

# CHAPTER 16: A NEW GLOBAL ECONOMY



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# DESIRE TO EXPLORE

- Europeans were looking for a trade route to the East by sea.
  - Europeans lack gold to pay for imports from Asia.
- Europeans initially had many disadvantages and fears (ignorant; fearful; lacking technology; Ottoman Empire)
- Decreasing belief that the world was flat and sea travel may lead to falling off the earth



# NEW TECHNOLOGY

- Europeans developed caravels (round-hulled sailing ships with square and lateen sails) that could carry heavy armaments.
- Improved compass, map-making
- European knowledge of Chinese explosives adopted into gunnery.



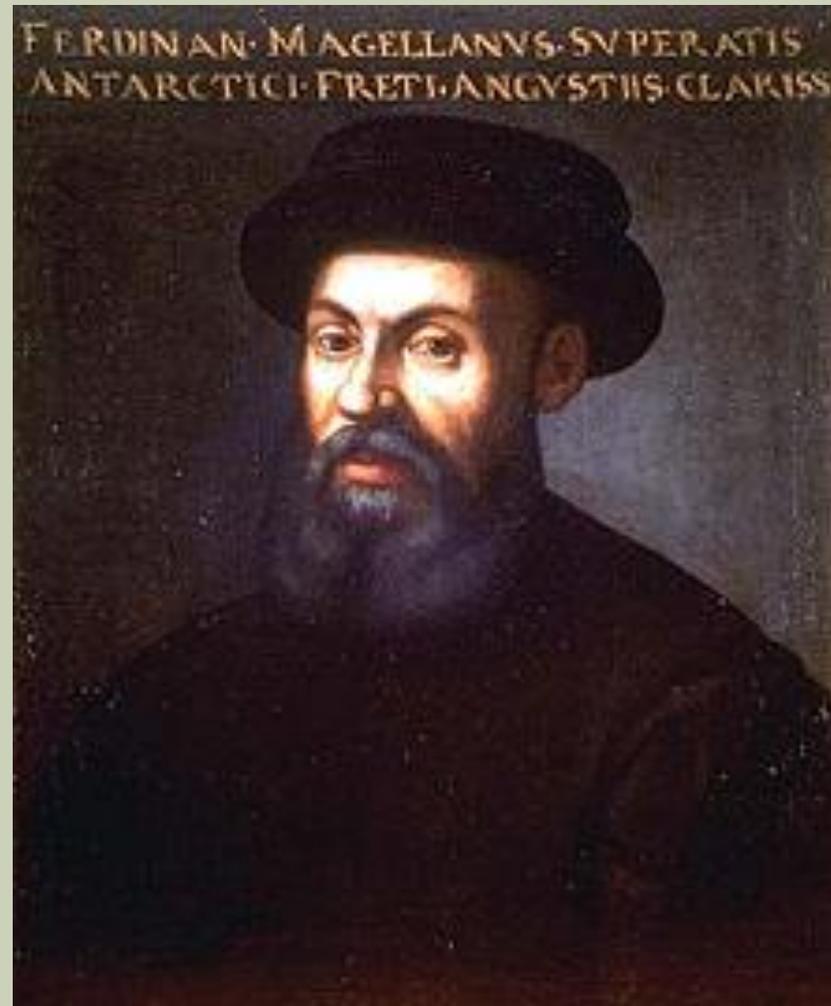
# PORTUGAL LEADS

- Portugal led in navigation
  - Focused on: discovery, destruction to Muslim world, wealth
- Henry the Navigator creates a school for expeditions and organized expeditions along the coast of Africa
- 1498: Vasco de Gama reached India, sailed around the Cape of Good Hope
  - De Gama's success led to other expeditions: Brazil, Mozambique, Indonesia, Japan
- Portugal claims parts of African coast and parts of Brazil, India



