

VOCABULARY AND TERMS

mercantilism — an economic system by which the government increased the power of the nation using policies designed to promote an accumulation of precious metal, a favorable balance of trade, and the establishment of trading monopolies. This economic system dominated the global economy from the decay of European feudalism until the industrial revolution. Under British rule the American colonies were used to provide raw materials for British manufacture and as a market for British goods. As a newly independent nation, the United States was no longer directly exploited by British mercantilist policies, but the new country still found it difficult to benefit from a global economic system dominated by European trade monopolies.

free trade — international trade that is not regulated by protectionist government policies such as tariffs and quotas. The United States has claimed to be in favor of free trade throughout its history, a position that differed sharply from the policies of mercantilism which dominated the global economy at the time of American independence or the isolationism championed by the Emperor of China at that time.

consumer goods — goods that are sold to individuals for personal use.

ginseng — a plant whose aromatic root is valued for its medicinal qualities. American merchants at first believed ginseng would be a profitable commodity to trade with China, but the market for it in China fluctuated unpredictably.

trade routes — a route followed by traders or a sea lane ordinarily used by merchant ships. American merchants devised a number of different trade routes to China.

fur — here refers to beaver furs, sea otter furs, and seal furs. These were an important trade commodity for the thirteen American colonies and for the newly independent United States. The fur trade had numerous effects on the development of the United States and its economy and devastating repercussions on the environment. Fur did not provide the United States with a long term Chinese trade commodity since the Chinese did not maintain a widespread demand for furs.

specie — money in coin.

monsoon — a periodic wind. In Asia during the winter season, the wind blows from the northwest to the southeast across the continent and then over the ocean. In summer, the wind direction is reversed and blows from the south across the ocean northward over the Asian continent. This season is often marked by heavy rains.

VOCABULARY AND TERMS

mercantilism

free trade

consumer goods

ginseng

trade routes

fur

specie

monsoon