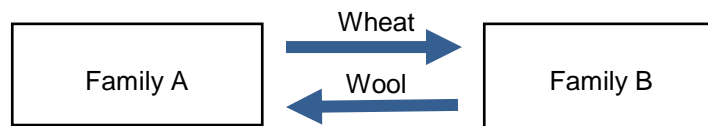
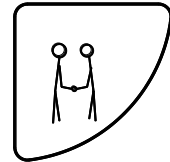


# Colonial Exchange Patterns, 1725-1765

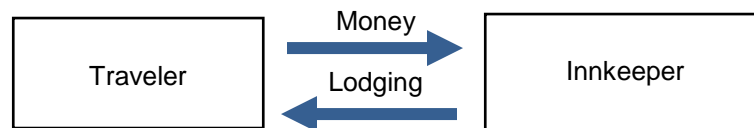
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All societies have important patterns of action for exchanging goods and services. Together, these patterns make up its “economic system.” These systems are often complex and difficult to understand, but underlying all economic systems are actions called “exchanges.”

For example: One colonial farm family raises more wheat than it needs for its own use. Another raises sheep and produces more wool than it needs. The two families may *exchange* wool for wheat. Each gets something it lacks. This simple exchange is the beginning of an economic system.

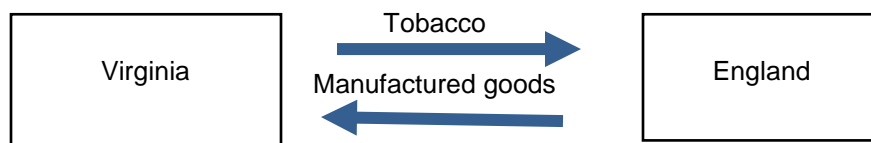


Here’s another, somewhat different exchange pattern:



Money with value that is accepted almost anywhere makes it easier to make economic exchanges. For example, the innkeeper, in turn, can use the money to buy food from farmers.

Economic exchanges form large, important patterns within societies. You may have already seen evidence of another, larger colonial exchange pattern:



**Note:** You’ll be using blocks and arrows like these to diagram exchanges in the investigations that follow.

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## Investigation: Exchange Patterns

*Step 1 Imagine visiting a resident of a colonial village such as Sudbury. Spend some time mentally walking through the house and around the farm. Working with others, make a list of “goods” (objects or materials) important for living that are probably not produced on the farm. (For the house items, it may be helpful to think about your own home, and identify items there that would also be in the home of a colonist, such as chairs and dishes.)*

*Step 2 Sort the list into three categories:*

- *Goods probably produced nearby from locally-available materials (e.g. flour or meal ground from grain, carpenter-built simple furniture or blacksmith-made iron implements)*
- *Goods probably produced somewhere in the colony (e.g. products made by a craftsman such as a wheelwright, cooper, potter or fine furniture woodworker)*
- *Goods probably produced in England, and shipped across the Atlantic.*

*Step 3 Each of these three kinds of goods were elements of the colonial economic system. Identify three kinds of goods (one in each category) and draw flowcharts (boxes and arrows) showing people’s occupations, and the exchanges involved in producing and distributing each good.*

*Step 4 List possible advantages and disadvantages of importing goods from England. Then identify possible colonial changes that might occur as a result of each advantage and each disadvantage. (For example, increased trade led to the growth of shipbuilding in New England.)*

## Investigation: Mercantilism

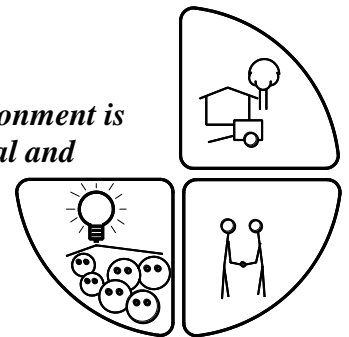
In 1729 Joshua Gee, an Englishman, expressed this opinion on what the relationship between the colonies and Britain should be. This policy is called *mercantilism*:

It seems obvious that the colonies should supply materials to Great Britain. British manufacturing will be easier if we do what other countries have done. Other countries use some people in the colonies to raise supplies and materials, and to trade with the natives. Manufactured goods from Europe are sent to the colonies to be sold. These countries are very careful to prevent any manufacturing in the colonies that might interfere with manufacturing at home. We have seen how Spain, Portugal, France and other countries have become rich by following this policy.