# SPAIN FOLLOWS

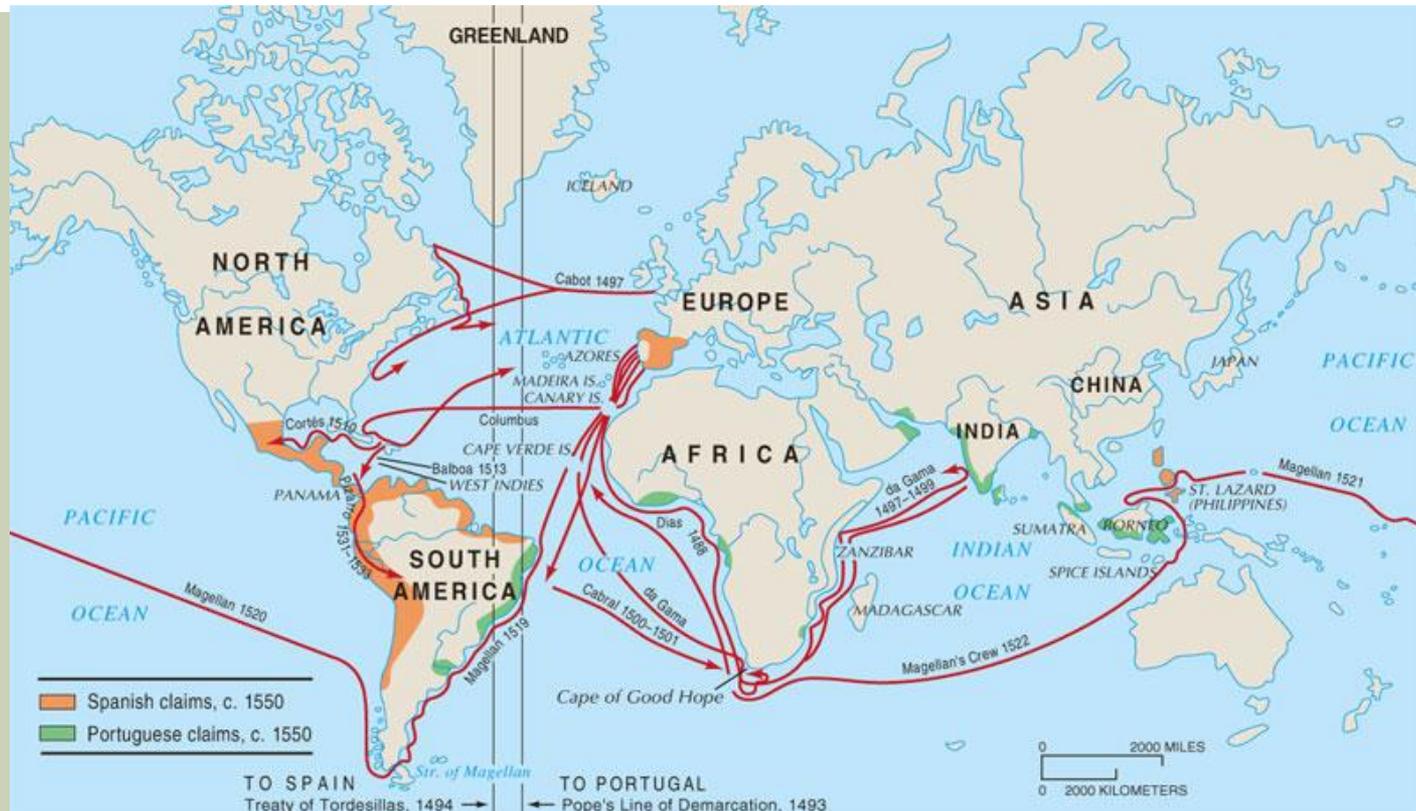
- Spain is full of religious zeal and a desire for riches
- 1492: Christopher Columbus reached the Americas, thought he was in India
  - Ultimately, makes 4 voyages
- 1507: Amerigo Vespucci believes Columbus discovered a new world, America
- 1519-1521: Ferdinand Magellan circumnavigated the world
- Spain claims Mexico, parts of South America, Florida, Philippines
- Imports silver from America



# QUICK REVIEW QUESTION

- **Name two Portuguese explorers and where they journeyed.**
- **Name two Spanish explorers and where they journeyed.**

