Foundations of Economy
Spanish empire huge, lasted more than 300 years, went through many changes
So no generalizations could cover all variation.
Slow communications; rigid rules, often ignored; layers of bureaucracy.
Mainstay of economy was silver, more than gold, produced in Peru and Mexico.
Elaborate system fleets, shipments, to get it back to Spain
Peruvian silver up coast to Panama, crossing by mule, trade fairs in Portobelo
Depredations of Northern European pirates; Spanish fortifications, taxes to support.
Also massive smuggling and cheating at trade fairs.
Did not lead to balanced development of Spanish economy: swamped with silver, also
Drained away to pay royal debts
Diversification: cacao, dyes, etc., especially sugar
Also products needed locally and to support silver economy: mules, horses, beef etc.

Indian exploitation
Indians exploited for goods, tribute, and especially labor
Various names: *encomienda, repartimiento* for both labor and goods
Where appropriate, built on pre-Colombian systems: in Andes, *mita*
Basic system granted specified rights in particular native communities to individual
Spaniards: e.g., so many feathers or sheep or so many men to work so many days once or
twice a year
Rights *not* inherited. Basic point of conflict between crown and local colonists
Local community was collectively responsible to meet obligations.
Labor demands very hard to meet: nasty conditions, lost time at own farms, poor pay
Some other Indians exploited as landless serfs or in workshops
In well documented example from Peru (Stern), shows that economic exploitation was
Politically controlled.
Official called *corregidor* appointed, had few years to get rich: combining multiple
Enterprises, cooperating with local elites, screwing everything possible out of Indians
Also steal from community funds
Indians on treadmill, try to keep up with demands, especially with loss of population to
disease. Often led by hereditary leaders. Communities would go into business to keep
ahead; try to resist by dispersing, manipulating head counts, suing in court.
Many communities fell behind; leaders hispanicized; individuals fled

Economic change
Over centuries, importance of *encomienda* declined to minor part of system
Exploitation of Indian communities instead in tribute, both secular taxation and tithes to
Church
Still very demanding, exploitative, struggle to keep up; local "secular" priests often
ruthless
Also slow growth of landed estates: the *hacienda*. Colonists would put together from
Unclaimed lands; from crown grants and land taken from Indian communities
What hacienda produced depended on local and regional economy: cattle, sheep, mules etc.
Classic hacienda very conservative economically, under-capitalized, low economic aspirations
Labor force brought together different ways: serfs from early colonies; part-time workers from nearby Indian communities; especially, people held through debts: advanced goods to workers on credit, could never pay off, perpetual indebted
Also more heavily capitalized and efficient \textit{plantations}, with African slave labor as well as Indians. Especially for sugar.
In fact, haciendas and plantations just two ends of spectrum of economic production. Also, system of trade fairs, silver fleet ended by late 17\textsuperscript{th} century. Development of alternate routes, around Cape Horn, across from Peru to Argentina
Legal and extra-legal trade with Northern European merchants; pervasive smuggling

\textbf{Early colonial chronicles, commentary, and ethnography}
Many kinds of document used to study history
Tax records, law suits, administrative reports, etc.
Some pre-Columbian documents. Maya had true writing, recently decoded
Much destroyed, but some recovered centuries later
Also descriptions and maps produced in colonial context
Offer window onto colonial and pre-Colombian worlds, but must be interpreted carefully
All documents must be interpreted, nothing perfectly clear or self-evident
These accounts product of encounter between Europe and America; hybrid
Often re-emerge after centuries; one of things that makes history exciting; never completed
Sacred books of Maya

\textbf{Sahagún}
Early missionaries sometimes studied native custom in order to facilitate conversion
Most written by priests, product of priests and native assistants
One famous example, Codex Mendoza, from 1540s, history of Aztec rulers etc.
Best of lot produced by priest named Bernardino Sahagún, with lots of native assistants, wrote out texts in Nahuatl, also ethnographic descriptions, worked from 1540s to 1580s, wrote 1558-1569, Florentine Codex 1577
Did not please superiors, never published until 20\textsuperscript{th} century
Fascinating, great work of anthropology, but tricky to interpret (consider examples)

\textbf{Guaman Poma}
From Peru, various colonial texts
Beginning of 20\textsuperscript{th} century scholar working in Copenhagen found 1200 page letter to king by Indian or Mestizo named Felipe Guaman Poma de Ayala
Covered huge range: Adam and Eve, Noah, customs and history of Incas, Spanish conquest, colonial exploitation
Revealing, fascinating illustrations (consider examples)
Poma caught between two worlds. defending Indians but not overturning system; considered self Christian; combined Bible and native cosmology
In 20th century became important national symbol in Peru; illustrations from text everywhere
Italian woman claimed Poma actually a Jesuit, not Indian; huge uproar; dubious