Many Mexicos

Las finanzas públicas en los siglos xviii–xix. Edited by Luis Jáuregui and José Antonio Serrano Ortega. México, D.F.: Instituto Mora, 1998, Pp. 251, paper.

La minería mexicana: De la colonia al siglo xx. Edited by Inés Herrera Canales. México, D.F.: Instituto Mora, 1998, Pp. 271, paper.

La banca en México, 1820–1920. Edited by Leonor Ludlow and Carlos Marichal. México, D.F.: Instituto Mora, 1998, Pp. 269, paper.

Un siglo de deuda pública en México. Edited by Leonor Ludlow and Carlos Marichal. México, D.F.: Instituto Mora, 1998, Pp. 269, paper.

La moneda en México, 1750–1920. Edited by José Antonio Bátiz Vázquez and José Enrique Covarrubias. México, D.F.: Instituto Mora, 1998, Pp. 234, paper.

El crédito en Nueva España. Edited by María del Pilar Martínez López-Cano and Guillermina del Valle Pavón. México, D.F.: Instituto Mora, 1998, Pp. 243, paper

Mercado interno en México. Siglos xviii-xix. Edited by Jorge Silva Riquer and Jesús López Martínez. México, D.F.: Instituto Mora, 1998, Pp. 226, paper.

Agricultura mexicana: crecimiento e innovaciones. Edited by Margarita Menegus and Alejandro Tortolero. México, D.F.: Instituto Mora, 1999. Pp. 249, paper.

Ferrocarriles y obras públicas. Edited by Sandra Kuntz Ficker and Priscilla Connolly. México, D.F.: Instituto Mora, 1999. Pp. 259, paper.

La industria textil en México. Edited by Aurora Gómez-Galvarriato. México, D.F.: Instituto Mora, 1999. Pp. 269.

There is a book currently making the rounds in Mexico that analyzes the country's transition from one-party state to multi-party democracy. Its thesis, baldly put, is that Mexico had grown up and could no longer be efficiently governed by the Institutional Revolutionary Party (PRI), which had been in power, one way or another, since 1929. By the late 1960s, Mexico had a cosmopolitan, urban, pluralistic, and above all, relatively diverse society. No system based on one party, however flexible, could possibly incorporate the many discordant political tendencies that had appeared. What may have been a reasonable solution to the violence of the Revolution 70 years ago had long since lost its vitality and viability. As they say in Mexico: *hay que cambiar*. Things had to change, and change they have.

Much the same can be said about writing history in Mexico, and in particular, about economic historiography as well. A colleague from Mexico regrets that it is no longer possible for one person to master the country's burgeoning historical literature, or even a substantial part of it, which we could do 30 or so years ago. There are now too many journals, too many books, too many institutions, and above all, too many historians for that. The days of the great generalist are over. We cannot read everything, or even most everything about even one thing.

While certainly frustrating, the growth of the historical literature also has a positive dimension. We know a lot more than we used to and, yes, we sometimes know more and more about less and less. Economic history in Mexico has been a beneficiary as well. It is now an accepted specialty, has a group of well-known and respected authorities, some specialized publications, and even a professional association, the Mexican Association of Economic History (www.amhe.org), whose website is linked to the home page of

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EH.Net. Gone, long gone, are the days when knowing something about the economic history of Mexico meant reading the work of Luis Chávez Orozco (1901–1966) whose *Historia económica y social de México* (1938) was the point of departure as recently as a scholarly generation ago.[1] If you want to find a starting point today for doing Mexican economic history, this series, *Colección Lecturas de Historia Económica,* is as good a place as any.

There are some drawbacks, and it is probably best to get them out of the way. First, the series is uneven. A few volumes would scarcely be recognizable to readers of this JOURNAL as economic history, or at least those unfamiliar with the old economic history. However, several editors have assembled highly coherent contributions that will be valuable to novice and specialist alike. The volume by Ludlow and Marichal on the public debt (*Un siglo de la deuda*) is a model of its kind. Apart from reprinting several well-known papers, the editors provide a chronology of the public (mostly foreign) debt to guide the researcher through the Byzantine maneuvers of successive Mexican governments as they struggled to reschedule, modify, mitigate, or otherwise reduce the burden of the defaulted loans they had raised in London in 1823 and 1824. There is a useful bibliography and a good selection of primary sources, including an excerpt from the infrequently seen Dublán Conversion (1887) that brought the saga of the "London Debt" to a close.

