Introduction

IN 1799, María Dominga Medina, an impoverished widow with five children, presented herself at the treasury office of the tobacco monopoly in Mexico City with one-quarter of lottery ticket no. 1580, the winning ticket of lottery 352 for the sum of 3,000 pesos. One of her sons had found the ticket in the street, and she wanted to claim her prize. The *fiscal* (crown attorney) saw things differently and decided that Medina should receive 300 pesos and was to be found a position in the royal tobacco manufactory in Mexico City.[1] Putting aside the temptation to speculate on the widow's private thoughts about the *fiscal*'s decision, his solution to her situation highlights two issues: the eighteenth-century state's increasing role in the lives of ordinary people and its direct management of economic enterprises, in this case, the tobacco trade. A state enterprise by 1765, the tobacco monopoly of colonial Mexico is the subject of this book. The central period covered in this work spans over half a century from 1740 until 1810.

By the 1790s the tobacco monopoly was one of the largest organized industries in colonial Mexico (along with silver mining and textiles) and employed almost 20,000 individuals. In fiscal terms, tobacco revenues were second only to the silver tithe as the most valuable source of government income and accounted for almost one-fifth of total state revenues at the peak of production. The reorganization of the tobacco trade under Bourbon management resulted in the restriction of tobacco production to a relatively small area in southeastern Mexico in the *villas* of Orizaba and Córdoba, two small towns, in the modern-day state of Veracruz. Supply of tobacco leaf was regulated through a series of contracts which determined who produced tobacco, the quantities to be produced, and the purchase price. The tobacco supplied to the monopoly was manufactured into cigarettes and cigars in six state-managed tobacco manufactories, the largest located in Mexico City, the political and commercial

capital of the viceroyalty of New Spain. Monopoly goods were sold in government-licensed stores which were distributed throughout Mexico. Private trading and manufacture in tobacco goods became a punishable offense. Compliance with monopoly regulations was enforced by a military corps employed by the monopoly administration, although contraband trade of tobacco was never eliminated.

The tobacco monopoly has become over the past decades something of an *éminence grise* in the historiography of eighteenth-century Mexico, cited more than studied. Scholars routinely refer to the tobacco monopoly as an example of fiscal reform implemented by the Spanish colonial state to generate new revenues and as an example of Spanish statecraft which created hostility and resentment.[2] The few studies of the tobacco monopoly which we have tend to fall into two categories: the first is dominated by general institutional overviews of the monopoly; the second is made up of studies which focus on a particular aspect of the monopoly, often devoid of a wider context.[3] Together they produce a picture of a state enterprise which was monolithic, rigid, and oppressive and which provoked hostile, teeth-grinding responses from the populace. The methodology employed in this study has sought to provide as comprehensive a history of the monopoly as possible and one which examines its development from imperial and local perspectives. As a result, we provide a somewhat different assessment of the effects and development of the monopoly, one which identifies as much continuity as change after the monopoly was established, and a popular response characterized by accommodation as well as by defiance and resistance.

Apart from filling in a historiographical lacuna, however, why is the study of a state tobacco monopoly useful? There are two reasons. The first is that such a study enables us to examine the economic management and rationale of a state enterprise which manufactured cigars and cigarettes and, at the same time, provides a lens through which to look at the political economy of late-eighteenth-century Mexico. The second is that it also provides us with a case study of state and society in eighteenth-century Mexico and one which enables us to take a sharper, closer look at popular as well as elite responses to state reform.

