

of these southerners, in fact, contributed as efficaciously to their domination over the affairs of the colony at large, as they did to the maintenance of Portuguese control in the southwestern portion of it against the pretensions of Spain. Here and elsewhere in the settled areas of Brazil, toward the close of the eighteenth century, there were altogether about 3,000,000 inhabitants, white, half caste, Indian and negro.

Antagonism between creoles and the native Portuguese in Brazil had much the same reasons for existence as in Spanish America, but the economic motive was stronger. The Paulistas resented the Portuguese competition in the mining regions, and the creole sugar-planters in the northeast disliked the merchants from the mother country on account of their trade methods. In both cases armed conflict ensued. That it was decided in favor of the Portuguese, certainly did not improve the temper of the creoles.

## CHAPTER IV

### ECONOMIC CONDITIONS

EXCEPT in Peru and the adjacent regions under the rule of the Incas, where the llama had been trained to carry loads, there were no domestic animals known to the Indians. Among the more advanced communities

human beings, especially captives taken in war and converted into slaves, served as the beasts of burden.

With all due allowance for the exaggeration of early Spanish writers on the subject, and for the relative scarcity of archeological remains, there is reason to believe that in the communities of that sort material civilization had made considerable headway. From metals, stone, clay, wood, and cotton and other textile substances the natives fashioned many articles of utility, and even of luxury. They built dikes, causeways, aqueducts, roads and bridges. Out of wrought stone they constructed huge temples, pyramids, fortresses and palaces.

The idea prevalent among the Spaniards, that labor was more or less dishonorable, and the fact that their number was so small in comparison with the multitude of aborigines, made it imperative that they should use the Indians to develop the wealth of the New World. Unless the native inhabitants were employed to that end, the process of colonization could not go on. They had to be forced to work, and the disposition to make them do so became all the more marked after the Spaniards had found out that the relatively civilized groups of Indians on the continents were thoroughly familiar with systematic forms of labor. To hold the

people of this class in some kind of servitude was simply to continue a practice that had long since existed.

Though opposing such treatment at first, the Spanish government later allowed it to be applied in the case of Indians who might resist the establishment of Spanish rule, but then only as a means of insuring their conversion to Christianity and their advancement in civilization. Three plans of action were soon adopted to make the natives work without legally enslaving them. One, called the "repartimiento," consisted in the official distribution, at various points where their services might be required, of batches of Indians under the direction of foremen of their own race. Since this arrangement implied no personal obligation to promote the welfare of the aborigines, another device was put into effect. Under the name "encomienda," it took the form of officially assigning a given number of natives to a particular colonist, who was charged with the duty of instructing them in the Catholic faith. Also, in order to protect them against exploitation in mines and elsewhere, the "mita," or shift, was introduced, according to which gangs of laborers were to work for a certain period of time.

For the Indians subjected to any of these arrangements, and for those who worked

independently of them, elaborate safeguards were provided by law against the performance of service under conditions injurious to health and morals, regulating the nature and extent of the tasks imposed, and assuring to the natives fair treatment in general. Furthermore, just as the unfitness of the inhabitants of the West Indies for sustained effort made the employment of negro slaves advisable, so the abuses committed by many of the holders of "encomiendas," and the frauds perpetrated by unscrupulous traders, early suggested the appointment of the local governors to check them.

Instead of complying with their duties, the district officials often used their power for self-enrichment. Some of the evils were corrected eventually through the establishment of the intendancies.

Although the Spanish government desired that the colonists should be self-supporting, and hence required that they should take with them seeds, domestic animals, farm implements and the like, the early adventurers preferred to gain their livelihood in easier fashion. Constantly searching for gold, silver and precious stones, they plundered the Indians, sacked the burial mounds, stripped the shrines of their ornaments and compelled the natives to dig in the mines.