The high standards that Ludlow and Marichal set themselves on the public debt are evident in the selection on banking in Mexico (*La banca en México)*. There is a lucid introduction with bibliographies and an annotated chronology of developments in banking down to 1935. Several major papers from a long out-of-print collection appear here, as do a number of excerpts from primary sources. There, for instance, is Manuel Escandón's proposal for a bank of issue that would also finance the central government, in a sort of "socialize the losses and privatize the profits" kind of scheme that Mexican entrepreneurs such as Escandón were fond of. There were many such proposals around in the 1830s, usually floated by hard-pressed landowners bent on using their properties as reserve assets for a banking system of some sort. None of them, as far as I know, ever came to anything, but as primary sources on trade, finance, and commerce in these years, the proposals are hard to beat. There is also a provocative paper by Abdiel Oñate's that explores the consequences of Mexico's move to the gold standard in 1905. The implications of the regime change have never been fully explored, and Oñate questions whether fixing the exchange rate as the terms of trade deteriorated was wise. At the very least, the deflation required to join the gold standard may have aggravated the labor unrest at Río Blanco and Cananea, two famous "precursors" of the Revolution of 1910.

These are successful volumes. But what about, say, one on money edited by José Antonio Bátiz Vázquez and José Enrique Covvarubias (*La moneda en México*)? There is an excellent introduction by the authors, followed by essays on the domestic money market; aspects of coinage; the provincial mints, particularly those in Guanajuato and Zacatecas; counterfeiting; paper money; and Mexico's movement to the gold standard in 1905 (there is inevitably overlap between the volumes). Some of the essays appeared elsewhere, albeit it in out-of-the-way journals; a few have been prepared specifically for the volume, and one comes from an ongoing dissertation. The essay by Rina Pérez Peralta conveniently summarizes much of the data available on the coinage of the provincial mints in the nineteenth century. These data are available elsewhere, but a novice is not likely to be familiar with esoteric nineteenth-century publications of the Mexican government. The essay on the gold standard is especially important because it draws on the writings of Joaquín Casasus, a major figure in the government of Porfirio Díaz who wrote a brilliant analysis on the impact of the depreciation of silver on commerce, industry and production after 1876. Anything that puts you in touch with the writings of Casasus cannot be all-bad.

[1] Chávez Orozco, *Historia*.

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Having said this, alas, there are many topics that are not in these pages. Simply comparing the table of contents or index (if there were one) with a book edited by Michael Bordo, for instance, might make you wonder how both could be dealing with monetary history.[2] Unfortunately, "moneda" in Spanish means coin, and there is something vaguely numismatic about what appears here. But, more serious than this, there is simply little economics of any sort, explicit or otherwise. An essay on the public debt and the money market treats the government financiers (*agiotistas*) who speculated in government paper as fiscal miscreants, a view hardly altered from the 1830s when it first surfaced. A discussion of copper and other informal copper coinage treats the subject of small change from an administrative rather than from an economic perspective. It is not just that there is not much to think about here. The problem is that the chance to understand truly important issues is lost. For example, the Mexican government engaged in seigniorage in the 1830s by issuing a substantial amount of copper currency—the central government was broke, as usual, and intent on fighting a war in the northern provinces (remember the Alamo), which required resources. The result, apparently, was a substantial rise in domestic prices and, effectively, an appreciation of the real exchange rate leading to a rapid outflow of silver (pesos) from Mexico. I have long thought that the Mexican origins of the Panic of 1837, to which Peter Temin alluded years ago, were to be understood in the complex financial crosscurrents of the 1830s, and that somewhere, in the midst of the debris, we would find Antonio López de Santa Anna as the source of the Yankees' financial distress. Perhaps, but you will not find "real exchange rate" anywhere in this volume, something that is both a pity and an opportunity.

To be sure, every large series suffers from unevenness. Some editors are more conscientious or skilled than others, with predictable results. But the problem here goes a little deeper. Of the ten volumes in the series, six deal with public finance, banking, money, silver mining, credit, and the public debt. These are subjects that rightly fascinate historians in Mexico, but why does agriculture, for instance, merit only one volume? And truly surprising is the absence of a volume on demography in a field known for its pioneering work in historical demography. Instead the reader is offered a faithful view of how things looked from Madrid or Mexico City: Take care of the mines and everything else will fall into place. If only it had been that simple. So the second weak point of the series is precisely this lack of balance. It is as if we are focusing 60 percent of scholarly attention on 20 percent of the economy. The results may be interesting indeed, but they do not contribute much to a systematic explanation of why the Mexican economy grew slowly before 1870.

