

# A Sticky Business

## COLONIAL SMUGGLING



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Destruction of the Schooner Gaspee

If you walked along the docks of colonial cities like Boston, New York, or Charleston in the mid-1700s you would see the tall masts of many wooden trading ships. Sailors and longshoremen would be busy at work in the brisk salt air. In some cases, especially in Boston, you might see a British warship at anchor. Here and there small groups of people might be intently whispering. You might feel an ugly tension. You might even see an angry mob yelling at officials and hurling stones at them.

This hostility was mainly a result of England's attempt to enforce laws against smuggling. It was illegal to bring certain goods into the colonies without paying a fee called a *duty*. Many colonial merchants tried to avoid paying the duty because they could make more money if they didn't pay it. Sneaking dutied goods into the colonies was smuggling, and the British attempt to control it was a factor that led to the American Revolution.

England and other colonial powers like Spain, Portugal, France, and Holland practiced an economic policy called *mercantilism*. Simply put, this policy meant that a colony could trade only with its corresponding colonial power and its orbit of other colonies. Colonies were to supply raw materials to the colonial power and buy from it manufactured goods and other products. They were supposed to exist for the benefit of the colonial power. In return, the colonial power would provide protection for the colonies. Mercantilism was the accepted policy of the times.

Colonial merchants were interested in making money. It was highly profitable to trade with the islands in the West Indies. Ships carried lumber, flour, and other goods to the British colonies there in return for sugar, molasses, and other products. Back in New England the molasses was distilled into rum. The rum was then sold or taken to Africa where it was traded for slaves. Slaves were brought to the West Indies or the southern colonies where they were sold or traded. This trade route, from New England to West Africa to the West Indies and back to New England, is an example of what is known as *triangular trade*.

According to mercantile laws, the colonial traders were only to deal with the British islands, such as Jamaica. The traders, however, found it more profitable to get molasses from other islands such as those owned by the French. The products of these foreign islands were often 25 to 40 percent less expensive than those of the British

islands. Also, the foreign islands were eager to get all the American products they could get.

\* To prevent American trade with the foreign islands, Parliament passed the Molasses Act of 1733. According to this law, any foreign molasses brought into the colonies would be charged a sixpence per gallon duty. It was believed that this duty would make trade in foreign molasses too expensive for the Americans and force them to deal only with the British islands. In fact, the law was not well enforced and many merchants smuggled in the foreign molasses.

When a ship entered a colonial harbor, the captain was supposed to tell customs officials what products were on board. If dutied goods were on the ship, the duty would have to be paid before the cargo could be delivered. Because the law was poorly enforced, shipowners found many ways to avoid paying. Cargo reports would be falsified to indicate few or no dutied goods on board. Packages would be mislabeled. Customs officials were often bribed or threatened with violence to keep them from inspecting cargoes. Also, because of the extensive American coastline, it was often possible for captains to unload their ships away from the main harbors.

Because it was easy to avoid paying the duties, smuggling was widespread. To many, smuggling was the normal way of doing business. The French and Indian War changed all that.

\* From 1754–1763, thousands of British soldiers fought in America in an attempt to safeguard the westward expansion of the colonies and to end the colonists' conflict with the French and their American Indian allies. The war was extremely costly for the British in both lives and money.

During the war, American smugglers continued to trade with the French islands. In fact, some new routes were opened. The British were outraged because such trade helped the enemy get food and other supplies. Some claimed the trade helped prolong the war. It certainly increased its costs. For example, the large amounts of flour shipped to the French made the cost of colonial bread very high. At one point the British army found it cheaper to bring supplies all the way from England than to buy them in the colonies.

\* Prime Minister William Pitt, usually sympathetic to the concerns of the colonists, believed the colonies should help pay for the costs of the war and their own protection. When George Grenville became prime minister in 1763, a series of policies were adopted intended to get the colonies to pay. The Sugar Act of 1764 was, in part, an

attempt to raise money and to cut down on colonial smuggling by reforming the old Molasses Act.

According to the Sugar Act, a threepence per gallon duty on foreign molasses would be strictly enforced. More customs officials would be sent to the colonies and the British navy would be authorized to help in enforcement. There would also be rewards for colonists who informed officials about smugglers. The money raised by this law was to help pay for the cost of military protection in the colonies.\*

\* Strict enforcement of the law decreased the smuggling of molasses. Smuggling in other goods, such as tea, continued. Tension between the colonists and the officials increased as additional laws were passed and enforcement stiffened. A Rhode Island customs official, Jesse Saville, was beaten severely and then tarred and feathered. One night a Massachusetts official was awakened at gunpoint and forced to reveal the name of an informer.

