

## CHAPTER

## 3

## SECTION 5

## Section Summary

## EFFECTS OF GLOBAL CONTACT

## READING CHECK

What is the name for the global interchange begun by Columbus' first voyage?

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## VOCABULARY STRATEGY

Find the word *dispersal* in the underlined sentence. What does *dispersal* mean? What clues to the word's meaning can you find in nearby words or phrases? Circle any context clues that help you figure out what *dispersal* means.

## READING SKILL

**Recognize Sequence** Place these events in the correct order:

- \_\_\_\_\_ The price revolution takes place.
- \_\_\_\_\_ Inflation occurs.
- \_\_\_\_\_ Enormous amounts of silver and gold flow into Europe.

Exploration in the 1500s and 1600s led to European control of the globe. By the 1700s, worldwide contact had caused huge changes to people in Europe, Asia, Africa, and the Americas.

When Columbus returned to Europe in 1493, he brought back American plants and animals. He carried European plants, animals, and settlers back to the Americas. A vast global interchange began. Named for Columbus, it was called the **Columbian Exchange**. Sharing different foods and animals helped people around the world. Later, this dispersal of new crops from the Americas led to worldwide population growth.

Another result of global contact was economic change. In the 1500s, **inflation** increased in Europe, due to all the silver and gold from the Americas. Inflation is a rise in prices because of sharp increases in the money supply. This period of rapid inflation in Europe was known as the **price revolution**. Out of these changes came **capitalism**, an economic system of privately owned business. **Entrepreneurs**, or people who take financial risk for profits, were key to the success of capitalism. Europe's entrepreneurs created businesses and joined investors in overseas ventures. This changed local economies into international trading economies. Fierce competition for trade and empires, in turn, led to a new economic system, called **mercantilism**. Under this system, a nation's wealth was measured in gold and silver, and nations had to export more than they imported. Mercantilists also pushed governments to impose **tariffs**, or taxes on imported goods. This would give an advantage to local products by making imports cost more.

Economic changes, however, took centuries to affect most Europeans. However, by the 1700s, many social changes had happened, too. Nobles, whose wealth was in land, were hurt by the price revolution. Merchants who invested in new businesses grew wealthy. Skilled workers in growing cities also prospered, creating a thriving middle class.

## Review Questions

1. Why did mercantilists push governments to impose tariffs?  
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2. By the 1700s, who was being helped by economic changes?  
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