

Mercantilism: american revolution and colonies

[Countries](#), [England](#)



Mercantilism is an economic theory where a nation's strength comes from building up gold supplies and expanding its trade. Britain formed the American colonies so that they could increase their gold stores. They wanted raw supplies to make into products to sell and make money. They wanted America to pay taxes so that Britain could make money. America used the theory in that they thought they ought to, in order to be strong expand their trade beyond Britain. Countries like Belgium, and France wanted to also increase their trade, and expand it to trading with America. They also wanted to increase their gold stores by trading with America. Britain however did not want America to trade with France and Belgium and the Netherlands because they wanted to increase their gold stores, so they needed a monopoly over American trade. So there was tension between Britain and its American colonies. One of the first efforts made by Britain to control the American colonies was the Acts of Trade and Navigation. What these acts did was limited American trade to basically just Britain. These Acts were in place between 1650-1660 and they were there to ensure that the mercantile system that existed stayed. It was mainly to prevent the Frenchmen and Dutch from receiving American goods. The acts limited American shipping to be via Britain. The British had to receive all American goods and then their merchants would sell the goods to other countries, but America could not. Any goods that were to be imported to the colonies had to be passed through British middlemen, where a tax was added so that Britain would profit. America was also forbidden to produce goods or grow crops for profit. If they were to do that then they would be competing with British industries. The colonies were supposed to also buy more than they

sold, so that their currency was drained, but all to Britain. Before 1663, when the Acts of Trade and Navigation were not enforced the colonists benefited from Britain. The colonists of the north smuggled goods and manufactured items for profit. They avoided the British laws. The southern colonists had a guaranteed market from the British because they had a monopoly. The colonies also benefited because they had the British army troops to guard them, and they have low taxes, and the British navy shielded them. The colonists were generally more prosperous than the English, so their crime paid off. The colonists however saw it in a different light. They thought that Britain was all bad, and although they appreciated the benefits of Britain, they somehow felt that the bad part of Britain outweighed the good. Their perception of Britain was not the greatest. They seemed to believe that they were being held back by Britain economically, and therefore in strength by Britain. The British set the prices and made all of the rules for American trade. The people of the New England colonies felt that the British Navy was stifling their entrepreneurial pursuits in the free market. So the navy was not in fact helping them by protecting them, but hindering them. The people of the middle colonies, who were producers of a vast amount of grain, felt that they too were being stifled. If they could only trade with Britain then they hadn't much of a market, and little opportunity to make more money. They felt that because of the presence of the British troops they were being held back. The southern colonies were going further and further into debt. Britain was buying their tobacco at a much lower price that they resold it in the free market, therefore the south was losing money and Britain making money. The colonists in general felt that they were being forced back by Britain

intellectually and politically, if they couldn't make money then they couldn't be strong under the theory of Mercantilism. At this point I should also mention that at the time there were other surmounting troubles between Britain and America. The British parliament had passed taxes on America to pay for the British troops, however Americans were not represented in parliament, so the Americans felt that any taxes were unfair as well. Britain however was definitely profiting from the acts even though the northern colonies weren't being precisely obedient. And the British felt this way. They had a monopoly over the market, they were holding back American cheating with their Navy and they were making a lot of money. So they didn't bother to enforce the Acts of Trade and Navigation. On another note, they also didn't even have a chance of finding one little American ship in the great vastness of the wide ocean. However the colonists couldn't blame the King because they wanted dominion status. They couldn't blame parliament because parliament was supposedly on their side of things. So this tyranny was called "ministerial tyranny" for the blame of it was put on the British ministers who had been persecuting them all along, and doing the king's dirty work. Their social background, their economic background and their geographic location divided each of the American socio-economic groups. The people from the back-country, such as those living in the southern Piedmont were prevented from a lot of trade anyway by their geographic location, no boat or reasonable means of travel could go to where they were. But they still were angered by Britain's proclamation of 1763 where there was a regulation put on how far west into the free land they could go. The people of the harbors of New England weren't the richest of people, but they

