

WERE THE NAVIGATION ACTS OPPRESSIVE?

Oliver M. Dickerson is one of the leading authorities on the fiscal and commercial aspects of the American colonies. The Navigation Acts and the American Revolution, from which the present selection is taken, is a comprehensive survey of the origins, history, and economic consequences of those acts which loomed so large in the rhetoric of colonial spokesmen. Before his retirement in 1940, Professor Dickerson taught history at Colorado State College.

Bancroft says "American independence, like the great rivers of the country, had many sources, but the headspring which colored all the stream was the Navigation Act." Other writers join in the general condemnation, but few are specific as to just who was hurt and by what provisions of the acts. Let us examine the operation of the system in detail.

Whatever may have been the opinion of some Americans in 1660 in regard to the basic law limiting the carrying trade of the British Empire to English vessels, by 1760 all opposition had disappeared, and a careful search of contemporary newspapers, pamphlets, and other publications discloses no record of anyone seriously proposing an abrogation of that law. Certainly New England, whose fishing, trading, and shipbuilding industry rested upon this law, would not be expected to ask for changes that would bring in the competition of foreign ships. The only sections of the colonial empire that could theoretically have found such a regulation even an imaginary grievance were those engaged in plantation types of industry, where markets were distant and freights heavy.

There may have been a time when freight rates were influenced by the presence or absence of the foreign-owned ships, but after 1700 the expansion of English shipping, especially from New England sources, had become so great that there was ample competition. American ports swarmed with shipping, some owned in England but much more of it in the colonies. In 1768 more than two thousand vessels cleared from the American continental ports for the West Indies alone. By 1771 it required more than one thousand vessels to serve Virginia and Maryland, and over eleven hundred for the two chief ports in Massachusetts, Boston and Salem. In 1770 a total of 4,171 ships, with a combined tonnage of 488,724, cleared from the various continental ports.

The trade to the West Indies was indeed notable, employing more ships with a greater total tonnage than England was using in her trade with Holland, and far more than she used in her direct trade with Norway, Sweden, and the Eastland countries of the Baltic.

In addition, colonial shipping enabled Britain completely to dominate the Mediterranean trade. In 1768 the clearances from American ports for south Europe totaled 436 ships, with a combined tonnage of 37,093. At that time England was only using 23,113 tons in her trade to the Straits of Gibraltar, which encountered less than one percent of foreign competition. Clearances from America are not included in this figure, so the American tonnage is in addition to the English figure, but is included in the percentage of English ships passing the Straits.

The expansion of colonial shipping continued to the Revolution. By 1775 nearly one third of all the ships in Britain registered as English were colonial built. Instead of being oppressive the shipping clauses of the Navigation Act had become an important source of colonial prosperity which was shared by every colony. As a device for

launching ships these clauses were more efficient than the fabled beauty of Helen of Troy's face.

There was another important compensation in having a shipping industry under the British flag adequate for all commercial purposes. The plantation industries, such as tobacco, rice, sugar, and indigo, had to depend upon an annual market of their staple product and an assured supply of food, clothing, tools, and other necessities that were not produced locally. This supply was dependent wholly upon the annual fleets that visited their ports. So long as England effectually controlled the seas, English shipping could serve them in time of war about as freely as in time of peace. Had they been dependent upon foreign shipping, the outbreak of a war might have meant complete suspension of their industries.

Business of any kind needs stability of conditions under which large investments of capital are made. The plantation colonies were conducted under conditions of as large individual investments of capital as were the manufacturing industries of the time. It was sounder economic practice to pay somewhat higher freight rates, if necessary, than to face the economic losses incident to a dependence upon foreign shipping; besides, there is no proof that freight rates within the British Empire were not as low after 1700 as those outside. Certainly there is no evidence in contemporary publications of any agitation to repeal this provision of the Navigation Act, nor did prominent Americans express any desire for a general relaxation of its major requirements.

ENUMERATION

Enumeration of commodities of colonial production has been pictured as an outstanding sin of mercantilism. The English continental colonies had three products of major importance, tobacco, rice, and indigo, included in the numerated list. All were agricultural and were grown commercially only in the southern colonies.

