

# South American Trade & Commerce History: An Examination of Key Historical

Trade & Commerce History · Answer Key · 20 Questions

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**1. The Incan Empire, prior to Spanish conquest, utilized a sophisticated system of redistribution and tribute rather than a standardized monetary currency. What primary commodity or labor system served as the backbone of this economic organization?**

- A) Large-scale cattle ranching and wool production
- B) A vast network of standardized gold and silver mines
- C) The mit'a system of mandatory public service and labor for infrastructure projects**
- D) Extensive maritime trade with Mesoamerican civilizations

**2. During the colonial era, the Spanish Crown implemented the 'Repartimiento' system in South America, which was a form of forced labor. How did this system differ from the earlier 'Encomienda' system?**

- A) Repartimiento focused on agricultural labor, while Encomienda was primarily for mining
- B) Repartimiento was a wage-based labor system, whereas Encomienda was hereditary
- C) Repartimiento was a rotational labor draft primarily for public works and mining, while Encomienda granted rights to indigenous labor and tribute to Spanish settlers**
- D) Repartimiento allowed indigenous leaders to collect tribute, while Encomienda directly extracted resources for the Crown

**3. The Portuguese colony of Brazil, particularly in its early development, heavily relied on a specific agricultural export that shaped its economic and social structure. What was this primary export commodity?**

- A) Tobacco
- B) Cacao
- C) Sugar**
- D) Coffee

**4. The 'Potosí' silver mines in present-day Bolivia were instrumental in the wealth of the Spanish Empire. What was a significant environmental consequence of the intensive mining operations at Potosí?**

- A) Deforestation and soil erosion due to charcoal production for smelting**
- B) Introduction of invasive plant species that disrupted local ecosystems
- C) Depletion of underground water sources leading to desertification
- D) Increased seismic activity due to deep excavation

**5. Following independence, many South American nations struggled to establish stable economies. What economic model did countries like Argentina and Uruguay largely adopt in the late 19th and early 20th centuries, emphasizing exports of agricultural products and raw materials?**

- A) Import Substitution Industrialization (ISI)
- B) Mercantilism
- C) Export-oriented growth based on primary commodities**
- D) State-controlled command economy

**6. The establishment of the Viceroyalty of the Río de la Plata by the Spanish Crown in 1776 was primarily aimed at improving administration and defense, but it also had significant implications for trade. What major economic shift did this create for the region?**

- A) Increased direct trade with France
- B) Facilitated contraband trade with the British colonies
- C) Opened Buenos Aires as a major port for legal trade with Spain and its colonies**
- D) Promoted intra-regional trade exclusively with Peru

**7. The 'Convención de Comercio de la Unión Postal Universal' (Universal Postal Union Trade Convention), though seemingly focused on mail, had a profound impact on inter-American trade in the late 19th century. How?**

- A) It standardized customs procedures for printed materials
- B) It facilitated the exchange of commercial samples and catalogs, boosting international commerce**
- C) It lowered tariffs on imported books and journals
- D) It established a framework for international parcel post services

**8. The United Fruit Company, an American corporation, wielded immense economic and political influence in Central and parts of South America during the early to mid-20th century. What was its primary product and business?**

- A) Coffee plantations and export
- B) Oil extraction and refining
- C) Banana cultivation and distribution**
- D) Mining of copper and tin

**9. The Latin American Free Trade Association (LAFTA), founded in 1960, was an early attempt at regional economic integration. What was its main objective?**

- A) To create a common currency for all member nations
- B) To promote free trade and economic cooperation among Latin American countries**
- C) To establish a unified South American military alliance
- D) To develop a common external tariff with preferential trade agreements

**10. The 'Caudillismo' phenomenon in post-independence South America often hindered consistent trade development. What characterized the economic impact of caudillismo on trade?**

- A) It fostered long-term investment and predictable trade policies
- B) It led to fragmented economies, protectionism, and disruption of trade routes due to regional conflicts**
- C) It encouraged the development of robust national banking systems
- D) It promoted a unified national market with free movement of goods

