

# The Columbian Exchange

The Columbian exchange moved commodities, people, and diseases across the Atlantic.

## Overview

- Mercantilism, an economic theory that rejected free trade and promoted government regulation of the economy for the purpose of enhancing state power, defined the economic policy of European colonizing countries.
- Christopher Columbus introduced horses, sugar plants, and disease to the New World, while facilitating the introduction of New World commodities like sugar, tobacco, chocolate, and potatoes to the Old World.
- The process by which commodities, people, and diseases crossed the Atlantic is known as the Columbian Exchange.

## Commerce in the New World

As Europeans expanded their market reach into the colonial sphere, they devised a new economic policy to ensure the colonies' profitability. The philosophy of mercantilism shaped European perceptions of wealth from the 1500s to the late 1700s. Mercantilism held that only a limited amount of wealth, as measured in gold and silver bullion, existed in the world. In order to gain power, nations had to amass wealth by mining these precious raw materials from their colonial possessions. Mercantilists did not believe in free trade, arguing instead that the nation should control trade to create wealth and to enhance state power. In this view, colonies existed to strengthen the colonizing nation.

Colonial mercantilism, a set of protectionist policies designed to benefit the colonizing nation, relied on several factors:

- Colonies rich in raw materials
- Cheap labor
- Colonial loyalty to the home government
- Control of the shipping trade

Under this system, the colonies sent their raw materials—harvested by enslaved people or native workers—to Europe. European industry then produced and sent finished materials—like textiles, tools, manufactured goods, and clothing—back to the colonies. Colonists were forbidden from trading with other countries.

Commodification quickly affected production in the New World. American silver, tobacco, and other items—which were used by native peoples for ritual purposes—became European commodities with monetary value. Before the arrival of the Spanish, for example, the Inca people of the Andes consumed chicha, a corn beer, for ritual purposes only. When the Spanish discovered chicha, they bought and traded for it, detracting from its spiritual significance for market gain. This process disrupted native economies and spurred early commercial capitalism.

The Columbian Exchange: goods introduced by Europe, produced in New World

As Europeans traversed the Atlantic, they brought with them plants, animals, and diseases that changed lives and landscapes on both sides of the ocean. These two-way exchanges between the Americas and Europe/Africa are known collectively as the [Columbian Exchange](#).

Of all the commodities in the Atlantic World, sugar proved to be the most important. Indeed, in the colonial era, sugar carried the same economic importance as oil does today. European rivals raced to create sugar plantations in the Americas and fought wars for control of production. Although refined sugar was available in the Old World, Europe's harsher climate made sugarcane difficult to grow. Columbus brought sugar to Hispaniola in 1493, and the new crop thrived. Over the next century of colonization, Caribbean islands and most other tropical areas became centers of sugar production, which in turn fueled the demand to enslave Africans for labor.

The Columbian Exchange: from the New World to the Old World

Though of secondary importance to sugar, tobacco also had great value for Europeans as a cash crop—a crop cultivated for sale instead of personal consumption. Native Americans had been growing tobacco for medicinal and ritual purposes for centuries before European contact, believing tobacco could improve concentration and enhance wisdom. To some, its use meant achieving an entranced, altered, or divine state.

Tobacco was unknown in Europe before 1492, and it carried a negative stigma at first. The early Spanish explorers considered native people's use of tobacco to be proof of their savagery. However, European colonists then took up the habit of smoking, and they brought it across the Atlantic. Europeans ascribed medicinal properties to tobacco, claiming that it could cure headaches and skin irritations. Even so, Europeans did not import tobacco in great quantities until the 1590s. At that time, it became the first truly global commodity; English, French, Dutch, Spanish, and Portuguese colonists all grew it for the world market.

Native peoples also introduced Europeans to chocolate, made from cacao seeds and used by the Aztec in Mesoamerica as currency. Mesoamerican Indians consumed unsweetened chocolate in a drink with chili peppers, vanilla, and a spice called achiote. This chocolate drink—xocolatl—was part of ritual ceremonies like marriage. Chocolate contains theobromine, a stimulant, which may be why native people believed it brought them closer to the sacred world.

