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Introduction

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Introduction

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This issue of *Colonial Latin American Review* contains five examples of current scholarship focused on the economic history of colonial Latin America. For much of the post-WWII era, the field of colonial Latin America economic history benefited greatly from the attention of a broad range of talented historians from Latin America, Europe and the United States, arriving at a high point in the 1970s and 1980s. The field blossomed as excellent primary research was conducted on a wide variety of topics such as demography, silver mining, imperial trade, agriculture, land tenure, peasant economies, and labor. Sometimes driven by social scientists' interests in exploring the roots of poverty, armed struggle and violence in modern Latin America, scholars were especially influenced by Dependency Theory and other Marxist schools.

Historians' interests, especially in the United States, took a cultural turn in the 1990s and while this resulted in the production of a great quantity of superb scholarship, the economic history of colonial Latin America fell by the wayside. The tremendous foundation of scholarship developed in the previous decades was largely abandoned, even by many of those scholars who had been actively pursuing economic history research agendas. With this special issue of *CLAR*, it is hoped that colonial economic history can once again capture the interest, and, more important, attract the scholarly efforts of a new generation of historians. To be sure, there is still a great deal of work to be done. While certainly not a substitute for reading the richly detailed and empirically driven essays contained herein, this brief introduction seeks to highlight some of the authors' findings and conclusions.

Christopher Ebert examines the extremely elusive issue of contraband, focusing specifically on the Portuguese empire. Ebert argues that studies of contraband are necessarily qualitative due to the near impossibility of quantifying trade which was deliberately secretive. But more important still, Ebert shows the complexity of even defining contraband in a world in which the highly restrictive rules were regularly bent or ignored. Despite their exclusion, for instance, British merchants became deeply involved in Portuguese trade, often with the acceptance or encouragement of the Portuguese Crown. British naval ships escorted Portuguese convoys; English-owned vessels sailed under Portuguese flags; English merchants invested in trade

jointly with Portuguese merchants, concealing their participation. Furthermore, British trade factories operated legally in Portugal and Africa, providing ample opportunities to engage in the Brazil trade. Certainly there were English ships that illegally entered Brazilian ports to trade, but Ebert questions their frequency, even pointing out that British merchants connected to the legitimate factory trade sought to enforce the Portuguese monopoly. He concludes that 'it was probably the British merchants who were otherwise 'shut out' of Brazilian trade who attempted this commerce.'

Contraband was not beneficial *a priori*. Employing the logic of New Institutional Economics, Ebert argues that the Portuguese state provided infrastructure, protection, and an institutional environment that benefitted merchants trading 'formally.' Essentially Ebert rejects the common implication that contraband was always economically more appealing to merchants than legal trade. Indeed, legal commerce offered substantial institutional advantages to clandestine trade.

Ebert also reminds us that not all contraband entailed extractions of wealth away from the Portuguese empire. Contraband included intra-imperial trade that contravened existing rules. Opportunities, for example, existed for Portuguese traders to evade taxes on imperial commerce by clandestinely shipping goods in excess of what they registered. Ebert examines in detail the illegal practice of exporting price-controlled manioc from Bahia in order to sell it in unregulated markets in Africa where prices were higher. Shortages of the staple food ensued leading Ebert to point out that those harmed by contraband included the poor, not just the Crown or privileged traders.

In his essay on the slave trade to Río de la Plata during the last five decades of Spanish colonial rule, Alex Borucki emphasizes the 'trading cooperation between the Spanish and Portuguese in the South Atlantic.' Like Ebert, Borucki finds significant economic exchange occurring between the traders of competing empires both within the framework of legal commerce and through the bending or loose interpretation of commercial restrictions. Borucki's study benefits from a tremendously rich data set of transatlantic slave voyages which he constructed by supplementing his own research in multiple archives with rich sources compiled by other scholars.

His wealth of data allows Borucki to elucidate with great numerical detail the substantial slave trade between 1777 and 1812, a period during which 712 slave ships arrived to Río de la Plata. The slave trade had profound impact on the region's demography and labor force, a fact too often ignored given the obviously greater importance of slavery in Brazil. As the author argues, the demand for slaves in Río de la Plata was so substantial that it was, perhaps, even critical to maintaining vibrant the slave trade during the economic downturn faced by Brazil between the fall of the Minas Gerais gold rush and the rapid rise of southern coffee production.

