

Land-Based Trade Policy Options Worksheet

Student Name _____ Date _____

To: Our Humble and Trusted Advisors

From: _____, Regent

It has been brought to the attention of the Court, that there has recently been an increase in communication in our kingdom with the “Hairy Barbarians” (also known as the Europeans). They have expressed their eagerness to trade with Us, as well as teach us their superstitions. Through the Padres (priests) they have sent, We have heard that they have conquered kingdoms in the Americas and appear to be rather bellicose.

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 Barbarians 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 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 our 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 dramatic a 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 rely on subsistence agriculture.
- 6) In recent years, **Dutch ships have begun to dominate East Indies (Southeast Asian) shipping trade** due to highly advanced ship design.

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Trade and Policy-Making Options

- 1. Prohibit European trade in Our ports.** Ours is a great and powerful empire and does not need or want the trinkets these European Barbarians shower on Us. Our foreign trade with existing partners meets the Empire's needs and is only a small part of Our immense economy. In addition, by trading with the Europeans, We risk contaminating Our people with their foreign ideas. Some might argue that the Europeans possess knowledge from which We should learn; but is that worth the risk of polluting Our culture? Better to keep them away. We do not need what they have.
- 2. Highly restrict/limit access to ports.** It is a great privilege to trade with Our Empire. The Europeans should be grateful that We even consider trading with them at all. However, these Europeans Barbarians can be pesky in their desire to trade and have access Our ports. If We limit their access to only ONE or TWO ports, We can grant their request, but also limit their contact with Our people. This will also allow Our Empire to trade for any goods or ideas (paltry as they might be), from which it could benefit. Foreign trade makes up only a small portion of Our economy and the Europeans want what We have, so Our Empire is in the position to call the shots. In addition, if they return to their warlike ways, it will be easy to contain and expel them.
- 3. Establish SOME restrictions on European trade at ports.** Europeans should be allowed to trade at Our great ports, as other countries do, but should be subject to some regulations, such as taxes, or by a determination concerning with whom then can trade, just as We do with merchants from other kingdoms. Trade has helped Our Empire grow and We may gain valuable goods and ideas from the Europeans. Their ships can also help Us extend trade to kingdoms close to Ours. Some might argue that trade with the Europeans should be highly regulated because, otherwise, the Europeans will abuse Our trust. We are a strong Empire, if that should happen, We can deal with it when it comes.
- 4. Unlimited access to ports by foreigners.** Trade helps a kingdom flourish. The Europeans have goods and technology that will strengthen Our Empire and that only they can provide. They have silver from their distant empires. We should encourage their presence in Our ports and encourage them to trade with any of Our merchants. We should not be worried about any possible effort by them to try to dominate Us. They do not want to conquer but only to trade. Beside, We have seen how they easily die of disease when they spend much time on Our tropical shores. The more trade We have, the more prosperity and wealth for Our kingdom. Our great Empire can easily control them if they get out of hand.
- 5. Establish a royal monopoly on trade.** The Europeans should be able to trade but it is solely His Majesty who should have total control (a monopoly) over the most valuable items that are traded with the Europeans. This would help prevent the Europeans from possibly supporting any of Our enemies and make sure that the prime beneficiary of European trade is the Crown. Having a monopoly on certain trading goods will also allow the Us, Regent, to set prices and exchange rates in His favor, thus benefiting the Empire. Some of Our subjects might argue that a monopoly might encourage black market trading, which could undermine the Empire; however, careful monitoring of European traders can prevent this.
- 6. Allow European merchants to establish "factories" (armed warehouses) in Our ports.** It is not unreasonable to allow traders a place to store their goods (factories) while they are in port. While it is true that some of their weaponry is more advanced than Ours, their goals seem to be to trade rather than

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conquer. As they fight amongst themselves frequently, any arms brought will surely be used to prevent interference by other Europeans. Besides, a secure warehouse will encourage more trade, which will bring more money to Our kingdom's coffers.

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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. Prohibit (ban) European trade in our ports.		
2. Highly restrict or limit access to our by European traders.		
3. Establish some restrictions on European trade imports.		
4. Allow unlimited access to ports by European and foreign traders.		
5. Establish a royal monopoly on trade.		
6. Allow European merchants to establish factories at our ports.		

