AN ECONOMIC HISTORY OF THE UNITED STATES

CONQUEST, CONFLICT, AND STRUGGLES FOR EQUALITY

FREDERICK WEAVER

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Introduction

Some Initial Definitions and Organizational Strategies

I seek to illuminate the constant, irrepressible historical movement and transformation of the Unite States. My approach, which I call political economy, emphasizes the relationships among economic forces, alterations in social-class structure, and government policy. At times changes in one of these aspects govern changes in others, and the direction of influence can vary. My emphasis on political economy is often deliberately provocative, but this does not mean that I believe that political economy is all there was and is to historical explanation. Nevertheless, without a sound gras of the historically changing character of the political economy, it is extremely difficult to figure out, say, the roles of institutions, culture, individual attitudes, contingency, and their significance.

A second conviction expressed in this book's organization and analysis is the need for comparative history. Much of U.S. history is written in terms of national exceptionalism and uniqueness, an approach I consider to be self-aggrandizing and misleading. U.S. history is exceptional, but no more than any other nation's history. Moreover, the United States has been and continues to be firmly embedded in the world, and although many U.S. leaders have tried to deny or reduce this embeddedness, there is no getting away from it. Comparative perspectives are critical for controlling generalizations about the United States and for identifying the significance of events and tendencies.

As I have argued in different contexts, the character of capitalist industrialization changes historically. Nevertheless, there are basic, enduring features that are integral to capitalism's very definition. **Capitalism** does presuppose markets for the exchange of commodities (goods and servic produced for sale on markets rather than for direct use). But commodities, whether circulating in world or local markets, have been produced over the centuries under conditions of almost every imaginable set of social relations between producers and nonproducers; for example, slaves dealing with masters, serfs dealing with lords, independent peasants and craftspeople dealing with merchants and political elites, and wage workers dealing with owners/employers. Since each relationship between producer and nonproducer possesses distinctive contradictions and sources of motion, mistaking the presence of commodity markets as evidence of the existence of capitalism is likely to misdirect analysis concerning the key points of conflict and change.

Three sets of social and political relations underlie capitalist social and economic orders. The central relationship and major source of contradictions and change in industrial capitalism is the wage-labor system, the capital-labor relationship. This is the perpetual struggle between propertyless workers, who have only their labor services to sell, and the propertied classes and their agents who control the means of production (for example, plant, equipment, land, mines) and purchase labor services, which had become commodities bought and sold in markets.

The second major source of dynamism and change in industrial capitalism is the capital-capital relationship: profit-motivated private firms compete with each other in product markets to realize profits. Are firms in direct and immediate price competition with each other? Do some firms have state-enabled protections from domestic and foreign competition? Do three or four large firms dominate the market for a particular product and compete mostly through product differentiation and advertising? Each one of these types of market competition expresses a particular industrial organization and a distinctive style of capital-capital relationship.

Contradictions and conflicts within the capital-labor and capital-capital relationships are the main driving forces of capitalism. The two sets of relationships are set in national political frameworks wi shifting Public Sector–citizen interactions—the third set of social and political relations capable of altering power balances and affecting the directions of social and economic change.

Again, contradiction and conflict, not harmony, are inherent in capitalist societies and are the moving forces behind social, political, and economic change. A frequent way to avoid acknowledgin conflict and struggle is to use the nation as a unit of analysis. For example, introductory economics textbooks assure us that the benefits from national specialization and international trade among nations are parallel to the argument that specialization among individuals within a nation leads to mutually beneficial exchange. The theory of **comparative advantage** treats nations as indivisible units, comparable to an individual. But the reality is that nations are not harmonious collections of individuals; they comprise groups with conflicting and contradictory interests. This means that a nation does not benefit or lose through international commerce but rather that some groups in the nation benefit at the expense of others. To deny such complexity is to risk conclusions that serve som groups and disadvantage other groups. Winners may gain enough from vibrant international trade to be able to compensate losers and still be ahead, but without political mechanisms able to achieve thi compensation, such a calculation could easily degenerate into winner-supporting apologetics. Arithmetic models based on relative prices and national units are not adequate for a rigorous analysi of the benefits and losses from international trade.

Within the economy, I focus on manufacturing activity—on the way that it has developed and affected and been affected by social structure and government policy. It was only during the nineteenth and twentieth centuries that a strong consensus of intellectuals and political leaders thoug a successful program of industrialization was necessary for national strength and prosperity. That is, they looked to the development of a manufacturing sector capable of self-generating expansion and stimulating activity in other sectors. While use of the term “industry” often includes construction, utilities, and even mining, my focus is on manufacturing—the economic activity that transforms physical goods into other goods. This may be raw cotton turned into yarn, turned into textiles, turned into apparel, or it may be iron ore and coal turned into steel, turned into washing machines, lawn mowers, automobiles, and GPS-guided bombs. Manufacturing does not include the production of the raw cotton (agriculture) or of iron ore and coal (mining), nor does it include the transportation (transport and communication) and sale of the clothing (retail) or the use of the lawn mower by a landscaping company (service).

