Routes and Rivals

How profit and state power reshaped overseas trade

MWH.C.2.5.C "Explain how the origins of modern capitalism and mercantilism in Europe impacted international trading patterns, prompting global exploration and rivalry."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two ways companies financed or expanded trade, circle two ways governments tried to control it, and number the effects on routes or rivalry. Use your marks to trace how business and state goals changed trade.

Who Controlled the Spice Trade?

1 In the early 1600s, a merchant in Amsterdam could invest money in a ship without sailing on it. The Dutch East India Company gathered funds from many investors, who hoped to share profits from Asian trade. Such ventures show a growing feature of modern capitalism: private investors put capital into businesses to earn returns. A company with pooled funds could send several ships, hire crews, and survive the loss of one voyage more easily than a lone merchant. That financial system helped make long-distance routes worth the risk, especially when European buyers paid high prices for spices.

2 Profit was not the only force shaping trade. European rulers followed mercantilist ideas, seeking wealth and power through a favorable balance of trade and control of overseas commerce. Governments granted companies exclusive trading rights and sometimes backed them with armed ships. The Dutch company, for example, fought Portuguese forces for access to Asian ports and spice sources. By restricting rivals, a state hoped to send more trade through its own merchants and ports and collect more revenue. Investors pursued earnings, while rulers wanted national power, and their aims often worked together.

3 These goals pushed Europeans beyond familiar sea lanes. Dutch and English ships sought direct access to Asian markets rather than buying every good through competing middlemen. Silver from the Americas often paid for Asian goods, including Indian cotton cloth, which merchants traded across the Indian Ocean or carried to Europe. Europeans did not create these Asian networks, but their entry redirected some cargo and intensified struggles over ports and sea routes. English and Dutch merchants competed for sales and supplies, while European states used charters and naval force to protect claims. Exploration thus widened connections and sharpened rivalry.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did pooling investors' money help the Dutch East India Company expand long-distance trade?

2. Why did mercantilist rulers grant exclusive trading rights and support companies with armed ships? Explain one effect on trade.

3. How did the search for direct access to Asian markets lead to exploration and rivalry?

4. How do the passage's examples of American silver and Indian cotton cloth show a change in international trading patterns?

3 YOUR TURN

Your own words

Imagine that in 1610, traders report a new coastal market for a valuable blue dye. In four or five sentences, predict how a private trading company, its government, and a rival state might respond, and explain one likely change to a trade route.

ANSWER KEY

Routes and Rivals

HIGH SCHOOL · MWH.C.2.5.C

PART 1 · READ AND MARK

Underline two ways companies financed or expanded trade, circle two ways governments tried to control it, and number the effects on routes or rivalry. Use your marks to trace how business and state goals changed trade. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did pooling investors' money help the Dutch East India Company expand long-distance trade?	**Pooled funds paid for multiple ships and crews and reduced the risk that one lost voyage would end the venture.**
2	Why did mercantilist rulers grant exclusive trading rights and support companies with armed ships? Explain one effect on trade.	**Rulers sought national wealth and power. Exclusive rights and armed support could restrict rivals and direct more trade through their own merchants and ports.**
3	How did the search for direct access to Asian markets lead to exploration and rivalry?	**Dutch and English ships traveled to Asian markets to buy goods more directly. Competition for supplies, ports, and sea routes brought merchants and states into conflict.**
4	How do the passage's examples of American silver and Indian cotton cloth show a change in international trading patterns?	**European merchants used silver from the Americas to buy Asian goods, including Indian cotton cloth, then traded the cloth across the Indian Ocean or carried it to Europe. Their entry redirected some cargo within existing Asian networks.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A trading company might gather money from investors to send ships to the new dye market and earn a profit. Its government might grant the company exclusive trading rights and send armed ships to protect its access. A rival state might sponsor its own voyage or challenge the first state's control of the coast. Ships that once bought dye through other merchants might sail directly to this market, shifting some trade to a new sea route.

Accept explanations that connect investor-funded voyages to expanded trade and government controls to redirected trade or rivalry. For the open task, look for a plausible prediction that addresses all three actors and a specific route change.