

Commodities, prices and risk: A study of merchant decision making in the British transatlantic slave trade 1740 – 1808

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ABSTRACT:

Using a newly constructed dataset on the quantities and prices of African commodities over the long 18th century this paper is the first to investigate the changing nature of all types of trade with West Africa in the era before the abolition of the British transatlantic slave trade. We argue that until 1780 the market for commodities was largely stable due to flat market prices for the continent's key non slave exports. However, conflict amongst Atlantic powers, beginning with the American Revolution and continuing with the French revolutionary wars, led to a significant rise in the price of African exports. At the same, the price index of goods traded with Africa remained relative stable and north Atlantic merchants involved in the slave trade had to cope with increasing levels of risk. They were faced with lengthening credit terms with West Indian planters which meant it took longer to realize the returns on their investments. In addition, rising coastal prices, increased competition and the ever present threat of privateers combined to encourage merchants to diversify their portfolios through investment in the commodities trade. We therefore argue that the market for non-slave exports from West Africa was already well developed by the time the British parliament enacted the legislation to abolish the slave trade in 1807. Furthermore, we contribute to debates on the impetus and timing of abolition by arguing that the economic environment in the first decade of the nineteenth century along the West African coast was extremely favorable towards moving from slaves to commodities while the trade in people shifted further south to the safer bilateral Southern Atlantic markets.