Gradually, with the introduction of a

more orderly life, the bulk of the Spanish settlers became planters and herdsmen. In addition to the grains, fruits and vegetables brought from Europe, they cultivated numerous products of the New World itself, with which the Indians were already familiar. Among them were tobacco, Paraguay tea, maize, potatoes, tomatoes and cacao — the last named especially on the “chocolatales” of Mexico, and of what are now Bolivia and Venezuela.

Mining was the most lucrative industry. Its development caused Mexico, Peru, and the present Bolivia and Colombia to become the treasure-houses of the world.

How much wealth in the precious metals, particularly of silver, was actually drawn from the mines in the Spanish dominions, no one knows; but the amount was certainly enormous. Estimates for the entire colonial period are merely guesswork. Whatever the quantity, it fell off considerably in the eighteenth century. At that time it may have averaged in value about \$36,000,000 a year.

Viewed from the standpoint of the other forms of industry, manufacturing made but little progress. Conditions were altogether primitive in most cases, and besides, the Spanish government disapproved of activities of that sort, as it did also of the cultivation of the vine and the olive. Not only

were they apt to compete with the scanty home production, but they interfered with the collection of export duties on commodities brought from other European countries for shipment to America.

For the Spanish crown the "remesas de Indias," or consignments from America, were an important source of income. On the output of precious metals and stones the government levied a duty of from ten to twenty per cent, and a smaller one on that of metals of the baser sort. These imposts, and the proceeds from excise taxes, such as the "alcabala," which was placed on ordinary business transactions, from import and export duties, and from royal monopolies and special fees, constituted the public revenue. In the latter part of the eighteenth century the receipts amounted to about \$90,000,000 a year, of which sum, on an average, rather more than four-fifths went to meet the expenses of colonial administration. Most of the separate colonies, in fact, were supported by annual subsidies (situados) furnished by the mining centers.

In 1503 there had been established at Seville, then the most important seaport of southern Spain, an official institution called the "House of Trade" (Casa de Contratación). Fully organized some forty years later, it became the medium of communica-

tion between the mother country and the colonies in everything that had to do with commerce. It was at once a maritime exchange, a bureau of navigation and a high court of admiralty. While in general subordinate to the Council or Minister of the Indies, the officials who constituted the several administrative and judicial boards could deal also with the crown directly.

For the protection of Spanish shipping against attack while en route to or from America, and for the prevention of smuggling, in 1561 the fleet system was put into operation. Thereafter, unless special permission to the contrary were granted, the vessels could sail but once a year each way, and they had to go in two groups under armed convoy. Foreign ships, of course, were shut out of the traffic. Even intercolonial trade, except in conjunction with the arrival of the fleets, was forbidden.

The "flota," or northern division, bound for Vera Cruz, carried a cargo consigned to various points in Spanish North America, and received there the colonial goods intended for Europe. Merchandise for any part of Spanish South America was sent in the "galeones" (galleons), or southern fleet, to Porto Bello, on the Isthmus of Panama. Here the bulk of the cargo was landed, and the commodities destined for Europe were taken on board.

Both were distributed at a species of fair which attracted great numbers of people, in spite of the unhealthfulness of a locality that became known as "the Spaniards' burying-ground."

All these measures of precaution did not, and could not, succeed. The huge Spanish vessels, half freighters and half men-of-war, were unable to defend themselves advantageously against the light and speedy craft of the sea rovers, lawful and piratical, of England, the Netherlands and France, who regarded the treasures of the New World as their rightful spoil. Nor were the Spanish revenue cutters (*guardacostas*) adequate to cope with smugglers, foreign and native. The small number of vessels in the fleets, their infrequent sailings, the convoy charges (*avería*) and other expenses connected with transportation, and the scarcity of colonial ports of call, furthermore, made the cost of European goods very high. Particularly was this true of articles intended for points remote from such ports, and which might have to be carried overland.