It should be clear that no one would engage in producing enumerated commodities unless he expected to make a profit. If he found his venture unprofitable he could shift his energies to other crops. No one was under any legal compulsion to grow the enumerated products. In spite of the extravagant language that has been used to condemn the system, the grower of enumerated commodities was not enslaved by the legal provisions of enumeration. Obviously growers continued to produce rice, indigo, and tobacco because they made larger cash profits from their cultivation than they could make by using their land, labor, and capital in any other way.

The most cursory examination of these industries reveals that each had its list of wealthy planters who had accumulated fortunes in a few years by growing the enumerated crops. These men and their families were the aristocrats of the South. No similar conditions existed elsewhere in the vast agricultural regions of the colonies. Let us examine the conditions of each industry.

TOBACCO

Tobacco, the most important of all colonial exports, suffered from all the disadvantages of other agricultural crops. Late frosts could destroy the tender plants in the seed beds; and early frosts could damage the mature crop before it was harvested.

Favorable seasons could produce unusually heavy yields; and heat and lack of moisture could seriously lighten a crop. There were recurring surpluses and shortages. Also there were worms, plant diseases, and soil depletion. All of these and many more were hazards that the grower had to face in colonial times and still does. All are interesting details of the burdens of the tobacco planter, but they have no possible connection with the Navigation Acts. They existed without benefit of law and always will.

Tobacco growers in many cases were debtors. That condition was not peculiar to the tobacco industry and again has no possible connection with enumeration. Farmers who engage in commercial farming always have been in debt and always will be. Farming is a business. It requires land, buildings, equipment, labor, good clothing, and shelter for those engaged in it. Costs for these have to be met for months before a crop can yield any return. Unless inherited, these things had to be supplied by the farmer himself from savings or from borrowings. Most farmers chose the latter course and hoped to make the business ultimately clear itself. In this respect tobacco raising was not different from other business enterprises.

The great assembling and processing markets were in Great Britain, as were also the bankers who supplied the essential working capital. Growing tobacco was one job, marketing it was another. Both were essential parts of the industry. . . .

The decade preceding the Revolution was one of rapid expansion for the tobacco planters. American tobacco was supplying a steadily expanding world market. The most important fact in the complicated expanding tobacco trade was the rise of Scotland as a chief primary market.

	A	B	C	D	E
1	Tobacco Importations into				
2	Great Britain in pounds				
3		London	Outports	Scotland	Total
4	1767	25723434	13417175	28937891	68078500
5	1768	23353891	12103803	33237238	68894.73
6	1769	24278259	9480127		
7	1770	28758534	12419503	38708809	77888848
8	1771	42952725	15008771	48289885	108229381
9	1772	38285788	15101882	45259875	98827145
10	1773	37918111	18010718	44544230	100473059
11	1774	38859841	36188837	41348295	97394773
12	1775	45250505	10210997	45883154	101324858

Scottish imports rose from 12,213,610 pounds in 1746 to 48,269,885 pounds in 1771, a growth of more than four hundred per cent in twenty-five years. Finding, servicing, and holding an additional market for 36,000,000 pounds of tobacco was a real feat of merchandising. At the same time the London merchants were increasing their importations, but at a slower rate. The merchants in the English "outports" just about held their own. From 1767 to 1771 Scotland imported nearly as much American tobacco as did London and the "outports" combined and remained the chief market to the Revolution. The table above shows the course of the tobacco trade for the nine years preceding independence.

Enumeration clearly did not hamper the expansion of the tobacco raising business in America. Any industry that enjoys an expansion of its total production of more than fifty per cent in five years and holds that growth has at least the appearance of prosperity.

On the eve of the Revolution America was raising tobacco for a world market, created by the merchandising skill of the English and Scottish merchants. Only a small part of the tobacco annually reaching Britain was ultimately consumed there. . . .

Western Europe was the chief market, with France, Holland, and Germany taking more than 76,000,000 pounds in 1772, which was an average year, or more than seventy-five per cent of the total crop exported from America. Scotland was the chief supplier for France and Ireland and a keen competitor for the German, Dutch, and Scandinavian trade. Flanders was almost entirely supplied by the English merchants.

If the tobacco planters were oppressed by enumeration they should have prospered when freed. But what happened? There was a temporary rise in exports to the pre-Revolutionary levels, but the growers quickly learned that the markets gained for them by the British, and especially by the Scotch, merchants could not be held. An attempt by Jefferson, while Minister to France, to sell tobacco directly to the French government did not succeed. The French complained that the tobacco was not up to grade and canceled the contract. Under the old plan of buying in the great central market at Glasgow they could select just the kind of tobacco that best fitted their needs. There was no such market in America and the growers had neither the experience nor the capital to set up such an organization of their own. Grading by public inspectors proved to be wholly inadequate as compared with the grading in the great merchandising and processing centers.

