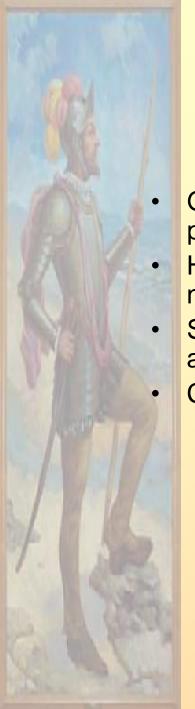


## Columbian Exchange



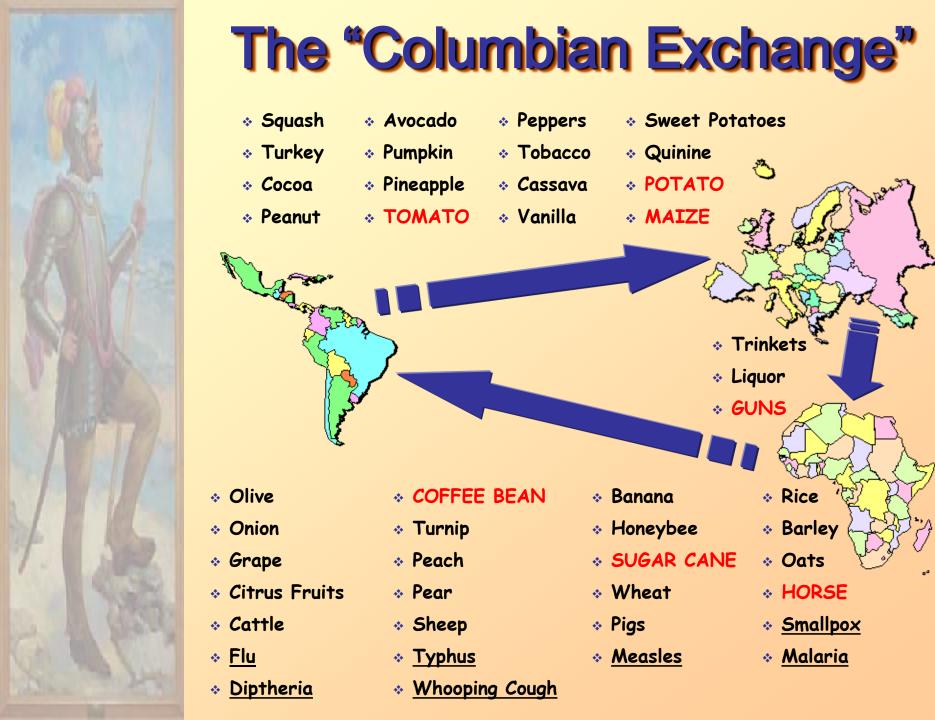
#### European Empires in the Americas





# What is the "Columbian Exchange"

- Global exchange that began with Columbus because of the products he brought back from the "new world"
- Helped spark a population growth because of the dispersal of new food crops
- Sparked the migration of people to the new world for new life and opportunities
- Corn and Potatoes became very important items.



#### Global Trade

- Growth of capitalism- an economic system based on private ownership and the investment of resources, such as money for profit.
  - Numerous merchants had gained wealth.
  - Increased economic activity and increased money supply = inflation (prices go up).



## Vocabulary

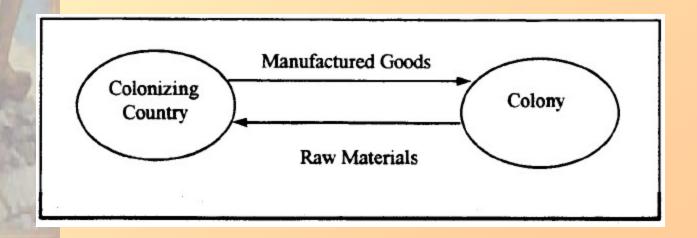
- Columbian Exchange
- Mercantilism

## Joint-Stock Companies

- Similar to a modern day corporation, investors buy shares of a stock in a company.
  - The people combine their wealth for a common purpose.
  - At the time overseas exploration and colonization was the common purpose.

#### Mercantilism

- An economic policy under which nations sought to increase their wealth and power.
- The colonies provided gold, silver and raw materials, while the mother country sold manufactured goods back to the colonists.





- A favorable balance of trade is to sell(export) more goods than you have (imports).
- Two ways to increase wealth and power according to the mercantilist system were:
  - Obtain as much gold and silver as possible
  - Establish a favorable balance of trade



## Impact of European Expansion

- 1. Native populations ravaged by disease.
- 2. Africans began to be transported to the America's to be sold as slaves.
- 3. <u>Influx of gold</u>, and especially silver, into Europe created an inflationary economic climate.

["Price Revolution"]

- 4. New products introduced across the continents ["Columbian Exchange"].
- 5. Deepened colonial rivalries.
- 6. The English created a favorable balance of trade.
- 7. Advances in sailing were made.
- 8. New cultures were explored and studied.