Gold Mining Displaces Cane Farming

The decline in the sugar economy cut off the smaller Northeastern cane farmers from the customary paths to higher socioeconomic status, producing a situation in which this potentially powerful segment of the population no longer had reasons to support the traditional colonial society. The cane farmers had the same social origins as the wealthier planter and mill-owner class but generally were less independent financially, and now their future was darkened. As sugar prices fell, the planters and mill owners’ response was vertical integration; stages of production were consolidated under the control of fewer firms. Purchases from independent cane farmers were reduced and their lands acquired. The situation was potentially explosive. Historian Stuart Schwartz commented that “at no time in Brazilian history had the conditions for a profound social upheaval been more suitable.” But it did not occur for two reasons: the cane farmers did not rebel against the sugar barons for fear of encouraging a slave rebellion, and in addition, newly discovered gold fields to the south soon beckoned to free and slave populations. The removal of pressures for change solidified the hold of the great landowners on the coastal plantations.

Small deposits of alluvial gold had been exploited quietly for decades in Sao Paulo and to the south. The Paulistas likely found more than they revealed, fearing that the greed of the Portuguese authorities would soon strip them of their semi-independence. The discovery of gold by Paulistas in various parts of what is now Minas Gerais (General Mines), between the Serra de Mantiqueira and the headwaters of the Rio Sao Francisco, probably occurred between 1693 and 1695, but word filtered out slowly. The greatest concentration of deposits was along Brazil's oldest geological formation, the Serra do Espinhaço, lying in a north-south direction, throughout which it seemed that every river, stream, and brook glittered with gold. Mining camps that turned into the cities of Ouro Prto, Mariana, and Sabar soon located in its southern end, and by 1730 diamonds were coming out of the northern reaches around Diamantina.

Word of the discoveries set off an unprecedented rush, the likes of which would not be seen again until the California gold rush of 1849. The Paulistas soon found themselves competing for control with adventurers from the Northeast who streamed down the Vale Sao Francisco, from Portugal, and from elsewhere. By 1709-10 the Vale Sao Francisco had become a lawless region filled with the dregs of the Portuguese world. Considerable violence broke out between the original Paulista bandeirantes, who considered the mines theirs, and the outsiders (emboabas). This fighting gave the crown authorities a reason for asserting royal control and arranging a settlement of the War of the Outsiders (Guerra dos Emboabas, 1708-09). Many Paulistas moved on to new gold discoveries in Goiás and Mato Grosso.

The discoveries shifted Brazil's center of gravity away from the Northeastern coast and toward the South and West. The loser would be Bahia, which in 1763 lost the viceregal capital to Rio de Janeiro, as power followed wealth. The population also shifted, as would-be miners and those who would profit from the mines arrived with their native or African
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slaves. The Jesuit Father Andr Joo Antonil (whose Italian name was Giovanni Antonio Andreoni) wrote the best contemporary study of Brazilian economic and social conditions. He said that by 1709 some 30,000 people were in Minas Gerai. In the next decades, the population swelled. The 1735 tax records showed a total of 100,141 slaves, among whom there were numerous natives. By 1782 Minas Gerai's population of 319,769 included 166,995 blacks, 82,110 mulattoes, and 70,664 whites. The state had the largest concentration of population in the viceroyalty of Brazil: 20.5 percent of Brazil's 1,555,200 people.

The early population consisted predominantly of unruly males, who knew no law but their own whims and who drove their slaves hard in an existence that historian Charles Boxer tagged as "nasty, brutish, and short." Many African slaves reacted by running away to form hiding places called quilombos and were pursued by roughneck "bushwhacking captains" (capites do mato). However, during the first decades life could not have been easy for anyone. Items such as meat, corn, flour, and rum were rare and costly. The first local supply of hogs and chickens appeared only in 1723, and a flask of salt could cost as much as half a pound of gold.

By the last decades of the eighteenth century, however, the cities of Minas Gerai were graced with impressive baroque and rococo churches, multistoried homes and shops, and grand public buildings. Poets and musicians enlivened the cultural scene. Some 3,000 musicians, mostly mulattoes, played fine baroque pieces, often in churches built by architect Antonio Francisco Lisboa (also known as "O Aleijadinho") and under ceilings painted by Manuel da Costa Atade.

The overland trails from Sao Paulo and from Parat were superseded by ones connecting to Rio de Janeiro. The new viceregal capital sent African slaves and European merchandise to Minas Gerai and received the heavily laden chests of gold and diamonds en route to Lisbon. Rio de Janeiro also served as the supply base for the newly created captaincies of Santa Catarina and Rio Grande de Sao Pedro, passing their livestock products on to Portugal. Those captaincies were linked overland to Sao Paulo and Minas Gerai via the livestock trails that ran northeast from the pampas of what was later called Rio Grande do Sul to Sorocaba in Sao Paulo Province.

