of the total pesos that was made from silver production found in Mexico and Peru. The royal family owned subsoil rights and mines and processing plants belonged to powerful and rich individuals. Thus, while the natives were forced to mine silver in danger of coming into contact with poisonous mercury, the produce made and sold benefitted the crown or other powerful Europeans. Many natives were used in labor drafts and could not survive the terrible conditions. Furthermore, in both Peru and Mexico, the percentage of Indians decreased significantly while the castas and the Spaniards increased over the course of 1570 to 1810. There was a significant rise in mixed races and the skin colors of these mixed races decided what caste they would live in.

4. Compare the economy of Brazil to the economy of New Spain (identify similarities and differences).

The economy of Brazil was extremely invested in sugar and later gold and diamonds while New Spain concentrated on silver production. Both Brazil’s and New Spain’s economy expanded slavery because slaves were needed in mining silver, gold and producing sugar. New Spain’s economy in silver production was mostly constant because many wage workers were willing to face the great dangers of mining silver for better wages. The Spanish made silver the heart of their empire and was extremely dependent on silver production to support the monarchy back in Spain. However, the abundance of silver soon led to inflation which caused the Spanish currency to become of less worth. Brazil thrived on sugar plantations initially before gold was found. Sugar was a main resource for the Portuguese and became a model for the rest of the colonies, similar to how silver was to New Spain. Just like the Spanish, the Portuguese was highly dependent on sugar production and so suffered a loss when other European countries like the Dutch and the French took over some lands and used slave labor to produce sugar. Brazil’s economy fell but not completely and rose again with Minas Gerais, a land full of gold. Thus, the gold rush began. People were leaving coastal towns and plantations and immigrants were flowing in, all to get a shot at finding gold. Networks of towns were founded due to wild mining camps leading the government to implement heavy taxes. In this way, the economy of Brazil increased the population and rose sky high because of the amount of people finding gold. The economy of Brazil was also supported by sugar and tobacco imports and mining opened new markets. The access to gold allowed for Portugal to buy the needed manufactured goods but yet decreased its own manufacturing. Similarly, New Spain had small imports of cloth and ranches and farms but due to the dependency on silver, Spain stopped manufacturing and bought its other goods, instead, it bought manufactured goods from other countries. Thus, both economies of New Spain and Brazil were completely based on silver for New Spain and gold and sugar for Brazil.

5. Outline (yes, create an outline – use any format you wish provided there is identifiable and clear organization):

- The motives for colonial reform
- The reforms themselves
- The reactions to these reforms (or lack there of)

A. Motives for colonial reform
   1. Bourbon
      a. Age of enlightened despotism
      b. Strengthen state and economy
      c. Desired a strong centralized government
      d. Economic nationalism
      e. Revive Spain within the framework of its traditional society
      f. Make government more effective and powerful to direct economy
      g. Material improvements
   2. Pombal and Brazil
      a. Wanted benefits of mercantilism
      b. Break England’s hold on the Portuguese economy (flow of Brazilian gold from Portugal to England)
      c. Decline in production of Brazilian gold
      d. “enlightened despotism”
      e. Revitalize colonies to strengthen mother country

B. Reforms
   1. Bourbon
      a. French bureaucratic models introduced
      b. Tightened system of taxation
      c. New navy and new ships
      d. Fleet system abolished
      e. New ports opened in Spain and America for the West Indies trade but still restricted to Spaniards or ships sailing under Spanish license
      f. West Indies
         -New viceroyalties created in New Granada and Rio de la Plata to provide better administration and defense
         -Royal investigators sent (Jose de Galvez: revealed worst abuses of graft and corruption)