Chapter Notes

EXPLORATION

How trade between Europe and East began- Trade began between Europe and the East during the Crusades.

Why trade between Europe and East began- Europeans were interested in spices, sugar, silk, paper, glassware, rugs and precious stones. There was a great deal of money to be made in trade with the East.

Problems-

1) monopoly- Asian middlemen and Italian merchants from Venice and Genoa had a monopoly from products of the East

2) it was very expensive to outfit expeditions so that very few individuals or even countries could afford to do so

3) ignorance of geography- very poor maps

4) poorly equipped ships for ocean voyages

Advances- trade was so profitable that countries attempted to break Italy's monopoly with the East. Advances such as improved design of ships, better compasses, astrolabes, better maps enabled countries to explore options. Portugal was knee of the first to become involved in exploration through the contributions of Prince Henry the Navigator. He was not a sailor but started a school that trained sailors. (this gave Portugal a headstart on other countries)

Bartolomeu Dias sailed around the tip of Africa, (1488) proving that a sea passage south of Africa did exist. He would have continued but his men were tired of the trip and threatened to mutiny. He called the tip the Cape of Good Hope.

Vasco da Gama-1497-98 sailed around the Cape of Good Hope and followed the coast of Africa to India. There he was almost killed by Muslims who saw him as a threat to their trade monopoly. He escaped and headed back to Portugal whit a small load of spices. The profit for the cargo was 60x the cost of the voyage. The significance of this is that Portugal found an all-water trade route to India.

THE COMMERCIAL REVOLUTION

I. New business methods develope to promote trade.

A. Banking- Italians were the 1st bankers. Banking became big industry by the 1500's. Checks, bank notes (form of paper money), and bills of exchange (receipt for payment of goods in one city that was exchanged for goods in anther city) came into widespread use.

B. Insurance companies- came into existence in the late 1600's. Merchants contributed to a common fund. Out of the fund owners would be paid for losses of fire, shipwreck, or piracy.

D. Joint-stock Company- Individuals could gain part ownership in this company by buying one or more shares. If company made profit, each person would get a part of the profit, called a dividend. If there was no profit, the price of the stock would go down. JSC's made it possible to gather large amounts of money together. These companies could finance a fleet of trading ships. The Dutch East India Co. and the British East India Co. are examples of Joint-stock companies.

E. Stock Exchanges- developed because of the growth of joint-stock co. People could buy or sell stock. Exchanges acted as barometers of business.

F. Birth of modern capitalism-Capitalism is an economic system where private individuals or companies own businesses. The goal is to make as much profit as possible. It developed strongly in business that needed large amounts of capital. IE- sugar refining, coal mining, iron mfg. outfitting fleets for overseas trade

II. European Countries followed Mercantilistic Policies- economic policy that believed a country would be richer and stronger if it exported more than it imported. Colonies were important because 1) they could supply raw materials, 2) they were used as closed markets- only the "Mother Country" could sell them goods, 3)some were good ports or controlled strategic locations. Mercantilism looked at business between Nations as a war. Both sides could not win. Lead to conflicts.

III. Daily Life of Europeans Changed.

1. rising standard of living helped people live more comfortably

2. better homes and furnishings- new wood from W. Indies; chairs replaced stools; window glass, carpets, mirrors became more common; clothe became cheaper;

3. more food variety- potatoes, oranges, pineapples, bananas, peanuts, sugar, (coffee, and tobacco- thought to have healing power)

Spanish Exploration-

Columbus- believed he could reach the East by sailing West; believed the circumference was much small than it was; Spain financed him; he landed in the Bahamas, believed he found islands outside of Asia; eventually made four voyages (died believing he had found a route to the East)

America is discovered to be a new continent. America Vespucci is one of the first to realize this- that is why America is named after him.

Spanish decide to explore (exploit) the new world.

Magellan- Italian with the support of Spain. His expedition circled the world. Set out in 1519 to reach India by sailing West. He sailed around the Southern tip of S. America. Made his way to the Pacific. Food was scarce. Men were boiling their leather boots for soup. Eating the rats aboard ship. Literally starving to death. (Meal aboard had been infested with maggots). In 1521 reached the Philippines. (named in honor of King Philip) Magellan and some of his men were killed by the natives there. One ship (the Victoria) continued on. Out of 243 sailors, only 18 made it back alive.

Why were the Spanish exploring the New World- searching for gold. Conquistadors- "conquerors"- searching for "cities of gold"

Cortes- Mexico- Aztecs

600 Spanish soldiers conquered a nation

better weapons

help from other natives

ruthlessness