# DIVIDING TERRITORY



- 1493: Pope's Line of Demarcation (Spain is eager to claim dominion over new land)
- 1494: Treaty of Tordesillas (Brazil awarded to Portugal)

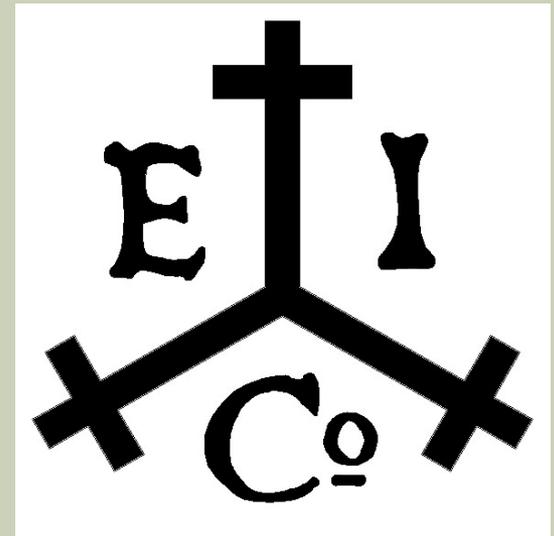
# NORTHERN EUROPEAN EXPEDITIONS

- In 16<sup>th</sup> c., Northern Europe (France, England, Holland) becomes interested in exploration
  - Spanish and Portuguese expeditions had already slowed down; new gains had to be managed
  - Dutch and British ships were improved models
  - Will mostly go northward in New World
- British set up colonies in North America, India
  - Tried to find an Arctic route to East
- Dutch set up colonies in SE Asian islands, Sri Lanka, south Africa
- French set up colonies in mid-western, southern US via Mississippi, Canada
- Dutch/British East India Company: joint stock and trade company; amass huge fortunes