The monopolization of the tobacco trade by the colonial state formed part of Spain's attempts to "recolonize" its American colonies, part of a wider strategy through which to advance the power of the eighteenth-century state—absolutism and colonialism in tandem. The advance of such power demanded increased revenues which in turn demanded new strategies to achieve such increases. The outcome was similar to the actions taken by other eighteenth century

states which "scurried from expedient to expedient, seeking to squeeze more out of established sources of revenue, to invent and enforce new forms of taxation, to beg, borrow, and steal if necessary."[4] The Spanish economist Gerónimo de Uztáriz may have missed the mark somewhat when he described the monopoly as an "easy and gentle tax," but his economic logic was sound: it offered low price elasticity of demand. That is, consumption was not affected very much by a tax on tobacco, and it was a tax with enormous potential for raising revenue. The potential was more than realized and, once the monopoly was established in Mexico, revenues increased dramatically and with relatively little opposition. The major problems faced by monopoly bureaucrats, that is, constraints on supply, affected all large commercial enterprises in colonial Mexico, particularly the two most important industries in addition to tobacco, silver mining and textiles. In the long run, production could only grow at increasing cost. Growth did not come from any significant productivity change but from increasing the resources available to the industry. Limits were reached after 1790 precisely because of bottlenecks in supplies of raw materials, typical of the nature of economic growth in Mexico which made the colony vulnerable to scarcities.

Over the past two decades our knowledge of the Bourbon reforms in Spain and Spanish America has increased dramatically. Studies of Bourbon Spain and the growth of absolutism agree that the transition from a compromise and consensus state to an absolutist one was incomplete. At the same time, studies of the Bourbon reform measures in colonial Mexico provide varying interpretations of the outcome of individual reform measures. These range from successful increases in fiscal revenues and a "revolution in government" in the upper ranks of the imperial bureaucracy, to the abysmal failures of local government and a gradual slide from authority in the 1760s, to compromise or outright failure of reform measures by the beginning of the nineteenth century.[5] The monopoly, if nothing else, is a study in the limitations of the colonial state and one which reminds us that, even at its most intrusive, the Spanish colonial state was far from being a Leviathan force in peoples' lives. The establishment of the tobacco monopoly shows a tempered absolutism in action from the very beginning of its introduction. Its establishment occurred not through an abrupt show of absolutist strength but by co-optation of vested interests and a protracted introduction of its operations, which, if we look at its record on contraband, was incomplete. Its establishment alienated people, there is no question about that, and the newly found military strength of the colonial state was used

when necessary to enforce its restrictions. But incorporation in the monopoly's operations created new vested interests which included Mexican merchants, tobacco planters, and manufactory workers who developed and shared a mutual interest with the colonial state in the monopoly's survival. The tobacco monopoly's implementation was not the result of a "revolution in government" per se, but rather the product of a reshaping of the private tobacco industry and a redirection of existing networks of power and interests. Its subsequent development depended upon negotiation and renegotiation between the colonial state and the planters and workers who sought to improve their position within the monopoly's structure, not its abolition.

State policy and power was obviously critical in shaping the structure of the tobacco monopoly but also partially responsible for its failure in the long term as a business enterprise. Until the heavy hand of Bourbon fiscalism, guided by financial desperation, prevented adjustments in the monopoly's organization to changing conditions, the monopoly bureaucracy proved quite adept at the identification of problems and attempts to solve them and also proved to be more efficient and perceptive as entrepreneurial managers than has previously been acknowledged. At the same time, group interests (both elite and popular) affected the monopoly's development and the efficacy of the state's policies to a greater degree than previously assumed. An emphasis upon political stability and short-term profits resulted in a basically conservative policy toward the tobacco manufactory workers and the planters. As a result, productivity gains were sacrificed to maintain a status quo in the workplace, and the goal on the part of the Bourbon state to displace merchants from the production of tobacco was never successfully completed. The problems experienced by the monopoly at the beginning of the nineteenth century did not originate from any simmering entrenched opposition but because of its own success, success which prevented any innovative reforms to improve its performance and productivity.

This, then, is a study of a state enterprise, but it is also a study of state and society. The monopoly as a subject of analysis is greater than the sum of its parts and incorporates many of the most important themes of eighteenth-century Mexican social and economic history, from economic growth and the supply of credit and capital to labor markets, popular protest, gender roles, and late colonial political culture. This work looks at the actions and ambitions of the government and the people most affected by the monopoly, the tobacco planters of Veracruz and the urban tobacco workers.

