(2) Export market economy designed to maximize profits.

(a) Involved mining operations, particularly in the Andes. 
>16,000 tons of silver produced for Europe by 1650.

(b) Also involved creation of large landed estates established by Spanish & creoles. Spanish attempts to coerce or enslave Indians for labor failed due to fierce resistance and opposition from Church leaders eager to protect their new converts.

- Estates grew out of land seizures by Spanish & creoles, and two forms of labor control emerged:
  1. *encomienda* - land owners granted rights by the Crown to a certain percentage of local labor
  2. *hacienda* - local villagers located within estates were required to pay tribute in goods (food & textiles) plus providing labor.

* Although these forms of service were not legally defined as slavery in time they approached it in reality if not in name.

* These developments led to a sharp social & economic division between landlords & peasants that persists into the 20th Century.