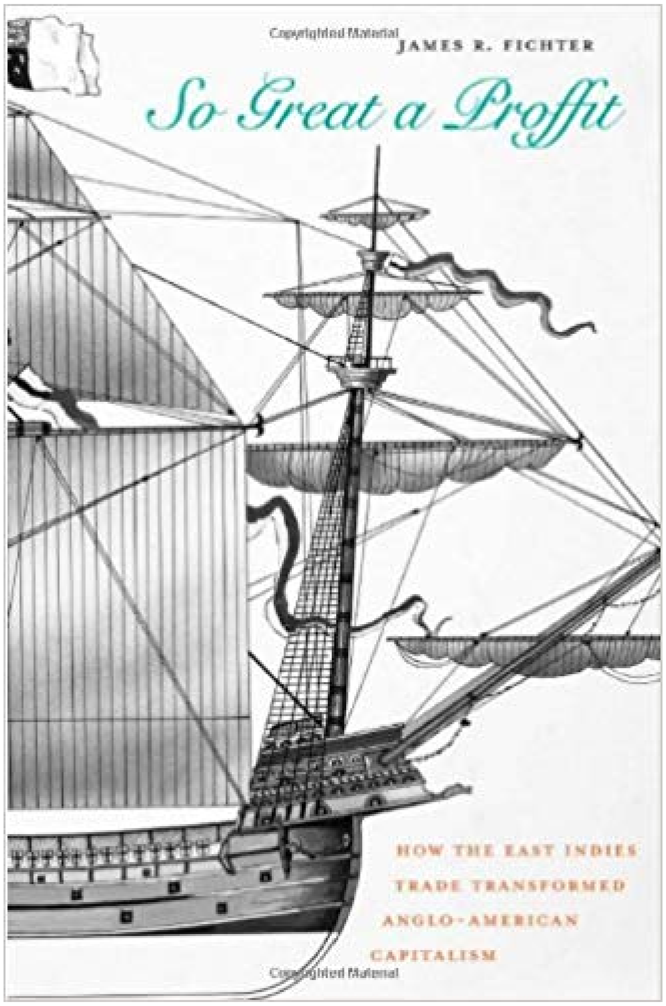
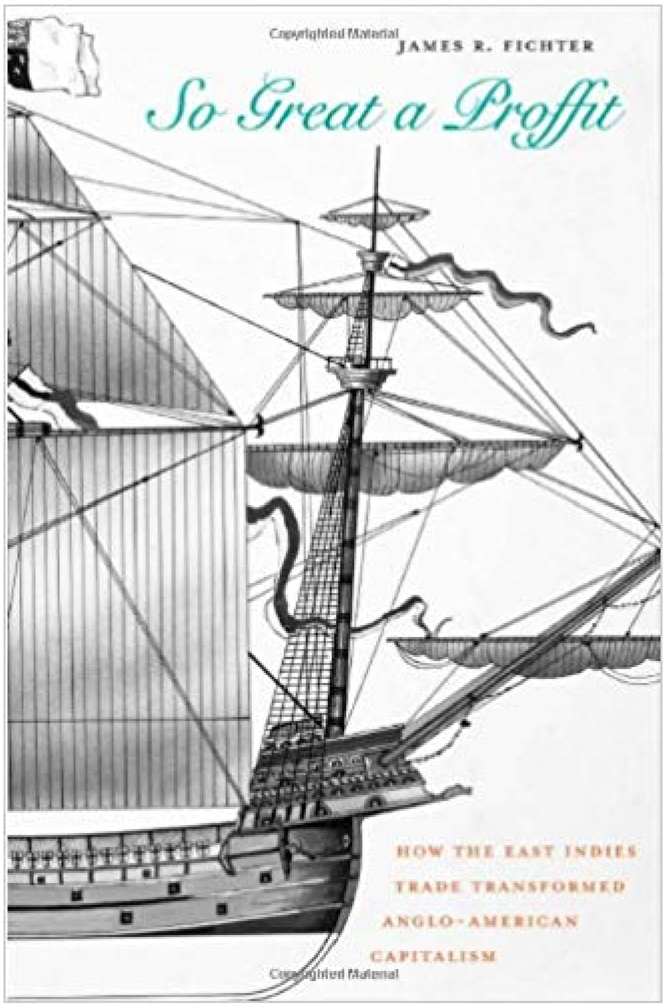
“Go West, Young Man…Far, Far West”



Before independence from Britain, North American merchants belonged to an imperial trade network that spanned the globe, from nearby Jamaica to distant Japan. But the commodity most associated with the American Revolution undoubtedly remains tea, the quintessential Asian, luxury trade good. At the time of Boston’s “tea party” in 1773, North Americans imported almost a quarter of a million pounds of tea annually, nearly two-thirds of it through Boston harbor (12). Almost all of this tea came from the distant port of Canton, in southeast China, part of a growing and increasingly profitable British investment in Asia and the East Indies.

