

European Colonial Expansion

Define **Mercantilism**:

Three ways that a Mercantilistic country can build wealth:

Mine gold from the land in your own country

Colonize other lands and mine (take) all their gold

Establish a favorable balance of trade

A FAVORABLE BALANCE OF TRADE

Money coming in from trade

Balance of Trade

Money going out from trade

A country has established a favorable balance of trade when it sells more goods than it buys - because that means more gold is coming in than is going out.

What role do colonies play in Mercantilism?

Colonies are at the center of Mercantilism because they can help in two of the three ways that a Mercantilistic country can build wealth.



Colonies can be a **source for gold**. Mercantilism says that there is a limited amount of gold on earth so if you can mine additional gold from your colony, your share of the “pie” gets bigger.



Colonies help create a favorable balance of trade in two ways. Colonies are guaranteed trading partners that supply **raw materials** and are a **market** for goods.

Colonies

Why colonies were a win-win for all the Europeans involved:

Reasons Nations Wanted to have Colonies:

1.

2.

3.

Reasons Colonists Wanted to join Colonies:

1.

2.

3.

Think Question - During this new age of exploration, Europeans charted new territories throughout the globe. An infamous historian once said that these European explorers viewed the world as a “giant piggy bank”. What do you think this historian meant?

Find the Gold

Mercantilistic
countries
wanted to gain
more wealth
(gold)



Colonies were
a great source
of wealth for
Mercantilistic
countries



Mercantilistic
countries raced
to establish
new colonies