

Salutary Neglect and Mercantilism

Key Concept 2.2.1 C&D

Should the US government be able to restrict trade between American businesses and a foreign country?

Canada ● Mexico ● Russia ● China ● Cuba ● Iran

Is there/should there be a difference in trade policy with any of these countries?

What controls is the US government justified to have over foreign trade?

Key Concept 2.2

- The British colonies participated in political, social, cultural, and economic exchanges with Great Britain that encouraged both stronger bonds with Britain and resistance to Britain's control.
 - 2.2.1: Transatlantic commercial, religious, philosophical, and political exchanges led residents of the British colonies to evolve in their political and cultural attitudes as they became increasingly tied to Britain and one another.

Key Concept 2.2.1d

- C. The British government increasingly attempted to incorporate its North American colonies into a **coherent, hierarchical, and imperial structure** in order to pursue **mercantilist economic aims**, but conflicts with colonists and American Indians led to **erratic enforcement** of imperial policies.
- D. Colonists' resistance to imperial control drew on local experiences of **self-government**, evolving ideas of **liberty**, the political thought of the **enlightenment**, greater **religious independence and diversity**, and an **ideology critical of perceived corruption** in the imperial system.

What is Mercantilism?

- Mercantilism- A system of political economy based on government regulation. Beginning in **1650**, Britain enacted **Navigation Acts** that controlled colonial commerce and manufacturing for the enrichment of Britain.



Navigation Acts (1650-1763)

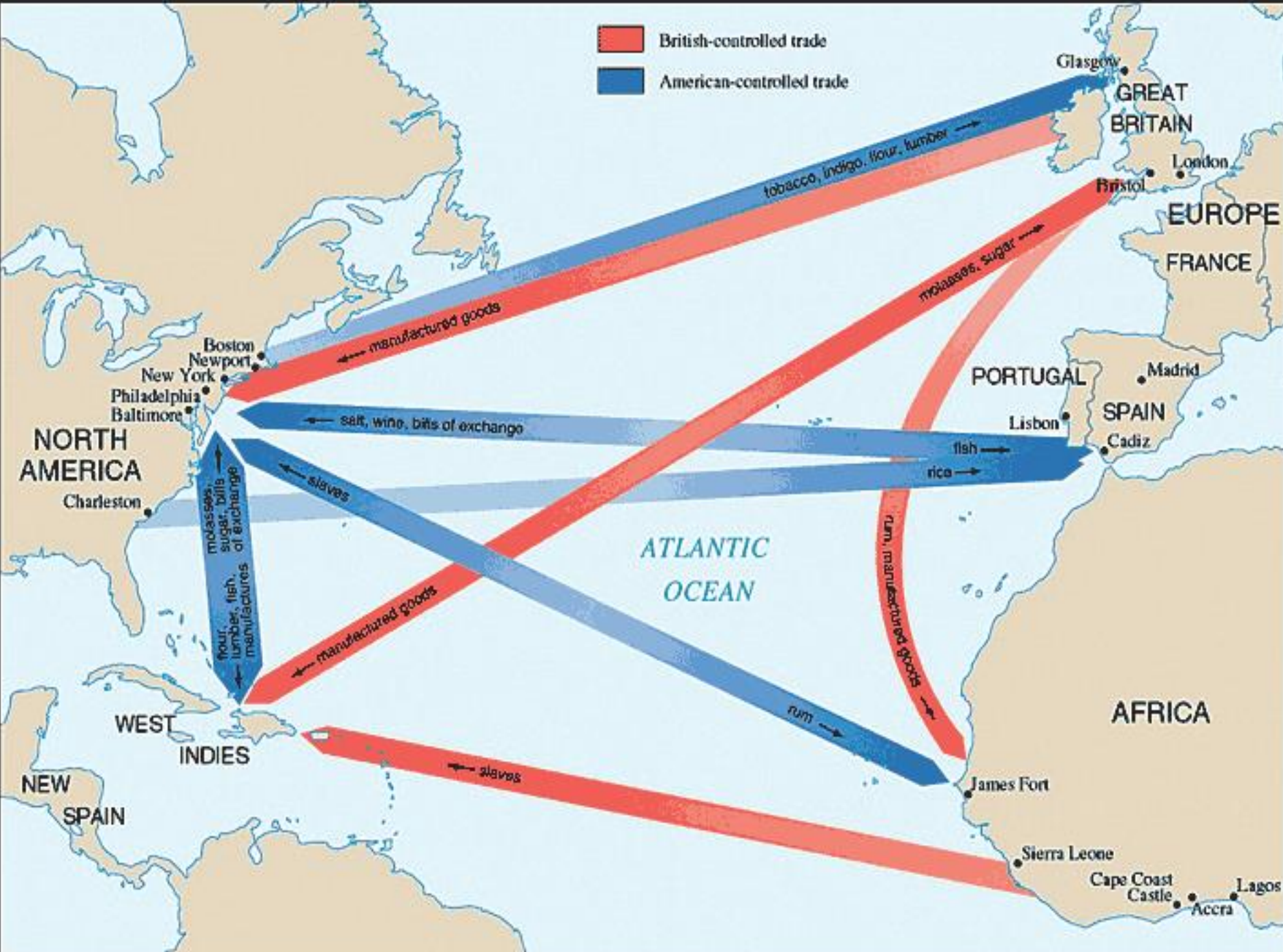
- Put in place by England, the **Navigation Acts** required that goods be carried on ships owned by the English or colonial merchants. At first pretty strictly enforced.
 - James II came to power 1685, and tried to impose even stricter control over colonies—for ex., establishing the **Dominion of New England**
- It also put restrictions on foreign traders, making the colonists export sugar and tobacco only to England.
- After **Glorious Revolution**, colonists resisted British royal enforcement, and British gov't didn't object.