**11. The British intervention in South American trade during the 19th century, particularly after the Napoleonic Wars, was driven by a desire for new markets and raw materials. What specific trade policy did Britain often advocate for in its dealings with newly independent South American nations?**

- A) High tariffs on imported manufactured goods
- B) Exclusive trade agreements with Britain
- C) Free trade and open markets**
- D) State monopolies on key resources

**12. The development of railway networks in South America during the late 19th and early 20th centuries was largely driven by the need to transport specific resources to ports. Which of the following was a primary driver for railway construction in countries like Chile and Peru?**

- A) Facilitating passenger transport between major cities
- B) Connecting agricultural heartlands to internal markets
- C) Extracting mineral wealth (like copper and nitrates) and agricultural goods for export**
- D) Building infrastructure for tourism development

**13. The economic crisis of the 1930s had a profound impact on South American economies, which were heavily reliant on primary commodity exports. What was a common policy response adopted by many South American countries during this period to foster domestic industrialization?**

- A) Mass privatization of state-owned enterprises
- B) Increased reliance on foreign direct investment
- C) Import Substitution Industrialization (ISI)**
- D) Export-led growth strategies

**14. The creation of MERCOSUR (Southern Common Market) in 1991 represented a significant step in South American economic integration. What is the fundamental aim of MERCOSUR?**

- A) To establish a unified military defense pact
- B) To create a common market with free movement of goods, services, and factors of production**
- C) To coordinate foreign policy and diplomatic relations
- D) To implement a shared currency and monetary policy

**15. The exploitation of guano from islands off the coast of Peru in the 19th century was a lucrative trade. What was the primary use of guano that drove this economic boom?**

- A) As a building material for infrastructure projects
- B) As a natural fertilizer due to its high nitrogen content**
- C) As a source of industrial chemicals
- D) As an additive for food preservation

**16. The Treaty of Tordesillas (1494), while primarily a geopolitical agreement, had long-term implications for trade patterns in South America by dividing territories between Spain and Portugal. What was the immediate economic consequence of this division for the colonized regions?**

- A) It led to immediate and open trade between Spanish and Portuguese colonies
- B) It established distinct economic spheres of influence and trade monopolies for each power**
- C) It encouraged direct trade between indigenous populations and European merchants
- D) It promoted free trade across the newly divided continents

**17. The rise of 'Banana Republics' in Central America and parts of South America during the 20th century was closely linked to the dominance of foreign fruit companies. This phenomenon often resulted in:**

- A) Diversification of economies and equitable wealth distribution
- B) Economic policies heavily influenced by foreign corporate interests, often leading to political instability and limited local development**
- C) Strong government regulation of agricultural exports
- D) Significant investment in local infrastructure and education

**18. The impact of the gold rushes in South America, particularly in regions like Brazil during the 18th century, led to significant demographic shifts and economic restructuring. What was a major economic effect of these gold rushes?**

- A) A decline in agricultural production as labor shifted to mining
- B) The establishment of stable, long-term mining industries
- C) Increased inter-regional trade of agricultural goods to feed mining populations**
- D) A decrease in overall monetary supply due to hoarding

**19. The 'Abolition of slavery' in various South American countries during the 19th century had significant implications for labor markets and agricultural production. What was a common economic challenge faced by former slave-holding regions post-abolition?**

- A) A surplus of cheap labor leading to economic stagnation
- B) Difficulty in transitioning to wage labor systems and maintaining previous production levels**
- C) Increased demand for imported labor from Africa and Asia
- D) Rapid industrialization as a replacement for slave-based agriculture

**20. The economic policies implemented under Getúlio Vargas's Estado Novo in Brazil (1937-1945) significantly shaped the country's industrial development. What was a key characteristic of these policies?**

- A) A focus on free market principles and minimal state intervention
- B) Aggressive privatization of state-owned enterprises
- C) Promotion of state-led industrialization and import substitution**