

Colonial Economy

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Whatever early colonial prosperity there was resulted from trapping and trading in furs. In addition, the fishing industry was a primary source of wealth in Massachusetts. But throughout the colonies, people relied primarily on small farms and self-sufficiency. Households produced their own candles and soaps, preserved food, brewed beer and, in most cases, processed their own yarn to make cloth. In the few small cities and among the larger plantations of North and South Carolina and Virginia, some necessities and virtually all luxuries were imported -- in return for tobacco, rice and indigo exports, which produced large profits in England's London, Bristol and Liverpool markets. In these areas, trade and credit were essential to economic life.

Supportive industries developed as the colonies grew. A variety of specialized operations, such as sawmills and gristmills, began to appear. Shipyards were opened to build fishing fleets and, in time, to build the basic merchant marine; oak, which had become relatively rare in England, was easily available in New England. Iron manufacturing also gradually began to develop in the colonial era.

By the 18th century, regional patterns of development had become clear and reasonably stable: The New England colonies produced large-scale ship builders and ship operators; plantations in Maryland, Virginia and the Carolinas grew staple crops of tobacco, rice and indigo; and the middle colonies of New York, Pennsylvania, New Jersey and Delaware were shippers of general crops and furs. In all three regions standards of living were very high -- higher for workers than in England itself. But because the colonies were slow to show profits, many English capital investors withdrew, leaving the field open to entrepreneurs among the colonists.

As a result, by 1770 the North American colonies were economically and politically ready to become part of the emerging self-government movement, which had dominated English politics since the time of James I (1603-25). Disputes developed over taxation of colonies and other matters. Yet few Americans thought that the mounting quarrel with the English government would lead to independence for the colonies. Rather, they hoped for a modification of English taxes and regulations that would satisfy their demand for a greater measure of self-government. Like the English political turmoil of the 17th and 18th centuries, the American Revolution was political and economic in motivation, led by the emerging middle class with its rallying cry of "unalienable rights to life, liberty and property" -- a phrase openly borrowed from English philosopher John Locke's *Second Treatise on Civil Government* (1690). But in April 1775 an event occurred that would lead to a total political separation. British soldiers, intending to capture a colonial arms depot at Concord, Massachusetts, and forestall a colonial rebellion, clashed with colonial militiamen and someone-no one knows who fired a shot, beginning the American War of Independence. The war lasted until the signing of a peace treaty in 1783 that declared the independence of the new nation, the United States.