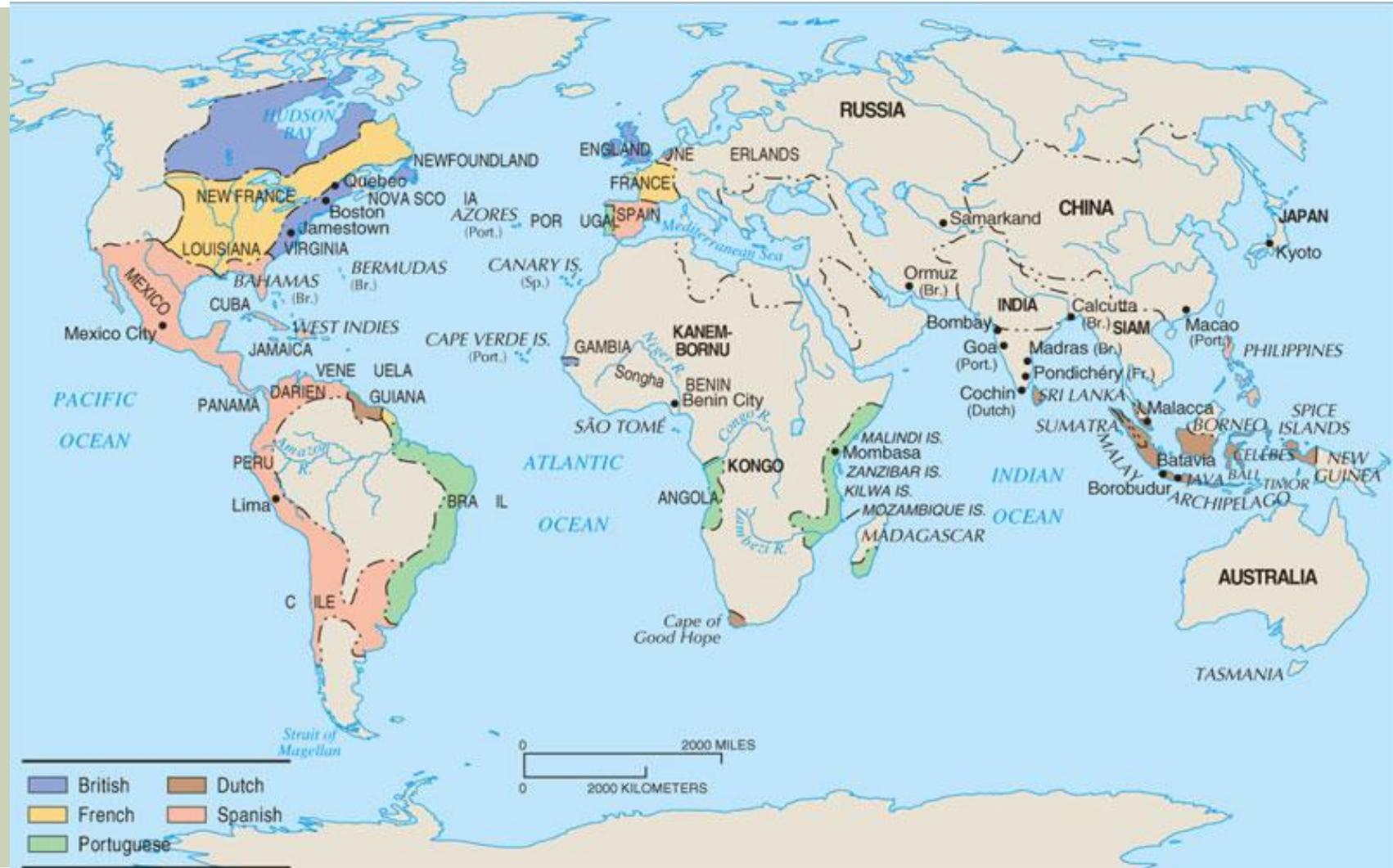


# DUTCH AND BRITISH EAST INDIA TRADING COMPANY

- Joint stock and trade company
  - Shares were owned by wealthy merchants and aristocrats
- Created to pursue trade with South Asia and Southeast Asia
- Companies end up obtaining land and ruling as the main political entity
- Dutch and British governments did not regulate trading companies
- Therefore, trading companies could act independently and ran all administrative tasks
- Able to amass huge fortunes and even private armies



