Background

By the mid-18th century, the “**business of slavery**” was the backbone of New England’s economy. Salem merchants supplied the **West Indies** with the food, lumber products, horses, and other trade goods necessary to run large **slave plantations**. Their ships returned with trade goods produced on slave plantations. The most valuable were sugar and molasses (which is made from sugar). In New England, colonists used molasses to make rum, which was either sold (and drank) locally or shipped across the Atlantic Ocean. In Africa, colonists traded rum for enslaved people, most of who were taken to the West Indies to work on sugar plantations. “Business” was booming, especially for merchants like Richard Derby, who owned several ships and a rum **distillery** in Salem.

In the West Indies, New England colonists preferred to trade at French and Dutch colonies because 1) their trade goods often went for a higher price and 2) sugar and molasses were more expensive at British colonies. But New England colonies were British colonies.

To encourage British colonies to trade with each other (and keep money inside the British empire), colonists had to pay taxes on any molasses they imported from a “foreign” island. Although this was a law (the 1733 “Molasses Act”), it was rarely enforced. New England merchants easily paid (or bribed) British **Customs Agents** to look the other way as they **smuggled** foreign trade goods.

Then, in 1764, the British Parliament (government) passed a new law, the “Sugar Act.” Britain had just finished the expensive “Seven Years’ War” (1756-1763), some of which was fought in the American colonies, and the purpose of the new law was to raise a revenue (like an income) for the government.

The Sugar Act taxed foreign molasses as well as sugar, indigo, coffee, and wine. It cracked down on smuggling. It made it harder to bribe Customs Agents, who, under the new law, were given financial rewards whenever they caught someone smuggling. And if caught, merchants had to pay heavy fines and could lose their whole cargo.

The law especially affected wealthy merchants, shipowners, and rum distillers, though people from every socio-economic class were impacted. Some colonists were furious. They saw a distant government, across the ocean, interfering in their trade “business” and cutting into their profits.

New England colonies were British colonies. The men who designed, voted on, and enforced the “Sugar Act” were members of the British government. Some believed these men and the government represented them. Others did not. These colonists began to argue “no taxation without representation.” It became their rallying cry and a key idea of the American Revolution. With this mantra colonists protested the Sugar Act and later the Stamp Act, Townshend Acts, and Tea Act.

**Vocabulary**

* **Business of slavery**: sometimes referred to as the “Triangle Trade,” this economy was based on the kidnapping of people from Africa, who then produced trade goods on slave plantations in the Americas, which were bought and sold across the Atlantic Ocean.
* **West Indies**: also known as the Caribbean, a region of the Americas made up of several islands. European colonies have included Spanish, English, French, and Dutch colonies.
* **Slave plantations**: a forced labor camp where enslaved people (often kidnapped from Africa) were forced to work under threats of violence.
* **Distillery**: a factory where molasses (a thick, dark syrup) is used to make rum (an alcoholic beverage).
* **Customs Agents**: employees of the British government who collect taxes and enforce trade laws
* **Smuggle**: moving trade goods in or out of the country illegally (like not paying taxes)