Nevertheless, there are hints and clues scattered along the way. The volume edited by Luis Juaregui and José Antonio Serrano Ortega (*Las finanzas públicas)* follows the established format with a useful introduction and a bibliography. The first paper, by Andrés Lira, is indispensable because it lays out the organization of the Royal Treasury and defines the accounting categories (unless you know offhand the difference between the *masa común, particulares, ajenos, and estancos especiales*). Understanding what these categories do and do not include is vitally important, and really goes to the heart of the academic debate over whether or not changes in these accounts measure change in real output (and as far as we can see, they do not). Papers by Carlos Marichal and John TePaske demonstrate the remarkable pressure on the royal Treasury in Mexico to supply funds to the monarchy and to colonies in the Caribbean such as Cuba. Latin Americanists take note: This is one reason why per capita income figures in Cuba were so high at the beginning of the nineteenth century. Mexico was transferring vast sums from its Treasury to the Caribbean (including Puerto Rico) for defensive purposes. TePaske also illustrates how the centrifugal forces released by the independence movement tended to isolate regional treasuries from Mexico City as well. Marichal underscores how all-pervasive the grasp of the Bourbon monarchy

[2] For instance, Bordo, ed., *Gold Standard.*

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was in its struggle to stay afloat during the wars for trade and empire that broke out after 1778 and which threatened the Spanish monarchy with bankruptcy by 1804. As we browse these papers and consider their full import, the very weakness of republican governments after independence makes perfect sense. Nobody could have wanted a republican government with ample powers to tax. And, indeed, the elites cut revenue stream after revenue stream without considering how to pay bills—especially the military bills. The message is that New Spain (Mexico before independence) taxed, but independent Mexico borrowed. Within a generation, the weakness of this shift would be laid bare for all to see. Barbara Tenenbaum emphasizes just this outlook as a factor in Mexico's early fiscal difficulties and Marcello Carmagnani concludes that the states systematically starved the central government of resources—in his view, Mexico was a "confederation" of states rather than a federation. Finally, Barbara Corbett shows that similar conflicts occurred at the regional level, specifically in San Luis Potosí, where the effort to create a financially cohesive state ran into difficulties as well. Looming just over the horizon was the confrontation with the United States and it is easy to see why many Mexicans were not optimistic about its probable outcome.

For the sake of completeness, I should close this section with the volumes on mining and credit in New Spain. First mining: if ever there was a subject that merited an introductory anthology, it is this one. We all know that the Spaniards came looking for gold but settled instead for silver, and lots of it. Colonial Mexico and Peru functioned as the Kuwait and Saudi Arabia of their day. Nothing could exaggerate the attention the Spaniards paid to the care and feeding of the mines. The volume on mining edited by Inés Herrera touches on some of the themes that currently occupy historians. One is that silver mines were less profitable than are commonly thought, and this marginal profitability accounts for the subsidies, tax exemptions, and corvee labor that the miners frequently demanded and got. The silver mines, at least in Guanajuato, suffered badly during the wars of independence and it took until the 1840s for them to reach their pre-Revolutionary productivity. Unfortunately, we really do not seem to know much about the interim between the recovery of the Guanajuato mines and the gradual displacement of silver by nonferrous metals such as lead, copper, zinc, and coal. By the late nineteenth century, the world of the mines was no longer recognizably colonial since electricity, the steam engine, the railroad and new chemical processes for refining silver ore became widely diffused. I do have a few reservations about this volume. The bibliography is not what it should be, particularly if intended to introduce someone to the field. Peter Bakewell's excellent synthesis on mining in colonial Spanish America in the *Cambridge History of Latin America* is not mentioned, and even more strangely, Juan Manuel López de Azcona's *Minería Iberoamericana: repertorio bibliográfico y biográfico* (1992) does not appear.[3] It is also odd that nothing from Humboldt or Henry George Ward found its way into the volume. Both, especially Ward, had a lot to say about mining in the early nineteenth century.[4]

A volume on credit (*El Crédito*) in New Spain is, I suspect, not going to be a high priority for casual readers. The issues are remote and discussions of the subject frequently bog down in the details of lending instruments and other arcana. But this volume is a little different. It has a remarkably full bibliography, which runs for over 20 pages, and includes an introduction by the editors, María del Pilar Martínez López-Cano and Guillermina del Valle Pavón, which very efficiently synthesizes much of the work done on colonial lending over the past scholarly generation. The individual essays are all good and if they contain no real surprises, will nevertheless bring the reader up to speed in short order. Particularly interesting is the essay by Gisela von Wobeser. She has written widely and cogently on the subject of ecclesiastical lending in Mexico. There is no more succinct statement of her research program and findings than her essay here. And for that matter,

[3] Bakewell, "Mining"; and López de Azcona et al., *Minería*.