Since the central characteristic of manufacturing is the physical transformation of physical goods, there is no deep mystery about why this economic activity was regarded as necessary for a modern, progressive, and prosperous economy. It has been in manufacturing that the greatest successes of applying science to production have taken place, creating the most dramatic and sustained technological advances. These technological changes have, in general, been the principal bases of increases in the productivity of human labor—raising the value of what can be produced with a given amount of time and effort by human labor. Rising productivity of human labor is the most secure bas for rising levels of material welfare and is the very definition of economic development.

In addition, the effects of a vigorous manufacturing sector have not been limited to those directly involved in manufacturing; manufacturing sectors supply products that directly increase workers’ productivity in other sectors. For example, chemical fertilizers and mechanical harvesters enhance productivity in agriculture; drills, explosives, hydraulic pumps, and conveying equipment facilitate production from mines; telephones, computers, and vehicles are fundamental for communication and transportation; and electronic scanners and inventory control devices make retail stores more efficient.

Manufactured products themselves are also significant in other, more direct ways. Modern industri sectors supply most of the goods desired by people who are becoming prosperous, thus increasing a government's popularity and legitimacy in the eyes of its citizens (or subjects). A domestic manufacturing capacity is essential for producing the materiel of warfare and thus for military power And in a different vein, the organization of manufacturing production, by bringing large numbers of workers together, often in urban worksites, has historically been an important source of political mobilizations that broadened political participation and literacy.

While I emphasize industrial development, the book also contains subthemes that surface in almos every chapter—for example, the use of violence for social control and shifting but omnipresent real-estate speculation. But more fundamental is the underlying concept that general prosperity is not the creation of the efforts of a few gifted entrepreneurs but rather the consequence of much broader qualities of the social system. It is more complex to think in this manner, but consider the following: carpenters, taxicab drivers, college professors, leaders of organizations, and just about everyone else in the U.S. labor force earn many times more than people in the same occupations in, say, Ecuador. Does this mean that U.S. workers are that much more skillful, hardworking, decent, and effective tha are Ecuadorian workers in corresponding occupations? Even the most nationalist xenophobe would consider that a stretch (although I am occasionally surprised). The most important differences are tha U.S. workers work in a context of social capital, general prosperity, and opportunity that enhances th value of their work. In a comparative perspective, it is not principally, and certainly not exclusively, differences in individual merit that account for such broad disparities in national earnings or in how national earnings are distributed within the nation.

A truly egalitarian nation would indeed be exceptional, but we are not there yet. Understanding tha our past is characterized by conquest, conflict, and struggles for equality will help us move toward that goal.

THE PLAN OF THE BOOK

Part I (chapter 1) focuses on precapitalist formations in the British North American colonies, and it includes a background discussion of European colonial empires in general, of which the British Nort American colonies were a part. In describing the demographics of the early colonies, the chapter pay special attention to indigenous peoples and the recurring struggles over land. The French and Indian War was a turning point in those conflicts. Throughout the chapter, the “Indian problems” in North America are contrasted with those of colonial Spanish America, including the tensions that led to conservative political independence in both colonial empires rather than to social revolutions.

Part II (chapters 2 and 3) goes through the first half of the nineteenth century. Chapter 2 describes the Northwest Ordinance and the difficulties that led to replacing the Articles of Confederation with new Constitution and the angry debates around the process that included revolts by impoverished farmers. While this is going on at the political level, construction of transport infrastructure—roads, canals, the telegraph, and increasingly the railroad—made progress in knitting together the geograph of the new nation, which the Louisiana Purchase expanded considerably. The chapter concludes with an analysis of manufacturing growth in the northeastern United States, a process led by a large numb of small firms producing principally wage goods—standardized products for working people—in diffuse and competitive product markets. A thumb-nail sketch of the English Industrial Revolution from the mid-eighteenth century to the early nineteenth century highlights some key similarities wit and differences from the U.S. experience.

Chapter 3 describes the divergent regional patterns of economic growth and development in the early nineteenth-century United States. Wage labor was becoming important at this time in the Northeast, and despite the regions’ economic complementarity, wage labor coexisted uneasily with slavery in the South and independent proprietorships in the upper and western Midwest. The contradictions and tensions were most evident in the federal government, where Southerners blocked programs and policies considered crucial by profit-motivated private firms and independent agrarian proprietors. The election of Abraham Lincoln led to several Southern state governments seceding from the Union, and the Confederate States of America eventually numbered eleven slave states. Consequent disputes over the federal property located in the South set off the U.S. Civil War.

Part III (chapters 4–7) includes the fifty years after the Civil War. Chapter 4 begins with the observation that during the Civil War, none of the seceding states was represented in the U.S. Congress. Republican Congresses took the opportunity to raise tariffs and pass the Pacific Railway Act (1862), the Morrill Act (1862), the Homestead Act (1862), the Department of Agriculture (1862) and the National Currency Act (1863). Southern masters had been actively hostile toward these initiatives, including a transcontinental railroad that did not pass through the South. These acts opene the West to white settlement, which required more “clearing” of indigenous peoples onto reservation and was accompanied by virulent anti-Asian sentiments and policies in the Far West. The chapter concludes with the economic problems in the post–Civil War South and the North’s attempt to “reconstruct” the social, political, and cultural orders in the South.

