

Economic history of Hawaii

The economic activities of an area are the goods and services that the area produces. The economic activities of a particular area are often influenced by its location (where it is) and its physical characteristics of place. Physical characteristics of place are anything in the natural environment like land, water, plants, animals, and weather.

Fur trade

When Captain Cook's journals were published in 1784, the world learned of the wealth of China and the Pacific Northwest (what is now British Columbia, Washington, and Oregon). Traders used fur they acquired in the Pacific Northwest to purchase goods in China. Hawaii's location in the Pacific Ocean earned it the nickname, "Crossroads of the Pacific". In the long voyages between Asia and the Pacific Northwest, Hawaii served as an ideal stopping point to refit ships, pick up crewmen, pick up supplies, and to rest.

Sandalwood trade

In 1790, a fur trader discovered sandalwood in Hawaii. In 1810, when the prices of fur declined, the sandalwood trade really began to increase. With its warm climate, and fertile soil, Hawaii was the perfect place for sandalwood to grow, so much so, that Hawaii was known as "Sandalwood Mountain" to the Chinese. Unfortunately, almost no effort was made to preserve the young trees or to replace those which had been cut down--by 1830 the sandalwood trees had largely disappeared from the Hawaiian islands.

Whaling

Whalers also took advantage of Hawaii's location in the middle of the Pacific Ocean. A valuable whale fishery was discovered off the coast of Japan. Because Hawaii was midway between the southern and arctic whaling grounds, Hawaii became a convenient place for ships to rest, and get water and fresh food. Japan's refusal to allow foreigners into their harbors to fix their ships and restock their ships with food made Hawaii very important to whalers. During the 1860s, the number of whaling ships coming to Hawaii decreased when a large whaling fleet was caught in the ice and destroyed. At the same time, the number of whales was declining. Many businesses in Hawaii closed down when the whalers stopped coming. A new source of income was needed.

Sugar

As businessmen experimented with different kinds of crops to replace the whaling industry, sugar was the crop that grew to become most important to Hawaii's economy. Hawaii's perfect combination of sun, rain, and fertile volcanic soil proved to be ideal for growing sugar cane.