

Contributions of Asian Trade to the Early Transformation of the United States of America

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In this lecture, I take up the historic event of the transition of the United States of America from the state of agriculture to that of the industrial economy and explain how it got its stimulus from the Indian Ocean Trade. The American War of Independence was fought under the state of pure husbandry. However, independence was followed by a commercial revolution which, in turn, transformed the nation into an industrial country within the four decades of independence. Indeed, it was another revolution – the American Industrial Revolution. How could the Industrial Revolution be accomplished within so short a time? As is well-known, the maritime monarchies of Europe achieved industrial transformations primarily through Asian trade.¹ I will maintain that the American Republic followed the same path- Asian trade, and achieved the same result, Industrial Revolution. But there is a fundamental difference between the Continental Industrial Revolutions and American Industrial Revolution. The difference is that while European industrial transitions took place mainly through the colonial subjugation and exploitations in Asia, American Industrial Revolution drew its substance and nourishment from the Asian trade, especially with India and China. Let us now proceed to detail out our hypothesis historically.

¹ For details, see Dietmar Rothermand, *Asian Trade and European Expansion in the Age of Mercantilism*, (1978) and Ralph Davis, *The Rise of the Atlantic Economies* (1978).

American Society and Economy at Independence (1783)

First of all, let us have a brief look at the health of the American economy and society at independence. In 1783, the United States of America had a white population of about three million settled across the thirteen colonies.² The colonies were located only in the east coast stretching from Charleston in the south to Maine in the North. Religiously, majority of them were Christians of evangelical denomination. Their goal of life was to make America a 'Kingdom of God', a 'Garden of Eden'. To them, the path to the establishment of the Garden of Eden was to avoid trade and commerce and follow husbandry as devotedly as did Jesus. Religiously, the northern colonists were, however, less dogmatic than those of the southern.

Manufactures were virtually absent. For essential manufacturing products, including textiles, Americans were entirely dependent on British supply until the end of the Revolution. Internal trading was minimal and was pursued mainly on barter basis. Until 1790, America had no national currency and no national bank. The currency need was met by imported Spanish Dollars. Under the British Navigation Acts, American settlers were not allowed to make maritime contact beyond the West Indies. The Revolution, however, generated a chain of ideas and ideologies impacting on the American mind and aspirations. One of their post-Revolutionary visions was to go to the east in search of fortune. But majority Americans had deep reservations on the question of undertaking overseas trade and commerce.

The Congress Debate : Should America join Asian Trade?

Behind the American Revolution, there were some well-defined dreams to realize. Joining the overseas trade and commerce for wealth was not definitely one of those dreams. Expectedly, the idea of going to the East for trade and commerce received objections from many. They held that the overseas trade was not consistent with the spirit of the Revolution.

² Bernard Bailyn and others, *The Great Republic*, (Lexington 1977), Annexures, p. xviii.

To them, overseas trade meant periodic wars between the mercantilist competitors, an observation not entirely untrue historically. Most from the southern colonies were inclined to establish a happy agricultural state based on natural rights, a cornerstone of the Revolution. However, many delegates from the northern colonies held different view on the question. They advanced the idea of seeking wealth through trade and commerce with Asia without making any compromise, of course, with natural rights. Thus, on the issue of going to the East for trade and commerce, the Congress got divided into “agrarian democrats and commercial Republicans”.³

The Continental Congress fervently debated on the question whether or not to go for East India trade at all, and if, should Americans have an East India Company for the eastern trade? ‘The East India Company’ idea came from the New England group of merchants. The physiocratic lobby got baffled at the proposal. The commercial lobby in the Congress consistently argued in favour of joining the Asian trade under an East India Company. It was maintained that since independence secured the Americans the freedom to go anywhere in the world in pursuit of trade and commerce and knowledge, they should not be barred by the state to becoming seafaring. John Adams, a founding father of the Revolution and subsequently two times vice-president (1789-97) and president of the USA (1797-1801), studied closely the secret of the prosperity of maritime Europe. His conclusion was that without pursuing the Indian Ocean trade vigorously, America would never achieve economic greatness. His view was that without having a robust economy American Revolution could not be sustained. According to him, peaceful commerce equally promotes agriculture, peace and prosperity. Many held that the European nations, who were already in possession of the Eastern world would look at the American presence there jealously, which might become a cause of conflict between America and maritime

3 For details, see Bernard Bailyn, *The Ideological Origins of the American Revolution*, (Harvard 1967) and Michael Kammen, *People of Paradox*, (Cornell University Press 1972).

Europe. As regards apprehended colonial non-cooperation, John Adams maintained that colonial powers in Asia would rather welcome the American maritime presence in their own interest. Adams wrote to a Revolutionary friend, “I lay it down for a rule, that a nation which shall allow us the most perfect liberty to trade with her colonies, whether it be France, England, Spain, or Holland, will see her colonies flourish above all others and will also draw proportionately our trade for themselves.”⁴

But the real problem for Asian trade was not possibly the colonial non-cooperation but the dearth of capital. American merchants had not the required capital to pursue foreign trade. In overcoming this obstacle, Adams’ idea was to follow the method of Dutch and Danish merchants. He argued that they were making fortune not from the application of their capital but from the clandestine carrying trade of the British officials in Bengal. Elaborating on his idea, Adams wrote to John Jay, a founding father of the Revolution and President of the Continental Congress:

There are many persons in the European factories in India particularly the English who have accumulated large property, which they wish to transmit to Europe, but have not been able to do it...They would be glad to sell us their commodities, and take our bills of exchange upon Europe or America Therefore, there is no better advice to be given to the merchants of the United States, than to push their commerce to the East Indies as fast and as far as it will go.⁵

But the Asian trade idea received cautious reservation from the influential founding fathers like Washington, Franklin and Jefferson.

4 John Adams to Livingstone, 17 July 1783, *The Works of John Adams*, vol. 8, p. 104. Adam’s view proved to be true in the case of Bengal, the trade and commerce of which grew significantly as a result of American participation in Bengal trade. In fact, the abolition of monopoly trade of the East India Company in 1813 and withdrawal of all restrictions to foreign private trade in Bengal in 1820 is largely to be attributed to the large scale private trade conducted by the Americans. See Court of Directors to Governor General 31 December 1821, British Library (Oriental), P/174/32.

5 John Adams to John Jay, 11 November 1785, *The Works of John Adams*, vol. 8, pp. 343-4.

They sympathized with the physiocratic thought and practice and were inclined to achieve prosperity by applying comprehensive agricultural pursuits. Jefferson cited the case of China. He argued that the Chinese people maintained peace and prosperity without foreign trade. He remarked, "Were I to indulge my own theory, I should want them [Americans] to practice neither commerce nor navigation, but to stand with respect to Europe, precisely on the footing of China. We should thus avoid wars and all our citizens would be husbandmen."⁶ In this debate, philosopher and scientist and founding father Benjamin Franklin also supported the physiocratic view and so did Thomas Paine (1737-1809), the most popular revolutionary pamphleteer and political philosopher of the time. He wrote a treatise arguing that foreign trade in general and the proposed 'American East India Company' plan in particular, would eventually destroy America's Revolutionary spirit by throwing the nation to mercantilist competition and wars.⁷

However, the pro-foreign trade interest headed by John Adams could successfully convince the Continental Congress that both husbandry and foreign trade could be pursued equally beneficially for all and without wars. Ezra Stiles, the Yale President tried to persuade his friend President George Washington in favour of foreign trade arguing that no country can achieve prosperity in isolation and he emphasized that intercourse with foreign powers is not only an economic affair but also a cultural one. He maintained, "navigation will carry the American flag around the globe itself; and display the thirteen stripes and new constellation, at Bengal and Canton, on the Indus and Ganges,... and with commerce will import the wisdom and literature of the East."⁸

6 Jefferson to Hogendorp, October 13, 1785, in *The Writings of Thomas Jefferson*, Vol. 5, ed. by Albert Ellery Bergh (Washington, D.C., 1903), p. 183.