Chapter 5 analyzes the robust industrial growth during the last half of the nineteenth century. The industrial expansion was led by large-scale, highly capitalized corporations, producing steel, rubber, petroleum, chemicals, and other inputs for further production. The character of industrial developme had changed historically, an understanding that is strengthened by a brief case study of German industrial development at the same time. Nevertheless, the process in the United States was distinctive, because it began to include mass-produced consumer goods. The chapter ends with the massive increase in immigration from eastern and southern Europe, an immigration that brought people very different from the 1840s and 1850s immigrants, making their urban destinations much more complex.

~~The next two chapters in part III (chapters 6 and 7) cover the same fifty years after the Civil W~~ar, and chapter 6 begins with the end of Reconstruction, the return of white control of Southern politics, and the imposition of Jim Crow laws. An irony is that the South was officially to be transformed, anc it managed to be the least transformed of U.S. regions in the post– Civil War decades. Turning to the Midwest and North, the chapter details changes in the organization of industrial work, the emergence of combative working-class movements, industrial and financial elites, and an urban middle class. Th chapter concludes by discussing the political sources of reform efforts to rein in the power of large corporations up to World War I.

Chapter 7 emphasizes the place of the United States in foreign trade, finance, and diplomacy. Although the United States possessed what amounted to a continent-wide common market, foreign trade and investment by the United States grew significantly at the end of the nineteenth century. Rising tariffs continued to be a contentious political and fiscal issue. Another aspect of international involvement at the end of the nineteenth century and early twentieth century was the vigorous advocacy by some constituencies for creating U.S. colonies in distant lands with nonwhite populations, including the annexation of Hawaii. U.S. commercial and military interests felt threatened by competing nations' potential domination of trade, trade routes, and coaling stations for merchant and military vessels. There was also the conviction that the United States had come of age and as a powerful and mature nation should demonstrate the ability to create an empire similar in scale and reach to the European empires. Despite strong pushback against pursuing such avenues, the United States did become a colonial power.

Part IV (chapters 8–11) begins with the U.S. entry into World War I in 1917, three years after its beginning, but the war did not negate the domestic reform agenda, including woman suffrage. The en of the war in 1918 brought a badly implemented demobilization, industrial recession, agricultural depression, race riots, and heightened persecution of radicals. The three post–World War I U.S. administrations pursued strongly isolationist policies, and the politics of European wartime debt repayments contributed to the rise of fascism. In the 1920s, the instabilities of mass production–mass consumption exploded in the Great Depression of the 1930s, triggered by a bursting stock-market bubble. Innovative New Deal policies and initiatives ameliorated the effects of the Depression but di not solve it. The United States entered World War II in 1941 in response to a terrible miscalculation by the Japanese high command. The speed in mobilizing U.S. industrial, agricultural, and human resources for the war effort was admirable, and forcing 120,000 Japanese Americans in the West into concentration camps was disgraceful.

Chapter 9 shows the manner in which the United States was deeply engaged in reshaping international economic and political structures after World War II. U.S. officials were instrumental i the reconstruction of the international financial system based on the U.S. dollar, and U.S. aid helped rebuild Europe and Japan. The Cold War lent urgency to the projects. The U.S. economy grew rapidly along with the birth rate. Political and economic configurations, through design and serendipity, formed a new mass production–mass consumption economy that relied on political regulation and guidance (the "mixed economy"), solving the enduring problem of price wars among large corporations. An implicit compact between capital and labor in these dominant firms conceded decisions about production and work organization to management, and the Public Sector monitored and prodded the Private Sector, expanded some safety-net programs, and made remarkable progress i African American civil rights. The last achievement further alienated Southern whites who began to become solidly identified with the Republican Party.

Chapter 10 shows that the international trade and investment system was so successful that foreign competition weakened confidence in the U.S. dollar, the key currency. In 1971, the U.S. government unilaterally abrogated the entire arrangement by breaking the connection between gold and the U.S. doll~~ar. The Organization of Petroleum Exporting Countries (OPEC) quadrupled the price of oil~~ in 1973, and banks took such risks in lending these petrodollar deposits that defaults proclaimed the arrival of the 1982 debt crisis, which was especially severe in Latin America. The IMF imposed such draconian conditions on debtor nations that the 1980s are known in Latin America as “the lost decade.” The continuing rise of foreign competition undercut U.S. mixed-economy arrangements, an price competition became paramount. At the same time, outsourcing production to foreign sites grew which meant U.S. labor was thrown into direct competition with world labor. U.S. workers’ wages, protections, and the safety net are imperiled.

Chapter 11 traces the genesis of the Great Recession in the United States and then critically analyz the policy responses to it. The following section discusses the spread of the Great Recession to Europ and the difficulty of combatting it in the eurozone, where countries have no control over their currency and exchange rates. In both Europe and the United States, monetary policy is not adequate for achieving prerecession levels of growth and employment. The fear of national debts and of using fiscal policy is mistaken, even when it is not a cover for reducing safety nets, regulations, and other social policies that benefit the less prosperous portions of the population. The chapter (and book) concludes with three short essays that deal with the distribution of income, the service economy, and climate change.

After the last chapter, there is a list of U.S. presidents and a short glossary and index. I know; it sounds like high school civics class. Nevertheless, presidential administrations are handy benchmark that express and shape different eras; ergo, the list.