[4] For example, Ward, *Mexico*.

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there is no more succinct introduction to the subject of credit in colonial Mexico than this excellent anthology.

So, to pause briefly and take stock, we have ten volumes, more or less well done, on aspects of the Mexican economy that have attracted the interest of scholars in Mexico and abroad. Do they establish an agenda for further research? Yes, but some volumes do so better than others. The volumes on money and mining are mildly disappointing, but far from bad. The volumes on the public debt, public finance, banking, and colonial credit are really very good and should be useful to anyone beginning specialized research. There is more than a little overlap between the volumes, but getting a complete set of these items would make a worthwhile purchase for any university library.

Before turning to the volumes on agriculture, railroads, industrialization, and the internal market, a few words about the relation of this series to the New Economic History (NEH) may be in order. That is because it is only here that NEH makes an appearance and it would be logical for any reader to wonder why. It may come down to a matter of numbers, or lack of them. To the extent that NEH is driven by specification and is dependent on runs of more of less homogeneous numbers, there is a real challenge to cliometricians working on Mexico. That is because the Mexican archives offer a faithful mirror of Mexican history before the 1870s: it was a disorderly country, frequently at war, hard-pressed for resources, and with precious little administrative continuity. Mexican officials frequently had summaries of laws and decrees printed to sort things out for the new ministers brought by frequent changes of government. As a result, the archives are hard to work in before 1870. Thousands (literally) of boxes of assorted documents are in the Archivo General de la Nación, and to be sure, there is marvelous material in them. But it will take years of work—cataloguing, preservation, and reorganization—before these resources will be usable. If quantitative economic history is to be written on any substantial scale for the period before 1870, it will need to be carried out primarily by Mexicans because the archives will be more accessible for longer stretches of time to residents than to visiting graduate students. Many of Mexico's most pressing economic issues find their origins well before 1870—consider land and rural labor for a moment—but there are not yet large numbers of scholars trained in the NEH traditions ready to carry out this crucial work.

The volumes reviewed here are not NEH, strictly speaking, but several of them have been influenced by NEH, including Aurora Gómez's book on industrialization and Sandra Kuntz Ficker and Priscilla Connolly's on the railroads. I consider these volumes as especially important because we can construct a plausible development story from them. For instance, the railroads exercised powerful effects on domestic productivity by linking domestic markets and allowing greater specialization, not to mention the capture of economies of scale. As income rose, the structure of demand changed, providing a market for the beer, cloth, shoes, and tobacco that became staple items of economic development—with a little help from friends in high places. This is the story of Porfirian (1876–1910) Mexico.

When we turn to the volume on agriculture edited by Margarita Menegus and Alejandro Tortolero, (*Agricultura mexicana*) we are told straight away that the data on agricultural productivity are very weak. Consequently this topic is best approached indirectly. For that reason, I recommend the essay by Simon Miller on Mexican "Junkers" and the impact of the railroad on agricultural productivity in the region of Querétaro. If you were searching for an example that would fit into the stylized account of Porfirian Mexico just mentioned, Miller's would be the one. The other essays are, each in its own way, superb: a painstaking analysis of agricultural production in the Tlaxcala region at the end of the colonial period by Carlos Sempat Assadourian; a finely detailed comparison of village land retention by region by Margarita Menegus Borneman; and a study by Alejandro Tortolero of the environmental consequences—not so benign—of the development of various industries, such as textiles and papermaking. The impact of development on the water table has been especially severe, leading to the disappearance of the chinampas or raised-ridge fields, which

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in itself means the end of lacustrine agriculture and an ancient way of life. All of the papers are valuable and the research is of a high order. Still, one might wish for a theoretical framework of some kind to unify these contributions, or, for that matter, to provide coherence to the field. I believe Ester Boserup's name is mentioned once. I would suggest, respectfully, a reading of Jan de Vries's classic book on the Dutch rural economy in the golden age.[5] It would make for an enlightening comparison, a sort of cautionary tale about the road not taken in Mexico and why.

