

GLOBALIZATION NATION

Early History of Globalization and Origins of the American Experiment (1607–1776)

1

Introduction

The United States of America has been a global nation since the very beginning of the country's existence. Economic freedom was the goal of the independence movement, and this was achieved, but only marginally, as the American colonies-turned-states still depended on their global ties in order to make the country work. Over the subsequent years, the influx of millions of immigrants created a truly globalized culture to the point that there is no American culture distinct from globalism.

Topics Covered in this Chapter Include:

- Founding of America
- Economic liberation
- The Patriot movement
- Political rhetoric
- The Virginia Company of London

This Chapter Discusses the Following Source Document:

Chaney, Ted, Ted Cohen, and Lee Pelham Cotton, "The Virginia Company of London," *National Park Service*, July 15, 2002



In September of 2019, President Donald Trump delivered a speech in which he argued, “The future does not belong to the globalists. The future belongs to patriots” (described as those who “love America,” are “rooted in its history,” and could “see a nation and its destiny in ways no one else can”).¹ Who exactly are “patriots” and who are “globalists”? Can the future belong to both?

For many conservatives of the 2020s, the modern fictional enemy is “globalism,” a poorly defined concept that plays on concepts of patriotism and nationalism. In the Revolutionary War era, certain politicians might have highlighted the differences between “patriots” and “royalists,” while politicians in the Civil War encouraged people to believe in a unified “white race” as opposed to an imagined “negro” savage. Fostering prejudice works because it encourages vulnerable members of a population to feel afraid. This fear can then be utilized to incite anger, violence, or political action.

America was one of several countries that came into existence because the European monarchies had embraced economic and cultural globalization. There was never a time in American history where America functioned without the global community, global economics, and the global flow of labor.

New World Dollars

The first colony in the United States was the by-product of one of the world’s earliest multi-national companies and one of the first publicly traded companies, the Virginia Company of London, created by the British monarchy. America had been discovered more than a century earlier, and the Spanish were already in the process of colonizing parts of this new landscape. Forming a new society was not the goal for these colonists but was the means to the end of benefiting monarchies in Europe.

By the time the British colony was established in the new world, the British monarchy had been trying for decades to compete with the Spanish and other early colonizers to establish an economic foothold in North America. The New World was populated by distinct and advanced cultures, some of whom were welcoming while others were hostile. The forests and fields were populated with exotic, unknown creatures, and there were a host of new bugs (both literal and epidemiological) found in these newly settled lands. Colonization was dangerous, and many colonists died of disease, malnutrition, starvation, and through conflict with American Indians. Some died trying to make the voyage from Europe in a time when a lack of medical knowledge allowed ships to be frequently ravaged by disease and bacteriological infection.



Despite the fact that the passage was so dangerous, the promise of wealth and prosperity convinced many to participate in colonization. Although American history books often highlight the fact that early colonists came to the New World seeking religious freedom, many sought wealth to escape the economic stratification of England. The driving force of colonization was economic, not political, ideology. Even those who came as religious exiles were also seeking economic opportunity. The Pilgrims, for instance, who settled in Massachusetts and allegedly left England fleeing Anglican repression, did not need to come all the way to America to practice their faith in peace. The government in Holland had already granted the Pilgrims the right to settle in the Netherlands. In part, they chose to settle in the New World because they did not want their children to become “Dutch” and wanted to retain their English heritage. More importantly, however, they wanted to build an independent economic foundation.²

Unlike the Pilgrims in Massachusetts, or the Quakers who founded Pennsylvania, the original members of the Virginia Colony weren’t religious exiles at all, and they came to the New World seeking not freedom but money. The Virginia Company quickly began using slave labor, with the first slaves stolen from Spanish slave ships, and they transformed the territory that later became the state of Virginia into an economic powerhouse based on tobacco cultivation and international distribution. Unfortunately for the investors in this early globalized economy, the Virginia Company itself proved to be a failed effort.

This article from the *National Park Service (NPS)* on the preservation of “Historic Jamestowne,” the original settlement created by the Virginia Company, discusses the foundation of the company and its ultimate financial dissolution.