PART I

COLONIAL ROOTS

1

Mercantilism, British Colonialism, and Independence

After a number of disastrous attempts, English settlers established permanent communities in North America in the early seventeenth century. This was a relatively late and minor step in th era of Europe's commercial expansion throughout the world. That expansion began with Portuguese sailors working down the west coast of Africa in the fifteenth century and exploded with the Spanish and Portuguese conquests of the New World from Mexico through South America in the sixteenth century. This commercial expansion had some specific features that need to be appreciated in order to situate the English colonization of North America in a historically productive manner.

MERCANTILISM AND EUROPEAN COMMERCIAL EXPANSION, 1450–1750

Earlier forms of empire were land-based organizations designed to appropriate goods and services from conquered regions for the benefit of the imperial center. Chinese, Egyptian, Mayan, Ottoman, Aztec, and Incan empires all succeeded in these terms, but none of these empires contained the internal tensions that created the capitalism of western Europe. The fifteenth- and sixteenth-century Eurasian Ottoman and Chinese empires had much greater levels of commercial activity, urbanizatior centralized political control, scientific and cultural achievements, and concentrated wealth than were found in western Europe in the same period. But the institutions required to operate a successful tribute system—a powerful standing army, a centralized political organization, and elaborate bureaucracies—impeded the emergence of private ownership of the means of production and a wage-labor system, that is, the development of capitalist relations.[1]

It was the more primitive and decentralized feudalism of western Europe that borrowed and adopte such technical and organizational changes as the water mill and new ways to rotate crops, design plows, and utilize draught animals. The most critical theme for our story is the western European struggle to establish coherent nation-states. Although this protracted process was not independent of the formation of domestic capitalism, there was no direct, linear link with it. For example, the Iberiar nations of Portugal and Spain were successful in their national political projects by the end of the fifteenth century, although they lagged behind other regions in the domestic development of private ownership and wage labor. On the other hand, Germany and Italy contained regions with well-developed capitalist relations before becoming unified nation-states in the late nineteenth century.

It was the process of national political consolidation combined with rising productivity in agriculture and the growth of cities and commerce that underlay western Europeans' foreign expansion in the fifteenth and sixteenth centuries that began to integrate the Americas, Africa, and Asia into a web of mercantile relationships that spanned the world. While commercial profits were th primary motive behind the European expansion, this was not anything new for merchants, who as an occupational group throughout the world and for centuries had sought commercial profits.

What distinguished this type of mercantile activity from other commercial endeavors was the alliance between merchants and monarchs that offered merchants monopolies and protection and offered monarchs fiscal revenue derived from taxing and directly investing in foreign mercantile ventures. ~~This revenue did not come from an activity that strengthened local barons—remnants~~ of feudal decentralization—nor did it require their consent. Therefore, the revenue could be used to strengthen central authority at the barons' expense.

The resulting western European merchant-monarch alliances varied in their mix of relative power between merchants and monarchs, and by the seventeenth century, Holland with its mercantile oligarchy and Spain with its powerful monarchy defined the range of the western European continuum. This combination had a unique logic that warrants its being called Mercantilism with a capital *M*.

The nations that led Mercantilist expansion—Portugal, Spain, Holland, France, and England—were not the principal markets for their merchants' trade; western Europe in general was the most important market.[2] Nor were these nations seeking markets for domestic production. Not until centuries later would European imperialism seek raw materials, food supplies, investment outlets, an markets for domestically produced goods.

The Mercantilist ideal was to take over an established, lucrative trade and extract profits through a monopoly protected by military force. Western European consumers coveted Chinese silks, porcelai exotic woods, medicines and drugs such as rhubarb and opium, Indian cotton textiles ("calicoes"), an precious stones, but spices—especially the nutmeg, mace, and cloves from the Spice Islands of present-day Indonesia—were the major prize of the East-West commerce. They created more imaginative and exotic flavorings for elites, who were beginning to eat differently from, not just mor than, the poor. In addition, preserving meat through winter was necessary and difficult for all Europeans, and even some peasants bought Eastern spices to complement the use of other, less satisfactory preservatives such as salt and West African pepper.

The Portuguese showed western Europe the way to avoid the Venetian and Ottoman monopolies of the trade in Asian goods by going around Africa and the Cape of Good Hope, to India, and through th Straits of Malacca to the Spice Islands. This meant that they did not have to encounter the Venetian and Ottoman galleys that policed the Mediterranean Sea's calm waters. By the third quarter of the sixteenth century, a high proportion of spices bound for Europe went around Africa in Portuguese ships, and foreign sources constituted 65 to 70 percent of the Portuguese king's fiscal revenues.

In the late sixteenth and early seventeenth centuries, the Portuguese suffered severe reverses. With help and competition from the English and French, the Dutch wrested the Asian trade away from the Portuguese, and between 1630 and 1654, the Dutch also took over Portuguese sugar-producing regior in northeast Brazil. By the eighteenth century, however, the English and French had taken commercia leadership away from the Dutch. These shifts in commercial leadership during the Mercantilist era had little to do with lower prices for superior goods; it was military power rather than market competition that determined winners and losers among the western Europeans' quest for commercial profits.

The Spaniards also sought the spice trade, and persuaded by Columbus's underestimation of the siz of the globe, they financed a three-boat flotilla to sail west. They bumped into the New World on the way, and although it was initially a Mercantile endeavor, the discovery of large gold and especially silver deposits changed the Spanish king's mind, and he hobbled Mercantile activity to focus on the extraction of gold and silver.

