

Reading Essentials and Study Guide

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The Age of Exploration 1500–1800

Lesson 2 The First Global Economic Systems

ESSENTIAL QUESTION

What are the effects of political and economic expansion?

Reading HELPDESK

Academic Vocabulary

export to send a product or service for sale to another country

Content Vocabulary

joint-stock company business where stocks, or a share of ownership in a company, are bought and owned by shareholders

mercantilism a set of principles that dominated economic thought in the seventeenth century; it held that the prosperity of a nation depended on a large supply of gold and silver

subsidies payments made to support enterprises a government thinks are beneficial

plantation a large agricultural estate

Middle Passage the forced voyage of enslaved Africans across the Atlantic Ocean to the Americas

culture the way of life a people follows

TAKING NOTES: *Identifying*

ACTIVITY Use this graphic organizer to note how plants, animals, and diseases moved among Europe, Africa, and the Americas as a result of the Columbian Exchange.

Europe, Africa, and Asia



The Americas



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IT MATTERS BECAUSE

The number of European colonies grew in the 1500s and 1600s. At the same time, Europeans were trading more and more over a wider and wider area. All these activities helped lead to the development of a world economy. A slave trade across the Atlantic Ocean brought as many as 10 million enslaved Africans to the Americas between 1500 and the late 1800s. Plants and animals spread between continents. However, diseases also spread. These exchanges between continents had an important and lasting effect on the world's people.

The Commercial Revolution

Guiding Question *What economic theories were put into practice during the age of exploration?*

Many Italian city-states grew rich from trade during the early Renaissance. However, not every European power benefited from this trade. The Italians and Ottomans controlled key trade routes. Other European powers also wanted spices, silk, and other goods from Asia. In the 1400s, they began to look for other trade routes to find these goods. This resulted in a 300-year-long age of exploration. This reshaped the world economy. The economic impact of the Renaissance was so important that it is called the Commercial Revolution. This economic revolution saw the rapid growth of European economies. It also built huge international trading empires.

The economic factors that contributed to the Commercial Revolution included trade, exploration, colonization, and new financial practices. To find new trade routes, European states sent one ship after another down the coast of Africa or across the Atlantic. These explorations opened European eyes to economic opportunities in faraway lands. The benefits of new lands for Europeans were new trade partners or valuable resources. Soon, European powers set up colonies in every continent they visited. These colonies were the outposts of new trading networks that made European powers rich during the Commercial Revolution.

The flow of money was so great that new financial practices were put in place to manage the money. These practices included new kinds of banking, accounting, and insurance. Joint-stock companies were a financial practice that began in the Middle Ages. A **joint-stock company** is a business where stocks, or a share of ownership in the company, can be bought and owned by shareholders. These companies did very well in this period. The practice of “buying in” to a company to purchase its stocks gave trade companies large amounts of money. They used this money to fund overseas ventures. Part of the profits from these trade journeys would then be given to the people who had bought stock in the company.

The new economic principle of **mercantilism** also contributed to the success of the Commercial Revolution. Mercantilists believed that the economic success of nations came from having a large supply of bullion, or gold and silver. The fastest route to a large supply of gold and silver was to extract it from one's colonies. Spain was especially good at this. Spain claimed great wealth from the Americas. The other way was to earn the gold and silver by having a good balance of trade. Nations wanted to have a good balance of trade to increase their supply of gold and silver. The balance of trade is the difference between what a nation imports and what it **exports**. Imports are goods brought into a country; exports are goods shipped out of a country. When the balance of trade is good, the value of exported goods is worth more than the value of imported goods.

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To encourage exports, governments pushed the growth of industries and trade. They granted subsidies to new industries. **Subsidies** are payments made to support industries a government thinks are helpful. Governments also improved transportation systems by building roads, bridges, and canals. They placed high tariffs, or taxes, on foreign goods to keep a good balance of trade. Tariffs make foreign goods less attractive because they raise the price of imports. European colonies were considered to be important as sources of raw materials. Colonies were also seen as markets for exports of manufactured goods.



Reading Progress Check

Drawing Inferences How might mercantilism have encouraged colonial expansion abroad?