“THE VIRGINIA COMPANY OF LONDON”

by Ted Chaney, Ted Cohen and Lee Pelham Cotton

National Park Service, July 15, 2002

Source Document Excerpt

In the late 1580s, Sir Walter Raleigh attempted to plant a colony for England in present-day North Carolina. This unsuccessful and expensive settlement, often referred to as The Lost Colony, made the English crown wary of trying again.

It was not until 1606 that the Virginia Company of London received a charter from the newly-crowned King James I. Following the precedent set by other companies such as the Moscovy Company and East India Company, the Virginia Company was a joint-stock company, which sold shares. All who purchased shares at a cost of £12 10s shared in the success or failure of the venture. The Virginia Company was formed both to bring profit to its shareholders and to establish an English colony in the New World. The Company, under the direction of its treasurer Sir Thomas Smith, was instructed to colonize land between the 34th and 41st northern parallel.

In December 1606, the Virginia Company's three ships, containing 144 men and boys, set sail. On May 13, 1607, these first settlers selected the site of Jamestown Island as the place to build their fort.

In addition to survival, the early colonists had another pressing mission: to make a profit for the stockholders of the Virginia Company. Although the settlers were disappointed that gold did not wash up on the beach and gems did not grow in the trees, they realized there was great potential for wealth of other kinds in their new home. Early industries such as glass manufacture, pitch and tar production and beer and wine making took advantage of natural resources and the land's fertility. However, the settlers could not devote as

much time as the Virginia Company would have liked to their financial responsibilities. They were too busy trying to survive.

Within the three-sided fort erected on the banks of the James, the settlers quickly discovered that they were, first and foremost, employees of the Virginia Company of London, following instructions of the men appointed by the Company to rule them. In exchange, the laborers were armed and received clothes and food from the common store. After seven years, they were to receive land of their own. The gentlemen, who provided their own armor and weapons, were to be paid in land, dividends or additional shares of stock.

Initially, the colonists were governed by a president and seven-member council selected by the King. Leadership problems quickly erupted and Jamestown's first two leaders coped with varying degrees of success with sickness, Indian assaults, poor food and water supplies and class strife.

When Captain John Smith became Virginia's third president, he proved the strong leader that the colony needed. Industry flourished and relations with Chief Powhatan's people improved. In 1609, the Virginia Company received its Second Charter, which allowed the Company to choose its new governor from amongst its shareholders. Investment boomed as the Company launched an intensive recruitment campaign. Over 600 colonists set sail for Virginia between March 1608 and March 1609.

Unfortunately for these new settlers, Sir Thomas Gates, Virginia's deputy governor, bound for the colony, was shipwrecked in Bermuda and did not assume his new post until 1610. When he



continued

arrived, he found only a fraction of the colonists had survived the infamous “Starving Time” of 1609–1610. All too soon, the Mother Country learned of Virginia’s woeful state. The result was predictable: financial catastrophe for the Company. Many new subscribers reneged payment on their shares, and the Company became entangled in dozens of court cases. On top of these losses, the Company was forced to incur further debt when it sent hundreds more colonists to Virginia.

There was little to counter this crushing debt. No gold had been found in Virginia; trading commodities produced by exploitation of the raw materials found in the New World were minimal. Attempts at producing glass, pitch, tar and potash had been barely profitable and, regrettably, such commodities could be had far more cheaply on the other side of the Atlantic.

Increasingly bad publicity, political infighting and financial woes led the Virginia Company to organize a massive advertising campaign. The Company plastered street corners with tempting broadsheets, published persuasive articles, and even convinced the clergy to preach of the virtues of supporting colonization. Before the Company was dissolved, it would publish 27 books and pamphlets promoting the Virginia venture.

To make shares more marketable, the Virginia Company changed its sales pitch. Instead of promising instant returns and vast profits for investors, the Company exploited patriotic sentiment and national pride. A stockholder was assured that his purchase of shares would help build the might of England, to make her the superpower she deserved to be. The heathen natives would be converted to the proper form of Christianity, the Church of England. People out of work could find employment in the New World. The standard of living would increase across the nation. How could any good, patriotic Englander resist?