Ranching had developed in the Northeastern interior as an adjunct to the sugar economy and in the South as the legacy of the Jesuit missions. In the eighteenth century, ranching was an increasingly important part of the overall colonial economy. The moving frontiers that it created drew the interior into effective relationships with European-oriented Brazil. From the interior of Maranh, southeast through Piau, Cear, Pernambuco, and Bahia, then west into Gois, and on down to Rio Grande do Sul, a set of cowboy (vaqueiro) subcultures evolved that still mark local traditions. It was an age of leather in which the horse was the center of life. Many, perhaps most, of the vaqueiros were native Indians, mestizos, African slaves, and mulattoes. In the northern and central areas, slaves and free men worked together unsupervised for months at a time. In the South, the gaucho culture, mixing native, Spanish, and Portuguese bloodlines and traditions, took hold throughout the pampas of the Rio de la Plata up into Rio Grande do Sul. In the latter state, by the mid-1820s cattle
had driven out wheat farming, and the mounted gaucho with his bolas, knife, mat tea, and open-fire barbecued beef became characteristic.

Although gold mining weakened the dominance of sugar and seemingly stimulated the cattle industry, it did not totally supersede export agriculture. It displaced sugar as the colony's leading economic activity, but during the eighteenth century the value of gold exports never surpassed the value of sugar-led agricultural exports. Even so, gold did have serious long-term effects on Portugal. The fall in the value of Portugal's colonial products in the seventeenth century had made it difficult to obtain sufficient currency to purchase merchandise from northern Europe. In response, Portugal had begun to develop industries to meet its local and colonial requirements. The discovery of gold provided needed currency.

In 1703 Portugal signed the Methuen Treaty with England, giving English woolens preference in Portuguese markets in return for a favorable tariff on Portuguese wines. This seemingly simple arrangement ended the move toward industrial development, drained Brazilian gold out of Portugal, and gave England its increasing dominance over Portugal and Brazil. The gold and diamond chests arriving at the royal treasury in Lisbon immediately were dispatched north to pay for imported cloth and manufactured goods. Local Portuguese producers could not compete with cheaper foreign prices. Furthermore, English vessels anchored in the Tagus River in the Iberian Peninsula snatched large quantities of gold from under the noses of Portuguese authorities. Instead of Brazil's wealth being used to develop Portugal and its colonies, it helped finance the English industrial revolution and Portugal's eighteenth-century struggles to secure Brazilian boundaries.

Even though an immense amount of wealth was sent abroad, much stayed in Brazil to build urban public works, such as fountains, bridges, buildings, and churches; to endow some charitable foundations, such as hospitals; and to finance the elaborate contraband trade with the Ro de la Plata and Alto Per (Upper Peru, or present-day Bolivia). However, it did not improve the condition of the poor; generate a prosperous middle class; improve agriculture, education, or industry; or produce lasting reform.

In 1732 Antnio Rodrigues da Costa, a member of the Overseas Council, warned the crown that the heavy colonial taxes would one day lead the colonists to cast off their loyalty. It was obvious to Rodrigues da Costa that the "larger and richer" would not accept forever being ruled by the "smaller and poorer." In 1738 royal adviser Dom Lus da Cunha suggested secretly to King Joo V that he take the title "emperor of the west" and move his court to Rio de Janeiro, which he argued was better situated than Lisbon to control the Portuguese maritime and commercial empire. Rather than heed such advice, however, the monarchy tried at mid-century to gain more control, stop the massive outflow of gold, and contain the British. Beginning in 1755, Marquês de Pombal (Count Sebastio Jos de Carvalho e Melo), as secretary of state for overseas dominions, shaped a series of reforms that gave chartered companies a monopoly of the Brazil trade, encouraged national manufacturers, and worked to make commercial relations with Britain less dependent and more reciprocal. His goal was to revitalize the state and to break the stranglehold of British credit. He closed Brazilian ports to all foreign ships and hired foreign military experts to
organize Brazil's defenses. To promote agricultural growth, Pombal distributed coffee and mulberry seedlings and also advocated production of indigo, flax, cotton, cocoa, and rice. Iron mining and smelting got underway in Sao Paulo, and shipbuilding and its attendant trades in Bahia and Rio de Janeiro increased. With the British seizure of Havana and Manila during the Seven Years' War (1756-63), the Portuguese wondered if Rio de Janeiro would be next. The crown responded with four goals: secure the borders, populate them for self-defense, defend the ports, and make the mines profitable.

Pombal distrusted the Jesuits, who controlled vast areas in the interior of South America. He suspected commercial links between their prosperous missions and the British, and in September 1759 expelled them from Brazil. The expulsion of the Jesuits caused the missions to fall to ruin and eliminated the strongest educational institutions in Brazil. Crown policy forbade any university or even a printing press in the colony, and modern Brazilian universities date only from the 1930s.

The crown's education policy was based on the idea that colonial and metropolitan elites would blend to shape an imperial elite united by ideology in support of the crown. During the colonial era, 3,000 Brazilians studied at Portugal's University of Coimbra, which in 1772 Pombal reformed with Enlightenment perspectives. Between 1772 and 1785, 300 Brazilians, many from Minas Gerais, were at Coimbra. Pombal placed these graduates and other members of the colonial plutocracy in judicial, administrative, and military posts. However, policy intention and outcome often clashed. Some of these students and officials would begin to think in terms of independence.

