

## A Splendid Exchange-: How Trade Shaped the World William J. Bernstein

A history of this uniquely human activity, world trade

Bernstein starts his history with Sumer, about 3000 BC, citing the trade in copper used for both weapons and protection by the farmers and herders in the Fertile Crescent. He might have gone further back – anthropologists find evidence of trade in the types of stone useful in making Stone Age tools, and primatologist even find evidence of monkeys exchanging food for sex – but Sumer is a good place to start.

As Adam Smith had it in "Wealth of Nations," trade is an activity in which both parties benefit. Given that England is particularly adapted to raising sheep, the Baltics to growing wheat, and Portugal to making wine, and that people in all three places want to enjoy all three products, it only makes sense that they should trade.

Bernstein describes the routes, the vehicles and the products that have been traded throughout history. Overland traders have gone by foot, used every imaginable kind of pack animal, and more recently used a variety of ox- and horse-drawn conveyances, then trains and today airplanes. Maritime traders throughout history have continued to advance sailing techniques.

Along the way improvements and trade have had a vast impact on world history. Ukraine, where I live, entered the history books in Greek times. Attica was unable to feed itself, and Ukraine's grain was a valuable import. Troy, which dates back more than one millennium BC, was important because it stood at the entrance to the Sea of Marmara en route to the Black Sea and Ukraine's granaries. Ukraine and Poland were major trade routes during the first millennium A.D. The high technology of the time was Viking long boats which were very efficient in traveling up the Dnieper and Dniester rivers and then down the Vistula to the Baltic Sea. Kyiv and Lviv are situated along these routes.

However, the clever Italians, Spanish and Portuguese improved ocean navigation. Portuguese caravels were more efficient at long-distance trade – they involved no overland portage - and Western Europe grew faster than Eastern largely as a result of their ability to take advantage of local specializations. Italy excelled in glassmaking, Belgium was expert at making cloth, England at growing wool for that cloth.

The age of discovery ushered in by the Portuguese radically remade the world. Western ships were able to bring spices from Indonesia and gold from Peru back home. Fortunes were made on world trade, and the fortunes of nations shifted. Human institutions were modified to meet the changing conditions. Joint stock companies such as the Dutch East Indies Company, the British East India Company and the Hudson's Bay Company formed to take advantage of the opportunities. The corporate structure allowed them to spread risk, which made it possible to amass the capital needed to exploit these tremendous opportunities. Insurance came into existence, with Lloyd's of London as a clearinghouse for ensuring merchant trade.

There are a large number of anecdotes that will stick in your mind. The phenomena and it describes is a foundation of Western civilization, as many other authors such as Jared Diamond have found. Sociobiologists such as Cochran and Harpending, in [\[\[ASIN:B0042FZRPC The 10,000 Year Explosion: How Civilization Accelerated Human Evolution\]\]](#), contend that it has affected our very evolution. To be effective in trade requires the ability to read and write, to handle numbers, and to learn foreign languages. These skills are highly associated with intelligence – and the groups that excelled in world trade such as the Parsis of India and the Jews appear to have more intelligent over the course of history as successful traders thrived and the less capable ones fell by the wayside.

This book is entertaining and well written. It should be part of any student's knowledge of world history.