

LESSON 4

UNDERSTANDING THE COLONIAL ECONOMY IN A GLOBAL CONTEXT

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LESSON DESCRIPTION

The students discuss a mystery regarding economic growth in the American colonies, making inferences from statistics about trade and population in their effort to explain why the colonies prospered. The lesson includes an application exercise in which students use the concepts of specialization and trade to analyze choices arising in contemporary cases. It concludes with an activity that links the concepts of specialization and trade to colonial economic growth.

Between 1585 and 1763, trade for furs, lumber, fabrics, cotton, shipping services, tobacco, whales and other products linked colonial America to people living in other parts of the globe. The colonists and their trading partners benefited from this trade. The colonists generated wealth by exporting products they could produce from available resources; in turn, they imported products not readily available to them from local sources. Production and consumption possibilities expanded, generating wealth at an unprecedented rate.

MYSTERY

The reason why the American colonies prospered between 1585 and 1763 isn't immediately obvious to the causal observer. Gold and silver had not been discovered in America during this period, and there were no spices to trade. England held sway as a primary source of manufactured goods and commercial activity in world markets. Colonial America did possess a plentiful supply of land and other natural resources, but labor was not abundant; and the colonists faced initial uncertainty about what should be produced, who should produce it, how it should be produced and for whom it should be produced. Eventually, however, the colonists did prosper. In their *History of the American Economy* (2002), Walton and Rockhoff observe: "Indeed, by most any standards of comparison, the quality of life and standards of material well-being were extraordinarily high for free

Americans by the end of the colonial period. They lived longer and better than the populations of other nations and places at the time, and better than most people throughout the world today" (p. 111). How did this happen?

ECONOMIC HISTORY

Economic incentives arising from private ownership of resources and profits became powerful inducements, encouraging colonists to experiment with new uses of land and other resources. In order to earn profits by producing goods and services for export and trade at home, the colonists eventually learned to specialize — some producing tobacco, flour and bread, for example, while others produced rice, fish, wheat, pine boards and ships. They imported what they did not produce for themselves at low costs, trading primarily with suppliers in England. Production and consumption thus increased in the colonies, England and other countries, generating overall gains from trade among all partners.

CONCEPTS

- Exports
- Gains from trade
- Globalization
- Imports
- International trade
- Specialization

OBJECTIVES

Students will:

1. Analyze private ownership of land and other property as a key incentive fostering productive activity.
2. Explain how specialization, trade and globalization can increase production and consumption.
3. Describe economic growth in the American colonies by reference to specialization and trade, domestic and international.

CONTENT STANDARDS

Economics

- Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among organizations in different nations. (NCEE Content Standard 5)
- When individuals, regions and nations specialize in what can be produced at the lowest cost in order to trade with others, both production and consumption increase. (NCEE Content Standard 6)
- Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and well-enforced property rights, is essential to a market economy. (NCEE Content Standard 10)

History

- How the values and institutions of European economic life took root in the colonies, and how slavery reshaped European and African life in the Americas. (Era 2, Standard 3, National Standards for History)

TIME REQUIRED

60 minutes

MATERIALS

- A transparency of Visuals 4.1, 4.2, 4.3 and 4.4
- A copy of Activity 4.1 and 4.2 for each small group of 3-5 students (see Procedure 12)

PROCEDURE

1. Explain that this lesson focuses on a question about economic growth. It links economic growth (increase in the amount of goods and services produced per person) in U.S. history to secure property rights, specialization and trade. How did American markets grow from initial conditions marked by hardship and subsistence farm-

ing to conditions of relative prosperity by the middle of the eighteenth century?

Display Visual 4.1 and read the mystery to the class. Invite the students to speculate on possible reasons why the American colonies prospered.