The slave trade to Río de la Plata was unusual in that most slaves arrived to this Spanish colony as reexports from Brazil. To explain the prominent role of Brazilian supply, Borucki points to Atlantic warfare, the inexperience of Spanish slave traders, and the opposition of established merchants in Río de la Plata, all of which made

more practical slave provision from the neighboring Portuguese colony whose African trade networks were highly developed. During the period examined, 60 percent of Río de la Plata's slaves originated in Brazil. Only during the seven year period 1800–06 did more slaves arrive to Río de la Plata directly from Africa.

Portuguese and Spanish merchants eagerly cooperated to meet the Rioplatense demand for slaves. The Spanish Crown's encouragement of the trade to its ports not only provided profits to both but offered opportunities for merchants to transact in other, unsanctioned commodities. In exchange for their human cargos, Brazilian slavers acquired hides and silver, the latter an invaluable medium of exchange for Portuguese trade with China and India. Under the cloak of the slave trade, ships sometimes arrived from Brazil carrying few slaves but a large cargo of other Brazilian wares marketable in the Spanish colony. As Borucki argues, such mutually beneficial exchange suggests 'cooperation' rather than the 'rivalry' between these South Atlantic Iberian colonies.

Few studies of colonial Latin American commodities have attempted to examine the histories surrounding both the place of production and the final markets. Kris Lane's study of the 'strange career of platinum' shows the tremendous value of examining the entire 'commodity chain,' in this case from the extraction of platinum in the Colombian lowlands to its final destination in the scientific laboratories of northern Europe. According to Lane, during the eighteenth century, platinum evolved from 'object of loathing to scientific sensation.' Silvery in color and seemingly unmeltable, *platina* was, initially, inadvertently collected by gold miners in Colombia who sometimes unscrupulously tried to pass it off as low-grade gold. To protect the integrity of gold mining and reduce the rising fraud, colonial officials ordered the bothersome metal discarded, leading it to be dumped in local rivers. By mid-century, however, the intellectual curiosity and scientific experiments of natural scientists in European centers had begun to rehabilitate *platina*. While platinum's use and value had not yet been determined, the king now encouraged its collection, magnanimously presenting this exotic commodity extracted from his dominions to the subjects of neighboring kingdoms.

Through the lens of platinum's changing evaluation, Lane explores the intellectual environment of Europe 'in an age torn between calculative reason and baroque social constraints.' In Lane's analysis, platinum becomes a commodity that embodies this conflict between the traditional and the modern. Platinum was mined by slave laborers in inhospitable, disease-infested, tropical lowlands. Its marketing inhibited first by Spanish protectionism and then by Crown monopoly, these same slaves sold it illegally to foreign contrabandists, often slave traders themselves, acquiring silver with which they hoped to use to purchase their freedom. The platinum itself was, at first, of unknown use and undetermined value. While such anachronistic practices surrounded the history of platinum in America, European intellectuals were celebrating modernity and the scientific accomplishments of the Age of Enlightenment. Employing modern scientific methods to their assessment of platinum, natural scientists made important discoveries, pronouncing platinum a new element and

uncovering practical uses, establishing the value of this product once so despised. Platinum thus bridged these two worlds, north and south; in an ironic twist, Lane points out that enslaved laborers in Colombia had contributed to scientific advancement in Europe.

Xabier Lamikiz sets his sights on the functioning of the *flota* to Veracruz, seeking to uncover how regulated commerce actually affected individual merchants in the last years of the seventeenth century, especially the ways in which they responded commercially to the endemic risk and uncertainty of long-distance trade. One of the central questions driving Lamikiz's essay is why the *flota* managed to survive for so many centuries if, as is customarily argued, it was so tremendously inefficient. Lamikiz argues that most studies of the *flota* have examined the role of the *consulado* or the politics surrounding the *flota*, and by taking such a macro-focus, they have missed the individual behavior of merchants involved. To be sure, the *consulados* were instrumental in shaping the *flota* and the corresponding *ferias*, but in the end, merchants were on their own; they were individual and competing actors. Lamikiz moves beyond this 'corporatist' perspective to examine the actual behavior of the *flotistas*. To acquire this micro-level perspective, Lamikiz utilizes a treasure trove of mercantile correspondence dating from the late seventeenth century, especially letters received by the merchant Pedro de Munárriz from various of his associates within the Spanish empire between 1699 and 1701.

