Chapter 11: Conquest and the New World

"The discovery of America, and that of the passage to the East Indies by the Cape of Good Hope, are the two greatest events recorded in the history of mankind." (Adam Smith, *The Wealth of Nations*, 1776)

Introduction

We see above that it is very difficult to link the take-off of the European economy after 1700 to either institutional constraints, or to an “industrious revolution”. Searching for a cause of “the European miracle” some scholars have concluded that the conquest by Europeans of much of the rest of the world in the years 1492-1914 was the crucial ingredient. Those who hold this view include most famously Immanuel Wallerstein who argues that we have to divide the world into two areas after 1500. The Core which constituted north west Europe, and later the northern parts of north America dominated by settlement from western Europe, and the Periphery, which contained everything else. Contact between the core and the periphery after 1500 enriched the core but immiserized the rest of the world. For the core gained vital raw materials to speed its industrialization, and found expanded markets for its industrial products, while the periphery was reduced to a dependent status, supplying raw materials and labor for Europe in return for European manufactures. Even what was called free trade between the two parts of the world was not really free, because one party gained from this trade while the other lost.

How Europeans came to Dominate the Rest of the World

We saw in chapter 4 above that in the middle ages there was slow but steady technological development in Europe. Three particular developments of the late middle ages - guns, navigation, and shipping - created a foundation for a spectacular expansion of the areas European control from the late 15th century onward. But the superiority of the Europeans in naval power was just an
indicator of the relative advance of technology in Europe compared to the rest of the world that occurred after 1400.

Until 1500 Christian Europe was a beleaguered region. In the East the Mongols had come close to sweeping across Europe in the middle ages. In 1300 the Mongol Empire included both Moscow and Kiev, and the Mongols were not expelled from Moscow till 1480. And in 1454 Constantinople (now Istanbul) fell to the Turks. Thereafter the Turks pressed onto the European mainland, absorbing Serbia, Bosnia-Herzegovina, and Montenegro, and Albania by 1470.\(^1\) Turkish expansion in the Balkans continued indeed for several centuries after this. But these beleaguered areas of Europe were the least technologically advanced areas of the continent. In contrast the more technologically advanced West launched a series of daring voyages of exploration and conquest beginning in the thirteenth century.

The impetus for the early voyages of exploration was largely commercial. The major imports of Europe from the East were spices from India and South East Asia and silk goods from China. These goods had to be imported overland to reach the Mediterranean through territory controlled by other, non Christian, powers. The Venetians thus had to obtain spices from Arab merchants who transported them across the Indian Ocean. Thus there was great potential profit from developing another trade route with the East. The initial focus of the voyages of discovery was not colonization, but was to develop a sea route around the south of Africa to the East.

The early leaders in navigation and exploration were the Northern Italians. As early as 1291 a Genoese expedition of oared galleys sailed down the west coast of Africa in an attempt to reach India by sea. This expedition was lost without a trace. But the Italians were displaced as the principal explorers in the fifteenth century by the Portuguese, in large part because of the energy of one person, Prince Henry of Portugal ("the Navigator"). Henry (1393-1460) was a younger son of the King of Portugal, who devoted his life to the project of reaching India by sailing around Africa.\(^2\) He supported a group of astronomers, navigators,\(^3\)

\(^1\) In the process a number of the local inhabitants converted to Islam, thus creating the Muslim populations in Bosnia, Serbia, Bulgaria, Greece, and Albania, and setting the stage for some of the current ethnic conflicts in the Balkans.

\(^2\) No-one, of course, knew if this was possible.
geographers, and cartographers to study the navigational problems of this project at his castle on the promontory of Sagres at the southern extremity of Portugal. From 1418 on he sent out almost annual expeditions to chart the west African coast. His captains colonized the Madeira Islands, and the Azores (see figure 8.1). They also established trade with various west African chiefs. By the time of Henry's death, however, his slow and careful approach to exploration had taken his ships only as far as Sierra Leon, still 4,000 miles from the Cape of Good Hope at the southern tip of Africa.

From 1460 to 1481 there was slow further progress towards the Cape, though meanwhile a lucrative trade in ivory, gold and slaves developed with west Africa. King John II, who came to the Portuguese throne in 1481 accelerated the pace of exploration. John sent out two expeditions in 1487. Bartholomew Diaz rounded the Cape of Good Hope in 1488, but was forced to turn back soon thereafter. Pedro de Covilhao went through the Mediterranean and overland to the Red Sea. He then sailed along the western edge of the Indian Ocean from Mozambique to Malibar in India.