7 William M. Van der Weyde (ed.), *The Life and Works of Thomas Paine*, (New Rochelle, New York, 1925), vol. II, p. 41, vol. III, p. 25, 69.

8 Quoted in James McCutcheon, "The Asian Dimension in the American Revolutionary Period" in Cedric B. Cowing (ed.), *The American Revolution: Its Meaning to Asians and Americans*, (Hawaii 1977), p.89.

The Congress finally permitted foreign trade with a reservation that America should go to Asia not following the European 'East India Company' model as was suggested by the commercial interest but purely as private and individual entrepreneurs and their respective voyages must obtain a pass from the Congress before they left for foreign lands.⁹

America's Image of Asia

How the Americans viewed Asia before and after independence? The Orient was not unknown to them at all. By the East India Company, they were supplied with a lot of oriental products, including tea and textiles. The Americans, the vast majority of whom were literate,¹⁰ developed their impression on Asian civilizations not only from goods they consumed but also from the books produced in Europe in the Age of Enlightenment. For a time, Asian art, architecture, landscape design, porcelain, wallpaper, literature and thought influenced the European Enlightenment and through Europe, America too. The European Enlightenment intellectuals gave very high rank to the achievements of Indian and Chinese civilizations. On the influence of Oriental culture

9 Congressional Proceedings: Collections of Massachusetts Historical Society, 7th Series, vol. X, pp. 217-8. Every voyage to the Indian Ocean was required to take a pass from the Congress. The language of the pass is interesting. It goes thus:

Most serene, serene, most puissant puissant high illustrious noble honorable, venerable, wise and prudent Emperors, Kings, Republics, Princes, Dukes, Earls, Barons, Lords, Burgos, Masters, Counselors, as also judges, officers, justiciaries and Regents of all the good cities and places, whether ecclesiastical or secular who shall see these presents or hear them read,

"We the United States of America in a Committee of the states assembled make it known that [names and addresses of captains and supercargoes] are citizens of the United States of America and [name of the ship] belongs to citizens of the United States of America and the ship belongs to citizens of the said United States of America. When they arrive with their vessel and cargo that they may please to receive them with goodness and treat them in a becoming manner..."

10 Because of evangelical doctrines, which propagated literacy for all, most white Americans got literacy either privately or institutionally. For American education before independence, see Bernard Bailyn and others, *The Great Republic*, (Lexington, Massachusetts 1977), pp. 154-61, 238, 304.

on the Western society, James Cawthorn, in his 1756 essay on 'Of Taste' versed:

Of late, 'tis true, quite sick of Rome and Greece
We fetch our models from the wise Chinese...
On ev'ry shelf a Joss divinely stares,
Nymphs laid on chintzes sprawl upon our chairs;
While o' ver our cabinets Confucius nods,
Midst porcelain elephants and China gods.¹¹

In the imaginations of most American intellectuals, Asia stood for perfection not only in the production of luxury goods, but also in providing perfect system of governance. To give a perfect constitution to the free people of America, some revolutionary leaders and pamphleteers were even speculating on how they could benefit from the oriental constitutions. Eighteenth century American mind was searching for examples to use against what they felt British colonial corruptions emanating from the aristocracy-based monarchy and organized Christianity. Sir William Temple (1628-1699), the most favourite author of the contemporary Americans, provided some clues to them in favour of the Orient. Temple questioned the contemporary idea of progress in his very influential essay, 'Of the Heroic Virtue'. He was in high praise of oriental learning and social peace and stability. Temple's thesis of the superiority of oriental virtues was defended by his protégé, Jonathan Swift, and later, Voltaire. All of them had deep devotion to Confucius and Buddha. Like Temple, there were many others who thought Chinese and Vedic and Buddhist thoughts should serve as a model for Western societies.

The works of the Jesuit missionaries showered praise on the Chinese institutions. For example, Pierre Poivre (1719-1786), a French missionary turned entrepreneur working in Indo-China, in his very popular *Travels of a Philosopher* paid glowing tributes to Chinese wisdom of statecraft, civil service and social management. In his estimation, the Chinese monarch

11 R.W. Harris, *Reason and Nature in the Eighteenth Century* (London, 1968), p.295.

was the "most powerful, the richest and the happiest of sovereigns". He wrote, "... turn your eyes towards Peking, and behold the most powerful of mortal beings, seated on the throne of reason: he does not command, he instructs; his words are not decrees, they are the maxims of justice and wisdom; his people obey him, because his orders are dictated by equity alone,"¹² Francois Quesnay (1694-1774), French philosopher and physiocrat and physician to French king Louis XV, praised Chinese institutions and called them the products of universal wisdom and justice.¹³

The pre-Revolutionary American intelligentsia was well-aware of the Oriental debate going on in contemporary Europe.¹⁴ But the American leaders, as they were free from past institutions and tradition, were hardnosed pragmatic. They were less fond of theories and speculations than their European counterparts. They showed interest in Asian civilizations, but only in their useful aspects. For example, Benjamin Franklin showed immense interest in the Chinese and Indian productive technologies. He was keen to know about the techniques of Chinese paper manufacture, horizontal windmills, farming census, room heating technology, silk culture and Chinese language.¹⁵ Franklin was so fond of reading about Chinese civilization that once he revealed to a friend that "if he were a young man, he should like to go to China."¹⁶ In 1763, we find Benjamin Franklin busy in experimenting with production of Chinese silk in New Haven.¹⁷ In 1765, Franklin described the history of

12 Quoted in James McCutcheon, 'The Asian Dimension in the American Revolutionary Period' in *The American Revolution: Its meaning to Asians and Americans*, ed. by Cedric B. Cowing, (The East-West Center, Honolulu, Hawaii, 1977), pp. 90-91.

13 For details, see Eugene Colane, *Voltaire's Jesuit Sources on China*, (Fordham University 1956).

14 James McCutcheon, *The Asian Dimension in the American Revolutionary Period*, *The American Revolution*, p.91.

15 *The Works of Benjamin Franklin*, vol. VI, ed. by Jared Sparks (Boston, 1844), , vol. VI, p.577; vol. VII, p. 381; vol. VI, 538, and vol. VII, p. 536.

16 *Ibid.* vol. II, p. 241.

17 James McCutcheon, *The American Revolution*, p.94.

Chinese silk in his *Poor Richard's Almanac*. In the proceedings of the American Philosophical Society (1771), Franklin recorded the prospect of America's getting prosperous by the introduction of the many crops and trees of those parts of Asia located on the same latitudes and longitudes as the American colonies.

