**Mercantilism**

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Mercantilism

**MERCANTILISM.** Mercantilism is the name for a set of beliefs that developed in Europe in the sixteenth century about how the components of society could best be organized to promote the public good. Developed in policies, regulations, and laws through the eighteenth century, mercantilism was intended to support the nation-states of western Europe by channeling private economic behavior for the benefit of the state. A form of economic nationalism, it found expression in efforts by governments to regulate trade and commerce, maintain a favorable balance of trade, develop agriculture and manufacturing, keep up a strong merchant marine, establish colonies for the enrichment of the mother country, create monopolies in foreign trade, and accumulate gold and silver (on the premise that specie alone is wealth). There was no single set of policies advocated by all states, just a sense that the accumulation of wealth and prosperity was a zero-sum game in which ad hoc measures ought to be taken to keep one's own advantage from slipping away to a foreign competitor.

According to the tenets of mercantilism, colonies existed primarily to furnish the mother country with commodities (gold, silver, raw materials) and markets that could not be obtained at home or were too expensive to obtain from competitors. In various statutes, rulings, and proclamations over more than a century, from the first Navigation Act in 1651 to the set of regulations and taxes imposed after the French and Indian War, the imperial government in London tried to translate the broad precepts of mercantilism into effective policy. For most of that time, these policies were more or less benign, even beneficial, because they guaranteed markets for colonial goods, offered some protection against foreign competitors, and did not greatly conflict with what might be called the natural flow of commerce. But policies that might have been appropriate for infant colonial economies seemed much less so, to the colonists, as their economic activity grew in size, complexity, and ambition. Mercantilism, considered as a set of beliefs, did not cause the colonists to rebel. It would be more appropriate to say that a too-rigid adherence by successive imperial politicians to policies that seemed to privilege the British economy caused a growing number of colonists to rethink the value of their relationship with the mother country and to perceive in its actions much they came to regard as tyrannical.