In recent years, a renewed interest in the relationship between

state and society has emerged among historians in general, and historians of Latin America in particular, who have called for a closer examination of conflict and interaction between the state and various sectors of society. Scholars of colonial Mexico, however, vary in the importance they attach to the role of the state from those who see it as "a major force in the lives of the early Latin Americans, but . . . not altogether an independent force" to those who suggest we take "the state back out."[6] The contradiction in these assessments is not hard to reconcile if one avoids a reificationist or reductionist approach to the state and looks at what has been termed the "differentiated instances of state structures and actions" whereby "states are not likely to be equally capable of intervening in different areas of socioeconomic life."[7] A study of the monopoly reminds us that eighteenth-century Spanish absolutism was about more than raising revenues and armies, however crucial those needs were, and that it combined what has been termed "welfare" as well as "warfare" objectives which resulted in increasing attempts to expand the role of the state in peoples' lives. These were policies influenced by Spain's selective response to the influence of Enlightenment thought.[8] Growth in state power in colonial Mexico was experienced by people in the form of increased taxes, more efficient tax collection, regulation of industry, maintenance of public order, and attempts to control social behavior. Such growth in state power affected a wide variety of interests which often stimulated popular action in the form of riots, protests, and evasion of tax payments. At the same time, although the "state" as such was irrelevant for most people on a daily basis, it had an indirect impact on most peoples' lives, however tenuous, and a very direct effect upon those affected by the establishment of the tobacco monopoly. A study of the social groups involved in the monopoly's operations provides us, in some measure, with an exceptional example of the interaction between state and society. For all intents and purposes, both planters and tobacco manufactory workers were employed by the colonial state. Therefore, their contact with state authority was much more intense and sustained than possibly any other social group in colonial society and very different from the experience of rural inhabitants who rarely came into contact with the colonial state.[9] The point here is not to make dubious generalizations about popular responses to state reform based on the experience of the tobacco workers and planters. However, because we are dealing with groups whose lives were very much affected and in some ways changed by the colonial state, their actions can tell us something about the political culture of late colonial Mexico and, especially in the case of the tobacco

workers, about popular response to the erratic, ambiguous advance of Spanish absolutism, what Stanley Stein has referred to as the "grass roots" response to Bourbon state-making.[10]

Careful examination of the tobacco monopoly provides us with the additional and somewhat rare opportunity to examine a social group little studied by historians of colonial Mexico, the urban working poor, and offers a unique insight into their responses to changes in their working lives and in their social and cultural experience of colonialism. It also allows us to examine what can be loosely termed as the Mexican variant of time and work discipline in the eighteenth century. In so doing, this study challenges recent interpretations of the colonial state and urban labor in eighteenth-century Mexico in general, and of the lives of the tobacco workers specifically. The few histories of urban labor and the colonial state in the eighteenth century tend to be characterized by reification of the colonial state's power or by naïve reflections on its paternalism.[11] Analyses of urban labor, especially of the tobacco workers, also tend to be dominated by uncritical assumptions of the strength and oppressive nature of the colonial state.[12] What we argue is that the actions of the manufactory workers suggest that, although they found themselves confronted by a state which was not afraid to lower their wages and to impose stricter work discipline, they were far from passive in the face of new demands on their time and lives. At the same time, however, the workers were not transformed into a homogeneous proletariat either.

This work is based on extensive examination of the voluminous monopoly records located in Mexico and Spain, and general colonial treasury and administrative reports. Although one must always be cautious about the inherent bureaucratic bias in such documentation, it must be pointed out that the monopoly records contain a veritable mine of documentation written from diverse perspectives, including a variety of letters and petitions from the manufactory workers and tobacco planters to the monopoly managers. Considerable quantitative data have been gathered from numerous sources and presented in aggregate and serial form to illustrate the relative magnitude of revenue production, volume of manufactures, prices, wages, and composition of the labor force. Regional documentation from Veracruz, primarily the notarial and parish records of Orizaba, were consulted and provide additional information on local economic conditions, on the social structure of the tobacco planters, and on agrarian conditions. Spanish terms specific to the tobacco trade and the Bourbon fiscal and administrative offices are retained but they are explained in the text and also in a glossary.

