade with English ships.
 - Goods had to pass through English ports and be taxed.
- Example: Molasses Act (1733) aimed to restrict New England merchants from buying French sugar.
- Smuggling became widespread as colonists evaded trade restrictions.

4. British Wars and Colonial Debt

- British wars, such as the French and Indian War (1754-1763), left Britain in heavy debt.
- New taxes, like the Sugar Act, Stamp Act, and Townshend Acts, were imposed to raise revenue.
- British officials were sent to ensure the collection of taxes and suppress smuggling.

5. Colonial Resistance to British Policies

- Colonists strongly opposed new taxes, citing "no taxation without representation."
- The belief that their commercial rights were being violated led to growing tensions.

6. The Shift Toward Free Trade: Adam Smith

- Adam Smith's "The Wealth of Nations" (1776) argued against mercantilism, advocating for free trade and market-driven economies.
- Smith's ideas paralleled the American Revolution, emphasizing both economic and political freedom.

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7. The Growth of Colonial Economies

- Early settlers faced challenges in establishing prosperous economies.
- Virginia found success with tobacco as a cash crop.
- Indentured servants initially provided labor, but the use of African slaves increased as indentured labor proved inadequate.
- By 1760, there were over 400,000 slaves in the American colonies, forming the backbone of southern agriculture.

8. Regional Economic Differences

- Southern Colonies: Large plantations relied on slave labor to produce cash crops like tobacco and rice.
- New England: Harsh climate and rocky soil limited agricultural output, leading to other industries:
 - Fishing, whaling, shipbuilding, and lumber became key industries.
 - The Triangular Trade involved New England shipping goods like fish and lumber to the West Indies, then transporting rum and slaves in exchange.

9. Middle Colonies' Economic Success

- Fertile land in the Middle Colonies allowed for large crops of wheat, barley, and oats.
- Skilled craftsmen, particularly from German and Dutch settlers, contributed to a thriving economy.
- Philadelphia became a major economic hub.

10. Colonial Manufacturing and British Restrictions

- England encouraged the colonies to produce raw materials but restricted colonial manufacturing to protect its own industries.
- Laws such as the Woolen Act (1699), Hat Act (1732), and Iron Act (1750) limited colonial manufacturing.
- Mercantilist restrictions fueled colonial resentment and defiance.

11. Colonial Defiance and the Path to Revolution

- Colonists increasingly resisted British trade laws through smuggling and open defiance.
- These tensions set the stage for the American Revolution, as colonists sought independence and economic freedom from British control.

12. Conclusion

- The struggle between mercantilist policies and colonial economic growth culminated in rebellion.
- America's fight for independence was as much about economic self-determination as it was about political freedom.