

# Economies for native americans pre and post colonization



1. What was the nature of Native American economies prior to European colonization? How did Native Americans impact colonial economies?

The Native American communities, prior to the arrival of the colonists were not homogenous, and as such there is no one set of factors that encompassed all of their different societal and economic structures. However there were a few major components which had significant impacts. First, many of the communities lived in densely settled agricultural societies which facilitated a fairly prosperous environment. As Nash points out, evolving from a previously nomadic existence, along with the domestication of plants, allowed for a 1% change of land cultivation to produce “enormous increase[s] in the food supply” (p 11). These urban centric communities afforded the residents a high standard which were in some places, were quite affluent. This environment also allowed for the division of labor to increase the economic resources, for in addition to agriculture, food gathering, game hunting and fishing were also prevalent. Another component, as verified by archeological evidence, shows us that these various communities traded quite extensively, often creating vast networks linked together via water and in-land routes. One example Nash highlights are the Mound builders of the Ohio River Valley (p 13). Also prevalent, especially in the Iroquois nation, was the communal nature of property. This reciprocal principle allowed for an increased possibility in the accumulation of goods, which when shared, raised the quality of life for the whole group.

These factors had a significant impact on the early colonial economies since they allowed the newcomers to benefit from structures already in place. One of the most notable is trade, which in addition to the exchange of food, also

included items such as beaver skins and deer hides. Agricultural knowledge added great value, as the colonists were not familiar with many of the plant varieties available in the New World. At the time, war was a common occurrence and interaction with different Native American groups allowed the colonists to offset some costs. Not quite as well understood, even though we know it existed, was a labor component supplied by the indigenous groups. And lastly the Native Americans had a form of money, "wampum" which facilitated trade and added to economic system of the new settlers.

2. Who comprised the colonial labor force in the U. S., and what were the most important kinds of work arrangements?

According to Hughes and Cain, in the later part of the 18<sup>th</sup> century, the labor force in the colonies was focused mostly on *primary production*, which employed approximately nine-tenths of the population (7<sup>th</sup> edition, p 30-31). The most common occupations were: agriculture, fishing, mining and timbering along with ship building. Yet when broken down by region we can see that artisans made up between one-third and one-half of those employed in the more commercial cities such as Boston, New York, Newport and Philadelphia. Common occupations among these artisans were milling, leather tooling, woodworking, distilling, sugar refining, hat making and spinning (p 30).

Even though many occupations were represented, there was a significant lack of available labor. Native American labor was fairly limited, leaving the colonists to supply the larger share. This scarcity was reflected in the early days of the settlements when work was required for all the lower classes, as

well as men between 12 and 60, and single women between 12 and 40, (p 42-43).

As time progressed and more settlers came over, the labor market segmented into three main categories – free labor, indentured servants and slaves. In the early days, between 1630 and 1776, about one-third to one-half the population came as indentured servants. These were for the most part English nationals although a few Germans migrated as well. These early arrangements for indentured servants were negotiated by the shippers who allowed for free passage, but then sold the work contracts for these individuals on the docks. Prices for these individuals were variable and usually driven by whether they were literate, their age, sex, and occupation.

It should also be noted that when the British labor market was in bad shape, there were strong incentives to come to the New World and work as an indenture servant. However, right as the labor conditions started to improve in England, was when the cost of passage across the Atlantic began to decrease. This scenario drove up the cost of indentured labor, making it no longer as attractive, while at the same time made the decreasing cost of slave labor more desirable.

### 3. Were American colonists economically exploited by the British prior to the American Revolution?

As noted in Hughes and Cain, prior to the Revolution, Americans had “achieved a level of affluence at least as great as their British cousins” with incomes (in 2000 prices) in the range of \$3, 875 to \$7, 250 per capita (p 51). In addition they note that Britain was spending considerable sums on military

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protection and administration for the colonies, as well as carrying a significant trade deficit (p 56). These and other factors give evidence to indicate that on the eve of the Revolution, thanks in part to contributions from the English, Americans were already among the wealthiest citizens in the world. To make the situation even more beneficial to those living in the colonies, almost everyone, even the ‘poor’, had some tangible goods, whether it be land or high wages; a situation almost unheard of in other nations at the time.

Contributing to these conditions were England’s mercantilist policies, as prior to the Revolution these regulations casts a shadow on the output and production of the colonies. The British government’s laws regarding trade, specifically the Navigation Acts of 1651, 1660, 1662 & 1663, prescribed conditions which benefited both England and to a large extent, the colonies themselves. Part of the stipulated requirements were that all trading vessels must carry a crew comprised of three-fourths English or American sailors, all foreign trade must pass through English ports and that certain ‘enumerated goods’ (usually colonial commodities) could only be sold to British buyers. These actions gave the colonists not only privileged access to British markets, but were also in addition to generous subsidies by the English as well. As Hughes and Cain note, these subsidies, tax rebates, tariffs and quotas both protected and encouraged American industries and did so at the expense of other markets (p 69). To try and state empathic whether the American colonists were economically exploited, is impossible as the interactions between the two entities were so interconnected. However, both benefited and made gains from the other, but also chafed at the yearnings

for power that each side longed to acquire as they continued to seek economic growth in new markets.