France’s Economy Improves

To Louis XIV, all the pomp and ceremony of his court glorified France as well as himself. He wanted to make France the leader of Europe. As king, he devoted himself to helping France attain economic, political, and cultural brilliance.

Early in Louis’ reign, France made impressive economic gains, thanks largely to the efforts of his minister of finance, Jean Baptiste Colbert. Like other economists of his time, Colbert believed in the theory of mercantilism. According to this theory, a country’s economic strength rested on certain conditions. These included acquiring gold and silver, expanding manufacturing, building up shipping, and exporting, or sending out, more goods than were imported or brought into the country.

Define:

1. Mercantilism:

2. Export:

3. Import:

In 1665, when Colbert became Louis’ minister of finance, the economy of France was weak. For nearly 20 years, Colbert worked tirelessly to strengthen it. To expand manufacturing—for example, he gave subsidies (grants of money) and tax benefits to French companies. Colbert also sought to develop mining and agriculture to increase France’s raw materials. To obtain skilled workers, he encouraged those from other countries to settle in France.

Define:

4. Subsidy:

Answer:

5. Raw materials are natural, unprocessed products. How did gaining more raw materials help France’s economy?
Having more manufactured products enabled France to start exporting more than it imported. This brought more gold and silver into France than went to other countries, increasing France’s power. Colbert also increased tariffs (import taxes) to make other countries pay in order to trade with France.

Define:
6. Tariff:

Colbert knew that transportation was vital to trade. To improve travel within France, he encouraged the building of roads and canals. Colbert’s mercantilist measures were so successful that by 1683 French had become the industrial leader of Europe.

Many of France’s skilled workers and business leaders were Huguenots (French Protestants). They took a leading role in commerce, banking, and industry. Both France and the Huguenots prospered from Colbert’s policies.

Define:
7. Huguenots:

Answer:
8. Why is transportation important for trade?

Sadly, a single mistake by Louis undid much of Colbert’s work soon after the minister’s death in 1683. Louis, a devout Catholic, stopped enforcing the Edict of Nantes. For almost 100 years, the Edict of Nantes had protected the religious freedom of the Huguenots. Suddenly, Huguenots could no longer attend their own churches or schools. Instead, they could be imprisoned as enemies of the state. To escape persecution, at least 200,000 Huguenots fled France. Thus, the country lost many of its skilled workers and business leaders.

Define:
9. Edict of Nantes:

Answer:
10. How did Louis’ failure to uphold the Edict of Nantes hurt France’s economy?