Instead of thriving, the decades following the Revolution show that tobacco was a sick industry, gradually losing an important part of its former export trade. The Napoleonic wars and the War of 1812 caused wide fluctuations in exportations from year to year; but when these are averaged by five-year periods the steady decline is obvious. The full story of this decline is easily read in the table below.

Trend of American tobacco imports before and after the Revolution

	A	B
1	Years	Average Yearly
2		in Pounds
3	1767-1770	71223898
4	1771-1775	100249615
5	1790-1794	99665656
6	1795-1799	70625518
7	1800-1804	85935914
8	1805-1809	54525206
9	1810-1814	51544857
10	1815-1819	84533350
11	1820-1822	79369141

The same countries of Europe that bought 96,727,147 pounds of American tobacco in 1772 bought only 68,327,550 pounds fifty years later. Holland was buying only 23,692,034 pounds as contrasted with 32,631,330 in 1772. France had taken 32,414,143 pounds in 1772 but was buying only 4,665,670 fifty years later. Flanders, that had bought 5,210,585 pounds in 1772, was not even mentioned in our exports for 1822. Exports to Germany remained essentially unchanged from what they had been in 1772.

Partially to compensate for the heavy losses in our export market for tobacco in northern Europe new outlets had been found for a little more than six million pounds in other portions of Europe, and additional exports of ten millions of pounds to other parts of the world. Thus there had been some development of direct new markets, but the total market for American tobacco was millions of pounds short of our exports in 1772.

Most of the loss was in drastic reductions in our exports to Scotland. Direct exports to England had shrunk from 51,367,470 pounds in 1772 to 26,740,000 in 1822, but in the same period exports to Scotland had fallen from 45,259,675 in 1772 to only 1,142,000 fifty years later.

The Revolution not only separated the American colonies from official control by the British government, it separate the tobacco planters from the great banking and marketing organization that had developed their former work market. A very large proportion of the debts due British merchants and creditors after the Revolution were in the southern states. From what we know of the conditions of agriculture, a large percentage of these must have been advances to the tobacco planters. A total of nearly \$35,000,000 in such claims was filed before the claims commission created by the Jay Treaty and ultimately compromised in 1802 for \$2,684,000. The Scottish merchants seem to have been the chief losers, since they do not again appear prominently in the world tobacco trade. It was three quarters of a century before the American tobacco industry could replace the great central marketing machinery that had been built up under enumeration.

RICE

Next to tobacco, rice was the most important commercially grown agricultural crop of the continental colonies. Like tobacco it was enumerated, but on the eve of the Revolution had a free market in Europe south of Cape Finesterre and in America south of Georgia. It was an important crop in the lowlands of South Carolina and Georgia.

It has been assumed by many writers that enumeration imposed a serious burden upon the rice planters. The ascertainable facts do not support this assumption. In the years preceding the Revolution the rice industry was prosperous and expanding. Rice exports from Charleston, South Carolina, increased from an average of 80,631 barrels per year for the five years, 1760 to 1764, to an annual average of 120,483 barrels for the years 1770 to 1773. The exports from Georgia, the other important producer of rice, rose from an annual average of 5,152 barrels for the years 1760 to 1764 to an average of 21,910 barrels during the years 1770 to 1773. Planters made fortunes during these years.

American rice growers, like American tobacco planters, were producing for a world market Where was that market? In 1772 rice exports from America totaled 155,741 barrels, of which 97,583 went to Great Britain, 10,066 to South Europe, and 48,112 to the West Indies. This shows that more than sixty per cent of all American rice exported was

finding its world market by way of Great Britain and only about seven per cent was exported to that part of Europe that was free from enumeration.

What happened to America's world market for rice when the Revolution freed it from enumeration? In 1822, after the world had adjusted itself to peace, our exports of rice totaled 87,089 tierces. Of this amount 40,735 tierces went to Europe, 24,073 of which were imported by the British Isles; 15,526 went to Europe north of Cape Finesterre; and 1,136 tierces to southern Europe. Translating tierces into hundred-weight we have the following results: 216,657 hundredweight exported to the British Isles in 1822, as contrasted with 468,915 in 1773; 139,734 hundredweight to continental northern Europe in 1822, as contrasted with 324,407 in 1773; and 10,224 to southern Europe in 1822, as contrasted with combined total direct exports from America and re-exports from Great Britain of 69,981 in 1773. Our total European market for rice was only 366,615 hundredweight in 1822, as contrasted with 484,320 exported to the same area fifty years before.