The impression that the Americans got about Asia from the 17th century Enlightenment literature did not really change even long after they set up direct contact with Asia. Most of the captains and merchants visiting Asia held favourable view about the eastern civilizations. For example, Benjamin W. Crowninshield, a merchant and poet from Salem, Massachusetts who visited India many times from 1796 to 1816 and who was later made US Navy Secretary (1805), used to tell his friends that India was a store house of knowledge for the unprejudiced and open minded people. He reported that the knowledge that India developed in the long past "was sought by all civilized nations of the world".¹⁸ Addressing the missionaries, who came to him for advice about the feasibility of converting the Indians into Christianity, Crowninshield tried to dissuade them from the venture with an observation that he "spent considerable time in Hindustan, and had become acquainted with the amicable manners of that mild and much misrepresented people....There were those among the Indians who had examined our religion and were familiar with its doctrines, who could teach our missionaries the history of their church; that those people were perfectly satisfied with their own religion, and wanted no change."¹⁹ At a dinner party of the mariners and merchants President Quincy Adams (1825-29) gave a toast to India with the comment that "No commercial nation has been great without trade to India- May the experience of ages induce us to cherish this rich source of national wealth."²⁰ The town

18 Benjamin W. Crowninshield to Henry Pickering, a merchant, navigator and federalist politician, 1 October 1812, *Crowninshield Papers*, Essex Institute, Salem, Massachusetts.

19 Benjamin Crowninshield to C. P. Summer, 3 April 1819, *Crowninshield Papers*, Essex Institute, Salem

20 *Essex Register*, 17 October 1825.

committee of Salem, Massachusetts, then the biggest port for India trade, made a seal of the town in 1839 in memory of flourishing East India trade with a motto inscribed on it, which goes: *Divitis Indiae usqua ad ultimum sinum* (To the farthest gulf for the wealth of India). There were, of course, many merchants and visitors who were not equally enthusiastic about Oriental civilization, but holding a favourable opinion about Indian culture was the norm among the most Americans.²¹

America joins the Asian Trade

The first American entrepreneur to organize a voyage to the Indian Ocean was Robert Morris of Philadelphia, a signatory to the Declaration of Independence and a senator from 1785 to 1795. In collaboration with several Philadelphia and New York merchants, Morris loaded the ship *Empress of China* with a mixed cargo worth \$120,000. The *Empress* commanded by Captain Green left New York for China on February 22, 1784. In the following month, the *United States* commanded by Thomas Bell left for Madras. The merchants of Rhode Island sent the ship *Hydra* to Calcutta in late 1784. The objective of all these inaugural voyages was to "explore the advantages of Oriental commerce."²²

All these pioneering voyagers returned home safely and with considerable profit as well. The captains and supercargoes of the voyages reported back home about the friendly dispositions of the local merchant classes and great prospects of trade and commerce with East India. The achievement of establishing maritime contact with the 'East Indies', thus opened up a new dimension of the spirit of the American Revolution.²³ Individually, it was Elias Hasket Derby (d. 1799), a

21 Incidentally, before the conquest, the Britishers also held the same view about the Indians, but once the conquest made them rulers of the country, they felt the 'burden' to 'civilize' the ruled. For details, see 'Sirajul Islam, The Briton in India: How Heavy was the White Man's Burden?' in *Bangladesh Historical Studies*, vol. XVII 1996-98 (Bangladesh History Association), pp. 1-34.

22 Papers on Yangkee voyages to India and China, British Library, Oriental Section, *Home Miscellaneous Series*, vol. 247, p. 380-6.

23 For details, see Holden Furber, 'The Beginnings of American Trade with India, 1784-1812', *The New England Quarterly* vol. 7, No. 2, 1938; Sirajul Islam, 'America's Maritime Contact with Bengal, 1785-1870: Commerce, Competition,

merchant of Salem, Massachusetts, who organized the successive eastern voyages most extensively and successfully. The profit that he derived from the Indian Ocean trade was amazing. His ships returning from Calcutta, Bombay, and Rangoon are reportedly to have made profit sometimes as high as 700 percent above outlays.²⁴ The massive profits that he made from the Indian Ocean business earned him the status of becoming the first millionaire in the history of the United States of America.

For some extended discussions on the eastern trade, we select only two ports- Calcutta and Canton. These two ports represented the greatest part of the America's eastern trade. Period-wise, our discussions terminate towards the end of the first quarter of the nineteenth century, when there came a major shift in America's eastern trade. From 1820, American merchants were sending greater and greater ships to China rather than to Bengal.

Bengal Trade

The first ship *Hydra* from Rhode Island arrived at Hugli in June 1785. With some more explorative voyages, the American merchants began their Bengal business significantly from 1790. The capital for Calcutta trade was raised through advertisements. The advertisement contained details of the ship and her captain and supercargo (superintendent of cargoes) and other business details. The participating speculators would join the venture with their individual shopping lists, according to which the supercargo would make the purchases on their behalf in Calcutta.²⁵ Goods in Calcutta would be purchased with the help of a local agent called *banian*. On return home, advertisements would be made again for auction of the imported goods. The individual investors were free to join the common auctioneering or dispose of their cargoes by themselves.

The advertisements about the next voyage would be made with a note of the profit made in the previous voyage and also stating the expected profits that could be made from the next venture. Unless a ship got pirated or lost in the sea, profit at varying range was almost certain and so was the re-investment on the part of speculators. In short, an eastern voyage was an affair of the ship owner, ship captain, supercargo and investors. Disposing of the inward cargoes and procuring and packaging of the cargoes of the return voyage was the job of the banian. In Calcutta, the most common banian to American merchants were Ramdulal De, Ramchandra Mitter, Ramdhan Banerji and Tilak Banerji.

The golden era of the American trade and commerce in Calcutta was the period of the French Revolutionary and Napoleonic Wars (1793-1815). Neutral America enjoyed nearly the monopoly of the Indian Ocean trade and commerce, particularly the most profitable carrying trade of the belligerent powers. Due to the confidential nature of the carrying trade with the British officials and belligerent powers, we have no official information about the volume of business that the Americans transacted during the period. Qualitatively, it can be guessed that the business in these two sectors was very voluminous. Hundreds of American ships reached eastern waters for trade and commerce. Most of the eastern voyages were organized from Boston, Salem, Philadelphia, New York, Providence, Marblehead, Beverly, Baltimore, Gloucester and Newbury. These were merely fishing harbours before. The new Indian Ocean trade turned them into flourishing maritime ports.²⁶

Let us now try to have a quick quantitative look at the trade and commerce that the Americans had transacted in Calcutta. Adams Seybert, a contemporary economist and statistician, recorded that

Knowledge', *Golden Jubilee Volume: Journal of the Asiatic Society of Bangladesh* (2002); Kenneth Scott Latourette, *The History of Early Relations between the United States and China, 1784-1844* (Bew Gavebm 1917), chapter 1; Clarence L. Ver Steeg, 'Financing and Outfitting the First United States Ship to China', *Pacific Historical Review*, 1952.

24 Bengal Commercial Reports, 1795-1802, British Library (Oriental), P/174/32.

25 Individual investors included even politicians and academicians. Fisher Ames, a Revolutionary leader and Senator invested in India trade. Harvard Professor of Medicine Dr. James Jackson many other joined East India trade.