***What's the relationship between the policy of mercantilism and the environment in England and colonial America? (Remember, environment is one of the main components of the Model, and includes both natural and human-made parts.)***

***What shared ideas in England seem to underlie mercantilism? Identify possible differences between English and colonial ideas about patterns of exchange.***

***In the following, identify changes occurring in the colonies, and differences between colonial actions and English ideas.***



### **An Act of Parliament:**

June 1, 1732

The art and skill of hatmaking in Great Britain is great, and the number of hats sold in America has been enormous. In recent years, however, Americans have started manufacturing hats. They use many low-paid apprentices, their hat production is increasing all the time, and they have started to sell hats to foreign countries that once bought all their hats from Great Britain.

For these reasons, therefore, by the authority of His Majesty and of Parliament, beginning on September 29th, 1732, no hats or felts, dyed or undyed, finished or unfinished, shall be put on board ship for export in any American colony, for any reason, by anyone. Also, none shall be loaded on a horse, cart, or carriage, or anything else for the purpose of being taken from one colony to another or to anyplace else . . . .

**An Act of Parliament:**

April 12, 1750

Pig iron from America is needed by British manufacturers, and a great deal of money now goes out of Great Britain to buy pig iron from foreign countries. Because of this, after June 24th, 1750, by the authority of His Majesty and of Parliament, all taxes and duties on pig iron coming into this country from America will stop.

After June 24th, 1750, no factory will be built or continue to operate in America which can roll, slit, or forge pig iron, turn it into steel, or manufacture any product from it. Anyone building or operating any such factory will be fined 200 pounds.

Any Royal Official who knows about the operation of any factory for making iron products in America and does not close it down within 30 days, will be fined 500 pounds and removed from office.

Other trade acts of Parliament included the following rules:

The American colonies are not allowed to trade directly with European countries. All trade goods going between the colonies and Europe first must be shipped to England, taken off ships, and checked, and all taxes paid. [*Taxes had to be paid on most goods.*]

Manufactured goods of the type made in Great Britain (cloth, nails, etc.) must be imported into the colonies from British manufacturers only, not from manufacturers in other countries.

Only British ships (including those of the colonies) are allowed to be used for colonial trade.

All European goods bound for the colonies must be brought to England before being shipped to the colonies. In England they must be reloaded onto British ships.

Below is part of a letter written by William Bollan, a British official stationed in Massachusetts. Bollan wrote the letter to the British Board of Trade.

Lately there has been a great deal of illegal foreign trade carried on here in Massachusetts. Large amounts of European goods are being imported directly into the colony. Some of these goods are not supposed to be imported at all, others are supposed to be shipped only from England.

There are many persons involved in this smuggling. Some of them are the richest people in this country because of the fortunes they have made in this illegal trade. They have convinced themselves that their trade should not be controlled by the laws of Great Britain. They have succeeded in convincing a majority of people here that they are right. If this situation is not corrected soon, the British trade with these colonies will end. The colonies' dependence on their mother country will be lost.

The table below shows changes in trade between Britain and America (estimates):

*Plot these changes in a graph, then describe the possible relationship between these changes and attitudes at the end of this period.*

Year	Value of Exports to Britain (Pounds Sterling)	Value of Imports from Britain (Pounds Sterling)
1700	400,000	350,000
1720	470,000	340,000
1740	730,000	830,000
1750	840,000	1,070,000
1755	950,000	1,030,000
1760	770,000	2,600,000
1765	1,020,000	1,900,000
1770	1,010,000	1,900,000

Beginning about 1700 the charters of many colonies were changed so that the king and Parliament took more direct control of colonial government. English authorities also tried to take more and more control of the colonies after that time.