Like the tobacco planters the rice planters faced changed conditions after the Revolution. While England remained their best market, total exports for the five years beginning in 1782 were less than half what they had been in the five-year period before the war. The war had brought to an end a long period of prosperity for the rice industry. Much of the advantage of the old central market in England was lost. Importations were burdened with new duties, although drawbacks on re-exportation were permitted. Shipping regulations of other countries hampered our trade. Even our ally, France, would not admit our rice laden ships to her ports in 1788, so that cargoes bound for that country had to be unloaded at Cowes on the Isle of Wight for transshipment to French vessels.

There is nothing in the evidence to support the theory that the rice planters were handicapped or oppressed by enumeration or that they benefited from the freedom to find markets where they could. The advantages of the one great central market still operated as the magnet to attract imports and exports. The planters not only lost a large part of their former markets, but what was even more serious, they lost the financial help they had received from the British merchants. Freedom involved the necessity of finding their own financing as well as their own markets.

INDIGO

Indigo was the third most important enumerated product of the continental provinces. Unlike rice and tobacco, indigo found its ultimate market in Great Britain. It was not only enumerated but was also encouraged by a direct British bounty.

On the eve of the Revolution the indigo planters were very prosperous and production was increasing rapidly, as shown by the tables of exports reported by Sellers and by Gray. Both reports are based upon fragmentary American sources. These show that exports nearly doubled between 1765 and 1773. These estimates are too low. Actual importation by Great Britain in 1773, all certified as produced in the British plantations, was 1,403,684 pounds, or twice that reported by Gray. This is nearly three times the colonial exports reported by Macpherson for 1770, and his reports seem to be based upon official records. Any industry that was so obviously prosperous cannot be called oppressed.

The Revolutionary War quickly brought to a close this period of prosperity for the indigo planters. They soon discovered that the industry could not exist without the former bounties. British aid and encouragement were transferred to Jamaica, which was still within the Empire. American production declined and just about disappeared. By 1822 the reported exports totaled only 3,283 pounds. In the meantime importations of foreign indigo had risen from zero to 1,126,928 pounds, or nearly as much as our exports were in 1773.

BALANCE OF TRADE

The relative values of imports from Great Britain into the colonies and exports from them to the home country are frequently cited as proof of economic exploitation. In the form they are usually given they are misleading. The American colonial empire was one economic whole. The products of the West Indies were used by all of the other colonies and their products in turn supplied the essential needs of the sugar colonies. A far larger number of ships, with a greater tonnage, was used in the trade between the continental colonies and the West Indies than between the former and the mother country, and nearly as great a tonnage as was used for trade between the various continental colonial ports.

The northern colonies with their rum trade were just as much involved in the sugar industry as were the local West India planters. The colonies that supplied the millions of staves to make the sugar and molasses containers were also as directly interested in the sugar industry as were the farmers who supplied meat, grain, beans, peas, and other essential food items. The New England fishermen who marketed their fish in the West Indies may have considered themselves only seamen and fisherfolk but they were actually producing sugar as much as if they worked on the sugar plantations.

TRADE BETWEEN GREAT BRITAIN AND THE AMERICAN COLONIES, 1769-71

	A	B	C	D
1	Imported from	1769	1770	1771
2	Continental Colonies	1170015	1129802	1488941
3	W Indian Totals	2792178	3131879	2717194
4	Grand Total 3 yrs			12409809
5	Exported to	1604700	2343892	4580882
6	Continental Colonies	1274951	1209409	1151357
7	W Indies Totals	2879711	3013381	5738239
8	Grand Total 3 yrs			12231311

To treat imports and exports from one part of the colonial empire as a trade that should balance is as unreal as to set up a similar bookkeeping record for the external trade from New York and California. No one expects the trade of a single state of the Union with the outside world, or with any other state of the Union, to balance. It is the total trade of the United States that is important. By applying this principle to the trade between Great Britain and her American colonial Empire we get the results shown in the table above.