# EUROPEAN HOLDINGS



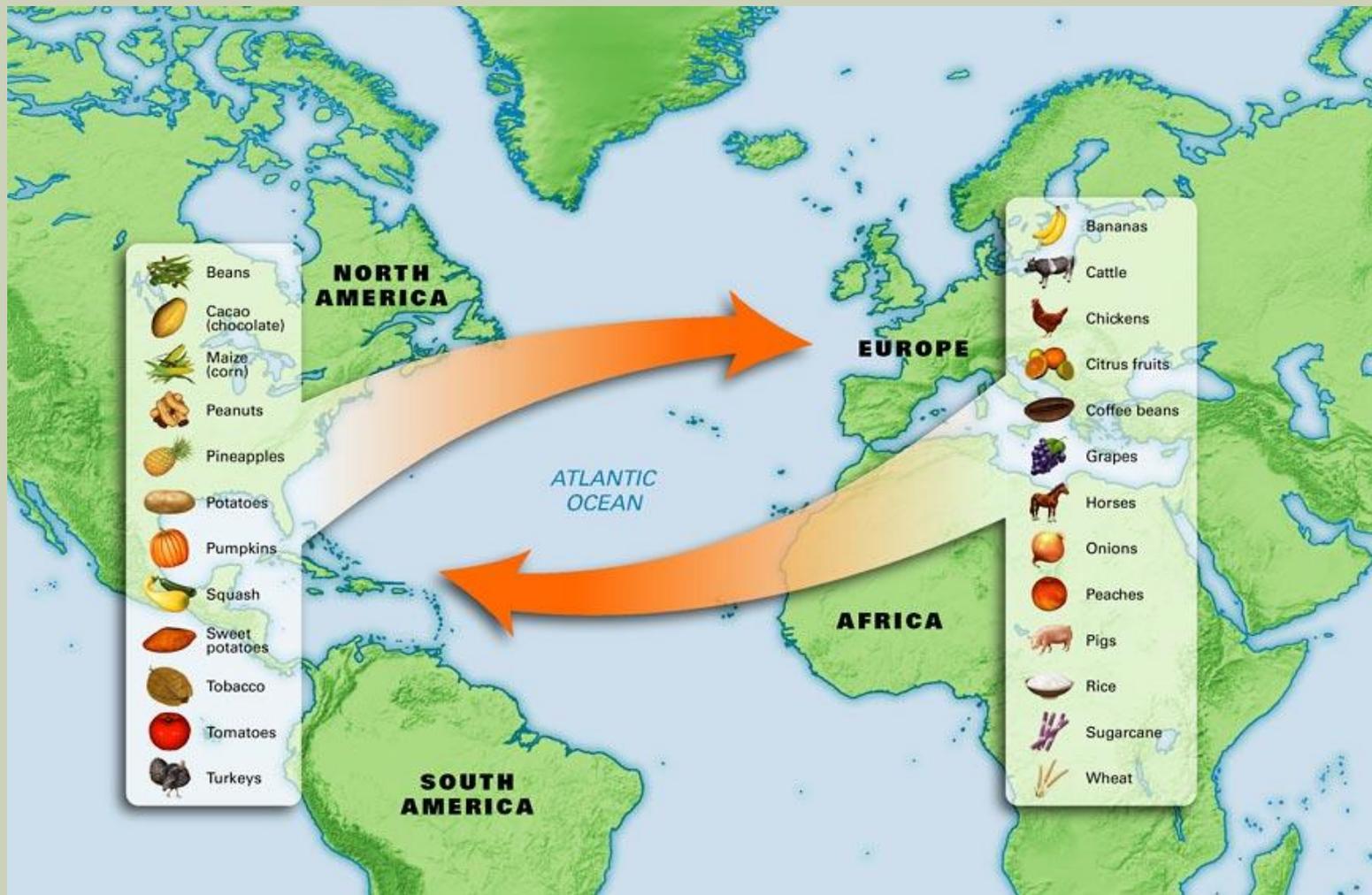
# QUICK REVIEW QUESTION

- **What was the purpose of the Pope's Line of Demarcation?**
- **What alteration is made to that line?**

# COLUMBIAN EXCHANGE

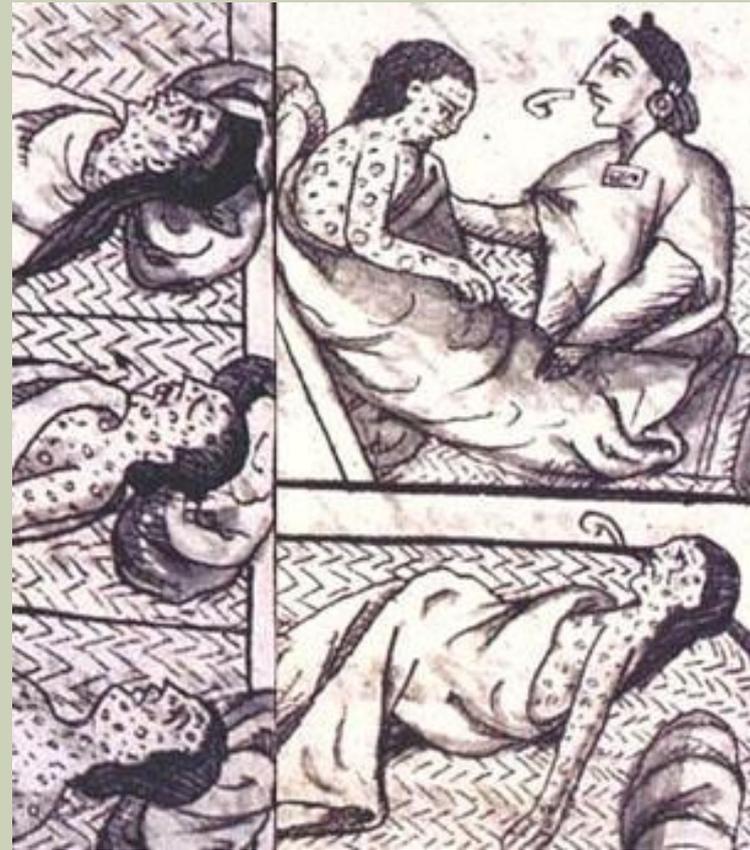
- Exchange between New World and Old World as a result of Columbus's contacts
  - Food/Plants
    - New → Old World: potatoes, tomatoes, corn, vanilla, rubber, cacao, avocado, tobacco, pumpkin, peanut, cashews
    - New ← Old World: peas, tea, rice, sugarcane, wheat, lettuce, oat, coffee, citrus, apples, bananas, garlic, onion, opium
  - Animals
    - New → Old World : turkey, llama, alpaca, guinea pig
    - New ← Old World : horses, goat, pig, sheep, cow, chicken
  - Disease
    - New → Old World : syphilis, hepatitis
    - New ← Old World : plague, chicken pox, cholera, flu, leprosy, malaria, measles, smallpox, typhoid, yellow fever
- Concerns: American food spread plague?, not condoned in Bible