Finally in 1497 Vasco da Gama set off with four ships to attempt to reach India. Despite disease, mutiny, storms, and conflict with Arab merchants and the Indians he managed to return with two of his four ships (but only one third of the original crew) loaded with spices. The profits from the spices paid the cost of the voyage many times over, and the prospect of such great profits gave a great impetus to further Portuguese expeditions. Within twelve years the Portuguese had forced Arab shipping out of the Indian Ocean and established fortified trading posts all along the route from Portugal to India. By 1513 a Portuguese ship reached Canton in China, and by the mid sixteenth century they had opened diplomatic and trading relations with Japan.

Circa 1483, before the Portuguese had established the route to India around the Cape of Good Hope, Cristoforo Colombo, a Genoese who had sailed for the Portuguese, asked the Portuguese monarchy to finance a voyage to the East by going west across the Atlantic. King John's advisors, however, recommended rejection of the plan as infeasible. They did not do so, as popular legend maintains, because medieval people thought that the earth was flat. Most educated people believed by then that the world was round, so the scheme would not have struck the Portuguese as entirely crazy. But Columbus's confidence in the feasibility of the idea was based on two crucially incorrect calculations.
The first was that Columbus estimated the earth to have a circumference only about three quarters of the true circumference. He thought that at the equator $1^\circ = 45$ nautical miles, whereas the true number is close to 60 nautical miles.\(^3\) So Columbus thought the circumference of the earth was only 19,500 miles compared to a true figure of 26,000 miles. Interestingly the ancient Greeks had better estimates of the true size of the earth than Columbus. Thus Eratosthenes of Cyrene (circa 280 BC-200 BC) calculated the circumference of the earth by noting first that on the day of the summer solstice the sun was exactly overhead at noon in Aswan in southern Egypt, which is close to the Tropic of Cancer (the rays of the sun reached the bottom of wells in the city). On the same day at noon on the summer solstice at an obelisk in the city of Alexandria, which is approximately due north of Aswan, the sun is observed to be 7.5 degrees from overhead, using the shadow for a measurement. Assuming the sun is a long way from the earth so that its rays are parallel at all locations, this implies that from Aswan to Alexandria is $1/48$ of the circumference of the earth (see figure 2). Since the distance between these two places is 532 miles, the circumference of the earth must be 25,500 miles.\(^4\)

Columbus’s second piece of incorrect reasoning was his assumption, based on obscure arguments from the classical Greek period, that the known land mass of the world in Europe and Asia spanned two thirds of the circumference of the earth. Thus the ocean he had to sail over would be only one third of the circumference of the earth.

As a result of these two mistakes Columbus thought that the distance from the Azores to the Spice Islands was little more than the length of the Mediterranean (2,500 miles), compared to the correct figure of nearly 14,000

\(^3\) A nautical mile is 6,080 feet, compared to 5,280 feet for a land mile.

\(^4\) Aristotle (384 BC – 322 BC) calculated a size which was close to the actual figure, and Ptolemy thought $1^\circ = 50$ nautical miles.
FIGURE 2: ESTIMATING THE CIRCUMFERENCE OF THE EARTH

[Diagram showing the estimation of the circumference of the Earth using rays from Alexandria and Aswan.]
miles. King John's advisors had a better idea of the true size of the
globe and thus, correctly, advised rejection of the plan.

Columbus did have some arguments in his favor, however. The first was that carved sticks and plants unknown in Europe and Africa had been observed to wash up on the beaches in the Azores, the Portuguese islands which lay 1,000 miles to the west in the Atlantic. These objects seemingly had to be coming from a land mass to the west, since at the latitude of the Azores there was a prevailing wind pattern from the west. The second was that in his work as a navigator for the Portuguese Columbus had noted that at the latitude of the Canary Isles, which lay about 700 miles south of the Azores, the winds persistently blew from the east, in contrast to the westerly winds of the Azores. Columbus thus proposed to ride the easterly winds of the Canaries on the way to Asia, and use the westerly winds of the Azores as the path home.