The Columbian Exchange

Guiding Question *How did the Columbian Exchange affect the Americas and Europe?*

A major reason for European exploration was to gain wealth. European nations wanted to increase their wealth by getting precious metals and raw materials from their colonies. They wanted to make even more money by increasing the exports of goods from producers at home to their colonies overseas. All this economic activity created an enormous amount of trade among a large number of places. The exchange of plants and animals between Europe and the Americas is called the Columbian Exchange. It is named for the explorer Christopher Columbus. The name recognizes his key role in bringing Europe in contact with the Americas. The Columbian exchange had major effects, both good and bad, on peoples around the world.

Colonization and trade were the causes of the Columbian Exchange. Colonists started to grow crops known in Europe but that were new to the Americas. They established **plantations** to grow sugar, cotton, vanilla, and other European crops. Colonists also started ranches where they raised livestock from Europe. Europeans brought many plants and animals to the America, including wheat, citrus fruit, honeybees, horses, and cattle. The Americas did not have any of these before. Horses changed the way of life of Native Americans on the Great Plains. With horses, the Native Americans could travel faster and over larger areas. This made hunting easier because they could follow the roaming bison herds. In turn, some products sent from the Americas were new to Europe. These products included potatoes, cocoa, corn, tomatoes, and tobacco.

The exchange of plants and animals between Europe and the Americas greatly changed the economies of both areas. For example, potatoes became a basic food in some areas of Europe. When people grew potatoes, they could get more food from smaller areas of land. The result was a rapid increase in population. Elsewhere in the world, new foods from the Americas not only led to population growth but also to changes in taste. New markets opened. For example, American foods like maize and sweet

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potatoes were exported to China. This led to a rapid population increase there during the Qing Dynasty period (which began in 1644).

Some parts of the Columbian Exchange were deadly, however. With no immunity to European diseases, many indigenous peoples of Mexico and Central and South America died of smallpox, measles, or typhus. For example, the island of Hispaniola had a population of 250,000 when Columbus arrived there in 1492. By 1538, fewer than 500 of the native people had survived on the island. In Mexico, the population dropped from 25 million in 1500 to 1 million in 1630. Diseases also spread elsewhere in the New World. Many Native Americans in North America died in epidemics of smallpox and other diseases brought by European settlers.

Colonization had other bad effects. Spain granted *encomienda* to Spanish settlers. This was the right to use Native Americans as workers. The holders of an *encomienda* were supposed to protect Native Americans, but they often abused them instead.



Reading Progress Check

Evaluating How did the introduction of European livestock, foods, and diseases affect people in the Americas?

European Rivals in the East

Guiding Question *How did the nature of European exploration change by the seventeenth century?*

The Spanish and the Portuguese were not the only European trading nations. The Dutch, English, and French expanded into Asia. The first Dutch fleet arrived in India in 1595. Soon after, the Dutch started the East India Company to manage their trade in the area. The Dutch slowly pushed the Portuguese out of the spice trade in Southeast Asia. The Dutch control of the spice trade resulted in huge profits for Dutch merchants. These profits helped make the seventeenth century a Golden Age for the Dutch. They passed the Spanish and Portuguese and became the leaders in world trade.

English traders soon followed the Dutch. During the first half of the seventeenth century, the English increased their presence in India. By the 1650s, the English had established a number of trading posts there. From these centers, English ships carried cotton goods made in India to the East Indies. There the cotton was traded for spices, which were shipped back to England.

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English success in India brought rivals. The French established forts along the coast of India. The British, however, succeeded in limiting the French attempts at expansion into India. Soon, the French controlled only a few territories on the southeastern coast of India. During the Seven Years' War (1756–63), the British forced the French completely out of India. The British East India Company then began to expand, and it finally gained complete control of India.



Reading Progress Check

Drawing Conclusions How was the Dutch form of mercantilism different from that of Portugal or Spain?

The Atlantic Slave Trade

Guiding Question *How did European expansion affect Africa and the slave trade?*

Another result of European expansion was a large increase in the slave trade. The trade of enslaved people was not new. Slavery had existed in Africa since ancient times, as well as in other areas of the world. After the Europeans had settled in the Americas and had started planting sugarcane there, the demand for enslaved Africans grew.