Cacao and tobacco in the Americas demonstrate that Mercantile forces were willing and able to market brand-new products. Moreover, where local people could not or would not produce desired commodities in sufficient quantities and on agreeable terms, European Mercantilism's potent combination of merchant capital and political backing was capable of organizing the production of commodities by mobilizing labor in whatever mode was expedient to realize the market potential.

African slaves themselves became Mercantile commodities.

~~These examples illustrate a further point: the opportunism of Mercantilist forces in organizing~~ colonial production meant that there was no clear relationship between colonies’ being plugged into expanding circuits of Mercantile trade and the colonies’ prospects for developing the dynamism of capitalism. The sugar plantations of northeastern Brazil were the colonies of a weak Mercantilist power, while those of the English Caribbean belonged to a Mercantilist power that was becoming the world’s leading capitalist economy. Nevertheless, the similar organization of production in the two colonial regions meant that the colonies’ futures would be more alike than those of Portugal and England. Production in both colonial regions was for markets, and the comparative vigor of those commodity markets was much less important in influencing future possibilities of these colonies tha the ways in which their production was organized. As in the southern United States, plantation slaver indelibly stamped the social formations of northeastern Brazil and the Caribbean in ways that imped the development of a dynamic capitalism.

THE ESTABLISHMENT OF ENGLISH COLONIES IN NORTH AMERICA

Mercantilism was the context in which the British established colonies along the Atlantic coast of North America. England of the sixteenth and seventeenth centuries conformed to the Mercantile model that I outlined above in several key dimensions, including monarchs’ sponsorship and investment in overseas commercial adventures and in chartering **corporations** with regional monopoly trading privileges, such as the East India Company, the Hudson’s Bay Company, the South Sea Company, the Royal African Company, and so on. In addition, there were corresponding monopolies chartered for a number of domestically produced commodities such as soap, bricks, coal and iron and steel.

The Navigation Acts controlling colonial trade is another illustration of England’s adherence to Mercantile principles. This series of acts, passed during the seventeenth century, stipulated that all colonial trade had to be done by English and English colonial ships and crews and that a wide range o enumerated colonial exports, including tobacco, sugar, cotton, indigo, and ginger, had to be sent first to England. In 1663, all colonial imports were to go through England, where duties were collected.

In North America, also consistent with Mercantilist principles, French, British, and Dutch trappers and traders in North America pursued the precious skins of a variety of animals to sell to elite consumers in European-wide markets. The British took over the North American Dutch trading posts in the mid-seventeenth century, and the French and British continued to compete in enlisting Indian allies to trap animals and transport the furs to ports. There were constant conflicts between the Frenc and British over which trapping areas were open to whom and which tribes of Native Americans worked with which nationalities of Europeans.

Unlike the French or Spaniards, however, most of the British who came to North America were interested in agricultural pursuits, and by the eighteenth century, there were twenty times as many British colonists as their French counterparts. So despite the Mercantile character of Great Britain’s economic policies, the fur trade, and initial hopes for gold and silver, Britain’s North American colonies did not adhere to Mercantile patterns. British North America was predominantly a settler colony, and despite U.S. history textbooks, those colonies were initially a minor and rather uninteresting venture for the British, unlike the more commercially successful Caribbean islands.

Most of the early English colonies in North America began with the British king granting millions of acres to one of his favorites or to a private chartered company to encourage the migration of new settlers. After all, the king “owned” this stretch of seaboard in eastern North America by right of conquest. A corollary to the right of conquest was that the European colonists did not consider Nativ Americans to be legitimate owners of the land; after all, they had no European land titles and rarely stayed at one site.

Royal grants to friends, family, and private companies included immense leeway for the grantees t set up their own governance systems and to organize the colonies as they saw fit. Grantees such as th Virginia Company (Virginia), the Duke of York (New York and New Jersey), Lord Baltimore (Maryland), or a consortium of Barbadian planters (South Carolina) were profit-motivated speculators. New England, Pennsylvania, and Georgia were exceptions to this general rule.

In New England, religious dissidents (“Puritans”) established the Massachusetts Bay Company in 1628, and the English king granted most of the region to the company. Unlike most other colonizatio patterns, the company’s leaders and major investors migrated to New England and supervised the organization and operation of the colony, turning the Massachusetts Bay Company into the Massachusetts Bay Colony. The immigrants’ shared religious commitment led to greater coherence than experienced in other colonies, and the durability of central control meant that groups were granted land if they established new congregations and organized land distributions in an acceptable manner.

Religious unity in Massachusetts thus had the advantage of reducing a wide dispersal of its population that plagued other colonies, but it also produced a rigid intolerance of religious dissent, although the colony leaders were called dissenters by the Church of England. Although the Massachusetts Bay Colony eventually absorbed the small, faltering settlement of theological radical (“Pilgrims”) in Plymouth, this was not the colony leaders’ usual response to other faiths and practice The standard responses to people calling for religious toleration, espousing a different kind of Protestantism, or being suspected of witchcraft were expulsion, whippings, and hangings.

