Trade and Navigation Acts- Review for Comprehension

1. Parliament enacted England's first **Navigation Act in 1651** to undercut the Dutch Republic's economic preponderance. Dutch shippers and merchants then controlled oceanic trade and probably owned three-quarters of Northern Europe's commercial vessels; few Englishmen could compete with the well-financed and experienced Dutch traders. By the **Navigation Acts**, Parliament sought to exclude the Dutch from English trade and thereby to force the England to build up its own merchant marine. Immediately after the Stuart restoration in 1660, Parliament reiterated these rule and also began protecting English manufacturers from foreign competition. By 1750 a long series of **Navigation Acts** were in force, affecting eh economy in four major ways.

2. First, the laws limited all imperial trade to British ships, defined as those with British ownership and whose crews were three-quarters British. (Because Parliament wanted only to exclude the Dutch, not to discriminate against Americans, it classified all colonists, even blacks, as British.) When Parliament began to strictly enforce this requirement in the late seventeenth century, American colonists and some elements of the English business community alike objected, because the Dutch offered better prices, credit, and merchandise. After 1700, however, when **Britain's merchant marine** became equal to its Dutch competitors, this cause for complaint evaporated.

3. This new shipping restriction not only contributed to Great Britain's rise as Europe's foremost shipping nation but also laid the foundations for an **American merchant marine**. By the 1750s one-third of all imperial vessels were American-owned. The swift growth of this merchant marine diversified the colonial economy and made it more self-sufficient. The expansion of colonial shipping in turn hastened urbanization by creating a need for centralized docks, warehouses, and repair shops in America. By 1770 **Philadelphia** was the British Empire's second largest port, after London, and **New York City** was not far behind. Shipbuilding emerged as a major colonial industry in these years, and by 1770 one-third of the "British" merchant marine was actually American-built.

4. The second major way in which the **Navigation Acts** affected the colonies lay in their barring the export of certain "**enumerated goods**" to foreign nations unless these items first passed through England or Scotland. The mainland's chief "controlled" items were **tobacco, rice, furs, indigo** (a Carolina plant that produced a blue dye), and **naval stores** (masts, hemp, tar, and turpentine). Parliament never restricted **grain, livestock, fish, lumber, or rum**, which altogether made up 60 percent of colonial exports. Further, American exporters of tobacco and rice- chief commodities affected by enumeration- had their burdens reduced by two significant concessions. First, Parliament gave Americans a monopoly over the British market by excluding foreign tobacco, even though this hurt British consumers. (Rice planters enjoyed a natural monopoly because they had no competitors.) Second, Parliament tried to minimize the added cost of landing tobacco and rice in Britain (where customs officials collected duties on both) by refunding these duties on all tobacco and rice that the colonists later shipped to other countries. About 85 percent of all American tobacco and rice was eventually re-exported and sold outside the British Empire.

5. The navigation system's third impact on the colonies was to encourage economic diversification in America. Parliament used British tax money to pay modest bounties to Americans producing such items as **silk, iron, dyes, hemp, and lumber**, which Britain would otherwise have had to import from other countries, and it raised the price of commercial rivals' imports by imposing protective tariffs on them.

6. On the surface, the trade laws' fourth consequence for the colonies was negative: they forbade Americans from competing with British manufacturers of **clothing and steel**. In practice, however, this prohibition had little effect, for it banned only large-scale manufacturing; colonial tailors, hatters, and housewives could continue to make any item of dress in their households or small shops. Manufactured by low-paid labor, British clothing imports to America generally undersold whatever the colonists could have produced at their higher labor costs. For this reason, Americans failed to establish a profitable clothing industry until after 1820. Steel manufacturing also depended on cheap labor, and not until the 1840s did either Great Britain or America develop a successful steel industry. The colonists were free to produce iron, however, and by 1770 they had built 250 **ironworks** employing thirty thousand men, a work force larger than the entire population of Georgia or of any provincial city. At the **American Iron Company's** complex of eleven forges and furnaces near Ringwood, New Jersey, five hundred workers manned eleven furnaces that annually consumed eight square miles of timber as fuel. By 1770 British North America produced more iron than England and Wales, and only Sweden and Russia exceeded the colonies' output.

Summarize the benefits and handicaps of England's economic policies in its North American colonies from 1651—1770.

Were the colonies mistreated? Was there justified cause for rebellion against economic policies of the mother country?