2. Explain that the American economy was largely built on the backs of entrepreneurs — individuals willing to take calculated risks in organizing resources in new ways, advancing technologically, entering new markets and engaging in international trade. Ask the students to consider the entrepreneurial natures of colonists and immigrants settling in colonial America. Ask them to reflect on the three questions listed in Visual 4.1 as they proceed with this lesson.
3. Private ownership of land, labor, capital, income and other valuables serves as a key incentive to fostering productive activity. In a market economy, private ownership and the right to buy, sell and derive income from it provide individuals and firms with strong incentives to acquire property, accumulate capital and engage in many other productive behaviors. An increase in productivity means individuals are producing more goods and services with the same amount of resources, or they are producing the same amount of goods and services with fewer resources, or both. These productive behaviors help individuals improve their own economic positions, build wealth within and across firms and advance the overall economy. Ask the students to consider the impact on colonial production if England had taken full command over production in the colonies or seized all profits and incomes realized by the colonists who succeeded in establishing new businesses, advancing technologically or entering new markets. (*Colonists would not have had strong incentives to be productive. Low production levels and the inefficient uses of resources would have negatively impacted colonial production, income and wealth.*)
4. Explain that the U.S. economy is part of a global economy. To illustrate, ask each stu-

dent to choose an article of clothing (shirt, shoes, belt, watch, scarf), a school item (book, book bag, folder) or an item in the classroom (overhead projector, computer) and identify the country in which the item was manufactured. List the names of the countries on the board. Emphasize the obvious point: people in many countries manufacture the goods and services consumed by U.S. citizens. Most, if not all, of the goods listed on the board are called U.S. *imports*. They were manufactured outside the United States but consumed by people living inside the United States. People in other nations also purchase the goods and services made by U.S. producers. These products are called U.S. *exports*.

5. Ask the students to guess how long imports and exports have been vital elements of the U.S. economy. Display Visual 4.2 to illustrate the point that international trade measured by volume of imports and exports has been a strong part of U.S. history, even in colonial America. In the table, the data show that the colonists had many trading partners across the Atlantic Ocean and in the West Indies between 1768 and 1772. The United Kingdom (UK) supplied 80 percent of total imports to the colonists while UK consumers demanded 56 percent of the total exports produced in colonial America. People living in Southern Europe, the West Indies and Africa also traded with the colonists. Ask the students to interpret the export and import data on these colonial trading partners.
6. Introduce the concept of *specialization*. Economic specialization occurs when people choose not to be self-sufficient in producing all goods and services. Rather, they choose to produce a narrow range of goods and services based on relatively low costs of production, giving them productivity or comparative advantages in the production of specific goods and services. They then trade for items they do not produce. Through specialization and trade, output and income levels rise as workers increase efficiency. Trading partners become interdependent and more vulnerable to one

another's economic, political and social ups and downs.

7. Specialization requires *trade* and increases *interdependence* among trading partners. Specialized items are exchanged for goods and services not produced locally, regionally or nationally. This exchange is called voluntary trade, and everyone expects to become better off with trade. Voluntary trade would not take place unless all parties expected gains from trade.
8. Explain that the colonial economy developed through specialization and trade, domestic and international. Over time, the colonists identified the specialized goods and services that they could produce and sell for maximum profit. Maximum profit is determined by finding that output which has the largest distance between revenues and costs. Thus, the colonists identified their comparative advantage among international trading partners and secured their position in the global marketplace. Display Visual 4.3. Ask the students to answer the questions regarding international trade between the colonists and their major trading partner, England.
 - A. What pattern do you see in the value of goods and services produced by the American colonists for consumption in England? (*It is a pattern of export growth. Between 1700 and 1770, total exports to England rose by 157 percent, or from £395,021 to £1,015,535.*)
 - B. What pattern do you see in the value of goods and services produced by England for consumption in the American colonies? (*It is a pattern of import growth. During the period in question, imports from England rose by 459 percent, or from £344,341 to £1,925,571.*)
 - C. What do these patterns in export and import trade between the American colonies and England suggest about each economy's ability to produce goods and services for international consumers? (*The ability to produce goods and services for international consumers expanded in the colonies and in England.*)