The volume edited by Jorge Silva Riquer and Jesús López Martínez on the development of internal markets in Mexico begins where any such discussion must inevitably begin, with the work of Carlos Sempat Assadourian. It was Sempat, after all, who argued that silver mining had broad domestic consequences in both Mexico and Peru and could not simply be treated as part of the export sector. Indeed, Sempat argued that internal markets in colonial Spanish America were shaped largely by the activities associated with silver mining, and that to consider the mines "enclaves" in any sense was incorrect. There is also an interesting but somewhat dated paper by Alejandra Moreno Toscano examining the urban network that emerged in eighteenth-century Mexico. Rubén Salmeron examines the rise of trade on the Pacific coast after Independence and the formation of local elites consequent upon it. A paper by the indefatigable Mario Cerutti examines the rapid economic expansion of the northern tier of Mexican states in the late nineteenth century and the overwhelming share of national mining and metallurgy for which they accounted. A paper on Yucatan by Fred Carstensen and Diane Roazen on henequen in Yucatan is also included, although the English-language version (published in the *Hispanic American Historical Review*) would probably be the version of choice for most readers of this JOURNAL. A brief supplementary bibliography is included. Although this volume is interesting, and for someone unfamiliar with Sempat Assadourian's work, valuable, there is again the sense of a missed opportunity here. So much of Mexico's late-nineteenth-century economic history is about the way isolated markets were slowly tied together, principally by the railroad, but by the telegraph as well. The political, social, and economic ramifications of these developments were, quite literally, revolutionary. To be accorded the matter-of-fact treatment they receive in this volume is a bit of a letdown.

With the volumes on railroads and public works and on the textile industry, the series acquires a more contemporary, not to say modern, feel. The materials on the railroads have been edited by Sandra Kuntz Ficker and reflect her own major monograph on the Mexican Central line. Throughout Latin America (with the exceptions of Colombia and, perhaps, Ecuador) the railroads had a major impact as measured by social savings. Their construction tends to parallel increases in market output of all kinds and not just in exportable goods. If the work included here (by Paolo Riguzzi and Arturo Grunstein) means anything, it is that the railroads in Mexico had a substantial effect on the production of domestic goods as well. They were not, as once thought, simply channels through which raw materials flowed abroad. Moreover, railroads benefited from government policies that rationalized fares and eliminated competition. These papers present a picture that consorts much more easily with conventional notions of economic development than did the *dependentista* analyses that typically associated capital flows of any type with the appropriation of surplus. The second part of the volume, edited by Priscilla Connolly, deals with the rarely studied topic of public works and includes a study of the massive project of draining the Valley of Mexico, something that began with the Tenochca and continues into the present. I suspect that the section on railroads will actually appeal to a broader audience than economic historians, particularly in Mexico, where NEH really is new.

The final volume is on the textile industry. Aurora Gómez-Galvarriato has done an excellent job of assembling a variety of studies, including one of her own. She focuses on

[5] de Vries, *Dutch Rural Economy*.

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a very early period, 1843–1879, and shows that the cotton textile industry did grow with increases in the rate of effective protection, but suffered from limited domestic markets. An excellent piece by Guy Thomson also emphasizes the role of trade restrictions on imports in industrializing cottons in the Puebla region. A paper by Walther Bernecker describes the unstable institutional environment in which the early cotton industry was expected to evolve. Bernecker makes it clear that Mexico was not an ideal candidate for industrialization on this basis alone. The coup de grâce is administered by Stephen Haber, who describes how nineteenth-century industry was capital constrained. This volume, too, has an excellent introduction and bibliography and makes it quite clear that development assistance from the state was critical in jump-starting modern industrialization in Mexico. The magic of the market required a magician to pull it off.

So, what else could we want from such a series? The obvious response is "more." The textile industry was a key industry, certainly, but not the only one that could be usefully studied in greater detail. One could envision a twentieth-century counterpart for every volume in the series. I would like to see a volume on organized labor, on the rise and decline of state-owned industries, on the oil industry, on agrarian reform, and on economic aspects of the Revolution. Really, the possibilities are endless. But perhaps my greatest wish would be a cooperative, multi-volume economic history of Mexico, something like the *Historia general de México* first published by El Colegio de México in the mid-1970s.[6] Such a work might help to bring some order to this wide-ranging, but still inchoate picture of the "new" Mexican history that is only now emerging. Certainly, the time is right, for in political history, at least, the end of the PRI's hegemony has also brought an end to what was more or less the official history of postrevolutionary Mexico. New research and new approaches will bring more surprises, certainly, and it is pleasant to think that economic historians will be among the most active in recasting the picture of Mexican history that was, as in the famously titled movie, a revolution too long "frozen" by the needs of the country's political masters. This series, *Colección Lecturas de Historia Económica,* is yet another indication that the thaw is underway.

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[6] *Historia*

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