For a few years, tea’s politicization made it the symbol of unjust taxation and monopolies, and while the former is what most history textbooks emphasize, James Fichter deftly argues that the latter had far greater consequences for the future of United States’ business practices. After 1783, U.S. merchants developed their own routes in the East Indies with remarkable rapidity and alacrity, spurred by North American demand for Asian goods including tea, which once again took pride of place as a marker of gentility. But these new investor-capitalists, a small and elite group of traders, remained wary of monopolistic practices and embraced a more open system in Asia, ultimately forcing even Britain to abandon its mercantilist ways. This is a significant intervention which not only demonstrates how important international investment was to early American commercial development, but also how it created the prototype for modern corporations. East Asian trading demanded larger groups of investors than either Atlantic or even European shipping to pay associated costs and diversify risk. Such practices resulted, Fichter argues, in a new system of "cooperative venture" through standardization of shareholders (regularized contracts), specie (silver), and supervision (supercargoes) (128-129).



James Fichter, So Great a Proffit: How the East Indies Trade Transformed Anglo-American Capitalism.Cambridge: Harvard University Press, 2010. 384 pp., $35.00.

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Colonial American and early republic studies since the 1980s have emphasized the need to contextualize U.S. history within larger regional frameworks. The most obvious example has been the rise of Atlantic history and its emphasis on crossing national and imperial boundaries. Indeed, it is the circulation of goods, people and ideas across and around this ocean that defined the field. Early studies traced migration, trade patterns or specific commodities, but more recent work has focused on less tangible but critically related ideas, such as notions of taste and refinement, and adaptation and creolization. Anglo-Atlantic scholarship outpaced work on other empires until the last decade, but historians and literary scholars have begun to turn the tide, and the resulting work not only challenges ideas about what can be consumed (notions of fashion as well as clothing), but has also broadened both the Atlantic regions and peoples considered as consumers, including Africa, Latin America and the Caribbean, as well as women, native and enslaved peoples.

So Great a Profitt does not so much challenge the validity of Atlantic scholarship as argue for the importance of other less-studied regions to the early American economy. It does so by weaving together stories of conquest, imperial expansion, smuggling, and financial entrepreneurship with an impressive array of customs and shipping data and the lives of individual men who tried their hand at commercial enterprises half a world away. While many of the nations vying for dominance in the east between 1790 and 1830 would be familiar to Atlanticists—including Britain, France, Spain, the Netherlands, and the United States—the backdrop and path to success was quite distinct. France, Britain and Holland had their colonies and territories to be sure, but it was the United States, Fichter argues, and its policies of neutral trade rather than annexation and colonization, which ultimately reshaped the region.

Americans had operated in the Pacific and Indian Oceans since the early eighteenth century, first as smugglers and pirates, and then as more legitimate agents of the British East India Company. Within a year of the 1783 Treaty of Paris, U.S. vessels sailed to the region under their own flag, but the new nation’s rise to challenge Britain in eastern trade was far from a foregone conclusion. In the first years after independence, few ships were large enough to make the journey, and fewer sponsors were willing to back them. Some that did undertake the voyage, such as the visually beautiful but commercially disastrous *Massachusetts* launched in 1790, were spectacular maritime and business failures (43-45). Nor was free trade the obvious model for U.S. interactions; despite Americas’ association of monopolies with tyranny in the 1760s and 1770s, business models based on just such government-sanctioned companies appeared as early as 1785 (39). While Congress rejected plans for an American East India Company, they did so as much because federal versus state authority over trade regulation remained unresolved as because of anti-monopoly rhetoric.

The real breakthrough came with the French Revolution and the Napoleonic Wars, which Fichter combines as the “French Wars” stretching from 1793 to 1814. When European nations turned their vessels to combat rather than commerce, America’s neutral status meant it enjoyed enormous opportunities in both Asian and European markets. This part of the study is less novel as Fichter acknowledges that past historians have already credited early nineteenth-century, inter-

European warfare for the expansion of America’s maritime reach. But what is new is his use of this argument as the basis by which American actions transformed Anglo-American business more broadly. Conducted on free trade principles, American’s commerce in Asia became so extensive and so profitable during these French Wars that it undermined the monopoly of the British East India Company and forced the company to open its own free trade to the region. The former colonies and their British Empire thus came to share what Fichter terms “Anglo-American capitalism” (2).