From the above table it is seen that total imports from the colonies exceeded total exports in two of the three years and show a small excess for the three years. It is obvious that imports from the West Indies were being paid for in part by exports to the continental colonies, who in turn supplied exports to the West Indies.

There are some items in the total trade picture that do not appear in the tables. One was the large exports of food and lumber products to southern Europe and the relatively small imports in return. This balance in 1769 amounted to £476,052. These balances helped cover the cost of British imports each year from that area and should be credited to the total colonial exports. Adding to the value of British exports was the steady migration of capital to the continental colonies. Thousands of immigrants were moving to America with their possessions. British capital was being invested in land and various business enterprises. The vast amount of credit extended to American merchants and especially the credits advanced to the planters engaged in producing the three principal enumerated products, tobacco, rice, and indigo, had to be covered at some time by physical exports of British goods. Finally there were the costs of the British standing army and the operations of the British fleet in American waters. These included costs not covered by ordinary exports and involved the actual shipment of bullion to New York, Canada, and the West Indies in 1769 to a total of £16,651.

LIMITATIONS ON MANUFACTURING

There were three acts that have been cited as hostile to colonial manufacturing. These are known as the woolens act, the hat act, and the iron bill. The first two applied wholly to shipments by water and the last forbade the creation of new steel furnaces, or forges equipped with tilt hammers or rolling devices for making that metal. The object of the iron bill was to encourage the colonial exportation of pig and bar iron to Britain so as to reduce the dependence upon foreign imports of these basic materials.

Did these laws materially impede the development of manufacturing in the continental colonies? Fortunately we have two thorough, objective studies on this point: one is by Victor S. Clark covering the whole field of manufactures, the other is by Arthur C. Bining dealing specifically with the iron industry. Both of these independent studies are in substantial agreement as to the basic facts. Both agree that British legislation had very little effect in retarding colonial manufacturing. We will discuss each measure separately.

WOOL AND WOOLEN GOODS

The prohibitions against exporting wool and American-made woolens has generally been referred to as oppressive. The impression given is that Englishmen in America were being treated less well than those in England.

There is no foundation for this inference. England had developed the wool-growing and wool-manufacturing industry far beyond that of other countries in western Europe. It was an economic advantage of first importance - a sort of atom bomb of the seventeenth century. Under no circumstances was England willing to permit her special advantage to get away. To this end there was enacted a long series of laws regulating wool and possible wool exports, commencing with the Restoration under Charles II and

extending through the reign of William III. The American woolens act was a minor item in those regulations.

The restraints imposed upon Englishmen in America who engaged in wool growing or processing were mild in comparison with those faced by Englishmen in England.

There, in addition to provisions against the export or shipment of wool similar to those in the American law, the owners of sheep had to give notice of their plans to shear sheep. They also had to report the exact number of fleeces at shearing time and give official notice of any removal from their farms, as no wool could be moved from one place to another without a permit. Buyers in certain areas had to be licensed under bond, and no raw wool could be loaded on a horse cart to be moved by land except in the day-time and at hours fixed by law. All of the above restrictions remained in force until the Revolution and are listed in the same customs manuals with the American regulations.

As has already been pointed out the prohibitions were not upon production or manufacture but upon water export of such goods. Consequently, household and neighborhood production went on unhampered, as did distribution of such products throughout the colonies and the rapidly expanding back country. Little can be added to the extensive studies of Clark. The back country clothed itself. There was very little cloth made for the market. Colonial newspapers, published in the larger port towns, printed very few advertisements of homespun cloth for sale.

There was no effort to compete commercially with imports from the home country. Textile production was still in the handicrafts stage. Weavers were not well paid and spinners very poorly paid. Working in such industries was associated with extreme poverty. It just did not pay to produce cloth under American conditions when goods of as good or better quality could be had from abroad for less money. Where family labor had no commercial value and money and money-crops were scarce there was extensive production.

American conditions remained largely unchanged long after the Revolution. In 1821 woolen goods of American production is not listed among our exports. On the other hand there appears in the list of goods imported into the United States woolen goods of various kinds to a total value of \$11,971,933 out of total imports valued at \$41,955,134, or nearly thirty per cent of all our imports.

It is obvious that the failure of colonial America to develop a large export of woolen goods and other textiles rested upon factors entirely separate from a parliamentary act of the seventeenth century.