- D. Recall that the colonies were relatively rich in natural resources and poor in labor, while England lacked the abundance of natural resources found in the colonies but had access to stronger labor markets. In light of this information, what was likely to be imported to the colonies from England? (*Manufacturing goods, financial services and administrative services.*)
9. Consumers in England and other countries represented a large potential market for colonial producers. Ask the students to explain why, in terms of higher production and consumption, colonists benefited from expanding their range of trading partners to include England and other nations. (*Specialization increased production and employment; specialization and trade improved consumption possibilities. By trading in markets outside the primary colonies, colonial producers increased the number of markets to which they had access. This boosted profit and employment levels at home. Also, colonial consumers benefited from being able to purchase imported goods and services, thus broadening the range of consumables to include those items produced outside the colonies.*)
10. In 1700, the population in colonial America was relatively small, with less than a quarter of a million people. By 1770, it had grown by almost nine-fold to over two million people. Focus the students' attention on colonial population growth by displaying Visual 4.4. International trade increased production and expanded consumption opportunities, giving a growing population of colonists a chance to work in specialized areas of growing production and the opportunity to buy things that they could not purchase locally, except at a high cost if produced locally. Ask the students to answer the following questions.
- A. How might an increase in the number of people living in an economy affect the supply of labor? (*The supply of labor increases.*)
- B. How might specialization and trade impact employment opportunities and income levels? (*Through specialization and trade, production increases. Employment rises and income increases.*)
- C. How may an increase in the number of people living in an economy affect consumer demand for domestic and imported goods and services? (*Demand for goods and services increases.*)
- D. How does this increase in demand impact production and employment? (*Both increase.*)
11. Summarize the following main points: (i) Secure and clearly defined property rights provided colonists with incentives to be productive, specialize and trade; (ii) many colonists sought to market their output domestically and globally, at competitive prices, by concentrating their efforts on specialized products they could produce locally at low costs; (iii) they used their profits to invest or purchase other products that they couldn't produce easily, or at a low cost, themselves. Consequently, the colonial economy grew and the standard of living improved.
12. The concepts of specialization and trade can also be used to analyze personal and business choices arising in contemporary circumstances. Divide the students into groups of 3-5 and distribute Activity 4.1. Ask the students to explain the role of specialization and trade in each of the situations described.

CLOSURE

Divide the class into groups of 3-5 students. Distribute copies of Activity 4.2. Explain that this activity provides a comprehensive picture of the importance of property rights, international trade and specialization within the colonial economy. Ask the students to read Activity 4.2, using the discussion questions as a guide. Then take up the questions in class and discuss the students' answers. These questions are similar to those asked at the beginning of the lesson.

ACTIVITY 4.1 ANSWER KEY

- A. Sanguita Perez excels in math and science. She is about to graduate from high school and she is trying to decide which college to attend. What does her choice have to do with specialization and trade? *(Sanguita's expertise in math and science will influence her decision to attend a college or university that has strong programs in these subject areas. With a degree in math or science, the career path she takes will enable her to trade her labor, skills and expertise to someone who will in turn provide her with an income.)*
- B. Lee Wong has a degree in environmental science, and she has spent three summers learning about the ecosystem in Yosemite National Park while completing her degree. She is now opening a new eco-tourism service there. In what way is she specializing and trading? *(Lee has in-depth knowledge about eco-tourism in Yosemite. She is trading her knowledge and expertise with her customers; they are exchanging some of their income for new knowledge they can gain thanks to Lee's specialty.)*
- C. Ron Norquist, mayor of a large city, acts on behalf of the residents and experienced workforce to persuade a large manufacturer to build a new plant in the city. How does this venture involve specialization and trade? *(Mayor Norquist is proposing to trade some of the city's specialized human and physical resources for additional income that may be gained from new jobs and wages when the new plant is built.)*
- D. Google and the University of Michigan (U-M) have proposed a joint agreement that will add the 7,000,000 volumes in the U-M library to the Google search engine and open the way to universal information access. How would this partnership involve specialization and trade? *(The University of Michigan has one of the largest and most comprehensive libraries*
- in the world. Most of its holdings are in print — books, journals and other printed matter. Google will specialize in scanning the documents, creating search systems to locate the contents, and identifying authors of materials. Together, these two entities will specialize and trade services, giving the public unprecedented access to information.)*
- E. Dr. Shaqil Smith has seven years of experience running a chemical laboratory. He knows a great deal about chemical research and policies governing intellectual property. He has been successful in securing funding for research at his laboratory. The Institute for Nanotechnology has a vacancy in its chemistry unit. Dr. Smith has applied for the job. How are specialization and trade involved in this application? *(Dr. Smith offers to trade his knowledge, experience and talents for a job at the institute. If he gets the job, the Institute will provide employment and income for Dr. Smith in exchange for his special knowledge and skills.)*