The chronological parameters of this study, 1740–1810, are somewhat unfashionable as far as recent colonial Mexican historiography is concerned. The reason for using the conventional periodization is not because it is the most valuable in understanding historical change and continuity in Mexican history, but because, in the case of the monopoly, 1810 constitutes a legitimate point of rupture. The Mexican insurgency of 1810 effectively destroyed the monopoly, and in the subsequent years, for the first time in almost fifty years, the monopoly was unable to finance itself, as virtually all revenues produced were used for the support of royalist forces. Leasing of monopoly rights to private entrepreneurs increasingly characterized monopoly organization in the 1830s and 1840s, while tobacco cultivation was permitted again throughout Mexico, and manufacture of tobacco products returned to the private sector.

This book is divided into three parts. Most of the narrative sections of the individual chapters cover the period 1740 to 1810, although Chapter 8 provides a brief narrative of the monopoly's fate between 1810 and 1856 when it was finally abolished.

In Part I, Chapter 1 describes the structure of the private tobacco trade in Mexico, the vested interests involved, and provides the political background to the monopoly's establishment. Opposition to the monopoly's establishment was, for the most part, dealt with by co-optation and inclusion into the monopoly's operations. The most significant and sustained opposition to the monopoly manifested itself in a contraband tobacco trade.

Chapter 2 analyzes the structure of the bureaucratic agency created to manage the monopoly, its problems, and the changes it experienced as it shifted from being an autonomous government fiscal agency to one increasingly subjected to the central fiscal administration of colonial Mexico. The composition of the monopoly bureaucracy and its links with private interests are examined and assessed in light of recent revisionist interpretations which challenge conventional views of the Bourbon bureaucrats as more efficient, impartial servants of the state than their Hapsburg predecessors. There is evidence of corruption within the monopoly bureaucracy, but, for the most part, the bureaucrats behaved as career professionals and identified their interests with those of the colonial state.

The second half of Chapter 2 analyzes the trends in revenue production, costs, and profits between 1765 and 1810, and the functions of tobacco revenues. Analysis of monopoly accounts, designed originally to provide revenues exclusively for use of the Spanish Crown in Spain, demonstrates that revenues were used for a variety of purposes which incorporated metropolitan, intercolonial, and domestic

needs. Such a diversity of uses of monopoly revenues challenges traditional claims that such monies were shipped en masse each year to Spain.

Part II analyzes the organization of the supply of raw materials—tobacco and paper—and the politics associated with their production. Domestic policies, Spanish colonialism, and planter pressure influenced the regularity of supplies and the costs of tobacco for the monopoly. In Chapter 3 we see how, from the beginning of the monopoly's operations, contract conditions and prices for leaf tobacco proved to be a point of conflict between the colonial state and the planters. The monopoly tried to repress planter protest but such action was soon replaced by co-optation of the wealthy merchant-planters who finally succeeded in raising the purchase price for their tobacco. The supply of paper was beyond the control of the monopoly bureaucrats and was organized in accordance with Spain's mercantilist policies, which sought markets for its manufactured goods. Dependence upon imports of paper from Spain eventually proved to be an expensive weakness for the monopoly's operations and a contradictory consequence of Spanish colonialism. The conditions of supplies of tobacco and paper resulted in strategies which allowed merchants and private capital to continue to play an important role in the monopoly's operations.

Chapter 4 provides a description of the structure and organization of tobacco production and an analysis of the supply of rural labor, credit, and capital. The chapter examines what influenced the planters' responses to monopoly conditions, what determined their bargaining capabilities, and why the monopoly's attempts to displace merchant financing of tobacco production failed, leaving it with little choice but to agree to conditions demanded by wealthier planters. The discussion of the planters of Orizaba and Córdoba stresses the differentiation among them in terms of wealth and power. Included in the discussion is an assessment of the entrepreneurial behavior of the tobacco planters and the impact of monopoly production upon the structure of wealth and power in the *villas*. The supply of capital by the colonial state to finance the commercial production of tobacco may have created a new class of producers, but the financial role of the state in the long term did not undermine the merchant-planter elite's power. Rather, it contributed to its consolidation.