HATS

The hat act did prevent the shipment of hats by water and may have had a temporary effect upon a developing export trade in New England hats. But the act had no effect upon the steady development of hat manufacturing in America. It was more advantageous for hat makers to migrate with their skills to new neighborhoods than it was to live in one place and make hats for merchants who, in turn, sold them where they could find a market. Hat manufacture, especially of wool, became widely diffused and was so far advanced that Hamilton in his "Report on Manufactures" in 1791, in

discussing the wool industry, stated: "Household manufactures of this material are carried on in different parts of the United States to a very interesting extent; but there is only one branch, which as a regular business can be said to have acquired maturity. This is the making of hats." That statement could hardly have been justified concerning any other manufacturing business. The industry was better developed than any other. In 1810 Tench Coxe reported 842 hatteries operating in the United States, some of which were in the western territories of Indiana, Michigan, and Mississippi. The center of the industry was not in New England, but in Pennsylvania, where 532 operating hatteries were reported.

IRON AND STEEL

The law prohibiting new rolling and slitting mills, plating forges and steel furnaces, passed in 1750, is mentioned in all accounts. In some cases writers have expanded this into an instance of real oppression. Bining, who has made the most detailed study of the colonial iron industry, agrees with Clark that such legislation did not check the development of the iron industry. He even insists that on the eve of the Revolution there were more iron furnaces in operation in America than there were in England and Wales combined and that the total output was greater than that of the iron furnaces of Great Britain. Most of the pots, pans, and other hollow ware used in the colonies were made at local iron works. The growing farming, milling, and extensive wagon transportation demands for iron were absorbing most of the bar iron that could be produced. As a result the British bounties, which attracted increased colonial exports of bar iron from a bare 39 tons in 1761 to a total of 2,234 tons ten years later, proved ineffective after 1771 and exports rapidly declined. The reason was steadily growing demands for domestic use.

Most of the iron works were relatively small and were designed to supply a neighborhood market. In the main they represented personal investments. All of the large colonial iron works were erected by foreign capital and employed imported labor. All of the larger works proved financially unprofitable, largely because of the gradual exhaustion of the local supply of charcoal. That the law was not interfering with the growth of the iron industry is proved by its rapid expansion westward in Pennsylvania and by the fact that the great American Iron Company was set up in 1764 with London capital by Hasenclever, who quickly expended a total of more than a quarter million dollars on the project. It was the largest capital outlay in any colonial manufacturing venture.

Production of steel on a commercial scale came slowly. In 1810 Tench Coxe could report only four steel furnaces in the entire United States with a combined capacity of nine hundred seventeen tons, presumably per year.

Birung did not find a single case where any iron work was discontinued, a slitting mill or steel furnace destroyed, or even an attempted prosecution of an iron works operator. Clark also failed to find a single case in any of the other colonies. An extensive search of the Treasury papers in the Public Record Office in London by the author also failed to reveal a single such prosecution, although there is much material on other clauses of the trade and navigation laws. There is but one conclusion, and that is that the

iron industry was not materially hampered by any British legislation and that its development was rapid and continuous.

OTHER MANUFACTURES

British legislation did not apply to other forms of colonial manufacture except to promote them. Naval stores were encouraged by direct British bounties. The Navigation Acts directly encouraged shipbuilding and all of the allied services such as rope-making, and manufacture of anchor chains, bolts, etc. American distilling of rum was on a large scale as was also sugar refining. Enormous quantities of forest products were worked up and exported to all parts of the empire and to South Europe. Millions of staves and shingles were exported annually. Much furniture shows in the list of exports coastwise and to the West Indies. Thousands of tons of bread and flour were manufactured and exported each year.

The major amount of manufactures, however, do not show in the list of exports as they were produced for domestic consumption and were sold within the colonies in the immediate vicinity where they were made.

While no case can be made for any charge that limitations on colonial manufacture were real, the measures discussed above were part of the controversy. The iron bill carried a potential threat that real interference with domestic manufactures might be attempted. Thus it produced uneasiness in certain circles in America. The growth of colonial manufactures created a fear in England among workers, capitalists, and trading and shipping circles that unless this movement were checked in America they would lose their best markets and face a future of poverty and high taxes. This was the fear upon which Americans played with their non importation agreements.

The bounty system certainly was no an item of complaint on the part of American producers. As the bounty policy was one of the most important phases of the general mercantile system it is of course included in any general denunciation of the industrial and commercial relations of the colonies to the mother country.

