Chapter 4 Section 4
The Columbian Exchange and Global Trade

Setting the Stage:
The colonization of the Americas dramatically changed the world. It led to both voluntary and involuntary migrations of people and the establishment of new societies. One major change was the exchange of new items that greatly influenced the lives of people throughout the world.

The Columbian Exchange
Definition:

(Turn over)
Global Trade
New wealth in the Americas helped to spark dramatic overseas trade. Europe experienced a period of new business and trade practices in Europe.

The first major change was the growth of _________________________, which was a system of private ownership and investment in resources for profit. Wealth could be held by an individual, not just government or monarchs. Merchants obtained great wealth and invested their money in overseas exploration and trade. With the added wealth, _________________________ soon followed. This led to the rise in the price of goods.

Greater wealth also led to the rise of _________________________ - _________________________ _________________________.
This company allowed individual to combine their money for a common purpose. Investors would buy shares of companies and be part owners of businesses, much like a corporation today.

Growth of Mercantilism
During this time, the nations of Europe adopted a new economic policy known as _________________________ . This idea held that a country’s power depended on their wealth. Countries now looked to attain as much wealth as possible.

A nation could increase its wealth and power in two ways:
1. Obtain as much gold and silver as possible.

2. Obtain a favorable _________________________ ___ _________________________ in which it sold more goods than it buys.