Columbus, however, displayed extraordinary perseverance with his plan. He approached in turn the Spanish monarchs, the king of England, and the king of France for backing. All initially rejected the proposal. But when Ferdinand and Isabella conquered the Moors in 1492, Queen Isabella agreed to finance his expedition almost as a victory celebration. Since the Portuguese dominated the proposed route south around Africa, and had by now rounded the Cape of Good Hope, the Spanish had little to lose from a gamble on Columbus. His expedition consisted of only three ships, the largest being 80 feet long, and 26 feet wide (with a crew of 40). Columbus himself proved a difficult employee for the Spanish. As his condition of undertaking the voyage he demanded that if he succeeded he receive one tenth of all profits from his discoveries, the Governorship of all newly discovered territories, and the hereditary title “Admiral of the Ocean Sea.”

The voyage itself showed Columbus to be a man of steely determination. Columbus navigated as was the custom of the age using three main devices. He had a magnetic compass to help determine the direction he was sailing in, and an instrument called the astrolabe which fixed reasonably accurately the latitude of the ship. Thus his plan was simply to maintain a western course. To determine how far had been sailed the method was to estimate the speed of the ship by dropping a log into the water attached to a line and counting how many knots of the line were dragged out in a given interval.\(^5\) This gave the ship speed relative to the water, so if

\(^5\) This explains why the record of a ship’s journey is called the “log book,” and why ships measure speed in “knots,” where one knot equals one nautical mile per hour.
estimates for water currents were factored in the distance sailed per day could be roughly reckoned. The crew were very interested in how far the ships had sailed, because if they went more than a given distance they would be too far out to reach land again before the water supply was exhausted in the case that they did not reach Asia. To allay their fears Columbus kept two sets of ships logs. One for the inspection of the crew which greatly underestimated the distance sailed, another for his own perusal with his best estimate.

After a voyage of 61 days Columbus reached land first in the Bahamas. From there he sailed to Cuba, and then to the island of Hispaniola (now Haiti and the Dominican Republic). Thinking he had reached the outer islands of Asia, Columbus dubbed the inhabitants Indians. Columbus was dismayed by the poverty of the Indians. He had promoted the voyage on the expectation of finding a path to the riches of Asia. He had to bring back something of value that would induce the crown to finance further expeditions. Thus his frantic sailing from island to island in the Caribbean in search of gold. Having scraped together enough gold artifacts and other items to make his story of the fabulous prospects of the New World at least minimally plausible, Columbus persuaded Isabella to finance an expedition the next year with seventeen ships and a large group of troops and colonists, which founded a colony on Hispaniola. The effects of the Spanish colony on the native population were catastrophic. While the Indian population in 1492 is estimated at 300,000, by 1508 it had declined as a result of exposure to European diseases and the social disruption of the conquest to only 60,000, while by 1550 there were only around 500 indigenous Indians left on the whole of Hispaniola. Columbus himself profited little from his discoveries. He failed as a governor of the Hispaniola colony and was brought back to Spain in chains. He was allowed to lead a last expedition to try to discover the Asian mainland, and in the process landed on the mainland of America in central America, but died in 1506 having secured little of the fortune he had hoped for.

The Spanish applied to the Pope for a "line of demarcation" to divide up the newly discovered lands between Portugal and Spain. The Pope established the line initially in 1493 as running North to South about 350 miles west of the Azores, splitting the world into the Spanish half and the Portuguese half. The Portuguese persuaded the Spanish to let the line be about 240 miles further west in a treaty established between them in 1494 (the Tordesillas Line). This has been taken by some to suggest that the Portuguese by then knew that part of the New World fell to the East of this
line. For in 1500, in the first major trading voyage after da Gama's return, Pedro de Cabral sailed directly for Brazil and claimed it for Portugal before continuing on to India.

The news of Columbus's discovery stimulated voyages by other countries. In 1497 English merchants sponsored an expedition west by John Cabot, an Italian sailor living in England. On this voyage he discovered Newfoundland and Nova Scotia. But the new terrain was an economic disappointment - there were no marketable commodities in North America such as spices or precious metals. Nor was there any apparent path around North America to the East.