26 For details, see Northcote C. Parkinson, *Trade in the Eastern Seas 1793-1813*, (Cambridge University Press 1937) and *The Trade Winds: A Study of British Overseas Trade During the French Wars, 1793-1815*, London 1948; Ralph D. Paine, *The Old Merchant Marine*, (Yale University Press 1919); Samuel E. Morison, *Maritime History of Massachusetts, 1783-1860*, (Boston 1921); William Milburn, *Oriental Commerce*, (London 1819) and G. Bhagat, *Americans in India 1784-1860*, (1970); Sirajul Islam, 'The Cargo and Culture of the New Englanders' Voyages to Calcutta 1785- 1850' in *Journal of the Asiatic Society of Bangladesh*, (Hum. vol. 39, No. 1, June 1994).

initially the American merchants imported goods from Calcutta for domestic consumption, but the protracted European wars made them a major re-exporting power. Goods were imported from the mainly Asian countries and then re-exported to other countries of Europe, South America and the Mediterranean countries.²⁷ Based on American port records, Seybert provides the following quinquennial growth chart of American re-exports of India goods from 1790 to 1805:

Table 1: Total value of America's re-exports of Bengal goods, 1790 to 1805.

Year	Amount in Dollars
1790	\$ 19,012,041
1795	\$ 67,064,097
1800	\$ 94,115,925
1805	\$ 101,546,963

Source: Adams Seybert, *Statistical Annals of the United States of America*, (Philadelphia 1818), p. 68.

The actual growth must be much higher, because tendencies on the part of importers was to declare less value in the cargo manifest and not to show all cargoes in the manifest. It was done to minimise duties. The growing volume of imports and re-exports every year is indicative of the fast growth of American trade with Bengal. Only a small part of the total import from Bengal was consumed within America. Bulk of the imports were soon re-exported to other regions, such as South America, Europe, Russia, Africa, Mediterranean region and the Middle East. Seybert mentions how greater and greater volume of imports into and re-exports from, American ports correspondingly led to the rapid expansion of ports, shipbuilding, warehouses, employment, urbanization, and development of education and training.²⁸ For export, goods were gathered from all the colonies and it led to the expansion of American coastal trade.

What goods were the Americans exporting from Calcutta? Giving an annual account of imports and exports made by the Americans would be

²⁷ *Ibid.*, p. 61.

²⁸ *Ibid.*, p. 69.

too unwieldy to cite here. We can get a fairly reliable impression from a representative statement drawn from normal year.

Table 2: Statement of the merchandizes Americans imported from Bengal, 1800-1801.

	Value in Sicca Rupees
Piece goods	S.Rs. 14167106
Indigo	3988293
Sugar	1000099
Silk	1051957
Grain	1421040
Bengal Rum	68864
Opium	3452432
Salt Petre	299483
Gum	71482
Borax	41160
Cotton	25935
Thread of yarn	3937
Gunny of Gunny bags	48926
Shell Lac	27070
Stick Lac	57982
Long pepper	27462
Hemp flax of faine	11543
Ginger	16961
Turmerick	16185
Lalamoniatic	4568
Elephant teeth	20052
Wax candle	20630
Tallow candle	4809
Soup	4758
Seeds	4758
Seeds	47521
Ghee	23858
Oil	2450
Tobacco	14097
Cooshum flowers	2217
Shoes or boots	40531
Palanqueens	32926
Gold of silver thread	10070
Sugar Candy	23682
Sundries	139964
Total SRs	26190750

Source: Report on Bengal External Commerce 1800/01, 1 June 1800 to 31 May 1801 British Library (Oriental Branch), P/174/13.

The chart shows that the Americans bought in Calcutta mainly piecegoods. What the Americans imported into Calcutta? Mainly bullion.²⁹ The following statement will indicate the amount of bullion that they brought for Calcutta trade.

Table 3: Statement of bullion imported into Calcutta by the Americans from 1815 to 1820/21.

Year	Amount of Bullion in Sicca Rs.
1815/16	3698209
1816/17	3749989
1817/18	5293756
1818/19	7066787
1819/20	2104195
1820/21	2136289

Source: British Parliamentary Papers, East India, Session 1831-32, Appendix No. 12, vol. X, Part 2, (Irish University Press Series), vol. 8.

Tables 2 and 3 point to one very significant fact that America's business intercourse with Bengal was pre-eminently dominated by one item from both sides: bullion from American side and piecegoods from Bengal side. Another very noticeable characteristic of America's piecegoods business was that while most foreign buyers of piecegoods in the Bengal market looked for finer quality of fabrics, it was only the Americans whose consistent preference was to coarsest and cheapest of the cloths available in the Bengal Bazaars.³⁰ For cheap coarse cloths, even used ones, they created good market in African and Barbary countries and also in Russia. At home market, the slaves were clothed and livestock covered and cotton was packed by the Bengal cheap cloths.

Next to piecegoods, other important items of American shopping from Bengal were opium, indigo, saltpetre and sugar. America made Bengal a very major trading zone for another important consideration, which was

29 For a discussion on the role that bullion played in the pre-modern economy of India, see K.N. Chaudhury and Clive J. Dewey, (ed.), *Economy and Society: Essays in Indian Economic and Social History*, (Oxford University Press 1979), chapter 6.

30 Kenneth W. Porter (ed.), *The Jacksons and the Lees: Two Generations of Massachusetts Merchants 1765-1844*, (Harvard University Press 1937), pp. 870-80.

part of their capital supply. The capital hungry merchants could and did borrow money from their banians when needed. Besides lending cash, their banians often issued letters of credit to their clients, while they went deficit in buying. Within a decade since 1790, their commercial standing in Bengal rose so high that in volume and value of Bengal export trade, American merchants stood just next to the East India Company and British private traders combined.³¹

All the European powers with colonies in Asia used the neutral American flag to carry their merchandize to world market. In the long French Revolutionary and Napoleonic Wars, American neutrality enabled its ships to carry clandestinely the goods of the belligerent powers. It was a highly risky trade indeed, but Americans did take the risk and conducted the carrying trade during the war period with extraordinary returns. Their profit range remained very high for some other reasons. Due to neutral status in the wars, their ships were not subjected to war insurance, war freight, war duties, war demurrage, and a variety of other charges which the competing British and European ships incurred because of hostilities. All these circumstances have given the American merchants a great and decisive advantage over the British and European merchants in the Indian Ocean trade during the war period.³² American trade remained suspended during the Anglo-American War of 1812 and the suspension continued up to the Peace Treaty of 1815. But from now on, they were facing severe competition from the colonial powers and Asian merchants operating in the Indian Ocean. Furthermore, with the abolition of the monopoly status of the East India Company, they faced competition from the British private traders.

31 Report on Bengal External Commerce, 1 June 1800 to May 1801, British Library (Oriental), P/174/13.

32 How the American merchants made windfall profit due to their neutral status was discussed at length in a debate held in the Court of Directors, in October 1807. All the details of the American trade in Bengal have been recorded in a 113 folio page (typed). The Bengal government was asked to levy double duty on the Americans, but the directive was not executed by the governor general on the ground that such a measure would ruin the flourishing state of the trade and commerce of Bengal. October 14, 1807, Home Miscellaneous Series, vol. 494.