# COLUMBIAN EXCHANGE



# DEVASTATION

- Smallpox and measles caused between 50-80% indigenous populations to die.
  - Entire island populations gone
  - Native Americans had not previously been exposed to these diseases; had no natural immunities
  - Europeans had “room” to create new populations with their own citizens and African slaves



# COLONIAL EXPANSION

- European guns, horses, and iron offered advantages, especially where political chaos and population losses had occurred.
- Spain colonized the Americas first.
  - Hispaniola, Cuba, Jamaica, Puerto Rico
  - 1528 CE: Francisco Pizarro attacked the divided Incan empire, founded Lima
- Early colonies:
  - Loose colonial administrations led by gold-hungry Europeans
  - Become more formal administrations as agricultural settlements were established under bureaucrats who arrived from Europe

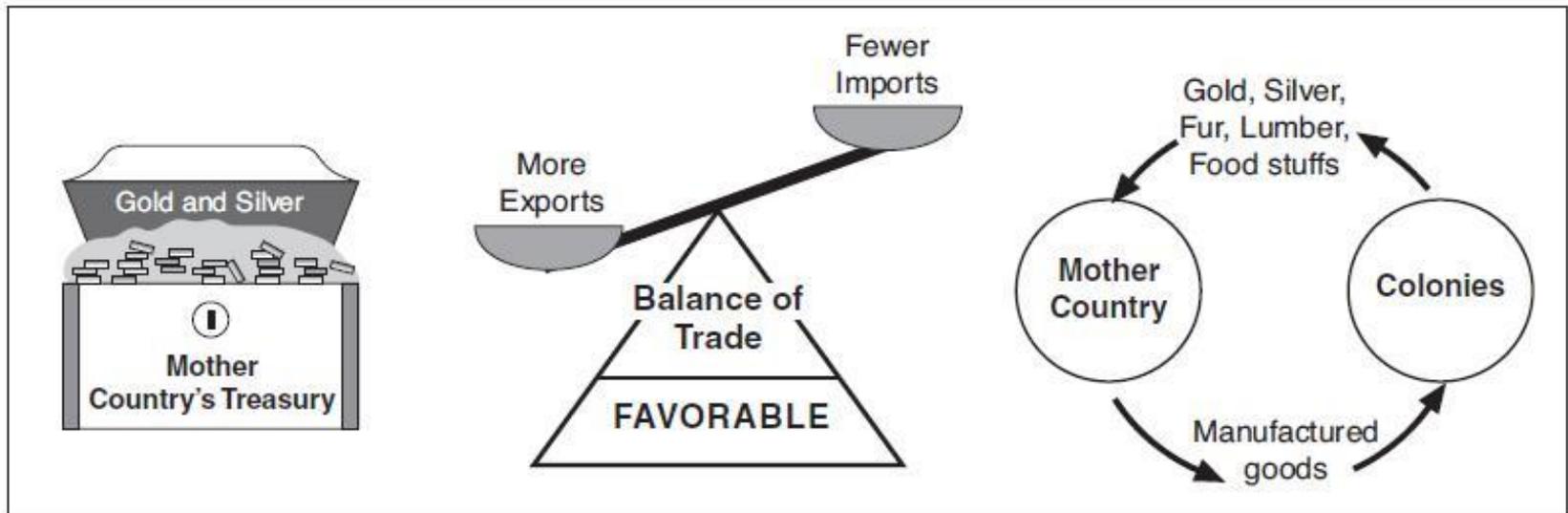
# QUICK REVIEW QUESTION

- **What are some of the advantages European invaders have over indigenous tribes?**