The English rose to the bait. The gentry wished to win favor by proving its loyalty to the crown. The growing middle class also saw stock purchasing as a way to better itself. But the news was not all good. Although the population of Jamestown rose, high settler mortality kept profits unstable. By 1612, the Company’s debts had soared to over £1000.

A third charter provided a short-term resolution to the Virginia Company’s problems. The Company was permitted to run a lottery as a fundraising venture. Other attractive features of the charter allowed Virginia’s assembly to act as the colony’s legislature and also added 300 leagues of ocean to the colony’s holdings, which would include Bermuda as part of Virginia. But the colony was still on shaky ground until John Rolfe’s successful experiment with tobacco as a cash crop provided a way to recoup financially.

Unfortunately by 1616, the Virginia Company suffered further adversity. The original settlers were owed their land and stock shares; initial investors at home were owed their dividends. The Company was forced to renege on its cash promises, instead distributing 50-acre lots in payment. The next year, the Company instituted the headright system, a way to bring more settlers to Virginia. Investors and residents were able to acquire land in paying the passage of new settlers. In most cases, these newcomers spent a period of time in servitude on the investor’s land. Sir Edwin Sandys, a leading force in the Virginia Company, strongly supported the headright system, for his goal was a permanent colony which would enlarge British territory, relieve the nation’s overpopulation, and expand the market for English goods. Sir Thomas Smith, as the Company’s Treasurer, had a different dream: the Virginia Company’s mission was to trade and to make a profit.

In the end, it was Sandys’ vision which prevailed. When he became Treasurer of the Company in



“The Virginia Company of London” continued

1619, he moved forward to populate the colony and earn a protective status for the tobacco crop which had become the cash crop of Virginia. At the same time, he urged colonists to diversify their plantings and thus become less reliant on only one staple. The colonists ignored this advice, to their later dismay.

In 1621, the Company was in trouble; unpaid dividends and increased use of lotteries had made future investors wary. The Company debt was now over £9000. Worried Virginians were hardly reassured by the advice of pragmatic Treasurer Sandys, who warned that the Company “cannot wish you to rely on anything but yourselves.” March 1622, the Company’s and the colony’s situation went from dire to disastrous when the Powhatan Indians staged an uprising which wiped out a quarter of the European population of Virginia. When a fourth charter, severely reducing the Company’s ability to make decisions in the governing of Virginia, was proposed by the Crown, subscribers rejected it. King James I forthwith changed the status of Virginia in 1624. Virginia was now a royal colony to be administered by a

governor appointed by the King. The Virginia Assembly finally received royal approval in 1627 and this form of government, with governor and assembly, would oversee the colony of Virginia until 1776, excepting only the years of the English Commonwealth.

The Virginia Company of London, so far as achieving its aims as a profitable stockholding company, was a dismal failure. Despite numerous creative and desperate attempts to make Virginia stable and financially successful, the investors never achieved a profit, while the colonists suffered from the factionalism and mismanagement by the administration on the other side of the Atlantic.

But other motives for establishing Virginia were achieved. England’s territory was increased vastly and the new land could be settled and its natural resources harvested. Spanish colonial enterprise in the New World was challenged. England’s laws, language and religion were transplanted to a new place, laying the foundations for what would become the United States of America.³

The Virginia Company of London may have been a failure, but the profits and the increase in precious goods that flowed from North America to Britain kept the colonial mission alive, and there were many in England more than eager to take advantage. At the time, the monarchy and aristocracy kept a tight hold on the nation’s economy. Individuals in the working class were little better off than indentured servants. Preventing economic mobilization was a tool used by those in power to maintain power. Participating in colonization was one way that Britons could escape this economically stagnant system. By participating in the dangerous settlement of the New World, individuals and their families were able to own and control vast properties and became quite wealthy by exploiting slave labor.





