

TRADING STRATEGIES

Americans wanted to buy tea, silk, nankeen (a strong, coarse cloth used to make work clothes), and chinaware from China. To pay for these goods, it was necessary to find products that the Chinese would take in trade. Initially, Americans thought that ginseng, a root prized by the Chinese as an herbal medicine, would become the major product shipped to China. The market for ginseng, however, turned out to be quite volatile—one never knew if the price would be high or low. The Americans had to develop a trading strategy which had a greater chance of making a consistent profit.

Salem traders generally followed this strategy.

Salem ships would often turn over their cargoes three or four times. Yankee products, such as fish, lumber, rope, and rum could be exchanged for wine in the Madeira Islands or for sugar in the West Indies. A cargo of opium or tobacco might be taken in exchange in some eastern Mediterranean port. At Mauritius, crossroads of the European-Oriental trade, manufactured goods, specie, or bills of exchange on London or Amsterdam could be exchanged. The Yankee ship, with a small accumulation from each transaction, might then have a cargo that could be sold on the Island of Sumatra for pepper, in the Philippines for rice or Manila hemp, or in Canton for tea, silk, and chinaware.

Crews from Salem ships also harvested South Sea island natural products which the Chinese desired.

On the Fiji Islands, the crews of Salem ships harvested “beche de mer” or sea cucumber, prized by the Chinese. This small sea plant was gathered on the beaches of the islands by the Salem crews and dried and prepared for the Canton market. This involved both hard work in the broiling tropical sun and imminent risk of attack from savage Fiji Island cannibals. Similarly the quest for nests of a small sea bird living among the rocky caves of the South Sea Island shores proved both risky and profitable. The nests were relished by the Mandarins as a flavoring for soup.

Boston traders travelled to Asia via the Straits of Magellan. They traded from port to port along the coasts of South America assembling goods to trade in China. The mainstay of the early Boston trade with China quickly became furs. Hides were acquired either through purchase from the natives or by trapping by crew members from the tip of South America northward along the west coast of the Americas. Most hides, however, came from the Northwest Coast.

When the fur market began to collapse, traders increased the amount of sandalwood harvested in the Hawaiian Islands, until that market collapsed in the 1820s. After the fur and sandalwood trades died out, most American ships (after loading cargo in the United States and/or Europe) sailed directly to China via the Isle of France (Mauritius). At the same time New York was becoming the center of the China trade in the United States, and manufactured products, mostly cotton textiles and leather goods, made up the bulk of the cargo.

● QUESTIONS

1. Explain why American ships did not sail directly to China to trade American products for Chinese goods.
2. Using the map you made which traced the early American trade routes, label the products which would be carried on each leg of the journey.
3. Where were animal furs harvested? How did American merchants acquire them?
4. How might the fur trade at the beginning of the 19th century have affected the current populations of fur-bearing animals like beavers, seals, and sea otters?

I Early American Trade with China

5. Chose one of the following questions to answer: (or write your own question and then find the answer)
 - a. What were furs used for during the 18th and 19th centuries?
 - b. What was sandalwood used for? (Hint: Buddhism)
 - c. Describe the human population in the area of Oregon and Washington during the early 1800s.
 - d. How does mercantilism explain early American trading strategies (routes)?