By the 1520s Spanish, English, and French navigators had explored the entire length of the coast of North and South America. It was clear not only that Columbus had not landed in the Indies, but also that there was no easy passage to the West from Europe to Asia. In 1519 Magellan, a Portuguese working for the Spanish led an expedition of five ships to try to find a passage around the bottom of South America to Asia. He succeeded in reaching the Pacific, where he expected that in a few days sailing beyond Panama he would reach Asia. After months of sailing, and of privation, he reached the Philippines, where he was killed (in 1521). Eventually one of his five ships made it back to Spain by continuing West, completing the first circumnavigation of the globe.

The voyages of discovery and conquest briefly elevated Portugal and Spain to the forefront of European powers. As soon as da Gama returned the Portuguese launched an ambitious plan to monopolize the spice trade of the Indian Ocean by halting the Arab trade. They established forts along the west coast of India at Diu and Goa, and battled Muslim fleets for control of the seas. The capture of territory in Sri Lanka in 1515 secured control of the Indian Ocean for the Portuguese, at least temporarily. By 1557 the Portuguese had established a trading base in Macao in South China which they occupy to this day. They did not attempt to conquer or colonize the interiors of Africa or India, however, since Portugal was a small country in terms of population.

Given the poverty of the Indians the Spanish territory seemed a poor second best to the rich trade routes to the East that the Portuguese had secured. The entire indigenous population of the Americas is estimated at only 25 million at the time Columbus landed, so that population densities were much lower than in Europe. This reflects, referring back to the Malthusian model, a
big difference in technological capacity between native Americans and Europeans at the time of the first contact. The Spaniard's hope of profit from the Americas quickly came to lie in finding precious metals. As late as 1594 95% of legal exports from Spanish colonies in the New World consisted of gold or silver.

At first precious metals were obtained by plundering the wealthier mainland civilizations. In 1520-1 Cortez and a small band of followers, in a bizarre and audacious move, conquered the entire Aztec empire. Pizarro conquered the Incas in Peru in the 1530s. As the loot from plunder was exhausted the Spanish imported European mining methods to exploit the rich silver mines of Mexico and the Andes. Table 1 shows the amount of silver and gold that the Spanish imported from America.

The Spanish also from the beginning attempted to colonize and rule the areas they conquered. To remedy the severe labor shortages caused by the collapse of native populations they began to import African slaves to the Americas as early as 1501. The majority of the population of the Caribbean was of African descent by 1600, and the slave population was very important in Brazil and the Guianas also. By the seventeenth century the Caribbean had become a area of wealthy plantation economies, producing mainly sugar for European consumption using imported slave labor for Africa. Thus there was some dismay when the English negotiators at the end of the second English-Dutch Naval War accepted a trade of New Amsterdam (New York) in exchange for Surinam (Dutch Guiana).

The period 1500 to 1620 is sometimes called the period of the "Price Revolution." Average prices across Europe increased by from three to four times in this period. This is actually a very low rate of inflation: 0.9% to 1.2% per year, but the prior rate of inflation was close to zero in Europe between 1200 and 1500, and even modest inflation over many years had a big impact on the price level. The inflow of precious metal from the New World was one major source of this inflation, since the currency system was then based on gold and silver coins. The increased supply of coinage reduced the purchasing power of each coin.

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6Increased silver production from more efficient mining methods in Europe and Portuguese gold imports from Africa also fueled the inflation.
TABLE 1: SPANISH GOLD AND SILVER IMPORTS FROM AMERICA

<table>
<thead>
<tr>
<th>Period</th>
<th>Gold (1000 lbs.)</th>
<th>Silver (1000 lbs.)</th>
</tr>
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<tbody>
<tr>
<td>1503-1540</td>
<td>73.8</td>
<td>190.4</td>
</tr>
<tr>
<td>1541-1580</td>
<td>195.2</td>
<td>5,201.2</td>
</tr>
<tr>
<td>1581-1620</td>
<td>115.0</td>
<td>20,318.8</td>
</tr>
<tr>
<td>1621-1650</td>
<td>14.7</td>
<td>14,971.0</td>
</tr>
</tbody>
</table>

Source: Earl Hamilton, American Treasure, p. 42.
Though the Portuguese initially gained the more productive set of colonies, they quickly began to face severe competition from the Netherlands, France and England for the trade routes of the East. By 1609, for example, the Dutch had expelled the Portuguese from Sri Lanka. In 1700 the Portuguese, Dutch, English and French all had established forts and trading bases on the Indian mainland.