Caravan on the Silk Road, c 1375, Gallica Digital Library, via Wikimedia.

This method of escaping the financial stranglehold of the crown did not only apply to members of the elite, who were the primary beneficiaries, but also benefitted members of the lower classes as well. In an effort to bolster their colonies, the British monarchy shipped thousands of convicts to the New World (most imprisoned for owing money to the aristocracy).⁴ This process, called “penal transportation,” offered convicts an opportunity to escape the authoritarian British penal system and gave transported criminals an opportunity for their own economic advancement.⁵ Thousands escaped indentured servitude to become independent and thus worked their way to some measure of economic independence. Of course, transported criminals did not fare as well in the New World as did those who came to America with their own resources and with connections to the wealthy aristocracy, but the colonization process provided at least the possibility of economic independence for individuals who were locked in the nation’s economic caste system.



The colonization of the New World was globalization. It was nothing more or less than a way for the wealthy and not-so-wealthy, living in societies already thousands of years old, to broaden their horizons and opportunities by exploring a new world filled with resources. The globalization process actually began with the earliest economic and cultural links between societies, like the “Silk Road” trade route that linked Chinese agriculture to Europe and allowed Asian and European resources to flow for thousands of years. This now famous trade route was first established around 100 BCE, and the international trade connections formed through the Silk Road network still exist in the modern world. Technology led to the advancement of ships and other methods of moving cargo, and intercontinental trade expanded from a slow flow of goods to a keystone of international economics.⁶

Between the 1500s and the 1800s, the intercontinental trade economy grew by an average of one percent each year. In search of new economic advancements and products for the global market, explorers continued searching the oceans, leading to the discovery of the New World by Europe and the attempt to exploit the region’s abundant resources. By the time the first colony arrived in the Americas in 1607 globalization had been ongoing for many millennia, and the Colonial Era can be described as a period in which globalization accelerated dramatically.



Eurasia and African trade routes, c. 870. By Briangotts, via Wikimedia.

An Economy of Our Own

The original Patriots were men and women who fought against the monarchy of England to achieve economic independence. Ultimately, the search for economic freedom became entangled with the political revolutionary thought of the Enlightenment. Patriots like George Washington, Thomas Jefferson, and James Madison were interested in a more egalitarian political system but only because it offered them economic independence.

Evidence of the economic basis of the American Revolution can be seen in the now famous protests against England, most of which concerned perceptively unfair taxation. During the early days of the Revolution, the Patriots' slogan was, "No taxation without representation!"⁷ Many of the Patriots were entrepreneurs among the elite wealthy class, and their chief complaint was that England was taking too much of their money. "Father of America" George Washington was, at the time of the revolution, among the wealthiest men in America, with more than 200 slaves and a vast plantation. Likewise, men like Thomas Jefferson, John Adams, and James Madison were aristocrats in the new American republic, and they wanted full control over their economy. The American Revolution was, therefore, as much an economic revolution as it was a political one, resulting in not only the formation of a new political system but also the birth of a more independent economy.



Why Not Be Direct?

Most of the Founding Fathers of the American patriot movement favored an indirect rather than a direct Democratic system. The reasons for this are complex, but it was a decision linked to economic motivations.

In the Revolutionary Era, most of the Founders were entrepreneurs within the American economy. This was the top level of the system, and below them there were artisans, laborers, indentured servants, and women (who had no political or independent power). Increasing taxation from England to fund England's war with France led to the economic independence movement that resulted in the American Revolution. This transformation was informed by the Founding Fathers' interest in Enlightenment philosophy, which challenged the legitimacy of basing wealth and power on inheritance.

To a certain degree, some of the Founding Fathers embraced this idea. Thomas Jefferson, for instance, believed that a society should have economic mobility such that a person from the lower level could ascend to the upper echelons with ample effort and ingenuity. However, economic mobility threatens the economic welfare of those who are already in the upper class, increasing competition and limiting profit for those already in that class.

