Impact of native americans on the economy

- Alec Hallman

The most popular narratives taught in our public schools are that Native American economies were strictly hunter-gathering and bartering. While this was part of the truth, some Native American economies were highly developed prior to European colonization. Gary Nash remarks that there were “ striking differences”, between the levels of economic development of different tribes[1]. The Pueblo people in the southwest had established an almost “ urban” society, with apartments housing many people built into the cliff faces. Larger apartment complexes wouldn’t exist in North America until 19th century New York City[2]. In order to sustain so many people in one area, the Pueblo had developed advanced agricultural techniques, similar to those found in Euro-Asian societies[3]. There also were trade networks greater than those found in Europe at the time, evidenced by the wide variety of trade goods uncovered in the Native American City of Cahokia[4]. Democracy existed in Native American society prior to colonization, and was practiced, to great benefit, by the Iroquois tribe.

Native Americans had a large impact on colonial economies, both positive and negative. The Europeans traded the Native Americans for skins and furs, which they would ship back to Europe for large profits[5]. The colonists were also dependent on the Natives for agricultural produce until they could become self-sufficient[6]. When war broke out between the colonists and the natives, it took a heavy toll on the population and economic growth of the colonies. In the end, the conflict turned in favor of the colonists as more immigrants arrived every month, and the Indian population was wasted by European diseases[7]. The high death tolls, from fighting, disease and starvation, caused a severe shortage in the labor force of the colonies. Many of the tribes that were not wiped out were enslaved and used as agricultural labor[8].

The colonial labor force was diverse and multifaceted. It was comprised of a mixture of European immigrants and Native Americans. There was labor demand for all ages and skills. In the north there was lumbering, fishing and shipbuilding. In the middle colonies, there was agriculture and trades like shoe-making, pottery and woodworking. In the south there was plantation agriculture[9].

The labor force was segmented into 3 groups; free labor, slaves and indentured servants. The free labor is self-explanatory, as free natives and Europeans were part of the labor force. Free Labor wages in the colonies were relatively high compared to Europe due to the opportunity cost that was afforded the colonists. It required high wages to entice workers to come work for your firm rather than enterprising on starting their own business or owning their own land[10]. Slavery was practiced, especially in the south, in order to meet the high demand for agricultural labor in the plantations. Defeated Native American tribes were enslaved to help meet this demand, as well as Africans from the Caribbean[11]. The third, and most interesting part of the colonial labor force, was that of the indentured servants[12]. Indentured servants were colonists that had signed a written agreement prior to their immigration that bought them passage to the new world. In return for the expenses of the journey, the immigrants would then be contracted to work for a certain number of days. The length of the contract was dependent on how much value the person brought to the firm that was employing them. Men in their prime were worth more than elders, literate more than the illiterate, and any other skills you had made your contract shorter. Women actually had shorter contracts than men due to the greater shortage of female labor in the colonies.[13]As wages in Europe began to rise, and the cost of transportation to the new world went down, indentured servants became more expensive to employ, and firms turned more to slavery to fill their labor needs.

I think that the evidence points to the fact that the colonies were not economically exploited by the British prior to the American Revolution, despite the popular narrative to the contrary. The colonists may actually have been economically benefiting more from British rule than they were losing, and it was the ideology of being “ under the thumb” of the King, that caused them to revolt.

One of the main points against the idea of British exploitation of America is the simple fact that the standard of living was higher in the American colonies than it was in England at the time (determined by measurements of the leg bones of Americans and Europeans)[14]. The British signed the Acts of Trade and Navigation in the 1660’s which required all exports from the colonies to return through England and on British or colonial vessels. These restrictions caused increased shipping and handling costs for American firms, lowered the volume of exports and made imports more expensive[15]. The British side of the argument was that their subsidies for shipbuilding materials and free access to British ships and crew and their global trade network more than compensated for the extra fees and handling costs.

Another argument against British exploitation is that of the military protection they afforded the colonies. The British fought the French and Indian War, which ended in 1763 in defense of the colonies. Both Thomas and McClilland have done studies that estimated that the tax burden of British rule, subtracting the costs of military protection, was close to 3% of income[16]. The British even reimbursed the colonies for 40% of the cost of the war, which was publicly financed in England. Considering that the tax burden on British citizens was 100% of income, and on the Irish was 26%[17], the fact that the colonies paid 3% could hardly be called exploitation.

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