There is no small irony, however, that despite the popularity of anti-monopoly rhetoric in North America, which Fichter suggests even pre-dated independence, the expense of trade to Asia increasingly concentrated capital into the hands of a few, those who became America’s first millionaires. Laws may not have restricted entry into this market, but means certainly did. In theory the region’s free trade policies promoted meritocracy; in practice they enabled the rich to become richer and to transfer their wealth into other investment opportunities. Stephen Girard chose banks, Israel Thorndike helped build the Lowell Mills, and John Jacob Astor invested in western lands and attempted to dominate the domestic fur trade industry. When that failed, he returned to the China trade, perhaps somewhat chastened, but then nonetheless “profited handsomely” (275).

Fichter’s argument is a compelling one, but he acknowledges some limitations. In “America’s Re-Export Boom,” one of the seminal chapters of the book, he carefully details how trade in East Indian goods such as pepper, tea and Indian cloth linked American merchants to producers and consumers around the world. But he also notes that while “the re-export boom was quite significant,” East Indian goods made up “but a small portion of these re-exports; sales of Caribbean sugar and coffee in Europe and of European manufactures in the Americas made up the bulk” (83). This does not undercut Fichter’s central argument that American neutrality in East Indian trade precipitated a radical shift in British commercial policy in the early nineteenth century, but it is does indicate that the financial significance of this trade most directly affected a small sector of American investors—men like Thorndike, Girard, and Astor. This same cohort, Fichter persuasively demonstrates in his later chapter on “America’s First Millionaires,” invested their eastern-based profits in factories, canals, railroads and banks with far larger implications for U.S. infrastructural and economic development. But the Caribbean—especially sugar, but increasingly coffee—remained the bulwark of U.S. re-export efforts and likewise connected the new nation to global commerce. America’s West Indian merchants may have been, in Fichter’s words, “little more than shopkeepers with ambition,” but there were many more of them, and their combined profits represented a significant portion of overall U.S. trade income (113). Moreover, Fichter’s own examples provide provocative evidence of how these trades intertwined. In 1801 Israel Thorndike (who would likely be rankled if called an ambitious shopkeeper) provided his captain with a detailed list of seven potential West Indian ports of call in which to sell his Indian cloth cargo (98-99). While those sending ships to the east often came from a different socio-economic tax bracket than Atlantic traders, their business interests may have overlapped in important ways.

This is an ambitious and wide-ranging book that explores not only the specifics of business transactions, but also the social and cultural ramifications of America’s entry in what had previously been systems defined by empires. Better still, it is composed in a lively, engaging manner easily accessible to scholars in the field and those whose interests may not focus on finance. Fichter is a seamless writer, a real pleasure to read, and the streets of Dutch Cape Town, like the home of merchant Elias Derby of Salem, Massachusetts, come alive on his pages (35-17 and 132-134). His work is also a major corrective to the traditional narrative of early American history still taught at the undergraduate level, which largely focuses on what will become the United States. In these classrooms, Thomas Jefferson and Alexander Hamilton stand in for the series of pamphlets and Congressional sessions that debated whether the new nation’s future lay overseas or overland, the textbook chapter that most students half-heartedly slog through before getting to the far more enticing fare of Lewis and Clark and westward expansion. Thereafter America’s international affairs are usually limited to immigration or war. The War of 1812, the Mexican-American War, the Monroe Doctrine, and the Spanish-American War were each about defining and defending United States’ territorial rights. Most of our classroom attention is paid, however, to the developing schism between the states and resultant Civil War, or in outlining a series of “revolutions”—the market revolution, transportation revolution, and communications revolution—that made possible a nation from sea to shining sea. What is important to American history, in other words, occurred at home and not abroad.

Atlantic historians have struggled against this trajectory for three decades, arguing that just as many Americans looked east (and south) across the ocean as looked west across the continent. Fichter’s work adds a key new dimension to this debate, albeit to a more distant horizon line. He encourages historians of early America, business history, and globalization to look west, but much farther west than we have in the past, to see how the Asia trade increased both the number of connections and volume and value of U.S. foreign trade in the decades after 1783, as well as how it undergirded investment in those very transportation and communications relations that made possible domestic expansion.