ACTIVITY 4.2 ANSWER KEY

- A. In what ways were colonial settlers entrepreneurial? *(People willing to migrate to North America did so at a high personal cost. They put personal savings at risk, were willing to borrow money from other savers in order to fund entrepreneurial ideas, and put potential earnings aside by opting for self-employment.)*
- B. How did private ownership of land and other property provide colonial producers with a strong incentive to be productive, to specialize and to trade? *(Owning land and other property provided opportunities for individuals to generate high private incomes through the efficient allocation of resources. Incomes are highest when individuals use their resources productively, specialize in their use, and trade based on specialties. Secured rights to keep these incomes and use them provided incentives for colonists to be productive, to specialize and to trade.)*
- C. How did specialization lead to more production and consumption in the colonies? *(Initially, most colonists engaged in self-sufficient farming. Specialization and trade developed when markets emerged, allowing a wider range of exchange. Colonists specialized in producing goods and services favored by natural resources and local conditions. They traded these goods and services, using income generated by trade to purchase other products. The Southern colonies specialized in tobacco, rice and indigo. Cotton came later. The Middle colonies specialized in grains and livestock. The New England colonies specialized in furs, forest products, fishing, whaling and shipbuilding.)*
- D. How can specialization and trade be risky? *(Specialization and trade make producers vulnerable to the ups and downs experienced by their trading partners.)*
- E. How has the establishment of private property rights during the colonial period affected our economy today? *(As in the past, the decision to protect the property rights of U.S. citizens still provides people with an incentive to be productive, to specialize and to trade, thus fueling economic growth.)*

ASSESSMENT

Multiple-Choice Questions

- Which of the following best describes imports?
 - Goods and services bought from sellers in another nation**
 - Goods and services produced in one nation but sold to consumers in other nations
 - Tangible objects that satisfy economic wants, needs or desires
 - Activities performed by people, firms or government agencies to satisfy economic wants, needs or desires
- Specialization requires which of the following?
 - Producers who are entirely self-sufficient
 - The communal or collective allocation of resources
 - Involuntary trade
 - Voluntary trade**

ESSAY QUESTIONS

- Identify the benefits of specialization and trade to the producer.

(Accept a variety of answers, but all answers should emphasize that specialization and trade can boost production and profits. Through specialization, individuals, partners and firms can focus on producing those goods and services in which they have a productivity or comparative

ACTIVITY 4.2, CONTINUED

advantage. They let other producers produce the items which they do not. By trading, producers expect to gain. High production levels and profits enable all producers to achieve higher profits, purchase additional resources and invest or employ more people.)

2. Identify the benefits of specialization and trade to the consumer.

(Accept a variety of answers, but all answers should emphasize that specialization and trade expand consumption possibilities.)

VISUAL 4.1

WHY DID THE COLONISTS PROSPER BETWEEN 1585 AND 1763?

- Gold and silver had not been discovered in colonial America during this period, and there were no spices to trade. England held sway as a primary source of manufactured goods and commercial activity in world markets.
- Colonial America did possess an abundant supply of land and other natural resources, but labor was not plentiful, and the colonists faced initial uncertainty about what should be produced, how to produce it, who should produce it and for whom it should be produced. Eventually, however, the colonists did prosper.
- In their *History of the American Economy* (2002), Walton and Rockhoff observe: “Indeed, by most any standards of comparison, the quality of life and standards of material well-being were extraordinarily high for free Americans by the end of the colonial period. They lived longer and better than the populations of other nations and places at the time, and better than most people throughout the world today” (p.111).

QUESTIONS FOR REFLECTION:

- Why were colonists considered entrepreneurs? Entrepreneurs are individuals who assume the risks of successfully or unsuccessfully organizing resources to start new businesses and enter competitive markets.
- The colonists were able to keep the profit they realized through establishing new businesses and entering markets. What role did this play in helping individuals build wealth and helping local markets grow?
- How could the colonies have attained this level of prosperity by specializing in producing certain goods and services and trading them with England and other countries?

VISUAL 4.2

**PERCENTAGE DISTRIBUTION OF TOTAL COLONIAL TRADE
(1768-1772)**

	Percentage of Colonial Imports of Goods and Services	Percentage of Colonial Exports of Goods and Services
United Kingdom	80%	56%
West Indies	18%	26%
Southern Europe	2%	18%
Africa	0%	1% ¹

Source: James F. Shephard and Gary M. Walton, *Shipping, Maritime Trade, and the Economic Development of North America* (Cambridge, MA: Cambridge University Press, 1972), pp. 160-161.

