

Silver Mining in The New World: 1500-1850

Spanish America produced a hundred thousand tons of silver “from the middle of the sixteenth century to the end of the colonial era.”¹ Of all the new and profitable staples to be produced in the New World, silver was one of the most important and influential. Not only did silver transform and shape the economies and societies of the towns it was mined in, but the huge influx of silver into the European economy helped shape the landscape of European politics for years. Although mining had a huge impact on the larger scope of economies and politics, it also had a profound impact on the lives of individual people, from the Native America *mita* and the African slave to the wealthy Spaniard running the mines.

Almost as soon as silver was discovered in the depths of America, Europeans, mostly Spaniards, began to immediately set up mines in order to exploit the precious metal.² This was not done peacefully, however. At first there were often Native insurrections which ended in bloodshed and cruelty.³ Although the interior of the Spanish lands eventually became pacified and suppressed, the loosely defined borders between the Spanish colonies and the wild frontier were often defined by their violence. These mines soon became the most profitable silver mines in the world. As the towns grew in profitability and importance both adventurers and common workers flocked to

¹ Richard L. Garner, “Long-Term Silver Mining Trends in Spanish America: A Comparative Analysis of Peru and Mexico,” *American Historical Review* 93, no. 4 (1988): 898, JSTOR [database on-line], University of Wisconsin Whitewater, Accessed 8 April 2007.

² Donald C. Kemp, *Quicksilver to Bar Silver* (Pasadena, California: Socio-Techno Publications, 1972), 21.

³ Bartholome de Las Casas, “Tears of the Indians,” *Early Encounters in North America* [Internet]: available on <http://www.alexanderstreet4.com/cgi-bin/asp/eena/documentidx.pl?philodocid=44&showfullrecord=ON>. Access 11 April 2007.

the new towns in the hopes of a secure future for both themselves and their families.

Many of these hopefuls were summarily disappointed. Although most found work as there were often labor shortages, the towns did not appear as if they were wealthy.⁴

These poorer laborers lived on the outskirts of the town and often lived in mud and adobe houses. The center of town was populated by the more successful miners, officials and merchants. Their houses were often stone and were much less common than their poorer counterparts.⁵

Many of these workers were Native Americans forced to work for the Spanish Empire under the *mita* system. The *mita* was a forced Indian labor program created to “meet the need for unskilled labor” in the mining towns facing a shortage of labor.⁶ This system was very similar to that of slavery, differing only in the fact that those under the *mita* were only forced to work for what they owed the Crown periodically while slaves were slaves indefinitely. Although the *mita* was used for almost 260 years as a form of labor to support the mines, it did not provide enough laborers to maintain the mines. Slavery was already firmly ingrained in the New World at the time of major mining projects, and thus they became firmly ingrained into the mining process.

Still, even the combined labor of the *mita* and African slavery was not enough to sustain the vast mines of Central and South America. As time went by, “voluntary labor began to supplement draft labor but did not completely replace it.”⁷ Towards the end of the colonial era in America, mines began to depend more and more heavily on hired labor rather than forced. The *mita*, however, did not die out quickly. For much of its existence

⁴ P.J. Bakewell, *Silver Mining and Society in Colonial Mexico* (London: Cambridge University Press, 1971), 49

⁵ *Idib.*, 50

⁶ Jeffrey A. Cole, *The Potosi Mita, 1573-1700*. (Stanford, Stanford University Press, 1985) 1

⁷ Garner, 923.

the mita supplied about half of the labor force, the other half being paid wage workers.⁸ Through the end of the colonial period, both forced and hired labor was used in combination.

The massive amounts of labor needed to support the mining towns required an equally massive support structure. This structure needed a transportation system both to import the supplies and food needed to furnish the towns as well as to export the valuable silver so important to the economy in Europe. Supplying the mining towns with “mules, food, salt, powder, mercury and other products soon transformed the economic landscape” of much of the Spanish territory linked to the silver mines.⁹ The transportation system, however, was not so easily created and maintained. The mining towns were often “widely scattered and remote” in the jungles of Central and South America.¹⁰ Many of the economies in the area of the mining towns were shaped to supply food to the miners, and at times the mines “directly caused the settlement” of grain-producing lands.¹¹ Many of the goods and products sold in the local markets of the towns were corn, grain, clothes, cured meats, and mining supplies, which were often imported instead of created in the town itself.¹² These patterns shaped the economies of Central and South America for years to come, effects of which can still be seen today.

Although the effects of silver were profound in the Americas, it was arguably even more profound on the global level. Over time, the amount of silver exported and presented for taxation slowly grew as mining techniques improved and new lodes were

⁸ Carlos Marichal, “The Spanish-American Silver Peso: Export Commodity and Global Money of the Ancien Regime, 1550-1800,” [Internet] available from <https://uww.courses.wisconsin.edu/d2l/orgTools/ouHome/ouHome.asp?ou=41540>; accessed April 11, 2007. 29

⁹ Ibid., 29

¹⁰ Garner, 923

¹¹ Bakewell, 58

¹² Bakewell, 77

discovered.¹³ Many historians have argued that silver, above all other products, was “the singular product most responsible for the birth of world trade.”¹⁴ This massive amount of imported silver from America forever changed the economic situation not only of Spain, but also of Europe and indeed globally. Silver, along with gold, imported from the Americas during the 16th and 17th centuries was arguably one of the most important causes of the “financial modernization” of Europe as well as the rapid inflation, probably caused by the sudden and rapid importation of silver into the economy.¹⁵ This silver was used by the Spanish to finance their standing armies fighting their perpetual wars of religion and territorial rights. Spain soon became the dominant power in Europe backed by the massive deposits of silver in its American lands. Soon the silver peso became the “universal currency” of Europe.¹⁶ The armies of Spain soon spread the silver peso all over Europe.

Silver also gave wealth and power to other countries across Europe. After its import, silver was traded for textiles and other goods from across Europe. Often, the Spanish traded for these products with silver. About “one-third” of the silver “went to the mints of France, England, and Holland.”¹⁷ This silver helped the countries of Europe modernize and become the world power they have been for centuries.¹⁸

The future of silver, however, was not only to be in Europe. As silver gained importance in Europe, it also began to grow as a global currency, mainly in Russia, the Baltic states, the Middle East, India, and China.¹⁹ Each of these areas was beginning to

¹³ Bakewell, 241-244.

¹⁴ Marichal, 26.

¹⁵ Marichal, 36.

¹⁶ Marichal, 37.

¹⁷ Marichal, 38.

¹⁸ Marichal, 36.

¹⁹ Marichal, 38.

be tied into the emerging global economy with Europe and its American colonies. The Chinese, whose trade was much more important for Europeans than the Chinese themselves, soon became enveloped in an integral market for silver. China, having the largest population of any country in the world at the time, had an enormous market for silver both as a “commodity and currency.”²⁰ Of all the goods Europe had to offer the Chinese, the most lucrative and sought after were precious metals. The Chinese produced their own textiles, foods, and other goods, therefore having no real desire for anything other than the precious metals coveted by all involved in the trade. Silver was the most logical and widely available product to trade with the Chinese.

The mining of silver not only had a huge impact on those directly involved with the mines, but also with almost every country in contact with Europe. Mining towns all over Central and South America affected the lives of the Natives put under the mita, African slaves, and Europeans coming to get wealthy from the mines. Silver soon gave Spain European dominance and the Chinese, along with countless others, more incentive to trade with the Europeans. This silver trade eventually paved the way for a truly global economy, with Europe at its center; the repercussions of which can still be seen in today’s highly integrated global economic scheme.

²⁰ Marichal, 40.