However, by 1820 America turned into a great maritime power with its worldwide commercial network and acquired capability to compete with the merchants of the colonial powers. And to this transition, Calcutta trade played a very significant role. In appreciation of the contributions of the eastern trade to the economy of America, the Congress Committee on Commerce noted in 1822 that while America was no economic power before, it was the Asian trade which made her a great maritime power. Recalling the beneficial effect of the European wars on the American economy, the Committee remarked that during the wars, the American merchants were importing huge amount of goods from Asia, especially Bengal, and bulk of these were again re-exported to Europe, Russia, South America, Africa and the Mediterranean region. The profit prospects drove the rank and file of Americans to join Asian trade and get rich quickly in defiance of evangelical values. The Congressional Committee on Commerce reported with pleasure that the war advantages “established a new era in our commercial history; the individuals who partook of these advantages were numerous; our catalogue of merchants was swelled much beyond what it was entitled to be from the state of population”.³³ Commenting on the impact of the war period trade with Asia on the American economy and mind, the Committee recorded that “many persons who had secured moderate capitals soon became the most adventurous. The predominant spirit of that time has had a powerful effect in determining the character of the rising generation in the United States.”³⁴ The people, according to the report, became amazingly adventurous. “[Due to their adventures], our tonnage increased in a ratio with the extended catalogue of the exports; we seemed to have arrived at the maximum of human prosperity; in proportion to our population, hardly five million in 1800, we ranked as the most commercial nation; in point of value, our trade was only second to that of Great Britain.”³⁵

33 Report of the Committee of Commerce and Manufactures to the Senate, December 20, 1819, no. 391, in *American State Papers*, Ser. 4: Commerce and Navigation, vol. 2, (Washington 1834), pp. 391-93.

34 Report of the Committee on Commerce and Manufactures to the House of Representatives, 15 March 1822, no. 256, 17th Congress, 1st session, in *American State Papers*, Ser. 4, vol. 2, (Washington 1834), 256.

35 *Ibid.*

The Charter Act of 1813 abolished the monopoly status of the East India Company and allowed British private traders to come to the east to compete with others in the eastern trade and commerce. They faced most inveterate competition from the American merchant houses. By 1820, the American merchants have penetrated into all sectors of the Indian Ocean commerce. In reporting their most aggressive presence in the Indian Ocean trade, the Board of Trade of the Bengal Government reported to the Governor General,

“The trade which has been carried on in the Indian seas by the subjects of the United States of America has been to an extent perhaps considerably beyond the conception of those who casually glance over the general traffic of India....In the year 1817/18 there has scarcely been a port or place within the limits of the company’s charter, that has not been visited by ships of the subjects of the United States of America. Their ships touched all the ports of China, and settlements of the English, Dutch, Spaniards, of Malayas; the ports on the Malabar coast and Coromandal coast and final destination, Calcutta”.³⁶

Canton Trade

As has been said before, Robert Morris of New York, a signatory to the Declaration of Independence, was the first person to organize a voyage to China. He bought and repaired a 360 ton old ship and renamed her as the *Empress of China*. He outfitted the ship with \$120,000 worth of mixed cargoes, such as Spanish dollars, ginseng, furs, lead, wine and other trifling articles. Under captain John Green, The *Empress* left New York on February 22, 1784 for China and arrived at Canton on August 8, 1784. In China the *Empress* could not do as much shopping as she desired. Though goods were found so cheap but her problem was the scarcity of dollars.

America had very little to sell in the Chinese market other than ginseng, which was of limited supply in America.³⁷ The *Empress* bought a lot of

36 Board of Trade to Governor General in Council, 31 December 1818, British Library, Oriental, P/174/29.

37 See Ginseng in America in Internet.

tea, but in return could not sell any cargo, because Western goods had no good demand in China. Thus, as in Bengal, America's China trade also came to be bullion-based. K.S. Latowrette, who has made a very influential study on America-China relations, thinks that until 1820, American merchants carried with them annually six million silver dollar on an average to buy Chinese goods and made nearly equal amount of profit by re-exporting them.³⁸

However, one item of import which was to play a distinguished part in reducing America's dependence on bullion was opium. Opium had been in use in China for many centuries, but as a drug only. The Dutch, Spanish and English taught them smoking opium, as they taught them before smoking tobacco.³⁹ The chief producer of the drug was the East India Company. In India, opium production was a monopoly of the company. Opium was produced under the direct supervision of the Company. The Chinese government banned the use and importation of the drug in 1799.

The East India Company used the American ships to continue the opium traffic on their behalf. American merchants were able to conduct the opium smuggling most successfully, because they had with them ginseng as cargo, which had tremendous market in China. In guise of ginseng trade they could easily enter Canton and smuggle opium into mainland China in connivance with the port officials. In order to facilitate opium smuggling into China, the East India Company allowed the American merchants to pursue coasting trade in the company's settlements in Southeast Asia.⁴⁰ The Company also engaged the American merchants to procure Turkish and Persian opium from Levant

and smuggle it into China through the coasting trade in the south-east Asia region. The Americans were also engaged to smuggle Bengal opium into China. In opium, they discovered a treasure trove. As they just acted agents to the company on commission, opium smuggling did not require much capital. Smuggling became an accepted method of American commercial enterprise for China trade.

To buy Chinese products and sell opium clandestinely, the Americans dispatched twenty three vessels to Canton in the season 1800, thirty six in 1801, thirty two in 1802 and twenty two in 1803.⁴¹ Every ship had a quota of opium to smuggle in. The amount of their opium smuggling cannot be appropriately ascertained, because they themselves did not maintain any records. They carried the opium chests on behalf of the company. From confidential English sources, it may be guessed that the value of their traffic in opium for 1805, 1806 and 1807 "would have ranged between fifty and one hundred thousand dollars a season, about five to ten percent of the American investment, which stood at approximately four million dollars a year".⁴² Charles Oscar Paulin, who made an in-depth study on America's illicit opium trade in China speculates that in profitability, China trade far surpassed any other merchandize marketed in China. His conclusion is that America's China trade in general and opium trade in particular significantly contributed to the growth of American capital. According to him, American Navy and American shipbuilding industry grew out of the need of the China trade.⁴³

The Congress Debate on "Dollar Drainage"

Many Asian trade adventurers began to invest their capital in the manufacturing sector and soon a small manufacturing class developed. They were trying to influence the federal government to abolish free trade and instead raise a strong tariff wall against import of Asian goods

38 K.S. Latourette, *Early Relations between the United States and China, 1785-1844*, (?), pp. 27, 131.

39 For the fullest account, see David Edward Owen, *British Opium Policy in China and India* (Yale Historical Publications, New Haven 1934).

40 Under the Jay Treaty of 1794, Americans were not allowed to pursue coasting trade. They were required under Article 13 of the Treaty to ship their merchandize straightway to America from the first port of landing without breaking the journey in between the port of landing to any American port. See G. Baghot, *Americans in India*, pp. 26-28, 33-35.

41 Charles C. Stelle, 'American Trade in Opium Trade to China, Prior to 1820' in *The Pacific Historical Review*, vol. 9, 1940.

42 *Ibid.*

43 Charles Oscar Paullin, *American Voyages to the Orient*, (United States Naval Institute, Maryland, 1971), p.9, 11, 21, 25. For opium trade, see Charles C. Stelle, 'American Trade in Opium to China, Prior to 1820, *The Pacific Historical Review*, vol. 9, 1940.

in order to protect the rising manufacturing sector. The agricultural interest also put up pressure on the congress for protection on the ground that foreign goods undersold the local agro-products. In order to strengthen their case against Indian Ocean trade, the manufacturing and agricultural lobbies argued that Asian trade meant colossal drainage of dollars, which must be stopped to save the rising domestic industries and agriculture.