Under the circumstances it is not surprising that the colonists should have practiced an art well known in the mother country. More or less with the connivance of the local officials, who were not always averse to

gratifications for silence, they bought whatever they needed from obliging foreigners, like the English and the Dutch, who were easily able to undersell the factors of the fleets. After the English had secured, in 1713, the right to send a heavily laden ship yearly to the fair at Porto Bello, and by the so-called "asiento," the monopoly of supplying Spanish America with negro slaves, the process of smuggling became more prevalent than ever. So ingenious were the devices employed by the English, and so apt their Spanish disciples in the colonies, that the Minister of the Indies felt constrained to invoke the aid of the clergy against the evil.

By the middle of the eighteenth century the Spanish government became convinced that the organization of colonial commerce would have to be reformed. Accordingly, in 1748, the fleet system, as such, was practically abandoned. For it were substituted "register ships" of a lighter, faster and more seaworthy type than the galleons, and sailing at frequent intervals. Later, in response to constant appeals and remonstrances from the colonies, various ports in Spain and Spanish America were opened to trade. Intercolonial traffic, also, was allowed, extending even to Portuguese Brazil.

Despite these improvements, communication between the mother country and the

colonies remained slow. In the days of the galleons, seventeen months were sometimes required for a royal edict to reach Lima. Nor was transit between one point in the colonies and another at all rapid. The distances were often tremendous, and the roads little more than rough trails. Goods carried on pack animals, on the backs of natives or in rude ox-carts took an interminably long time in which to reach their destination.

In Brazil, particularly in the northeastern section of the colony, agriculture and stock-raising made considerable progress. Sugar-cane, tobacco and cotton were cultivated, and to a much smaller extent, rice and other food products. Coffee was not introduced until 1760. The cutting of the valuable dyestuff called "Brazil wood," and the gathering of Brazil nuts were also carried on.

Because of the relatively late discovery of precious metals and stones, mainly between 1680 and 1730, mining could not be reckoned among the chief industries of Brazil before the first half of the eighteenth century. In the southern portion of the colony, especially in what is now the State of Minas Geraes (literally, "General Mines"), the output of gold and diamonds for several decades was very large.

Apart from industries arising directly out of the production of rum and other deriva-

tives from sugar-cane, manufacturing made less headway in Brazil than in Spanish America. The cane, sugar and rum were brought to the seaports authorized for the purpose, and there shipped to Portugal in exchange for flour, cloth, wines and the like.

After the mines were opened, the revenues of the mother country enjoyed a considerable increase. On the output of the precious metals and stones a twenty per cent tax (quinto) was levied, yielding annually on an average about \$2,500,000. From this source and others the revenue secured in the eighteenth century may have been worth upwards of \$10,000,000 a year. Except that duties and excises, as a rule, were higher than in Spanish America, the system of taxation in Brazil was much the same.

For the benefit of home interests, and since the early part of the eighteenth century, for the advantage of English merchants who had gained control of Portuguese trade, the government of the mother country laid a variety of restrictions on colonial commerce and industry. From the outset it had made the traffic in Brazil wood a royal monopoly. It granted to individuals and corporations, Portuguese and foreign, exclusive rights of handling certain commodities, and forbade trade between the northern and the southern provinces of Brazil. Furthermore, it dis-

couraged the local distillation of rum, and eventually prohibited all weaving industries, except those connected with the production of coarse cotton goods.

Nothing so efficient as the Spanish "House of Trade" was ever devised in Portugal, though colonial commerce was limited to Lisbon and Oporto, in the mother country, and to a few ports in Brazil. The fleet system, also, was in vogue for a time but the privileges enjoyed by private agencies made it of little importance, except perhaps as a means of protection.

During the eighteenth century Saint Domingue, the French part of the island of Hispaniola, became a flourishing domain. Toiling under their white taskmasters, an ever increasing multitude of negro slaves supplied Europe with a great part of its sugar, cotton, tobacco and indigo. A prosperity reckoned in hundreds of millions of francs made of Saint Domingue one of the most valuable colonies of the time in the New World.

## CHAPTER V

### THE CHURCH

No monarch of the time was deemed to be so Catholic as his majesty of Spain, and none enjoyed in his dominions oversea so great an