

Sea-Based Trade Policy Options Worksheet

Student Name _____ Date _____

To: Our Humble and Trusted Advisors

From: _____, Regent

As you well know, God has granted Our Blessed Empire the means of sailing to the ends of the earth: from the Indies to Cathay, no port is beyond Our ships. The spices, gold, and silk We have been seeking are finally at hand. We have asked you to consider what trading policies We will use to help enrich Our Empire.

We have listed some trade options We are considering, below.

As Our trusted advisors, We turn to you for guidance as to how Our Empire should engage these Heathens and what Our trade policy with them should be. **You may pick one or more of these options or adopt an option of your own based on what you think is best for Our Empire.** We have also included intelligence (information) Our spies and diplomats have learned about these empires.

Please use this information carefully when you are weighing out options. **Each of you will need to be able to explain and justify the choices you make in the planning section at the end of this letter.**

Before you make your decision, please consider the following intelligence gathered by spies and diplomats.

- 1) **The Spanish silver peso has become a worldwide currency.** The Spanish Empire has been sending shiploads of silver back to Europe and to their colonies in the Philippines, where it quickly spreads to China and throughout Eurasia.
- 2) The exchange of plants and animals from new contacts between the Old World and the New (**The Columbian Exchange**) have led to a rise in the variety of foods, an increase in food supply, and ultimately a worldwide increase in population. Our Empire has seen a dramatic rise in its population because of these American foods. These new plants include the corn that is now being grown in the Ottoman Empire and China and the cassava now being grown in Africa.
- 3) **Sugar and tobacco**, addictive cash crops grown on plantations in the Americas, have become desired throughout the world, especially in Europe.
- 4) In Europe, the rise of a merchant middle class has led to an **increased demand for luxury products.** This includes, sugar, tobacco, and luxuries imported from Asia: silk, porcelain, cotton cloth, and spices.
- 5) As the economies of the world start to blend, more and more empires are starting to **grow crops** for the market rather than relying on subsistence agriculture.

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- 6) In recent years, **Dutch ships have begun to dominate East Indies (Southeast Asia) shipping trade** due to highly advanced ship design.

TRADE POLICY OPTIONS

- 1. Establish “factories” (armed warehouses) in foreign ports:** This option will allow Us to protect Our own warehouses from rival European empires and from native populations. This will also give Our merchants a secure place to store goods for an extended period of time in order to secure the best price. While some foreign leaders may feel threatened by Our advanced weapons, this option can be advantageous to both Our Empire and to the leaders of foreign ports because it will help us both to increase the volume of trade. However, it could lead to conflict.
- 2. Allow private, joint stock companies from Our Empire to conduct business in foreign ports:** Foreign trade can be a risky venture. A bad storm or a pirate attack could wipe out all of the profits from a years-long trading journey. This option will allow private investors to pool their money and fund a trading company. Investors could then sell stock in that company. While this option may limit the profits to Us and strengthen the merchant class, it does allow investors to share the risk of investments.
- 3. Establish a Royal Monopoly on foreign trade:** This option gives Us, your Sovereign, nearly complete control over foreign trade. Such will allow Our Empire to ensure that most profits go directly to the Crown, and thus the glory of Our Empire. While this might stifle innovation and more efficient ways of trading, it will help Us build a powerful navy, maintain Our Empire, and ward off Our Empire’s European and Muslim rivals.
- 4. Demand unlimited trade at any port:** This option would almost certainly increase the volume of trade for Our Empire and allow Us the opportunity to secure the best price. However this may also necessitate military protection for Our merchants, which would cut into the trading profits.
- 5. Accept limited/regulated trade:** This option would likely limit the number of ports Our Empire could use for trade, may result in a high tax on trade and may limit the goods We are able to trade. However, this may give us access to markets that were previously closed to us and we may be able to persuade our foreign hosts to place even more strict limits on our foreign competitors. This may also be a first step to broader trade negotiations and allow us to avoid expensive conflict.
- 6. Use force if necessary to establish trade:** European naval technology is most likely superior to that of the foreign empires, though We are clearly outnumbered and would be defeated on land. While this option does pose a risk of starting larger conflicts, We may also be able to create alliances with the enemies of any empire that will not allow Us to trade and necessitate the use of force. Of course, alliances are not a guarantee. Finally, this option may intimidate Our European rivals and keep them out of Our ports.

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OPTIONS	Is this an option OUR EMPIRE is interested in? Why or why not?	Which empires would be friendly to this option and WHY?
1. Establish “factories” (armed warehouses) in foreign ports.		
2. Allow private, joint stock companies from our empire to conduct business in foreign ports.		
3. Establish a royal monopoly on foreign trade.		
4. Demand unlimited trade at any port.		
5. Accept limited/regulated trade.		

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6. Use force if necessary to establish trade.		
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Trade Policy Memo to King

Directions. Using the information from your graphic organizer, on a separate sheet of paper write a memo to your King/Leaders, explaining:

- A. Which trade policy option(s) you think are best for your empire and why. What factors and information about your empire affected your decision and why? Explain your choice.

- B. What your empire would be willing to compromise about this policy if we needed to (e.g., “We should accept...but not...”).

Draft Treaty Language

Using the Sample Treaty as a guide and your Treaty Planning Worksheet, draft a treaty that includes your proposals to your diplomatic partners. In your draft treaty include:

- At least **three** “Whereas” statements, explaining the context and rationale (reason) for these proposals;
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- **Three** trade policy/diplomatic proposals.

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