The issue of the 'drainage' of dollars came under the Congress scrutiny in 1805, when dollar crisis in America reached all time high. It was a common allegation that the East India merchants had been draining out American dollars. A member of the House of Representatives, Mr. Izard, tabled a motion in the House of Representatives and argued that it was not really slave trade as is supposed by many, but the Indian trade, which was responsible for the existing Dollar crisis in America. He mocked at the Yankee craze for India trade and remarked, "the Yankees were sallying out from every little village where a boat of a few tons burden, and that will hold five Yankees can come up, and entering on East India voyages with a little Ginseng to barter with, and the rest of the cargo in dollars."⁴⁴ Apparently, the congressman's speech does not seem to be rhetorical at all. To look at the picture quantitatively during the period from 1802 to 1806, the merchants of the United States of America imported from Calcutta alone goods valued at S.Rs. 338,57,776 and almost the whole part of the imports were bought in dollars.⁴⁵ The China trade and trade in other Asian ports also equally depended on dollars.

The foreign trade interest, however, marshalled evidence to refute the allegation. On the contrary, they argued that they were not really draining out national resources but in fact contributing to the development of both manufactural and agricultural sectors. Rebutting the 'dollar drain' theory, they argued that for their business, they were

44 Congress proceeding for 9 December 1805; also see Diary of Edward Hooker 9 December, collected by the Historical Manuscript Commission, *Annual Report of the American Historical Association* (1896), p. 874.

45 William Milburn, *Oriental Commerce*, (London 1813), vol. 2.,p. 185.

not draining out dollars of the country, rather earning dollars from abroad and using them for Asian trade. Benjamin Crowninshield, once a leading East India at Calcutta and later Navy Secretary to Jefferson administration (1805), explained how dollar was earned from abroad. He maintained that dollar was exported on the one hand and imported on a larger scale again on the other. He explained how:

It may be supposed by some superficial observers that the Indian trade is disadvantageous to this country, because it requires large supplies of specie to support it. Far from it. It bears with it the means of its own supply. If dollars go from the United States to India, the India goods bring back dollars in their turn from the circuitous trade to the West Indies, to the Spanish Main and Europe. A cargo of bale goods (textiles) arrive from Calcutta. Part are sold here. The remainder goes to Europe, etc. where they are sure to command the specie with which a new voyage is commenced and so on. If a deficiency of funds arises, the proceeds accruing from the first sales in the United States are turned to the purchases of American articles or sugar and coffee, and these in their turn bring the Dollars in Holland or Leghorn etc. or the specie is imported direct from other countries and is shipped from the United States to India.⁴⁶

By re-exporting the imports, America got back the Dollars with added income for the nation. Furthermore, the American merchants developed confidence and connections enough to buy in Calcutta and Canton on credit against bills issued on various London and Calcutta credit houses. The Calcutta Board of Customs remarked that bills issued by American merchants were treated as so dependable that these were negotiated in Calcutta exchange market rather very competitively and that "remittance in bills in 1827 was equal to Dollars".⁴⁷

The Impact

Necessary data are not available to give a quantitative picture of the contributions that the Asian trade made to early America's transformation. However, we have enough qualitative evidence to look at it. It has been

46 John H. Reinohl, *Some Remarks on the American Trade: Jacob Crowninshield to James Madison 1806*, published in *The William and Mary Quarterly*, Ser. 3, vol. 16, 1959, p. 112.

47 Board of Customs, Salt and Opium to Governor General 31 December 1827, para 367, British Library (Oriental), P/174/39.

stated at the beginning that American economy at independence was entirely agricultural and non-monetized. The Indian Ocean trade made it possible to make the economy not only monetized but also prosperous. The commercial revolution staged by foreign trade became the engine of agricultural and industrial transformation at home and the transformation took place just within four decades of the Revolution.⁴⁸

The opportunity offered by the continental war for the Indian Ocean trade and its consequential impact on the American economy has been recorded statistically by the contemporary scholar, Adams Seybert. In his monumental work *Statistical Annals of the United States*, Seybert describes that he himself witnessed how European belligerency brought unimaginable prosperity for America. The neutral American ships became the carriers to all the European powers who had colonies in Asia. He comments:

So certain were the profits on the foreign voyages, that commerce was only pursued as an art....The most adventurous became the most wealthy....Our tonnage increased in a ratio, with the extended catalogue of the exports; we seemed to have arrived at the maximum of human prosperity; in proportion to our population we ranked as the most commercial nation; in point of value, our trade was only second to that of Great Britain.⁴⁹

America became a country of re-exports. Goods were imported from the Asian countries at very cheap rates and then re-exported to other countries of Europe, South America and the Mediterranean world generally at great profit.⁵⁰ Seybert asserts that greater and greater volume of imports, exports and re-exports meant proportionate expansion of shipbuilding, port facilities, maritime training, monetization of the economy and so on.⁵¹ America sent from 30 to 50 ships every year to India and no

less to China.⁵² Distributing the imported goods in the domestic market and carrying and reloading the ships for outward voyage meant expansion of coastal shipping, which was the major means then for internal transportation. According to Seybert's account, total tonnage of American coasting trade increased from 77,669 in 1789 to 571462 by 1816.⁵³

Famous contemporary diarist William Bentley, the Pastor of Salem, Massachusetts, recorded how the Asian trade was changing his port town, Salem, before his own eyes. He observed that newer and newer wharves were constructed to accommodate the quickly expanding shipping, newer and newer store houses were built to stock in the East India goods, newer and newer shipyards were built for meeting the increasing need. He further remarked that schools were built for the children of the new riches; new turnpikes, buildings, roads and all other infrastructure were constructed to give a look never imagined before.⁵⁴

As in England, American industrial revolution also began with the textile industry first. The introduction of cotton cultivation began in direct imitation of the cotton cultivation in India and China. Eli Whitney, a mechanic, studied the Indian and Chinese methods of separation of seeds from cotton and patented in 1794 an improved seed separating machine which he called gin, a Chinese word, evolved later as 'engine'. Technically, by introducing cotton gin (engine)- a tool to separate seeds from cotton, Eli Whitney brought the textile industry into existence in America. Whitney's gin was an improved form of Chinese gin and Indian *charka*.⁵⁵

48 For a detailed description, see Harry J. Carman, *Social and Economic History of the United States*, vol. II: (The Rise of Industrialization (1820-1875), (New York 1934).

49 Adams Seybert, *Statistical Annals of the United States of America*, (Philadelphia 1818), .p.60.

50 *Ibid.*, p. 61.

51 *Ibid.*, p. 68.

52 Reinoehl, *Some Remarks on the American Trade: Jacob Crowninshield to James Madison 1806*, published in *The William and Mary Quarterly*, Ser. 3, vol. 16, 1959, pp.92-118.

53 Seybert, *Statistical Annals*, p. 317.

54 William Bentley to Captain Melee Sasbielle, Salem, August 26, 1812, Bentley Papers, Peabody Museum, Salem, Folder 13. Also see, *The Diary of William Bentley*, (Salem, Essex Instiure, 1905-1914).

55 http://en.wikipedia.org/wiki/cotton_gin. On this aspect a good reference is Zahir Baber, *The Science of Empire: Scientific Knowledge, civilization, and Colonial Rule in India*, (State University of New York Press 1996).