Part III examines the structure and rationale of the tobacco manufactories, the work regime established by the monopoly administrators, and the responses of the workers. Issues of supply and demand for tobacco products are examined in Chapter 5 as are responses to

production crises. The description and analysis of the manufactories and their economic performance over the long term are used to consider on a wider level the nature of the late colonial economy and the characteristics of preindustrial enterprises. While the state manufactories did not, indeed could not, provide a basis for industrialization, they were not lacking in a rationale. The problems in production after the 1790s were as much a result of conservative fiscal policy as of structural imperfections in the colonial economy. The result was an increasing inability to meet demand, scarcities in the supply of cigars and cigarettes, and an increase in contraband.

Chapters 6 and 7 look at the conditions of labor and provide a profile of the manufactory workers. By the early 1780s, 90 percent of monopoly revenues was derived from sales of cigars and cigarettes on the domestic market (there were no exports of Mexican tobacco). Such an emphasis on manufactured tobacco products created an interdependent relationship between the manufactory workers and the colonial state. The largest tobacco manufactory located in Mexico City employed, at its peak, almost nine thousand workers, both men and women—an extraordinary size for a single manufactory anywhere in the world in the eighteenth century. The work regime of the manufactories and the changes implemented are discussed (alas, much more Thanatos and a lot less Eros in these manufactories, contrary to the popular image of Mérimée's *Carmen!*). Although monopolization enabled the bureaucratic managers to shift from work and wage conditions consonant with premonopoly arrangements to those which reflected and aspired to more rational "industrial" organization, the result was the emergence of a work regime which retained artisanal characteristics and traditions within a system of capitalist manufacture. The inability of the manufactory administrators to impose an effective form of work discipline on the workers raises questions about the paradoxes of labor and its supply in late colonial cities and towns and the working lives of the urban poor.

Chapter 7 provides a more detailed assessment of worker resistance, what angered the workers and why, and what strategies they used to achieve their goals. The analytical sections account for why the workers, given the conditions and situations which they encountered, did not present more of a political problem. In the process, theoretical issues concerning labor resistance, the problems of work discipline, and working class formation are discussed. Existing studies of the manufactories and their workers underestimate the resiliency and corporate strength achieved over the years by the workers through their mutual aid society, the Concordia. In part as a re-

sult of the conditions created by the state, the manufactory workers were able to define and defend their own interests and over the years acquired some influence over the content, pace, and structure of their workplace.

Finally, in Chapter 8, by way of a postscript, the development of the tobacco monopoly between 1810 and 1856 is assessed briefly. The political and economic problems of postindependence Mexico may have increased the problems experienced by the monopoly's new administrators and contributed to its abysmal fiscal performance, but it did not create them—structural problems beset the tobacco monopoly before the insurgency of 1810. A final section examines the costs and consequences of the tobacco monopoly for colonial Mexico.

A study of the tobacco monopoly of Bourbon Mexico shows that its development between 1740 and 1810 was shaped as much by local colonial imperatives and ambitions and the attempt by both workers and planters to protect their interests as best they could, as by the political and economic desiderata of the Spanish Crown. Paradoxically, the monopoly's success proved to be the cause of its problems. The objectives sought by the monopoly managers were not always achieved, as in the case of the merchant-planters, and some of the long-term consequences of the reorganization of the tobacco trade were unintended, as illustrated by the new-found ability of the workers to challenge their regal employer.

"THE WAY TO MAKE MONEY IS TO GET, IF YOU CAN, A MONOPOLY FOR YOURSELF. HENCE WE FIND STATES ALSO EMPLOYING THIS METHOD WHEN THEY ARE SHORT OF MONEY: THEY SECURE THEMSELVES A MONOPOLY."

—Aristotle, *The Politics* ["Some Practical Considerations, Especially on the Creation of Monopoly," Book I, p. xi]