The production of gold began to decline about 1750 as the Minas Gerais society was solidifying and as the international situation was becoming more complicated. The more the Portuguese squeezed and tried to reduce the contraband in gold and diamonds, the more the divergence of interests grew. In the 1770s, as less gold reached royal coffers, the crown reacted by imposing a per capita tax (derrama) to make up the difference between the amounts expected and those received. Meanwhile, competition from British, French, and Dutch colonies pushed the price of Brazilian sugar down lower on the Amsterdam market, reducing still more Portuguese revenues. Moreover, the decline in available gold affected the contraband trade that the Brazilians had carried on with the Ro de la Plata area, where they exchanged their illicit gold for Andean silver. The Brazilians then used the silver to buy illegal British goods, which they smuggled back into the Spanish domains. The elimination of the Jesuit missions, Spain's creation of the Viceroyalty of the Ro de la Plata (1776), and the opening of direct trade between Spain and Buenos Aires further reduced the profitable trade in smuggled goods. The decline in smuggling reduced transshipments of British goods through Portugal, reducing that country's overall level of trade with Britain catastrophically. The ensuing recession made it difficult to pay for the military expeditions sent to the southern borders during the 1770s, and the crown was unable to adjust expenditures in the face of declining revenues.

In Minas Gerais, landowners had manufacturing establishments on their properties turning out cotton, linen, and woolen items, and most of the other captaincies had "workshops and manufactories" that lessened the need to import from Portugal. The basis for a more
complex textile industry was being laid.

Then, in February 1777, José I (king of Portugal, 1750-77) died, and with him went Pombal's hold on power and his common sense approach of encouraging industrial development. Pombal's successor as secretary of state for overseas dominions, Martinho de Melo e Castro, was alarmed that the nascent Brazilian factories could make the colony independent and warned that "Portugal without Brazil is an insignificant power." In January 1785, he ordered that they all be "closed and abolished."

In the early 1780s, Brazilian students at Coimbra had pledged themselves to seek independence. They were influenced greatly by the success of the North American British colonies in forming the United States of America. In 1786 and 1787, Jos Joaquim Maia e Barbalho of Rio de Janeiro, a Coimbra graduate studying medicine at Montpelier and a critic of the colonial relationship, approached Ambassador Thomas Jefferson in France. He told Jefferson that the students intended to break with Portugal and requested the aid of the United States. One of the Coimbra graduates was José Bonifício de Andrada e Silva, the patriarch of Brazilian independence.

The failed Minas Conspiracy (Inconfidência Mineira) of 1789 involved some of the leading figures of the captaincy: tax collectors, priests, military officers, judges, government officials, and mine owners and landowners. Some had been born in Portugal, several had their early education with the Jesuits and later studied at Coimbra, a number wrote poetry that is still read and studied. But what they had most in common were financial problems caused by crown policies that required them to pay their debts, or that cut them out of lucrative gold and diamond contraband trade. They argued that Brazil had all it needed to survive and prosper and that Portugal was a parasite. They pledged to lift restrictions on mining; exploit iron ore; set up factories; create a university, a citizens' militia, and a Parliament; pardon debts to the royal treasury; free slaves born in Brazil; and form a union with Sao Paulo and Rio de Janeiro similar to that of the United States.

The history of the Minas Conspiracy is full of heavy drama. Revelation of the conspiracy turned brothers, friends, clients, and patrons against each other in an unseemly scramble to escape punishment. In one sense, the affair foreshadowed the nature of future Brazilian revolutionary movements in that it was a conspiracy of oligarchs seeking their own advantage, while claiming to act for the people. In the end, Lisbon decided to make an example of only one person, a low-ranked second lieutenant (alferes) of the Royal Mineiro Dragoons named Joaquim Jos da Silva Xavier ("Tiradentes"). His execution in 1792 in Rio de Janeiro might well have been forgotten if the nineteenth-century republicans had not embraced him as a symbolic counterpoise to Dom Pedro I, who declared Brazilian independence from Portugal in 1822. Later, with the establishment of the republic in 1889, every town and city in Brazil built a Tiradentes square, and the day of his execution, April 21, became a well-commemorated national holiday. Nonetheless, because the Minas Conspiracy was marked more by skulduggery than nobility and clarity, its value as a national symbol required selective interpretation and presentation.

Portugal resolved to watch Brazilians more carefully and reacted forcefully to a
nonexistent but suspected plot in Rio de Janeiro in 1794, and to a real, mulatto-led one in Bahia in 1798. Meanwhile, the French Revolution, the resulting slave rebellion in Haiti, and the fear of similar revolts in Brazil convinced the Brazilian elites that the dream of a United States-style conservative revolution that would leave the slave-based socioeconomic structure intact and in their hands was impossible. The crown separated the residents of Minas Gerais from the revived coastal sugar producers through policies that set their interests at odds. Lisbon diverted Brazilian nationalism with greater imperial involvement.