weren't by any means the poorest either. However, they were the most rebellious, as the people in the middle usually are in a historical perspective, because there are a lot of them and they, therefore have the loudest voice. They cheated and schemed to get around the British. They rebelled in every possible way that they could think of. The southerners were for the most part loyalists. They liked the protection of Britain, and the monopoly they had over British tobacco merchants. However even they began to get sick of the taxes without representation and the high resale price that Britain put on tobacco. They began to write petitions and letters of complaint in "rebellion" to Britain. The rich people of the middle colonies had the advantage of having the two biggest cities and ports within their realm. But they too were upset by the regulations that the British put on their trade. All of these groups, poor, rich, loyalist, Whig, or geographic location each rebelled against Britain in their own way. Eventually however they were all to bond together against the common enemy to form one group, the Americans, to rebel against the British. As we all bonded we formed a government of sorts. The continental congress was a government to unite us, but it involved British rules, so we split off on our own slowly but surely. As we began to rebel we did so in many ways slowly escalating to Revolution, The American Revolution by our terms. We started by a simple dissent towards the Sugar Act, where Britain put a tax on sugar in 1764; it was the first enforced tax. The poll tax was never enforced, however the British decided that if they were to supply America with troops then they ought to get some payment for, other than having the Englishmen of Britain pay for it. Then came the Currency Act, where Britain was trying to drain the colonies of all their

moneys. The Stamp Act came next, to which we protested in a violent manner. The protest however was not so much against the actual act, or against even British rule, but against Taxation without Representation, but more so was it protest against the general principle, all we wanted from Britain was dominion status. We didn't want representation in parliament, but to be able to make our own rules. In 1765 the British established the Quartering Act, where the Americans had to house and feed the British Troops that were in America. The Americans saw this as contrary to the Rights of Englishmen that were established in such famous documents as the Magna Carta, or the Great Charter. The Declaratory Act in 1766 was a retreat by parliament, it was a reaction by Britain to the American action, which was a reaction to Britain's action... and so on and so forth. Next came the Townshend Act in 1768, which placed a small tax on everyday items, Britain also reorganized its customs so that the American smuggling would stop, and it closed the port of NY. As a result the colonists decided that it was "them" vs. "us", and so came insurrection. As a result came the Boston Massacre. This was a violent protest, and yet another step on the "road to revolution" where the Americans actually fought and killed many British soldiers. The Americans started to organize and unify at this point, forming the Committees of Correspondence, so that they could communicate over what was happening where. The people involved in this sought democracy and independence, which was not necessarily what the rest of the colonies wanted, but even so, it happened anyway. The people started to call themselves Patriots vs. Loyalists. In December of 1773 it was back to insurrection, when the Boston Tea Party occurred. The radicals, who were

calling themselves the " Sons of Liberty", decided that in protest to the taxes on tea, they would dump a lot of tea overboard British merchant ships. Similar things happened in New York and in Annapolis, however they were less violent. The British only made things worse when they demanded that the colonists pay for all of the tea. They then went on to, in 1774, pass the Coercive Acts, also called the Intolerable Acts. In these the British closed the port of Boston, suspended the Massachusetts legislature, put an end to town meetings, and installed a military government, where in one city of 16, 000 they put 4, 000 troops. The colonists by this time were no the happiest of campers and when the Quebec Act was passed the colonists had had almost enough. What this act did was to close off the Western lands, the British gave religious freedom to the Catholics, and the Massachusetts Protestants were anti-Catholic. The act also allowed the French to retain systems where there were no representative assemblies, and where there were no jury trials, as a result of this fear was installed into the colonists. Through all of this we knew that in mercantilism our strength was being depleted by Britain, so there was an action, leading to a reaction, later leading to synthesis, or another action. This continued on and on, getting more and more violent until the American Revolution broke out. America was becoming increasingly patriotic, a nationalist " country". This American Revolution that was to result was one of " national self-determination" being that we can. We think we can, and in ourselves as a nation we can stand alone, free of Britain. We determined this by a series of occurrences that all resulted, through our mercantilist ideas and thoughts, eventually in us being America.