¹Due to rounding, the percentage total exceeds 100.

VISUAL 4.3

VALUE OF TRADE BETWEEN THE AMERICAN COLONIES AND ENGLAND (IN POUNDS STERLING), 1700-1770

Year	Total Value of Exports from the Colonies to England	Total Value of Imports from England to the Colonies
1700	£395,021	344,341
1710	249,814	293,659
1720	468,188	319,702
1730	572,585	536,860
1740	718,416	813,382
1750	814,768	1,313,083
1760	761,099	2,611,764
1770	1,015,535	1,925,571

VISUAL 4.3, CONTINUED

VALUE OF TRADE BETWEEN THE AMERICAN COLONIES AND ENGLAND (IN POUNDS STERLING), 1700-1770

QUESTIONS FOR DISCUSSION

- A. What pattern do you see in the value of the goods and services produced by the American colonists for consumption in England?
- B. What pattern do you see in the value of the goods and services produced by England for consumption in the American colonies?
- C. What do these patterns in export and import trade between the American colonies and England suggest about each economy's ability to produce goods and services for international consumers?
- D. Recall that the colonies were relatively rich in natural resources and poor in labor, while England lacked the abundance of natural resources found in the colonies but had access to stronger labor markets. In light of this information, what type of goods and services were the colonies likely to export to England? What was likely to be imported from England to the colonies?

Source: The U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970* (U.S. Government Printing Office: Washington, D.C., 1975), Part 2, pp. 1176-77.

VISUAL 4.4

THE POPULATION IN COLONIAL AMERICA

Year	Population
1700	250,888
1710	331,711
1720	466,185
1730	629,445
1740	905,563
1750	1,170,760
1760	1,593,625
1770	2,148,076

QUESTIONS FOR DISCUSSION

- How might an increase in the number of people living in an economy affect the supply of labor?
- How might specialization and trade impact employment opportunities and income levels?
- How may an increase in the number of people living in an economy affect consumer demand for domestic and imported goods and services?
- How does this increase in demand impact production and employment?

Source: U.S. Bureau of Census, *Historical Statistics of the United States, Colonial Times to 1970* (U.S. Government Printing Office: Washington, D.C., 1975), Part 2, pp. 1168. Population totals include Anglo-Europeans and African American slaves.

ACTIVITY 4.1

SPECIALIZATION AND TRADE

- A. Sanguita Perez excels in math and science. She is about to graduate from high school and she is trying to decide which college to attend. What does her choice have to do with specialization and trade?
- B. Lee Wong has a degree in environmental science, and she spent three summers learning about the ecosystem in Yosemite National Park while completing her degree. She is now opening a new eco-tourism service there. In what way is she specializing and trading?
- C. Ron Norquist, mayor of a large city, acts on behalf of the residents and experienced workforce to persuade a large manufacturer to build a new plant in the city. How does this venture involve specialization and trade?
- D. Google and the University of Michigan have proposed a joint agreement that will add the 7,000,000 volumes in the U-M library to the Google search engine and open the way to universal information access. How would this partnership involve specialization and trade?
- E. Dr. Shaqil Smith has seven years of experience running a chemical laboratory. He knows a great deal about chemical research and policies governing intellectual property. He has been successful in securing funding for research at his laboratory. The Institute for Nanotechnology has a vacancy in its chemistry unit. Dr. Smith has applied for the job. How are specialization and trade involved in this application?

ACTIVITY 4.2

IDENTIFYING MARKET NICHEs AND PRODUCTION SPECIALTIES

For individual colonists, the decision about what to produce — call it the profitable production decision — was complex and risky. North America, at the time, offered no known deposits of gold or silver. Asia provided spices to the world, and England was beginning to industrialize. Unlike many of its competitors, however, colonial America was endowed with abundant natural resources, and its legal system created incentives for individuals to engage in productive activity. In light of globally competitive market conditions, colonial producers capitalized on their entrepreneurial talent, knowledge and expertise to decide what products to produce and in what quantities, according to national and international consumer demand.