Pennsylvania was the second important exception to the general pattern of colony formation. William Penn hoped to create a religious utopia, and his successful advertising campaign drew immigrants to Pennsylvania from all over Europe. Nevertheless, Penn’s top-down governance plan was not much different from those of other grantees, and the plan fell victim to the same forces that undercut similar authoritarian ambitions in other colonies. Chronic labor shortages gave agricultural workers political leverage, and plentiful and productive land enabled a large portion of immigrants t acquire substantial economic resources independent from distant grantees. A last line of defense for settlers, although risky, was for individuals, families, and small groups to leave the colony and strik out beyond the frontier on their own. These factors gave immigrants, who in most colonies quickly became geographically dispersed, the means and the will to block the formation of autocratic societi dominated by hereditary elites to whom common folks owed both money and deference with no voic in governance.

Georgia was the third major exception to the general pattern of settlement. It was the last of the formal colonies, established in 1732, and its initial purpose was charitable and, for the British crown a buffer against the Spaniards in Florida. It was to be a place for debtors, who had often been imprisoned in England, to become upright citizens by working the land granted to them by the grante corporation. The grantee corporation prohibited slavery and the importation of rum and regulated the size of land holdings through restrictive, conditional land titles. Within two decades, Georgia’s leaders rescinded all three of these constraints, and large, slave-worked plantations soon dominated the landscape, and presumably rum flowed freely.

A final point about the seventeenth century is that the most stripped-down, simple form of English land tenure became the norm in the colonies, and land soon became commoditized, bought and sold o unregulated markets like shirts, shoes, and other goods. Colonists readily applied other English value and practices in the colonies. In addition to respecting literacy and numeracy, the white colonial population shared the conviction that contracts freely entered into should be seen as inviolable. And there ~~were other examples. A distinguished economic historian, J. R. T. Hughes (1976: 120), describe~~ the seventeenth-century colonists with a sense of wonder:

> People who for long decades were forced to maintain a commercial life only barely above the level of barter . . . [and] having no banks and using corn, tobacco, beaver skins, and wampum for currency, passed laws controlling interest rates, carefully arranged the amortization of their own instruments of credit, and rigorously enforced the transfer of negotiable instruments and the rules for payment of debt.

While many seventeenth-century colonists were poor, they were sophisticated about the practices anc institutions of the then-modern commercial society back home in England, and they accepted its tenets and prescribed behaviors as natural. Early colonial society was rudimentary and full of hardships, but it was not economically backward, nor did it contain attitudes, practices, and hierarchies unfavorable to the development of a vigorous capitalism in the northern colonies.

Who Came to the Thirteen Colonies?

Native American populations experienced serious health problems before the Europeans arrived; they suffered from chronic malnutrition, tuberculosis, syphilis, various parasites, and violence, and their life expectancies at birth were lower than in Europe. Nevertheless, it was different when Europeans took over the Americas: wars of conquest, starvation, overwork, and displacement reduced fertility and softened the populations for the principal killers: smallpox, measles, bubonic plague, and variou other diseases that had been circulating for centuries among European, Asian, and African peoples bu were unknown to the indigenous inhabitants of the Americas.

In North America, sharp declines in Indian populations began with contacts between European fishermen and coastal tribes years before permanent European settlements. For example, the French recorded a pestilence that swept through the Massachusetts Bay region in 1616 and 1617, and the Pilgrims and Puritans agreed that God had emptied so much of the area in preparation for their arriva This was also the settlers' joyous reading of the smallpox epidemic among Native Americans that began in 1633, an epidemic they fostered with gifts of contaminated blankets.

The indigenous populations in the Americas experienced the worst demographic disaster in history and it was not until the middle of the seventeenth century that the indigenous populations in Spanish America began to grow again but from a base of around 10 percent of what it had been at the time of Columbus's voyage.

The similarity between the massive depopulations of indigenous peoples in the thirteen British North American colonies and in Spanish America should not obscure the different implications for th two sets of European settlers. Spaniards exploring Mexico, Guatemala, and Peru (including present-day Bolivia and Ecuador) found three sets of well-organized Indian communities that were accustomed to systematic, sustained, and compulsory work and to paying taxes in one form or another.[3] Indigenous people became the principal workforce in Spanish American mines and fields, and their importance to the colonial enterprise is illustrated by the fact that initial grants (*encomiendas*) to those Spaniards who fought and conquered were not of land; they were of villages required to pay tribute to the *encomendero* in goods and labor. The Spaniards brought in African slaves where Indian labor was scarce, especially on the Caribbean islands and along the Caribbean coasts.

In sharp contrast, Native Americans in the east coast of North America were not useful as a source of labor for the European colonists, despite several brutal attempts to turn them into agricultural slav labor. The European immigrants to the thirteen North American colonies by and large came because of t~~he availability of good farmland. For agricultural immigrants, the Native Americans were at~~ least nuisance and occasionally a threat.

Early missionaries and French and English fur trappers and traders had a more benign view of Native Americans, but by the eighteenth century, failed attempts to “civilize” the Native Americans buttressed by land hunger produced a racial pessimism that became the hallmark of colonists’ attitud toward the Native Americans. These colonists saw Native Americans as practically identical to fores and boulders: all three had to be cleared to allow European immigrants to till the land.[4] Since Native Americans were not incorporated into U.S. settler societies in large numbers, census takers did not include them in their population counts. In Spanish America, Native Americans were integral components of colonial society, albeit incorporated at the bottom along with African slaves.

