

## Lecture 7:

### Chapters 17: Mercantilism, Empire, and Change in European Life

Mercantilism: an economic system designed to enrich a nation through controlled trade with overseas colonies. Usually connected with Louis XIV's minister of finance, Colbert, there are 2 assumptions in mercantilism:

1. a nation's wealth is judged by its supply of gold and silver, not by its standard of living.
2. the world has a limited supply of wealth, leading nations to assume their growth could come only at the expense of other nations.

Mercantilism relied heavily on overseas colonies to supply raw materials to the mother country and markets for the mother country's manufactured goods. Foreign goods were discouraged through high tariffs.

Navies were essential in mercantilism, both to protect a country's own merchant ships and to attack the colonies of other countries. War was seen as the normal state of affairs.

Quote: "A smart soldier wants to know the causes of wars. Also how to end them. After all, war is the normal state of affairs, isn't it? Peace is the name of the ideal we deduce from the fact that there have been interludes between wars." Jerry Pournelle, *The Mercenary*, New York: Baen Books, 1977.

Mercantilism brought major changes to Europe in the 18<sup>th</sup> century, changes that were already straining the old order. Nations were to be self-sufficient, producing their own goods and importing as little as possible. Tariffs in Great Britain had an unintended side effect: the American colonies rebelled.

Changes:

1. Population growth; estimate that Europe had roughly 120 to 130 million people, most of them in rural settings
2. Agriculture; e.g. in England, Jethro Tull and Viscount Charles Townshend improved crop yields with new plowing techniques, seed drills, and plant nutrition studies

Family economy: everyone worked, either in the fields or in the home.

Cottage industry: families made goods for sale rather than for use in the home.

### **Estates**

In most of Europe, people were divided by law and custom into estates. Main example, France:

1. First Estate: clergy: 1 to 2 percent of the population
2. Second Estate: Aristocracy: less than 1 percent of the population
3. Third Estate: Everyone else, from the wealthiest traders to the homeless: 97 percent of the population

Laws governed people by their estate, and the crimes and punishments differed by estate. A peasant could not expect the same treatment as a noble or priest.

The aristocracy controlled most of Europe's wealth. Nobility served as government officials. Most aristocracy derived their wealth from lands inherited in their families from feudal times. Few nobles were actually in the court of their sovereign. The aristocracy were exempt from many types of taxation, and their punishments were far more lenient than those used on the lower classes.

Serfdom: common in Eastern Europe, especially Russia. Serfs were not slaves; they could not be sold unless the land on which they lived was sold, and they were rarely separated from their families. In Russia, serfs were treated severely, and rebellions were ruthlessly suppressed. The tsar believed that the nobility needed free labor for their estates to have the freedom to serve the government.

Serfdom ranged from rare in France and the German states to almost total serfdom of Russian peasants.

### **Urban growth**

In 1700, only 2 cities had a population of 500,000 or more outside Constantinople: London and Paris. Europe was only 9.4% urban at the end of the 18<sup>th</sup> century.

The bourgeoisie (town dwellers) were free from the servitude of serfdom and the obligation of peasantry. Although it was often illegal for peasants to migrate to cities, the death rate in cities required migration from the country to maintain population.

Most manufacturing in the 18<sup>th</sup> century revolved around textiles, especially in northeastern areas of the continent.

Most urban trades revolved around guilds that held royal charters to monopolies in the area. Boys would learn their trade by the apprentice-master method. Guilds would often unite to ban goods shipped in from other areas of the country.

### **Capitalism**

Adam Smith (1723-1790): in 1776, published *The Wealth of Nations*:

1. encouraged individual freedom; individuals, working in their own self-interest, would benefit the economy
2. free markets would produce social harmony
3. free trade, with no government monopolies
4. free enterprise, which struck at the guilds
5. labor, not land, was the source of value
6. profits should be used to expand production, leading to national wealth
7. the government should involve itself only with defense, law and order, and dispensing justice; little social action

Led to the development of *laissez faire* (allow to do) economics.

### **Slave Trade**

The American colonies caused a massive problem: a shortage of labor to colonize and work the areas conquered by the Europeans. Solution: slaves from Africa.

Triangular trade: goods from Europe to Africa, slaves from Africa to America, raw materials from America to Europe. In the 18<sup>th</sup> century, 85% of the population of the British Caribbean colonies were slaves; 20% of the

American population were slaves. From 1690 to 1790, one African slave died for every ton of sugar shipped to Europe.

Britain and France alone sold roughly 3.5 million African slaves in the Americas during the 18<sup>th</sup> century. The life expectancy of a Caribbean slave was 7 years after arrival from Africa.

Antislavery movement:

1. Samuel Sewall: *The Selling of Joseph*, 1700
2. Jesuits in Brazil
3. Quakers began a crusade in Britain
4. William Wilberforce: from James Keifer's Hagiographies, <http://elvis.rowan.edu/%7Ekilroy/JEK/home.html>:

[Wilberforce] is best known, however, for his untiring commitment to the abolition of slavery and the slave trade. He introduced his first anti-slavery motion in the House of Commons in 1788, in a three-and-a-half hour oration that concluded: "Sir, when we think of eternity and the future consequence of all human conduct, what is there in this life that shall make any man contradict the dictates of his conscience, the principles of justice and the law of God!"

The motion was defeated. Wilberforce brought it up again every year for eighteen years, until the slave trade was finally abolished on 25 March 1806. He continued the campaign against slavery itself, and the bill for the abolition of all slavery in British territories passed its crucial vote just four days before his death on 29 July 1833. A year later, on 31 July 1834, 800,000 slaves, chiefly in the British West Indies, were set free.