By 1700 the newly conquered territories, and the armed trading posts were sending to Europe a vast new supply of products. Imports of foodstuffs included spices from Asia, coffee from Africa, tea from China, cocoa from South America, sugar from Brazilian and Caribbean plantations, tropical fruits and nuts. Tobacco came from North America. Clothing items included cotton goods from India, dyes such as indigo from India, silk from China and Japan. Crops such as the potato and maize were introduced to Europe, though they were not cultivated on a large scale till after 1800.

**The Economic Importance of Imperialism**

How important was the expansion of Europe in the years 1400 to 1800 to economic growth within Europe? To evaluate this, Patrick O'Brien employs a method called *Counterfactual History*. How, he asks, would the development of Europe up till 1800 have been changed if Columbus, instead of finding the West Indies, had instead sailed off the edge of the world? That is, how would European development have been affected if all that existed in the world was Europe, so that there was no possibility of exploiting the "periphery"?

The potential losses to Europe in 1800 from the absence of the rest of the world would have fallen under a number of heads:

1. Direct losses from the absence of the flow of goods from the "periphery" into Europe.

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7This method was first used almost simultaneously in the early 1960s by two scholars, Albert Fishlow and Robert Fogel, studying the importance of the railroad to the growth of the US economy in the nineteenth century.

8O'Brien includes the northern parts of north America in "Europe" for the purposes of his argument since by 1800 they were largely peopled by immigrants from western Europe.
2. Losses from absence of new crops introduced into Europe from the rest of the world.

3. Losses from the change in the pattern of demand for European goods.

4. Losses from a reduction in the rate of accumulation in Europe from the loss of profits from the colonies.

Let us consider each potential source of loss in turn.

1. **Direct Losses**

By 1780-1790 the flow of goods into Europe from the rest of the world was still only about 1% of the total national income of Europe. Before 1780 this flow would always have been a smaller share of national income. Thus measured by expenditures even if Europe plundered the rest of the world and gave nothing in return for this inflow of goods it would only have boosted output per person in Europe directly by about 1%. When we want to measure the value of a good to an economy, however, we need to measure not just the expenditure on the good, but also the consumer surplus that the good creates. A very small share of income, for example, is spent on water in most economies. But the removal of all water would eliminate all economic activity. What matters is not the expenditure on the good, but also the amount of consumer surplus the good generates. This is shown in figure 3.

Saying a good is vital really amount to saying that demand is price inelastic (that is the quantity demanded varies little with the price) so that the area of consumer surplus is large. One condition which creates such a demand curve is where the good has no substitutes, as in the case of water. But if we look at the types of goods imported into Europe from the rest of the world by 1800 we find that all the goods did indeed have substitutes. Thus the major goods were foods (tea, coffee, sugar, rice, spices, and fruit), industrial raw materials (cotton, silk, hardwoods), and precious metals. But most of these foods had substitutes. Tea and coffee, for example, replaced beer in the diet of northern Europe. Wool and flax were the traditional fibers used for clothing in Europe, and cotton and silk merely substituted for these. Imported hardwoods could be replaced by native hardwoods. The gains from trade with the rest of the world were thus mainly from a more diversified pattern of consumption. Thus while the loss of consumer surplus
in Europe in 1800 from not having these goods might have been significant, but it would not in any sense have spelled an end to economic activity.

From 1500 to 1660 the Americas supplied 181 tons of gold and 16,000 tons of silver to Europe. But the gain from this import would be negative. For the inflow of precious metals mainly served to inflate the money supply in Europe, driving up prices from 1500 to 1620. Since the price level is arbitrary there was no gain to Europe from this import. And since resources were employed in mining and stealing these precious metals, and in shipping them to Europe, the net effect would be a loss for Europe.