Europeans established plantations in the 1500s along the coast of Brazil and on Caribbean islands. These plantations were used to grow sugarcane. Growing sugarcane was very labor intensive. Early on, Europeans enslaved Native Americans and forced them to work these fields. However, European diseases quickly destroyed the Native American population. This caused a shortage of labor. In response, Europeans enslaved people from Africa. Europeans then forcibly brought the enslaved Africans to the Americas to toil on these plantations.

In 1518 a Spanish ship carried the first enslaved Africans directly from West Africa to the Americas. The trade in enslaved people increased during the next two centuries. It became part of the triangular trade. This three-part trade connected Europe, Africa, and the American continents.

The triangular trade worked like this:

- First, European merchant ships carried European manufactured goods, such as guns and cloth, to West Africa. There the goods were traded for enslaved people.
- The enslaved Africans were then shipped to the Americas and sold there.
- European merchants then bought tobacco, molasses, sugar, and raw cotton in the Americas and shipped them back to Europe.

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As a result of this triangular trade, as many as 10 million enslaved Africans were brought to the Americas between the early sixteenth century and the late nineteenth century. The journey from Africa to the Americas became known as the **Middle Passage**. It got this name because the movement of Africans to the Americas was the middle part of the three-part trade route. Many enslaved Africans died on the journey to the Americas. Many who did arrive often died from new diseases to which they had little or no immunity.

Death rates were higher for newly arrived enslaved Africans than for those born in the Americas. The new generations of Africans slowly developed at least some immunity to the new diseases. Slave owners, however, rarely encouraged enslaved people to have children. Many slave owners, especially on islands in the Caribbean, believed that it was cheaper just to buy a new enslaved person than to raise a child from birth to working age.

Sources of Enslaved Africans

Before Europeans arrived in the fifteenth century, most enslaved persons in Africa were prisoners of war. At first, Europeans bought enslaved people from merchants at African slave markets. Europeans gave the merchants gold, guns, or other European goods in return for slaves. African slave traders first obtained enslaved persons from regions near the coast of Africa. Then the demand for slaves increased, and traders had to move farther inland to find their victims. Local rulers became worried about the effect of the slave trade on their societies. They realized that they were losing many of their people because of the greed of slave traders.

Europeans and other Africans, however, generally ignored complaints about the slave trade. Local rulers who traded in enslaved people viewed the trade as a source of income. Many rulers continued to send raiders out into villages to find and capture people to sell as slaves.

Effects of the Atlantic Slave Trade

The slave trade was a tragedy for the victims and their families. Its overall effects were different from region to region in Africa. Many African communities lost their youngest and strongest men and women to the slave trade. Many communities saw a large decrease in population. The desire of slave traders to provide a constant supply of enslaved persons increased warfare in Africa. African leaders received guns from Europeans in return for enslaved people. The leaders, particularly those on or near the coast, used the guns in attacks against neighboring peoples. Only a few Europeans realized what they were doing to traditional African societies. One Dutch slave trader remarked that Europeans seemed to have taught Africans about greed, trickery, and stealing.

The slave trade had a very bad effect on some African states. Benin (buh•NEEN) in West Africa is an example of this. Benin had a brilliant and creative society in the sixteenth century. Then the slave trade came into their region. As a result, the number of people in Benin decreased, and the number of wars increased. The people of Benin lost belief in their gods and lost interest in their art. Human sacrifice became more common. Benin became a cruel and lawless place. It took years to discover the brilliance of the earlier **culture** that was destroyed by slavery.

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European society accepted the practice of slavery. Europeans continued to view Africans as inferior beings fit mostly for slave labor. It was only in the 1770s that people began to speak out against slavery. The Society of Friends, known as the Quakers, began to condemn slavery. The feelings of Europeans against slavery slowly grew. Even then, it was only at the time of the French Revolution, in the 1790s, that the French abolished slavery. The British ended the slave trade in 1807. They also ended slavery throughout their empire in 1833. Slavery continued in the newly formed United States until the Civil War of the 1860s.



Reading Progress Check

Determining Cause and Effect How did epidemics among the Native American populations contribute to an increase in the trade of enslaved Africans?