The picture of long-distance commerce that emerges from Lamikiz's analysis of the correspondence is one of substantial risk. Importers faced difficulties selling their merchandise in Mexico often failing to unload large portions; merchandise sold often required the extension of credit and the onerous task of debt collection. Markets were frequently oversupplied and local merchants underfinanced. To manage these obstacles, merchants depended greatly on their networks of agents with whom they kept regular correspondence, seeking advice on extant prices or the creditworthiness of potential consumers.

Historians often cite the prominence of contraband as competition for the *flotistas*. Indeed, Ebert, Borucki, and Lane all point to the role of contraband in circumventing restrictions in the commercial circuits they examine. Lamikiz, in contrast, notes with some surprise that in all of the letters he consulted, there was only one mention of foreign contraband. And the long-distance traders he examines would likely have been the first to complain. Despite the absence of contraband, these merchants still faced stiff competition from the other *flotistas* who had imported their wares to Veracruz. Lamikiz shows the tremendous value of looking at the mercantile strategies of the individual merchants engaged in the *flota* rather than focusing exclusively on the system as a whole. Traders' individual experiences were diverse and by no means universally rewarding.

Exploring similar questions to Lamikiz, my own article explores the centrality and limits of communication between merchants in the Atlantic empire in the late eighteenth century. Information was the lifeblood of merchants, governing their every action and every commercial decision. To reduce the inherent riskiness of

long-distance trade, Spanish merchants engaged widely in correspondence with fellow traders and agents in every corner of the Atlantic world. Just as Ebert and Borucki point to the mutually beneficial cooperation between merchants from seemingly antagonistic empires, the extensive correspondence of Cadiz merchants like Francisco de Sierra with traders in England, Holland, France, Italy and elsewhere shows that merchants' interests and collaboration transcended borders and crossed imperial lines. Dutch and English trading houses found ways to continue to correspond and transact with their Spanish counterparts even during times of war.

Commercial decisions were influenced by a host of factors, making merchants' access to good information critical. Long-distance trade was inherently risky and while even the best and most up-to-date information did not eliminate risk altogether, it did help to reduce the uncertainty under which merchants were forced to operate. Correspondence between traders provided minute detail about changing market demands or shifting consumer tastes. Even the most diligent efforts to match supply with existing demand, however, proved difficult; merchandise often arrived to distant ports only to sit unsalable due to the oversupply of local markets. Evolving political circumstances also shaped mercantile behavior, encouraging correspondents to discuss the latest international or diplomatic affairs. Warfare proved catastrophic to long-distance merchants; learning promptly of the outbreak of hostilities allowed traders to adjust their commercial conditions, and, with hope, prepare themselves to more easily weather the interruption of exchange. To remain reliably informed, merchants sought trusted correspondents in all of the principal ports in which they did business. Despite their concerted efforts, however, the great distances and slow movement of mail service meant that merchants' decisions were reached under conditions of great uncertainty. My essay in general argues that much of the commercial behavior of early modern merchants should best be understood as attempts to overcome the pervasive uncertainty.

The five essays in this special issue show how much work remains to be done on colonial economic history despite the tremendous scholarship of previous decades. If these essays can be considered typical of the new and emerging scholarship on the colonial economy, then several aspects distinguish them from the general historiographical trends of the 1970s and 1980s. To some degree, the articles contained within are less theoretical than those of the previous generation. As noted, some of the central paradigms shaping earlier works seem absent in these essays. At the very least, the dominant paradigms have changed. The works of Ebert, Borucki, Lamikiz and myself are influenced by the field of New Institutional Economics, most closely associate with the works of Douglass North. Lane's essay is a wonderful example of 'commodity chain' history and shows the rewards of examining both producing and consuming markets.

Another characteristic of this economic history is its broad geographical focus, its attempts to move beyond the level of empire. Ebert and Borucki emphasize the transcending of imperial borders in the commerce of Portugal and Rio de la Plata respectively. My essay demonstrates the regularity and importance of commerce and

correspondence between merchants of competing empires. Lane illustrates the commercial and intellectual interplay of the Spanish and English worlds. While his work is more geographically narrow than the others, had it not been for English corsairs having seized a Spanish vessel, Lamikiz would never have had access to the rich correspondence of Pedro de Munárriz. The global character of these essays, perhaps, demonstrates the growing influence of Atlantic world history. Indeed, these articles and this special issue of *Colonial Latin American Review* must be seen as contributing to this blossoming field.