Private Property Rights Provide Incentives

Early on, the population of colonial America was small compared to that of Europe. To gain access to wider, more populous markets, Americans sought trade with Europe. They exported goods valued by the Europeans and others and imported other goods and services. Trade among nations on either side of the Atlantic Ocean generated wealth for the trading partners, and commercial activity in the colonies expanded as more and more colonists participated in trade.

Flourishing commercial activity in the American colonies was bolstered by protection for private ownership of land and other property. After early, failed experiments with communal cultivation of resources in Plymouth and Jamestown, private ownership of property emerged in the colonies and gained legal protection. By 1623, all property in Virginia was held privately. In 1691, the headright system granted ownership of 50 acres of land to individuals funding their own voyages to Virginia. By 1774, three-fourths of colonial families owned their own farms.

Private ownership of land and other property offered great, almost unheard-of incentives to North American settlers. It protected their right to buy, sell and derive income from their property, thus encouraging them to take risks in launching productive initiatives. In Europe, private land ownership was not possible for the mass population. In colonial America, ordinary settlers could acquire land and other property. Colonists could decide for themselves how to use it to earn income and realize profits. This access to private property ownership provided settlers with incentives to be productive, thus boosting income, consumption and investment.

The People

The prospect of living outside a legal and social system heavily influenced by aristocratic landowners attracted many Europeans to colonial America. Those who voluntarily traveled to America showed entrepreneurial tendencies from the start. Willing to separate themselves from family and friends, they risked disease, shipwreck and the unknown in exchange for a new economic opportunity—one for which the potential benefits, they believed, outweighed the costs and justified the risks. Once settled, many showed themselves to be adaptable, self-motivated men and women, capable of providing for themselves by working, saving and investing.

But not all migrants to America made the journey voluntarily. The legal system that protected property rights for white colonists also protected, until the Civil War, the private ownership of slaves. The abundance of land and weak markets made it difficult for some large-scale agriculturalists to induce immigrants or free laborers to work as hired hands on large farms and plantations. Therefore, many of these agriculturalists who wanted to expand their operations beyond a scale serviceable by family members turned to slave labor.

ACTIVITY 4.2, CONTINUED

IDENTIFYING MARKET NICHES AND PRODUCTION SPECIALTIES

Specialization and Trade

There were many questions to be answered regarding which goods and services the colonists could efficiently and effectively produce. The answers emerged in an economic environment marked by specialization and trade within and outside colonial America. Some parts of colonial America were endowed with rocky soil, forests and water suitable for the supply of shipping services and the production of whale oil, timber products and furs. Fertile soils, long summers and moderate winters in other areas encouraged production of tobacco, rice and indigo. Colonists specializing in the production of these goods and services could sell them and use the net income generated from sales to purchase other goods and services or to invest.

A limited market for consumer goods within the 13 colonies led many colonial producers to seek access to other markets. The term *globalization* implies the opening of international borders to free trade, immigration, investment, technology and ideas. Hence, overseas trade became an important aspect of colonial economic life.

International demand for colonial products varied, and the New England, Middle, and Southern colonies identified their own market niches. Trade from New England to Europe began with the export of furs and soon expanded to include products from the fishing and whaling industries. Before long, pitch, tar, turpentine and masts also were traded to England. New England led the way in nonagricultural production by specializing in building ships, especially sloops and schooners.

The Middle colonies became known as the “bread colonies,” serving customers in Europe and the Caribbean. Merchants from the Middle colonies traded grain (wheat, rye and barley) to people in the Caribbean Islands; people in the Caribbean, in turn, shipped sugar back to the colonies and to Europe.

Tobacco was the most profitable colonial product. Responsible for Southern prosperity, tobacco sales accounted for almost half of the colonies’ total commodity exports in 1750. By the time of the Revolution, rice and indigo had also been established as important specialty crops from the South. Cotton earned its title as economic king later in U.S. history, after the American Revolution.

While many colonists initially engaged in self-sufficient farming and other production of goods for their own use (tools and clothing, for example), the importance of specialization, trade and globalization became increasingly evident by the end of the colonial period.

QUESTIONS FOR DISCUSSION

- A. In what ways were colonial settlers entrepreneurial?
- B. How did private ownership of land and other property provide colonial producers with a strong incentive to be productive, to specialize and to trade?
- C. How did specialization lead to more production and consumption in the colonies?
- D. How can specialization and trade be risky?
- E. How has the establishment of private property rights during the colonial period affected our economy today?