\* Resentment against the new British laws made smuggling seem like a noble act to some. When the colonial trading ship *Liberty* was seized by Boston custom officials in June of 1768, a dockside mob threw stones at the British sailors who were towing it away. The mob then rioted, causing substantial damage to the homes of the customs officials. In 1772, the British ship *Gaspee*, which had been patrolling for smugglers, ran aground near Providence, Rhode Island. A group of colonists, led by the wealthy merchant John Brown, seized the crew and burned the ship. It was estimated that at least a thousand local residents knew the names of those who attacked the ship but, when British investigators arrived, not a single witness would identify the attackers.

The early British laws had been designed to regulate trade according to the principles of mercantilism. At first there had been no significant or widespread objection from the colonies. After the French and Indian War, however, the flurry of new laws was resented. To many, the new duties seemed like taxes levied on the colonies without their consent. Colonial boycotts, petitions, and riots brought no major change in British policy. A revolutionary struggle was to come.

The major sources for this story were:

McClellan, William S. *Smuggling in the American Colonies*. New York: Moffat, Yard, 1912.  
Schlesinger, Arthur M. *Colonial Merchants and the American Revolution*. New York: Frederick Ungar, 1957.

## ACTIVITIES FOR "A STICKY BUSINESS"

Answer all questions on a separate sheet of paper.

### Historical Understanding

Answer briefly:

1. Define the following: *duty* and *mercantilism*.
2. Why was smuggling profitable?
3. Why was the British Parliament concerned about smuggling?
4. Why did the British try to enforce the Sugar Act after the French and Indian War?
5. What was *triangular trade*?

### Reviewing the Facts of the Case

Answer briefly:

1. Why did some merchants trade with the French colonies in the West Indies even though it was illegal?
2. Why was the Molasses Act passed?
3. What were two ways shipowners could avoid paying duties?
4. What was the purpose of the Sugar Act?
5. What happened after the ship *Liberty* was seized by customs officials?
6. What happened when the British ship *Gaspee* ran aground?

### Analyzing Ethical Issues

There is agreement on the answer to some questions. For other questions there is disagreement about the answer. We call these questions issues. Issues can be categorized as factual or ethical. A factual issue asks whether something is true or false, accurate or inaccurate. An ethical issue asks whether something is right or wrong,

fair or unfair. Factual issues ask what *is*; ethical issues ask what *ought to be*.

For each of the following questions decide whether the issue is factual or ethical, as illustrated in this example:

Could the British have paid for the French and Indian War without passing the Sugar Act? *Factual*.

Should Rhode Island residents have told British authorities who was responsible for burning the *Gaspee*? *Ethical*.

1. Could colonial merchants always make more money if they engaged in smuggling?
2. Was mercantilism accepted by most people during the 1700s?
3. Should the British have tried to enforce the Molasses Act?
4. Were the British right in expecting the colonists to pay for the cost of war?
5. Did colonial smuggling prolong the French and Indian War?
6. Was smuggling a leading cause of the American Revolution?

### Expressing Your Reasoning

1. Were colonial traders right to engage in smuggling? Why or why not? There are many arguments that can be made for and against colonial smuggling. For each of the following indicate if you think it is a strong or weak argument. Explain your thinking.
  - a. Before 1763 the British did not enforce the laws against smuggling very strongly. Therefore, smuggling at that time was normal and not wrong to do.
  - b. The colonists were really British citizens and were obligated to obey the laws of Parliament. Therefore, smuggling was wrong because it was illegal.
  - c. Smuggling allowed the merchants to make more profits in their businesses and they had a right to make as much money as possible.
  - d. Smuggling was wrong during the French and Indian War because it helped the French get supplies.

- e. Trading with foreign islands allowed less expensive goods to come into the colonies so all the people could live more cheaply.
  - f. The colonists should not have smuggled because they had an obligation to help pay the costs of the British army.
  - g. After the war the British policies were too severe. Smuggling was right because it was a protest against unfair policy.
  - h. Smuggling was wrong because it led to other wrong practices like bribery, lying, and violence.
  - i. Smuggling was wrong because it forced Parliament to pass severe laws like the Sugar Act.
- .. Rhode Island residents refused to tell British investigators who was responsible for the burning of the *Gaspee*. Were they wrong in not telling? Why or why not? Write a paragraph explaining your point of view.
3. *Seeking Additional Information.* In making decisions about such questions as those above, we often feel we need more information before we are satisfied with our judgments. Choose one of the above questions about which you would like more information than is presented in the story. What additional information would you like? Why would that information help you make a more satisfactory decision?