Because the early Carolina settlers came from Barbados, South Carolinians established a thriving trade with this Caribbean island. Carolinians sold cattle and Native American slaves to the people of Barbados. South Carolina pine trees were a source of pitch and tar (naval stores), which the British used for making ships watertight.

As an immigrant from Antigua, Eliza Lucas planted indigo because she was determined to make the family plantation successful. Indigo was a plant used to make a highly valued blue dye and the British government was offering a subsidy as an incentive to anyone who would grow it. Eventually, Eliza Lucas succeeded and shared her success with other area planters. Indigo became a new cash crop for South Carolina.

Political factors also contributed to South Carolina’s prosperity. Mercantilism was an economic system in which the mother country controlled trade in order to export more goods than it imported. Imports are goods purchased from other countries, exports are goods sold to other countries. By enforcing mercantilist policies, the mother country would amass more gold and silver and become wealthy and powerful. South Carolina served as both a source of raw materials and a market for British manufactured goods. This lessened the mother country’s dependence on foreign trade and thus improved her balance of trade (exports over imports). The British government encouraged the development of new products such as indigo by offering subsidies (or bounties) to planters who grew it. Both rice and indigo were on the ‘enumerated’ list of products that could be sold only to England. Carolina planters therefore had a secure market in which to sell their crops. However the British government did not enforce this part of the law on Carolina rice, thus giving South Carolina the economic advantage of a wider market. Indeed the British government was lax in its enforcement of most mercantilist laws (a condition known as salutary neglect) and so the people of British North America were free to develop their economies without much interference from the mother country.
1. What is indigo?

2. How did settlers make money off of pine trees?

3. Complete the following sentence: In mercantilism, you want to have fewer __________________ than __________________.

4. Define *Imports*.

5. Define *Exports*.

6. Complete this statement: If mercantilism were an animal, it would be a __________________ because it ____________________.

7. In the diagram, what is the mother country?

8. Define *subsidy*.

9. What products did Carolina planters grow to make money?

10. How did Salutary neglect benefit South Carolina planters?

11. How could subsidies hurt planters in the future?