President George Washington, who showed much reluctance initially about going to the Indian Ocean trade, later realized the contribution of Asian trade to the transformation of America. He wrote to Thomas Jefferson that: “if the Asian trade could be sustained for long in peaceful conditions, nation must prosper”.⁵⁶ In fact, the nation did prosper. Every ship returning from the East Indies reported great profit and quickly fitted itself for the next voyage. The information and accounts provided by the pioneering merchants led all in the Union government to believe that Indian Ocean trade was destined to change America’s economy and lifestyle. President Washington was happy to see very positive impact of eastern trade on the manufacturing sector. He wrote to a friend in 1789, “Our direct trade to the East Indies, which has increased very considerably, I am led to believe, has been successful in every instance. More Manufactures of cotton, wool, and iron have been introduced within eighteen months past, than perhaps, ever before existed in America.”⁵⁷ But it was just a beginning of the eastern trade which grew rapidly over time. As stated earlier, the Asian trade, including re-exports and smuggling, began to assume gigantic proportion during the period of French Revolutionary and Napoleonic wars.

The ship owners, merchants, captains and supercargoes involved in Bengal trade amassed huge fortunes, a great part of which was invested in industrial development. It must be noted that the textile industry, the mother of American Industrial Revolution, developed not in the agricultural south, where cotton was produced, but in commercial New England, the heartland of Asian trade. The pioneers of the textile industry in New England were all from Asian trade. Most noted among them were the houses of the Derbys, Jacksons, Lees, Loyalls, and Grays. Most of them were from Boston. The contemporaries called these industrial pioneers the ‘Boston Associates’. They turned Waltham, a

settlement up the Charles River from Boston, into an industrial town, the first of its kind in America. The major pioneering textile factories that they established at Waltham were Loyall Textile Town., Boston Manufacturing Co., Merimack Manufacturing Co., Appleton Manufacturing Co., Hamilton Co., Dover Manufacturing Co., and Suffolk Manufacturing Co. etc.⁵⁸

After the Anglo-American war of 1812, the Congress was slowly moving from free trade policy to that of protectionism. Public opinion was growing in favour of giving protection to the emerging industries through raising high tariff wall against competing foreign goods. Before 1804, duties on Bengal piecegoods, the principal item of importation, were only 4% ad valorem, while it was progressively raised to 111% ad valorem by 1820.⁵⁹ The East India merchants reacted to the new policy unitedly and very stridently. From different centres of Asian trade, they put up memoranda to the Senate and House of Representatives. In the memoranda, they reminded the government of the contributions that they had been making to the growth of various sectors of the American economy. In their memorandum, the merchants of Salem, Massachusetts, catalogued their contributions to the economic transformation of the Republic. It goes:

The East India commerce has contributed largely to the employment of the capital, the industry, and the enterprise of our citizens. It has quickened the march of agriculture, and by increasing the value as well as amount of its products, has given to the planter and husbandman a reward in solid profit for their toils. It has also materially sustained the credit and finances of the nation, ensuring a regular and growing revenue, through a taxation scarcely felt, and cheerfully borne by all classes of our citizens. It has also given birth to our naval power, by fostering a hardy race of seamen. It has created the moneyed capital of the country....There is not a single portion of the country, that has not felt its beneficial influence. On the sea-board, we have everywhere flourishing towns and cities, the busy haunts of industry, where the products of our soil are accumulated on their transit to foreign

56 Washington to Jefferson, Mt. Vernon August 31, 1788, *Writings of Washington* (1939), vol. 30, p. 84

57 George Washington to Sir Edward Newonham, Mt. Vernon, March 2, 1789, *Writings of Washington*,(1939), vol. 30, p.218.

58 Kenneth W. Porter, *The Jacksons and the Lees: Two Generations of Massachusetts Merchants 1765-1844*, (Harvard University Press 1937), vol. I, pp. 765-68.

59 Henry Lee’s unpublished papers: His observation on protective tariff, *Trade Between America and India, 1820*, Lee Family Papers, Massachusetts Historical Society.

countries. In the interior, hundreds of towns have arisen, which but a few years since were desolate wastes, or dreary forests. The agriculture of the old States has grown up and spread itself in a thousand new directions, and our cotton and our wheat, our tobacco and our provisions, are administering to the wants of millions, to whom even our very name was but a short time ago utterly unknown.⁶⁰

The East India merchants might have been overstating while recounting their contributions to the nation's development. But other contemporary sources do corroborate their claims. In all the memoranda, the East India trade interest claimed commonly that they had been particularly instrumental in establishing and developing the US Navy. It may sound astounding to many. This extraordinary assertion deserves some elaboration.

The Continental Navy was established by the Second Continental Congress on October 13, 1775. This so-called navy was, in fact, nothing more than a recognized body of privateers for supplying and financing the War of Independence. The privateering 'Navy' was officially disbanded in 1784. It was in the same year that America's Asian trade was inaugurated. It has been stated earlier that initially the American merchants were more active in carrying trade. Thus, their ships were under the protection umbrella of the European powers whose cargoes they had been carrying.⁶¹

But the scenario changed when the French Revolutionary and Napoleonic wars began in Europe and overseas and when Americans emerged as competing partners in the Indian Ocean trade. American ships, though carrying neutral flag, were frequently checked, captured and tried by the Admiralties of one or the other belligerent powers. In the year 1793/94, about six hundred American vessels were captured and pirated.⁶²

60 Memorial to Senate and House of Representatives, Salem, January 1820, ff. 2-3., Business School, Harvard, Massachusetts.

61 Bradford Perkins, *The First Rapprochement: England and the United States 1795-1805* (Philadelphia 1955), chapter 6.

62 American State Papers, 1822, Ser. 4: *Commerce and Navigation*, vol.2, (Washington 1834), p. 635.

The shipping and foreign commerce interests put up pressure on the Congress to build up a suitable navy to protect the American merchant ships on the high seas. In response to their demand, the US Congress established the Department of the Navy on April 30, 1798. In 1800 the Navy Department built the frigate *Essex* and sent her to the East Indies to protect American commerce against pirates and raiders there.⁶³ In building the *Essex*, Indian Ocean merchants made contributions. Following were the merchants who contributed to the building of the first frigate of the American Navy:⁶⁴

Names of merchants	Amount of donations in Dollars
Benjamin Pickman	15,000
William Gray	10,000
Elias Hasket Derby	10,000
John Noris	5,000
Ichabod Nicholas	1,000
John Derby	1,000
Ezekiel Derby	1,000
E.H. Derby Jr.	1,000
Nathaniel West	1,000
Richard Derby	1,000
Clifford Crowninshield	500
Benjamin Hodges	500
Samuel Popes	50

The US Navy began to take off as a sea power when President Jefferson appointed Jacob Crowninshield the Navy Secretary in 1805.⁶⁵

63 E. Mowbray Tate, 'American Merchant and Naval Contacts with China, 1784-1850, *American Neptune*, vol. 31, July 1971, p.179.

64 Howard Corning, 'Salem Men in the Early Nineteenth Century', *Essex Institute Historical Collections*, LXXV (January 1939); also see G. Baghot, *Americans in India*, (New York University Press 1970), p.73.

65 Jacob Crowninshield, a sea captain and merchant, made his fortune from Calcutta trade. See Crowninshield to Jefferson, January 29, 1805, Jefferson MSS, State Department Archives.

Crowninshield, vastly experienced in the Indian Ocean navigation as a sea captain and merchant, made his fortune from Calcutta trade.⁶⁶ He visited Calcutta many times and lived there. He became the member of the House of Representatives in 1803. It was Crowninshield who made the first blueprint of a modern Navy for the United States. According to his plan sailors trained in merchant ships hitherto visiting the Indian Ocean were recruited for the Navy.⁶⁷ Within six years, the Navy became large and strong enough to engage successfully in combat with the mighty British Navy during the Anglo-American War of 1812.

