

The traditional economy

The production of pepper, jute and malva was an activity of only a small part of the agricultural labour force. In the 1960s, the emphasis was on traditional rural livelihoods. Simple arable farming, extensive livestock farming and the collection of forest products employed 57% of the labour force.

Arable farming consisted largely of shifting cultivation, was practised on small areas by *caboclos* (*mestizos*) and Indigenous people and was primarily aimed in many cases at self-sufficiency. Corn, manioc, beans and rice were the main crops. The *roças* (cultivations) in most areas formed only small enclaves in the vast jungle. Typically they were used only for two to three years, after which a new piece of land was cleared. The practitioners of shifting cultivation lacked capital and knowledge for more intensive agriculture and did not always feel the need to do so, because large areas of forest were still available for clearing. To the extent that arable farming took place on the *várzeas*, there was often a more permanent use, at least during the period of the year when the water level allowed it. The *várzea* farmers were also generally not very prosperous.

Cattle farming was limited. In the 1960s, no more than 2% of Brazil's livestock was located in the North. Livestock farming took place largely on the savannas, which were found mainly in the higher parts of the Amazon basin (especially near the border with Venezuela and Guyana). The *campos de várzea* near the rivers were also used for livestock farming, but here the livestock had to be moved to pastures on the *terra firme* during the wet season or to be stabled on large platforms. The island of Marajó has long been an important cattle ranching area. The low parts were flooded during the wet season, so that evacuation was necessary here too. In the 1960s it had already become quite common to use the *várzeas* more for the raising of water buffalos. Livestock farming was generally at a low level. The *fazendeiros* were fairly prosperous; the people tending the livestock, on the other hand, were poor.

The collection of forest products, such as fruits, aromatic plants, rubber, oilseeds and precious hides, was widely practised. The buyers and their trading posts were to be found at the confluence of rivers, at points where they became navigable, and in the towns. Many merchants had acquired a monopoly position and also supplied all kinds of goods. An important part of the collecting and distributing trade was in the hands of Brazilians of Syrian and Lebanese origin. The collectors were poor, simple peasants who depended on the merchants to whom they were often in debt. Collecting was for some the main activity, for others a secondary activity next to arable farming.

Timber exploitation was traditionally also a collecting activity. Tree cutters went in search of suitable trees; planting did not take place. The wood was processed mainly by small companies. This started to change only in the 1950s and 1960s.

Expansion of mining

After the Second World War, not only commercial arable farming expanded, but also mining. Rich deposits of manganese ore had been discovered in the Serra do Navio in Amapá, and their exploitation began in the 1950s. A railway line was built between the inland mines and the Port of Macapá, port facilities were upgraded and energy supplies increased. In 1957 the first shipload of manganese ore left the port of Macapá

and, in 1969, the American-Brazilian company that controlled the production exported 1.4 million tons. At that time, manganese ore was the most important export product of the North. A part was destined for the United States. Expanding mining led to significant population growth. In the early 1950s, the municipality of Macapá had only 20 600 inhabitants, by 1970 the population had increased to 98 700 and the city had undergone a remarkable modernisation. However, Macapá had also attracted quite a few rural people for whom no suitable employment was available.

Another post-war development was the rise of tin mining in Rondônia. This was made possible by the construction of a road connection between Porto Velho and São Paulo in 1965. As a result, the ore could be transported in trucks to Volta Redonda, where processing would take place. In 1960 only 49 tons of tinstone were produced in Rondônia. Rubber, Brazil nuts, hides and some vegetable oils were still the main export products at that time, but in 1970 production was estimated at 4 000 tons and tin ore was in first place. In 1967, 97% of production was done by tin washers, who worked in groups of two to four people and had only simple resources at their disposal. They sold the ore to companies that somewhat concentrated and transported it and also supplied food and other necessities to the washers. Of the approximately 30 000 tin washers in the area in 1968, many had previously been rubber tappers. Tin mining had become so important in a few years that almost half of the population outside the towns of Guajará Mirim and Porto Velho found a living in it. In the period 1960–1970, the population of Rondônia increased from 71 000 to 116 600. The expectation at the end of the 1960s was that production would increase considerably. At that time, the army had started building a road connecting Ariquemes to Guajará Mirim. This would no longer make it necessary to transport a large part of the ore by air to the larger collection centre Ariquemes, but made it possible to transport the ore directly into trucks. At the end of the 1960s, large-scale production started to increase. Several large foreign and Brazilian companies began to show an increasing interest in tin mining, so that several large concessions had already been issued. One problem was that the *garimpeiros* occupied the best grounds. Their existence was threatened. It was expected that the large companies would use modern mechanised extraction methods; they were used only in a few places in the 1950s.

Mining stimulated agricultural activity. Settlers started farming along the Cuiabá-Porto Velho road and milk and poultry production had increased around Rondônia's capital.

A weak economy

In 1970, no more than 11% of the active population were employed in industry. This was limited to the processing of local raw materials such as jute and to companies that provided basic needs such as foodstuffs. In 1969, the North had only 1.25 % of the Brazilian industrial population and 2.6 % of the number of industrial enterprises. Most of these were small.

In 1965 the vast North contributed only 1.7% of the national income. According to official estimates, the average *renda interna per capita* in Brazil that year was 298 cruzeiros. In the North, this average was approached only by the territory of Amapá,