**THE MOLASSES ACT OF 1733**

The American colonies best cultivation was sugar. With the demand for rum from the British, many New Englander’s made a living from turning sugar into molasses and then rum. The finish product then was traded with the British.

When the British found out the colonist where trading with Spain and France they passed The Molasses Act of 1733 imposing a duty of 6 pence per gallon on molasses imported from non-British colonies.

The real problem with the molasses act was the act specifically aimed at preserving a practical monopoly of the American sugar market to British West Indies sugarcane growers, who otherwise could not compete successfully with French and other foreign sugar-producers on more fertile neighboring West Indian islands. British producers wanted to protect their market and lobbied Parliament for a tax on foreign molasses.

The American colonists protested the act, claiming that the British West Indies alone could not produce enough molasses to meet the colonies’ needs. The American colonists feared that the act’s effect would be to increase the price of rum manufactured in New England, thus disrupting their exporting capacity and therefore lose market share in an already competitive market. With the colonies not being able to pay the tax, they turned to smuggling the product with the French and Spain for cheaper price.

In 1763, Charles Townshend set out to reduce the tax rate from 6d to 2d per gallon of molasses. The purpose was make traders pay the lower tax instead of smuggling.