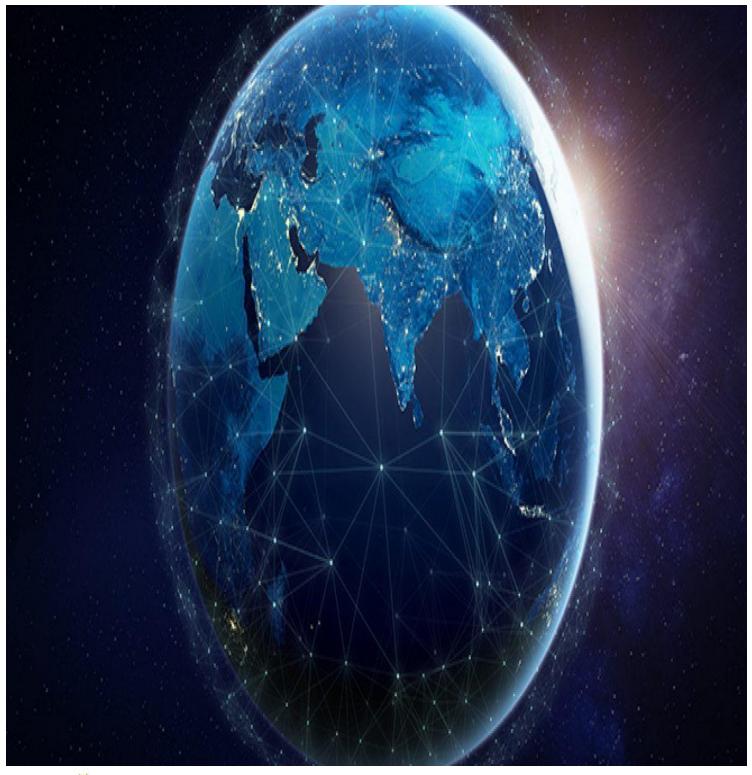
CHAPTER 4 HISTORY

THE MAKING OF GLOBAL WORLD





BRAINX ACADEMIA

Lesson No. 4 The Making of a Global World

Summary

1.3 Conquest, Disease and Trade:

- In 16th century after European sailors found a sea route to Asia, they discovered America.
- The Indian subcontinent had been known for bustling trade with goods, people, customs and knowledge. It was a crucial point in their trade network.
- After the discovery of America, its vast lands and abundant crops and minerals began to transform trade and lives every where.
- Precious metals, particularly silver from mines located in Peru and Maxico enhanced Europe's wealth and financed its trade with Asia.
- The Portuguese and Spanish conquest and colonization of America was under way. The most powerful weapon of the Spanish conquerors was not a conventional military weapon but germs of small pax which they carried. America's original inhabitants had no immunity against such type of diseases.

2.1 A World Economy Takes Shape:

- Abolition of the Corn law.
- Under pressure from lauded groups the government restricted the import of food grains.
- After the carn laws were scrapped, food could be imported into Britain more cheaply than it could be produced in the country.
- British farmers were unable to compete with imports. Vast areas of land were left uncultivated.
- As food prices fell, consumption in Britain rose.
- Faster industrial growth in Britain led to higher incomes and more food imports.

4.1 Bretton Woods Institutions:

- To deal with external surpluses and deficits a conference was held in July 1944 at Bretton woods in New Hampshire U.S.A.
- International Mountary fund and world Bank were set up to finance post war reconstruction.
- The past war international economic system is known as Bretton woods systems.
- This system was based on fixed exchange rates.
- IMF and World Bank are referred as Bretton Woods Twins.
- U.S has an effective right of veto over key IMF and World Bank.

4.3 New International Economic Order - NIEO

- Most developing countries did not benefit from the fast growth of Western economies



- in 1950's & 60's.
- Theyorganized themselves as a group. The group of 77 or G-77 to demand a new international economic order (NIEO).
- It was a systemthat would give themreal controlover their natural resources more development assistance, fairer prices for raw materials and better access for their manufactured goods in developed countries markets.

Questions:

- 1. Explain how the Globaltransfer of disease in the pre-modern world helped in the colonialism of the Americas?
- 2. Whydid the British Government had to take the decision to abolish the corn laws?
- 3. What do you mean by bretton Woods Agreement? What was its aim?
- 4. What is referred to as the G-77 countries? In what waycan G-77 be seen as a reaction to the activities of bretton Woods Twins?