The following industries were directly dependent upon such bounties: (1) naval stores, including tar, pitch, resin, turpentine, masts, spars, yards, bow-sprits, and hemp; (2) lumber; (3) cooperage materials made of white oak; (4) indigo. The bounties were authorized over such periods that producers could plan production intelligently, and merchants in England could count on a continuous, artificially-attracted supply of such products over a period of years. By 1765 the policy of enacting bounty laws for periods of only a few years was abandoned, and laws were passed fixing bounties for periods as great as twenty years. The total sums expended by the British government for bounties on colonial products were very large and extended over a period of nearly seventy years. They were at their highest point on the eve of the Revolution and were reported by the Comptroller General as amounting to £186,144 during the years 1761 to 1776.

Of the four groups of articles that received bounties, all were produced in colonies that revolted; and the sums expended by the British government in behalf of these industries went wholly to the continental group. It was the southern colonies, rather than the northern, that benefited most from this policy. Naval stores other than masts and spars came largely from North Carolina, South Carolina, and Georgia. Indigo grew chiefly in South Carolina and Georgia, and the most desirable lumber and cooperage materials were

the products of the colonies south of Pennsylvania. New England supplied mainly masts and spars, and the bounty on these was relatively insignificant.

It should be noted that the policy of granting bounties continued until the close of the colonial period. Those on lumber and cooperage materials were adopted in the reign of George III; in fact, the first bounty on such products was expected to soften the reception of the Stamp Act in America. The framing of bounty laws in permanent form was also a characteristic feature of the legislation of his reign. No part of the commercial policy was more firmly established than that of bounties, and the sugar interests advocated them as more efficient in promoting their favorite industry than tariffs. . . .

If the bounty policy was a cause of the Revolution, it operated in a decidedly different way from what has been so confidently asserted by those who condemn the Navigation Acts. The bounty payments were a considerable burden upon the exchequer; and, when the load of taxes after 1763 became a matter of public complaint, the existence of the bounties, their continuance, and the impression made upon public opinion by the figures of total payments during the eighteenth century, became an added reason why the people in America, who apparently benefited from such bounties, should assume their fair share in the costs of Empire.

To the extent that the bounties were a burden upon the British taxpayer and an excuse for taxation of the colonies by the home government, they were a cause of the Revolution. They were certainly not a cause in the sense that such payments produced discontent in America.

Several industries practically disappeared at the end of the Revolution because they could not exist without the bounties. As the beneficiaries of the bounty system were essentially all in the thirteen continental colonies that revolted, it is highly probable that the bounty phases of the navigation system produced a conservative element of loyal supporters of the imperial system - at least so far as men permitted themselves to be influenced by their direct economic interests. There may be a direct relation between the British financial encouragement of colonial industries and the loyalist movement in America. It was definitely strongest in those colonies that benefited most directly from this practice.

PREFERENTIAL TARIFFS

The policy of preferential tariffs and export bounties could not have been a cause of economic complaint on the part of Americans, who thus secured access to the best market in Europe on better conditions than other producers. There was no possible ground for complaint on the part of American consumers when the British government allowed drawbacks of its own import and inland duties upon goods exported from England to the colonies, or when it encouraged both production in England and colonial consumption by export bounties, as it did in many cases. These regulations gave the colonies especially favored treatment, and were causes of prosperity and not of complaint.

INFLUENCE ON GENERAL PROSPERITY

Were the navigation and trade laws so generally burdensome upon the colonies as to interfere with their development, and thus produce general poverty and distress? Again the answer must be negative; just the opposite condition existed. The colonies were prosperous and wages of labor were admittedly higher in the continental colonies than elsewhere in the world.

Population in continental America was doubling every twenty-five years, while in England it was scarcely doubling in a century. In fact the population of England seems to have doubled only once from 1066 to 1600, and again by about 1760, although a very marked increase in population was to characterize the reign of George III. In no other section of the world was there a white population expanding from natural increase so rapidly as in continental America. Marriages occurred early and families were large. The British colonies on the continent were attractive to emigrants, especially from the British Isles, and there are numerous references in the British periodicals, published in the decade, 1765 to 1775, to artisans of all kinds migrating to the new world.

Another measure of their prosperity was the expansion of trade that had occurred during the eighteenth century. Other evidences of wealth were the multiplying educational institutions, churches, newspapers, magazines, and other publications. Many of the finest specimens of colonial church architecture date from the period just before the Revolution.