North American Native Americans’ depopulation caused severe social and economic disruptions among the tribes, leading to “mourning wars”—raids on other Indian tribes in order to procure captives that could either be enslaved or adopted to increase the raiding group’s population. The Iroquois—the Six Nations League of Mohawks, Oneidas, Onondagas, Cayugas, Senecas, and Tuscaroras—in northern New York and New England became dominant through these raids. A majo illustration of this power was the Iroquois’ 1737 sale of land belonging to Delaware, Shawnee, and other Indian tribes to European settlers in Pennsylvania. They then forced the tribes whose land had been sold out from under them to move west to the Ohio River Valley.

European Settlers

New European immigration to New England all but ceased by the end of the seventeenth century. There was better land and fewer social and political controls in the mid-Atlantic colonies from New York to Virginia, where most of the eighteenth-century voluntary immigrants went. Even in those areas, however, it is easy to overestimate the influence of migration. By the beginning of the United States as an independent republic, one in ten whites had been born abroad. The corresponding numbe for blacks was two in ten. This heavy reliance on natural increase accounts for the even sex ratios among whites that the first national census found in 1790—50.9 percent men and 49.1 percent wome —despite the predominance of men among white immigrants, especially in Pennsylvania. U.S. censuses did not report sex of blacks until 1820, at which time the ratio was virtually identical to tha of whites in 1790: 50.8 percent men and 49.2 percent women.

Table 1.1 presents the populations of the thirteen original states plus Vermont (the fourteenth state 1791) and some outlying areas according to the second U.S. census in 1800. The last two sets of entries are population estimates for Spanish America and Brazil from around the same time, which f Spanish America was one to four decades prior to independence. The most obvious difference betwe the fourteen newly independent states and the Latin American colonies is the matter of scale: when Europeans arrived in what became the thirteen colonies, there were fewer than two million indigenou inhabitants, while Mexico and Central America had between ten and twenty million and the Andean region had five to ten million. By 1800, the independent United States contained little more than one quarter the number of people in the American colonies of Spain and Portugal.

In addition to the differences in starting points, some of these regional differences in 1800 are attributable to the Spanish and Portuguese colonies being a full century older, and the *mestizos* (European and Indian mixed race) in Spanish America by themselves were about as numerous as people of European descent in the United States. But another source of disparity is due to the almost seven million Native Americans in 1800 Spanish America, for which there is no corresponding entry in the U.S. census for the perhaps three hundred thousand Native Americans east of the Mississippi.

Table 1.1. Estimates of U.S. and Latin American Populations, Around 1800

	Population (Thousands)	*Percentages*
The United States[a]		
New England Total	1,233	100
European descent	1,215	99
African descent	—	1
Middle States Total	1,493	100
European descent	1,409	94
African descent	84	6
Upper South Total	1,229	100
European descent	737	57
African descent	492	43
Lower South Total	987	100
European descent	638	65
African descent	349	35
Newly Settled Areas Total	547	100
European descent	486	86
African descent	61	14
Total United States	5,252	100
European descent	4,254	81
African descent	998	19
Spanish America	**16,820**	**100**
European descent	3,276	19
Indians	7,530	45
Mestizos	5,238	32
African descent	776	4
Brazil[b]	**2,052**	**100**
European descent	577	28
African descent	1,351	66
Indians	124	6

[a] New England includes New Hampshire, Vermont (statehood in 1791), Massachusetts, Rhode Island, and Connecticut. The Middle Colonies were New York, New Jersey, Pennsylvania, and Delaware. The Upper South comprised Maryland and Virginia, and the Lower South was made up of North Carolina, South Carolina, and Georgia. Almost 90 percent of the population in Newly Settled Areas were in regions that became the states of Maine, Kentucky, and Tennessee.

[b] Not including perhaps 300,000 “unpacified” Indians.

Sources: For the United States, data are derived from U.S. Census Bureau, *Historical Statistics of the United States: Colonial Times 1970*, Part 1 (Washington, DC: Government Printing Office, 1975), 24–37. For Spanish America, data are derived from John Lynch, *The Spanish American Revolutions, 1808–1826*, 2nd ed. (New York: Norton, 1986), 19–20, 360n. For Brazil, data are derived from Dauril Alden, *Colonial Roots of Modern Brazil* (Berkeley: University of California Press, 1984), 604, 607.

The promise of cheap or even free land offered by those with royal grants was a great lure, and thousands from the British Isles paid for their passage to the colonies, but not enough to populate and ~~secure the area, so alternative strategies were employed. Indentured servitude was one of the most~~ successful. Indentured servants were people who were unable to pay for their passage to the colonies and pledged their labor for a certain number of years, usually three to seven, in exchange for the trip. Becoming indentured was voluntary, and a person could shop around and bargain for the best deal. When the ship arrived at its North American destination, an agent auctioned off immigrants' contrac to obtain the highest price. During the indenture, the holder of the contract was to provide food, clothes, shelter, occasionally training, and sometimes tools and land at the end of the contract, although indentured servants' actual experiences varied widely.

By the middle of the eighteenth century, half or more of the white immigrants to the British North American colonies outside New England came as indentured servants. Thus they made up a large portion of the eventual owners and operators of family farms in New York, New Jersey, Pennsylvania and the western portions of the southern colonies. Many were the children of poor but "respectable" parents who signed the contracts.