When determining what kind of government the United States would have, the Framers knew that it would be "democratic," which is any system in which the people exert influence over the political evolution of their country. However, there are many forms of democracy, and most of the Founding Fathers did not want America to be a "pure" or "direct" democracy. Direct democracy is a system in which the people vote directly on the laws and policies that their government enacts.

Because the Founding Fathers were largely members of the aristocratic class, they did not wish to have their fates controlled by the priorities of the masses, so they decided to adopt an "indirect" democracy, in which the people voted for representatives and the representatives made the laws, ensuring that a majority of the candidates running for office would themselves be aristocrats. This is how the nation's founding supported the system of stratified income inequality that existed in the Founding Era, and it is the continuation of this system that has enabled wealth and income inequality to remain a central feature of American culture.^a

Works Used

- a. Semuels, Alana. "The Founding Fathers Weren't Concerned with Inequality." *The Atlantic*. 25 Apr. 2016, www.theatlantic.com/business/archive/2016/04/does-income-inequality-really-violate-us-principles/479577/.



In the 1800s, when thousands of immigrants were pouring into America from Europe, historians note that they were drawn by the prospect of economic opportunity, believing that the streets in America were “paved with gold.” But the promise of American prosperity has always been, for most who seek it, more illusion than reality. Just as the Virginia Company fell apart and failed to become the economic powerhouse that investors hoped, most immigrants found that riches were more difficult to come by in America than they had been told. As quoted in the book *Population* by John R. Weeks, “They came thinking the streets were paved with gold, but found that the streets weren’t paved at all and that they were expected to do the paving.”⁸

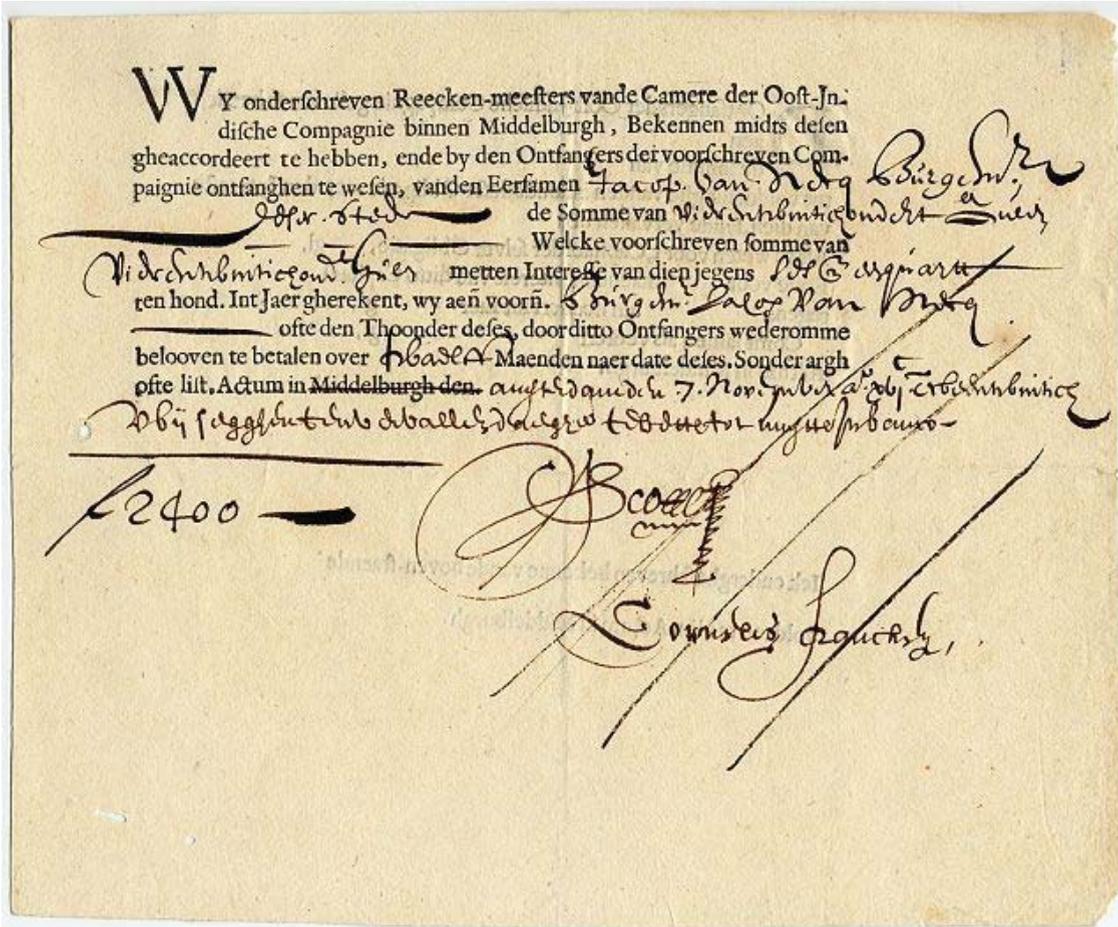
Perhaps the point at which the Patriots (in the historic sense) separated from England could be viewed as the moment where America became a unique nation, but America never really became independent. From the very beginning, the New World needed Europe and Europe needed the New World. Immediately after independence, one of the first things that the new government did was to form the nation’s first international trade agreements, first with France. In fact, the dust had hardly settled from the war with England before the two nations were again trading partners, dependent on one another both economically and culturally. America’s dependence on the global community was not just a matter of economic interdependence, but also a matter of global security. Though the United States gained its independence in 1776, the fledgling nation was weak and vulnerable. Mutual defense agreements with Europe kept the United States safe as the nation developed its government and formed its first military institutions. Today, America remains dependent on the global economy for its continued prosperity and survival.