What is Salutary Neglect?

- Established by **Sir Robert Walpole**, who served as Secretary of the Treasury and Exchequer (basically, he was prime minister) from **1715-42**
- British colonial policy that began after **Glorious Revolution**, and continued through reigns of both George I and George II
- America took advantage of Salutary Neglect.
 - American self-government was allowed to flourish with relaxation of British policy enforcement due to the growth of trade and import duties.



- British-controlled trade
- American-controlled trade



British Mercantilist System

The Mercantilist Argument for Colonial Expansion



Source: Philip Dorf, *Our Early Heritage: Ancient and Medieval History*, Oxford Book Company (adapted)

Frequent European rivalries that carried over to the New World

- War of Jenkins' Ear (1739-41): Britain vs. Spain
- War of Austrian Succession (1740-48): Britain, Germans vs. France, Spain
- England constantly acted in its own interest and not the interest of the colonists themselves.
 - Example:
Establishment of Georgia: To protect South Carolina's rice trade

British Mercantilism (cont.)

- Treaties -- Britain would make treaties with European rivals without concern for the safety and well being of the American colonists
- Example: Treaty of Aix-la-Chapelle--1748, to end War of Austrian Succession. Returned Louisbourg (in Canada) to French after American colonists had helped capture it.



Navigation Acts, Continued...

- Woolen Act (1699), Hat Act (1732), Iron Act (1750), **Molasses Act (1733)**
- **Currency Act (1751)**—Prohibited creation of colonial **Land Banks**- institutions that printed paper money and lent it to farmers, taking a lien on their land to ensure repayment
- Beginning in 1740s, Britain increasingly enforced these laws with strict military force.

Navigation Acts (cont.)

- The Navigation Acts led many colonists to complain about and ignore the laws by smuggling products to and from foreign markets, such as the French West Indies
- [John Hancock, Smuggler](#)



Questions from the Lecture

- How do you think an ordinary American felt after Salutary Neglect ended in the colonies?
- Although it was against the law, do you feel that the smuggling of venturing colonists, like John Hancock, was justified?