Perhaps thirty-five thousand involuntary indentured servants—prisoners who were "transported" to the colonies—supplemented the supply of voluntary indentured servants. These immigrants had longer contracts, usually seven to fourteen years, and they included all sorts of convicted criminals, debtors, women "of abandoned character" rounded up in raids of London brothels, and Irish and Scottish rebels captured in the course of suppressing uprisings. Colonists resisted having large batche of prisoners sent to the colonies, but the British were so fond of getting rid of convicts in this manner that they continued to transport prisoners even after the colonies became the independent United States. The U.S. government prohibited the practice in 1788, and the British had to turn to Australia t relocate those not wanted in the British Isles.

African Slaves

African slaves constituted the largest group of involuntary immigrants, and they were the principal source of labor in producing tobacco, indigo, and rice on the larger plantations in the eastern and central portions of the southern colonies. With the eighteenth-century decline in indentured servants going to the colonies, the importation of Africans accelerated. Half of all African slaves brought to th thirteen colonies were brought between 1700 and 1750.

Between 1619 and 1807, slave traders forcibly brought around five hundred thousand Africans to what became the United States. This was about 5 percent of the ten million or so Africans brought to the Americas as slaves. Almost 40 percent of the total went to Brazil, and roughly the same number went to the Caribbean, mostly to the British West Indies. At the time of U.S. independence, African slaves made up around 20 percent of the colonies' populations. African slaves constituted 46 percent of the Lower South's population, and African slaves constituted 91 percent of the British West Indies populations. Issues of social control were paramount for whites in these situations.

It is important to emphasize one other demographic aspect of the thirteen colonies: they were a ver rural population. In 1790, 4 percent of the population lived in towns and cities of more than five thousand people, all of which were either seaports or located on navigable rivers. The colonies possessed one city (Philadelphia) with a population of more than thirty thousand. The population of Mexico City at this time was around 150,000, roughly the same number of people in all twelve of the cities and towns in the thirteen colonies with populations of five thousand or more.

A Colonial Backwater

Britain was late to begin its colonial venture in the Americas, and the Spaniards and Portuguese had acquired the most desirable areas a century before the British established permanent settlements on the ~~Atlantic coast of North America. British migration policy is one of the key indicators that the~~ British government considered the thirteen British colonies in North America to be a backwater. Before and after the mid-seventeenth-century English civil war and the expansion of Parliament's powers, British kings granted millions of acres of North America to Pilgrims, Puritans, Catholics, an Quakers, all of whom were persecuted in England. Political prisoners, convicted criminals, paupers, and foreigners made up other substantial bases of the thirteen colonies' white populations.[6] English authorities were pleased to have many of these folks disappear into the American wilderness and wer indifferent to others.

Contrast this settlement policy with that of the Spanish authorities, who tried hard to prevent Jews and Muslims (even when converted to Christianity), Protestants, Gypsies, foreigners, and even Spaniards from some regions within Spain from immigrating to Spanish America. Some immigrants of prohibited categories did manage to get to Spanish America, but the point is that the American colonies were too important to the Spaniards to risk having large numbers of dubious folks in the mi of colonial populations.

Another striking difference between Spanish and British American colonial projects was in how loosely London governed the British North American colonies compared to how tightly Madrid and Seville bound its American colonies to Spain. There was still no unified, central governance in the thirteen colonies by the mid-eighteenth century, and each colony's assembly set policies about taxes, relations with the Native Americans, and distribution of western lands and had considerable authority over choosing officials. There were few English officials on the ground, and the English government exercised little in the way of coercive power in the colonies, consistent with Britain's principle of empire on the cheap. Moreover, by working with colleagues, allies, and paid agents in London, colonial interest groups enjoyed substantial influence in shaping specific British colonial policies an appointments, acquiring exceptions to disagreeable policies, and even conspiring to evade laws.

The jewels of England's American colonies were the Caribbean islands of Barbados, Trinidad, Jamaica, and some smaller islands. These West Indian colonies were sugar factories worked by African slaves, and the islands conformed to the outline of Mercantilism described earlier. The markets for the islands' sugar exports were worldwide, and they were not significant markets for British goods. The thirteen colonies' economies complemented the monocrop sugar islands and help to provision these islands. So one might say that the North American colonies' principal importance England was to make the West Indies more profitable Mercantilist colonies.

COLONIAL UNREST AND REVOLUTION

After the ascension of George I in 1714, British politics became more stable, and there were importa changes going on in the British economy. I will describe these changes more fully in the next chapte but for now, the main point is that Great Britain was moving out of the Mercantile phase into the Industrial Revolution by the middle of the eighteenth century, and the nation's trade patterns reflecte those changes. Although selling sugar and furs throughout Europe was still important to Great Britai through the eighteenth century, exports of Britain's domestic manufactures—principally cotton textiles and iron products—and its imports such as cotton, iron, naval supplies, and foodstuffs to supply domestic production suggested that something new was going on.

In the new scheme of things, the thirteen colonies had become more important to Great Britain, outgrowing their status as a home for undesirables. First of all, the populations of the North America colonies had so expanded that the imperial government had to pay closer attention to them. But