Indeed, all Americans are globalists, part of a nation born from globalization and one that has become more deeply globalized. The cultural substrate of America is multicultural, with African, European, Asian, and many other strains of racial, ethnic, and cultural diversity playing a key role in the formation and evolution of American society. It is a myth to suggest that America can be independent from the rest of the world or that American culture is unique from the other cultures of the world.

The forces of globalization that created and fueled the growth of America were not always positive or constructive. The creation of the United States was part of a destructive process that involved the exploitation of tens of millions. The casualties include the American Indians who occupied North America for centuries before the first European colonists and untold millions of African and Asian slaves. The American political system is not demonstrably



more egalitarian or better than many other political systems. Rather, it is the way that America's unique cultural *mélange* has served to create a culture that is different that has given the nation an important and enduring influence on the global stage.



A bond from the Dutch East India Company dated November 1623, via Wikimedia.



CONCLUSION

America was one of many nations founded during the period of globalization known as the “Colonial Era,” and its history has been dominated by the ways in which the colonists of the country sought to separate themselves, economically, from their parent state. This was, of course, a very difficult and violent process, in part because America was dependent on the exploitation of slave labor. The Atlantic slave industry was another dominant force in America’s cultural history and an important factor when tracing the history and modern impact of globalization.

DISCUSSION QUESTIONS

- How was the first American colony an example of economic globalization?
- Does the United States still engage in economic colonialism? Give examples to support your position.
- Does the United States have a special purpose in the world? If so, how would you describe that purpose?
- America still has the same political system as it did in the founding era; does this indicate a strong political system, or one that is outdated? Explain your answer.

Works Used

“About the Silk Roads.” *UNESCO*. United Nations Educational, Scientific, and Cultural Organization. 2020, en.unesco.org/silkroad/about-silk-roads.

Borger, Julian. “Donald Trump Denounces ‘Globalism’ in Nationalist Address to UN.” *The Guardian*. 24 Sept. 2019, [/www.theguardian.com/us-news/2019/sep/24/donald-trump-un-address-denounces-globalism](http://www.theguardian.com/us-news/2019/sep/24/donald-trump-un-address-denounces-globalism).

Butler, James Davie. “British Convicts Shipped to American Colonies.” *The American Historical Review*, vol 2, no 1. Oct. 1896, Oxford Academic, doi.org/10.1086/ahr/2.1.12.