The wealth acquired by American merchants and planters was a real cause of jealousy on the part of residents in the mother country. There had grown up in America a new race of untitled nobility with estates and palaces that compared favorably with the possessions of the titled classes in England. Their houses were not only well, but even luxuriously, furnished. Their consumption of British and European goods was not limited to necessities, but included luxuries of all kinds. The best evidence of this is the elaborate offerings of goods, including finery of all kinds for both men and women, found in the extensive advertisements in the newspapers of the time. The population of the seaboard was no longer clothed in homespun. Many men wore silk and velvet regularly. Joseph Warren had on his usual silk waistcoat when he was killed at Bunker Hill.

One of the best tests of real prosperity is the rapidity with which a population can sink its public debts following a war. The French and Indian War had been a real world contest so far as the British Empire was concerned. Colonial exertion on the part of the northern colonists, especially, had been on a scale not unlike that of Canada and Australia in the last world war. Many of the colonies levied heavy taxes during the war, and came out with large debts. The total colonial debt according to Charles Lloyd, who prepared the statistical data for the Stamp Act, was £2,600,000. Yet this was sunk so rapidly that in 1765 it was estimated that only £767,000 remained, and the greater part of that would be sunk by 1767.

The estimate of the time within which the colonies could extinguish their remaining obligations was too optimistic; but past accomplishments made a found impression upon people in England, who could not hope to reduce their own national debt to the level of 1754 in less than a generation.

The ability of the colonies to sink their heavy war debts at the rate of about twenty per cent a year was a startling performance to thoughtful Englishmen. The economic

recovery of the American continental colonies was not unlike that of the United States during the first ten years after World War I. The soreness of many British taxpayers, as they looked forward to long years of heavy taxation of their own people, while their fellow citizens across the Atlantic would soon be free from all but the lightest taxes, especially in view of their belief that the war had been fought and the burdens incurred for the benefit of the Americans, was not unlike the feeling aroused over the war debts in the years immediately following World War I. . . .

No case can be made out for the Navigation Acts as a cause of the Revolution on the grounds that such laws were economically oppressive and were steadily reducing the Americans to a condition of hopeless poverty. It is true that evidences of hard times in the colonies may be found; but such conditions were periodic and were preceded and followed by other periods of over-trading, extravagance, and luxury. There was unquestionably high taxation in some of the colonies during and after the French and Indian War. In places there were price readjustments due to deflation and the termination of large governmental activities. Such conditions were not evenly distributed. There were times when merchants and newspaper publishers complained of slow collections; but such conditions can be found in any region where credit is easy, and they can also be found at times in even the most prosperous countries. The evidence indicates far less depression in the colonies than in the home country in the same years.

It is true that after 1770 there was a serious depression in the tobacco business in a portion of Virginia, which is reflected in the newspapers. In accounting for their economic distress and suggesting possible remedies, the planters in no case charged their distress to the Navigation Acts. Their ideas of what was wrong and of proper remedies sound strangely modern. They charged their economic condition to the too easy credit supplied by the Scottish merchants, and to the organized monopoly of the buyers. One writer seriously proposed active Cooperative organizations to handle their tobacco crops, with paid factors in Britain to care for their sales and arrange for their purchases.

Professor Andrews and Professor Schlesinger have assembled a good many items from the correspondence of merchants indicating some economic distress. Such data, however, are not convincing. The conditions complained of are local and periodic where they are not due to the chronic absence of an adequate medium of exchange. They should not be interpreted as indicating a general lack of prosperity for America as a whole, covering the period between 1763 and 1775. They more probably indicate that a tidal movement of prosperous and dull times was characteristic of American economic life long before the formation of the federal government.

Conditions for the period as a whole must be considered. A country that was a Mecca for immigrants; that was importing slaves in large numbers; that was rapidly expanding its settled area into the back country; that could order from overseas expensive marble statues of its favorite English politicians as did South Carolina and New York; that could squander large sums on the public funeral of a royal governor and bury him in a sepulcher as elaborate as was accorded to royalty in England; that could find the funds for better church buildings than it ever had before in its history; that could sink public debts more rapidly than other countries; and whose population could live on a far better scale than similar classes in any other part of the world; was not suffering from economic ills that lead to permanent poverty.