# MERCANTILISM

- Mercantilism: an economic theory popular during 17<sup>th</sup>/18<sup>th</sup>
  - Prosperity of a nation is dependent upon its capital
  - Government should export more than import
  - Utilize colonies to import raw materials from; minimizes costs

## A European View



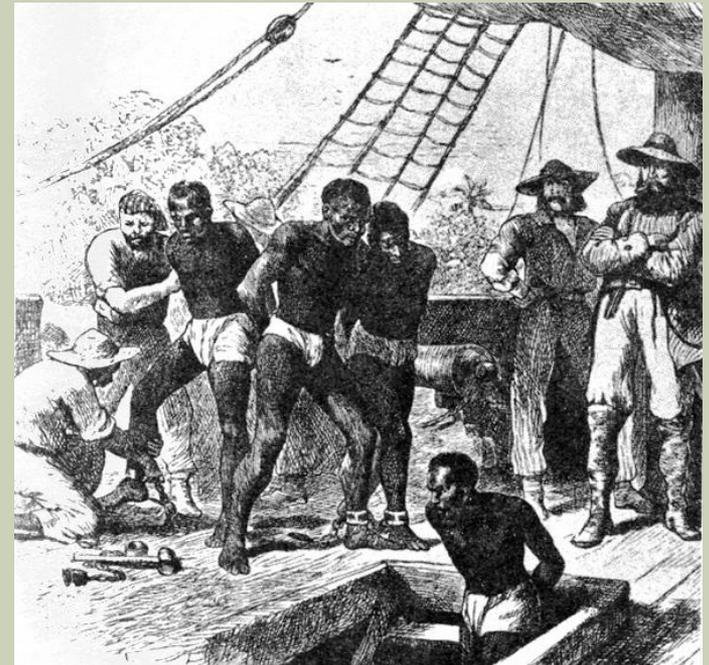
# INCREASING WESTERN POWER

- **Challenges for European traders:**
  - Muslim traders remained active along the east African coast, Middle East, and Indian Ocean
  - Piracy in the Caribbean
  - Omani-European rivalry in Indian Ocean
- **Soon, Western Europe dominated oceanic shipping; increased European profit**
- **1571: Battle of Lepanto**
  - Spanish fleet defeats Ottoman fleet
  - Any hope of successful Muslim rivalry ended
- **European-controlled ports in Africa, Indian Ocean, SE Asia**
  - Mostly ports, not inland territory
  - Western enclaves in existing cities where traders had special rights



# UNEQUAL LABOR SYSTEMS

- Human labor was vital to producing low-cost goods
  - Population loss from disease → increase in imported slave labor in New World
  - Estate agriculture (peasants forced into labor without legal freedom to leave)
- Beyond slave trade, much of Africa untouched still by Europeans



# QUICK REVIEW QUESTION

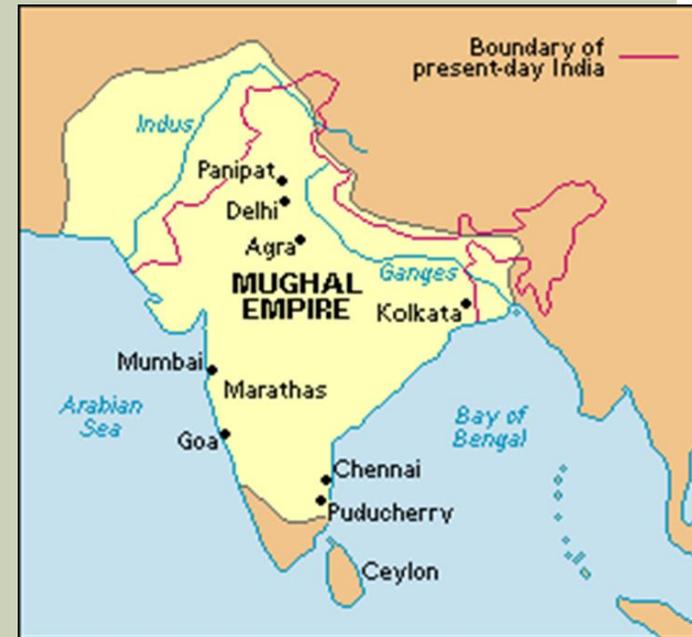
- **What are the three tenets of Mercantilism?**
- **Why is the Battle of Lepanto significant?**