America's eastern trade was not only a commercial affair. The contact had cultural contents as well, and for American Enlightenment very significant at that. With America's contact with Asia, America's culture and scientific inquiry began to obtain global outlook. In the return cargo list, we frequently find books, manuscripts, arts and other eastern curiosities brought by the captains on demand from interested people.⁶⁸ The material culture of America was undoubtedly influenced by the large scale importation of cheap Chinese goods like teas, cottons, silks, rhubarb, cassia, nankeens (durable yellow cloth), floor-matting, lacquerware, fans, furniture and porcelains into America, to the extent that even those of poor social classes possessed some Chinese items. Bengal piece- goods, lac, sugar, indigo, saltpetre, silk, grain, etc., made people wonder about the people who produced them. After spending twelve years in China in connection with trade, Nathann Dunn returned home with cargoes of

66 Crowninshield became a national figure by importing a live elephant from Calcutta. Americans never saw a live elephant before. "Elephant Show" on ticket was organized in all towns from Charleston to Maine. See Sirajul Islam, 'American Maritime Activities in Calcutta, Cases of Elephant and Ice 1785-1880' in *Journal of Asiatic Society of Bangladesh* (Hum.), vol. 49, Number 1, June 2004

67 Jacob Crowninshield to Secretary of States James Madison 1806, *Some Remarks on the American Trade*, edited with an introduction by John H. Reinohl and published in *The William and Mary Quarterly*, Ser. 3, vol. 16, 1959.

68 See Sirajul Islam, 'The Cargo and Culture of the New Englanders' Voyages to Calcutta 1785-1850', in *Journal of the Asiatic Society of Bangladesh*, vol. 39, June 1994.

huge variety of Chinese art, artifacts, botanical samples and other items. He built a Chines Museum in Philadelphia (1839).⁶⁹

America's China trade inaugurated the global labour movement. For America's agriculture, industries and shipping, Chinese labour began to be hired from 1800. Labour immigration from China took a massive turn while thousands of Chinese labours were imported to work in the 'Gold Rush' in California'. Chinese labour immigrants clustered into groups and formed ethnic enclaves called Chinatowns.⁷⁰

The merchants and captains of various ports having trading relation with the Asian countries are seen to have established East India Marine Societies in their respective port towns. One of them was the East India Marine Society and Museum established at Salem in 1799. Only ship captains visiting the Indian Ocean were its members. They were under obligation to record in their ship journals what they saw and experienced and what were considered to be important for understanding the eastern societies. One major objective behind founding of the East India Marine Society and Museum, (renamed Peabody Museum in 1867), was to promote greater understanding of the Eastern civilizations through obtaining better navigational knowledge about the land and waters of the Orient, and gathering and preserving objects of oriental curiosities, arts, artifacts, and sciences. Recalling the scientific curiosities and achievements of the East India Marine Society and Museum, President John Quincy Adams (1825-29), son of President John Adams (1797-1801), the staunchest exponent of the Asian trade, once proposed a toast to the East India Marine Society in a dinner party thus: "to foreign commerce- the great civilizer of nations and to Salem East India Marine Society- distinguished for its nautical and commercial knowledge and enterprise, indefatigable in its researches for natural and artificial curiosities in foreign climes."⁷¹

69 See E-Book on Internet: United States Relations with China: From Trade to the Open Door (1784-1900).

70 Charles C. Stelle, 'American Trade in Opium Trade to China, Prior to 1820' in *The Pacific Historical Review*, vol. 9, 1940.

71 Report in *Essex Register*, 17 October 1825.

Nicholas Brown, a major Indian Ocean merchant, established the Brown University in 1804. Many schools, colleges, museums and universities including Harvard, Yale, Mississippi received philanthropic support from the East India merchants. Joseph Peabody (d. 1845) and his son George Peabody (d. 1868), for example, are renowned in American educational and cultural history for their patronage to education and culture.⁷² It was through the knowledge produced by the American voyages to the eastern waters that the American Philosophical Society set up contact with the Calcutta Asiatic Society and proposed to share knowledge about the mankind.⁷³ Henry Pickering, a millionaire from Bengal trade, visited Calcutta many times between 1815 and 1825. A poet and an Enlightenment activist, Pickering was influenced by the activities of the Calcutta Asiatic Society. In its model, he founded the American Oriental Society (1842) in Philadelphia and became its first president. The American Oriental Society was the first private learned organization in America devoted to the study of oriental civilization. Merchant intellectuals like Pickering, Bigelow and Norton provided their transcendentalist friends Emerson, Thoreau, Longfellow and others with oriental works in translation, particularly the works done at the Calcutta Asiatic Society (est. 1784).⁷⁴ Edward Hall, a merchant from Philadelphia became versed in Sanskrit and alongside business he was working in a translation project of the Calcutta Asiatic Society.⁷⁵ William Duane, a native of New York, left his business and started a newspaper in Calcutta called *The World*. In the first issue he announced his dream. He wanted to serve the people as “as a citizen of the world”. For his radical views, he incurred the wrath of the colonial government and was soon deported.⁷⁶

72 Robert G. Albion et al, *New England and the Sea*, (Western University Press 1972), p. 109-110.

73 Abu Taher Majumdar, *Sir William Jones: Glimpses into Eighteenth Century Critical Thoughts*, (1992), p. 28.

74 See Sirajul Islam, ‘The Cargo and Culture of the New Englanders’ Voyages to Calcutta, 1785 – c. 1850’ in *Journal of the Asiatic Society of Bangladesh*, (Humanities), vol. 39, No. 1, June 1994.

75 Rajendra Dutt, a banian for the Americans, to Eliot Norton, February 1853, Norton Papers at Houghton Library, Harvard.

76 G. Baghot, *Americans in India 1784-1860*, (New York 1970), pp. 117-18.

Thus aided by oriental trade and commerce, elements of global culture, blending and transforming eastern and western philosophies, were being formed in America in the first half of the nineteenth century. Wealth, learning and cosmopolitanism made the New England’s Indian Ocean entrepreneurs extremely respectable and influential their special position in the society earned them the tag ‘New England Brahmin’, an appellation which still persists.⁷⁷

Conclusion

In this address I have tried to make a case that America’s transformation in the first four decades following the American Revolution was truly nurtured in the Indian Ocean. The Americans opened and carried the Asian trade and commerce at a time when European doors were almost closed to them. Britain’s non-co-operation after the Revolution and long belligerency in Europe and America’s lack of capital made a real obstacle to undertaking oceanic voyages. But soon the voyagers could overcome all obstacles and establish themselves as equal partners with the European powers in oceanic navigation. Keeping true to the spirit of the Revolution, America consistently remained mercantile and did not imitate the colonial path of maritime Europe. In the Indian Ocean trade, this was the fundamental difference between America and contemporary Europe. Instead of using their fortunes in colonial adventures, the American sea-leaders devoted themselves to internal transformation and thus laid a strong foundation of modern United States of America. But unfortunately, until now, this story of the early transformation of America has remained untold.

77 About them, Harvard maritime historian Samuel Eliot Morison observes, [The East India Trade] “enjoyed a greater prestige than any branch of Boston commerce.... An ‘East India merchant,’ in ante-bellum Boston, possessed social kudos to which no cotton millionaire could pretend unless previously initiated through Federalist commerce. To have an office on India Wharf, Boston, or to live in the India Row that comprised the fine old square-built houses of many a seaport town, conferred distinction.” *The Maritime History of Massachusetts, 1783-1860*, (New York 1923), p. 285.