Note also that whatever the income losses the crucial question is not whether the loss of trade with the rest of the world would have reduce income in 1800, but whether it would have stopped the increase in the rate of technical progress which occurred in Europe after 1700, and which propelled Europe by 1850 to a position of complete economic dominance in the world. We turn to this question below.
FIGURE 3: POTENTIAL LOSS OF CONSUMER SURPLUS FROM ELIMINATION OF A GOOD

Price

CONSUMER SURPLUS

P₀

REVENUE = PQ

Q₀

Quantity
2. Losses from absence of new crops

Many crops were introduced to Europe from the rest of the world in the period 1492-1800. From the Americas came maize (corn), potatoes, tomatoes, tobacco, red peppers, and chilies. From Asia came rice, sugar, cotton, silk worms, and citrus fruits. But while many of these became important in Europe by the mid nineteenth century, they had little impact before 1800. Potatoes were the most important new crop before 1850. An acre of potatoes could produce at least 5 times the calories of an acre of wheat, so the potato allowed a great increase in output of staple calories from a given area. Potatoes were so important by 1846 in Ireland that it was the failure of the potato crop which created the Irish Famine which killed perhaps 1 million people out of a population before the famine of 8 million. Yet in 1800 potatoes while cultivated in many parts of western Europe were still a minor part of the diet. Maize similarly became an important staple in southern Europe in areas such as Italy and Romania. But again it was of minor importance in 1800.

3. Pattern of demand

Did the exploitation of the rest of the world stimulate the growth of industrial output in Europe? Since the volume of trade was so small the effect on the pattern of demand in Europe necessarily had to be limited. The cotton textile industry, which was the most important sector in the British Industrial Revolution of 1770-1850, was entirely created by trade with India. But even in Britain, which had the largest cotton industry in Europe, cotton textiles were only 7% of GNP in 1841. The complete absence of cotton in 1841, assuming the resources employed in the industry would have been of no value elsewhere, would have at maximum reduced output per person in Britain in 1841 by 7%. Since many of the resources such as the labor or capital would have been employed elsewhere the loss would have to have been much smaller than this. But income per capita in Britain rose by 80% from 1770 to 1850, so that even if cotton had never existed the level of income per capita in Britain in 1850 would still have risen far above that in the rest of the world.

The other industries created by trade with the rest of the world - silk spinning and weaving, tobacco processing, and food processing - combined accounted for only 1% of British GNP in 1841. So the losses here would have been insignificant.
The major impact of the voyages of exploration and conquest in the earlier years of the period 1500-1800 was anyway to increase the size of the European shipping industry. In the earlier years Asian manufactures were cheaper (and often more sophisticated) than European, so that the Europeans paid for their imports of silks, cottons, and spices from the East with precious metals looted from South America, and by providing shipping services within Asia. This boosted demand for ship building in Europe, but the link of ship building to the subsequent industrial expansion of Europe is very remote. Shipping was not an industry whose techniques were revolutionized till the late nineteenth century. Ships till 1800 were made of wood by tradition hand craftsmen. Nor was there any linkage between ship building and the revolution in techniques in the textile, metallurgy, and land transport industries after 1770.

4. Accumulation

It is through stimulating capital accumulation in Europe that the proponents of the "New History of Development" such as Wallerstein argue most strongly for the importance of the exploitation of the rest of the world on European growth. Eric Williams, for example, argued that the Industrial Revolution in Britain was financed from repatriated profits from the slave trade in the Caribbean.

But again we can show that the quantitative magnitude of any such effect would be tiny. As noted above the total volume of goods coming into Europe from the rest of the world in 1780-90 was only 1% of Gross National Product. Assume that half of this inflow represented pure profit, and that half of this profit was reinvested in the European economies. Then it would have boosted the ratio of investment to GNP by only 0.25%, an insignificant amount. But the rise in the investment rate in the Industrial Revolution period by countries such as Britain was much greater than this. The British gross investment rate rose from 7% in 1770 to 12% in 1850. Thus the increase in investment rates in Europe must have had causes other than the exploitation of the rest of the world.

The profits from the exploitation of the rest of the world were also probably fairly small. Though the evidence is meager, the available studies on profits in trade with colonies and the tropics suggests a rate of profit of only around 10%, which is not much
higher than the rate of return in domestic industries in Europe in this period. The slave trade, for example, transported 10 to 11 million Africans into slavery in the Americas from 1492 till 1807. But the slave trade by 1650 appears to have been competitive at every stage. The prices paid to the local chiefs and slave traders in Africa for new slaves were thus driven up to the point where the shippers and the employers of slaves in the Americas made only a normal rate of return on the capital they employed.

Thus the overall effect of Europe’s domination of the rest of the world in the period 1500 to 1800 seems to have been very small. It should have done nothing to put Europe on the path to industrialization, and to condemn the rest of the world to commodity production. Mainly this trade served to increase the variety of consumption goods in Europe.