# ASIAN INVOLVEMENT

- **China renounced pursuing international trade in 1433**
  - Most European trade occurred through Macao (a Portuguese colony)
  - Europeans frustrated that Chinese cling to tradition and avoid European developments
  - Europeans send American silver to China to pay for goods
- **Japan turns to isolationism in 16<sup>th</sup> century**
  - But, interested in Western gunnery
    - Ultimately, threatens samurai dominance and aggravates feudal wars
- **India's Mughal Empire**
  - Encourage small port enclaves
  - Sell textiles and spices for New World silver
  - Ultimately, world trade is not a major interest for Indians
    - Same for Ottomans, Safavids, and Russians

# THE EXPANSIONIST TREND

- 1700s: Indian Mughal Empire begins to fall apart
  - British and French East India Companies increased roles in international trade and administration
  - British and French struggled to control India
  - British will take over as colonists after defeating French in several battles
- Eastern Europe included in world economy
  - Growing market for grain
  - Prussia, Poland, Russia
  - Landlords and serfs



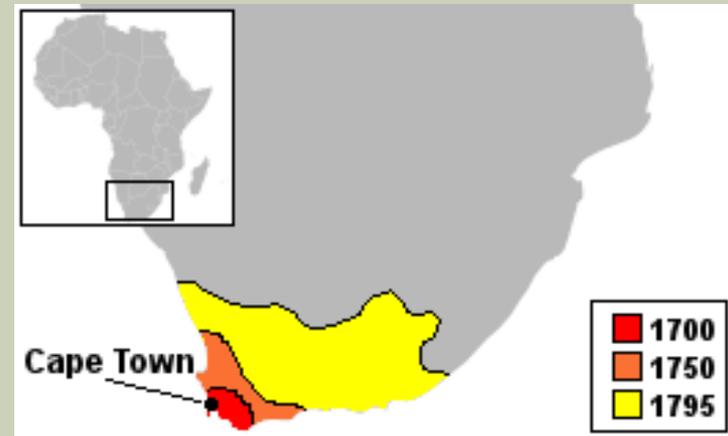
# BRITISH AND FRENCH NORTH AMERICA

- English colonies along the Atlantic received religious refugees (Calvinists)
- France developed New France in Canada with 55,000 settlers by 1755 supported by the Catholic Church
- Seven Years War (1756-1763): Britain and France fight in Europe and America over colonies
- North American native groups pushed westward because of colonists
  - Colonists did not combine with natives, unlike in L. Am.
- By 1700's, 23% of population of southern colonies were of African origin



# AFRICAN COASTAL TRADING

- Europeans set up small ports
  - Sold Asian and European items for slaves
  - Negotiate with West African kings and merchants
  - Generally did not go inland because of disease, climate, geography
- 1<sup>st</sup> Exception: Cape Colony of the Dutch at Cape of Good Hope, 1652
  - Coastal station to supply ships bound for Asia
  - Boers (Dutch farmers) populate region
- 2<sup>nd</sup> Exception: Portuguese expeditions into Angola for slaves



# RESULTS OF A NEW WORLD

- Profits from colonies brought in wealth and capital
- Most white settlers transplanted Western ideas into New World
- Slavery spread
- World economy brings benefits to many (sugar)
- Increasing colonial rivalries
- New foods and wider trade patterns
- Imports of silver



# QUICK REVIEW QUESTION

- Describe how global Asian involvement changes during this period.
- What was the Seven Years' War? Why is it important?