*Based on what you've investigated so far, what were the reasons for these changes? How is the information shown in the graph related to this change? In your opinion, what were colonial feelings about this change?*

**Internet/Library Keywords for additional investigation:** Triangular trade, French and Indian War, Seven Years' War

## Investigation: Here and Now

What economic exchanges are involved in the food you eat? That's nearly impossible to figure out for food eaten away from home, but at home, you can find evidence. Of course, the most obvious exchange is the purchase of the food from a local supermarket or other source. Food labels will give other clues.

*Choose a dozen or so food items with labels—even bananas and apples may have them—and diagram (with blocks and arrows) as many transactions as you can infer. Clue: Don't forget that transportation is part of the economic exchange network.*

*Alternatives: The same kind of investigation of economic exchanges can be done for the clothes you wear, the electronic equipment you use, and much more.*

## Acknowledgements/Sources:

**Page 3t:** Joshua Gee, *The Trade and Navigation of Great Britain Considered*, 1729. **3bt:** Danby Pickering, ed. *The Statutes at Large*, Volume XVI, 1762-1807. **4t:** Danby Pickering, ed. *The Statutes at Large*, Volume XX, 1762-1807. **4b:** *Publications of the Colonial Society of Massachusetts*, Volume VI, 1904. **5:** *Historical Statistics of the United States*, Census Bureau, Dept. of Commerce.

## Teacher/Mentor Notes:

This unit is intended to follow introduction of the complete Model. When used with *Investigating American History* (<https://www.marionbrady.com/AHH.asp>), the best place to insert it would probably be after the sixth section, “Native American Patterns of Action.”

These investigations introduce an important “patterns of action” subtopic—economic exchange—and also provide historical background for the growth of difficulties between England and the American colonies.

Inevitably, these investigations will also involve all other parts of the model. The setting or environment of the colonies (such as the abundant water power in some sections), the ideas of the colonists about their fundamental rights, and the growing colonial population density are all related to the kinds of economic exchanges (and economic problems) that developed in this period.

A short page of introduction focuses on the concept of economic exchange, and how to diagram such exchanges.

### Questions for discussion at this point:

*Why use money for exchanges—what are its advantages over direct barter?* (e.g. general acceptance of its exchange value, simplicity of exchanges, portability, easily stored for later use, etc.)

### Investigation: Exchange Patterns

Internet resources that may help learners with this:

<http://ed101.bu.edu/StudentDoc/Archives/ED101sp06/areuter/page1.html>

[http://tdl.org/txlor-dspace/bitstream/handle/2249.3/588/03\\_northern\\_colonies.htm?sequence=57](http://tdl.org/txlor-dspace/bitstream/handle/2249.3/588/03_northern_colonies.htm?sequence=57)

[http://www.pbs.org/ktca/liberty/perspectives\\_daily.html](http://www.pbs.org/ktca/liberty/perspectives_daily.html)

The amount of exchanging going on in the colonies differed significantly with location. A Boston resident building sailing ships in a boatyard would likely be much less self-sufficient than a Sudbury farmer, for example, and would likely be buying much of what he and his family consumed (even though the boat worker and his family probably raised a garden that provided some of their food).

In Sudbury, most colonial farmwives would likely card, spin, weave and sew the family’s clothes. Each family would likely raise almost all the food they consumed.

A few articles would need to be obtained from local craftsmen. It’s likely that at least one person in each village specialized in building furniture for his neighbors, and the local blacksmith would fabricate some tools, repair farm implements and possibly act as a

farrier to shoe horses. The miller ground grain, probably receiving some of the flour or meal as payment part of the time.

A few necessary items imported from England—fine sewing needles, scissors, razors, wrought iron the blacksmith used, and the like—would probably be purchased from the wagon of a traveling vendor, who in turn purchased them from an importer, likely near the Boston waterfront.

Craftsmanship became a colonial specialty. In the later part of the Colonial period, some of the finest furniture ever crafted (now antiques worth fortunes) was built by craftsmen in the cities along the seaboard from Boston to Philadelphia, but especially in Newport, Rhode Island. See: [http://en.wikipedia.org/wiki/Goddard\\_and\\_Townsend](http://en.wikipedia.org/wiki/Goddard_and_Townsend)