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Jeremy Baskes, *Staying Afloat: Risk and Uncertainty in Spanish Atlantic World Trade, 1760-1820*

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Book Reviews

Staying Afloat: Risk and Uncertainty in Spanish Atlantic World Trade, 1760-1820. By Jeremy Baskes. (Stanford: Stanford University Press, 2013. xiv + 393 pp. Tables, graphs, notes, bibliography, index. \$70.00 cloth.)

Staying Afloat presents a significant analysis of Spanish colonial trade by emphasizing the role of risk in shaping commercial behavior during the heavily regulated pre-1778 era and the epoch of free trade that followed. Jeremy Baskes combines a substantial knowledge of economic theory with the effective use of Cádiz *consulado* (merchant guild) records, housed in the Archivo General de Indias in Seville, to advance a convincing argument that managing risk was the primary concern of merchants engaged in transatlantic trade and that many of the Spanish commercial practices familiar to scholars must be understood within the context of risk. Themes analyzed in the book include how merchants responded to poor and insufficient lines of communication, the use of the convoy system to mitigate risk, the substantial growth of commercial risk following the promulgation of free trade in 1778, the problems of credit and debt collection, and the risks associated with conducting trade during wartime. In addition, the volume provides an extensive analysis of the performance of the Cádiz maritime insurance industry in the late eighteenth and early nineteenth centuries.

Historians of the *Carrera de Indias*, the convoy system employed by Spain, have emphasized its monopolistic qualities and have described the merchants involved in the system as taking advantage of those monopolistic qualities to extract inordinate profits. Baskes successfully challenges this interpretation by presenting substantial evidence to demonstrate that the collusion required to extract monopoly profits was impossible, given both the number of merchants that participated in the fleet trade and the fact that none of them possessed sufficient market share to manipulate prices. Much of this analysis can be found in Chapter 3, which also contains a useful discussion of how the Spanish convoy system compared to the operation of Dutch and English joint-stock companies. It concludes that, similar to those companies, the convoy system reduced market risk, albeit less successfully in comparison, by regulating the flow of goods and producing a modicum of balance between supply and demand.

In Chapter 4, Baskes discusses the impact of the implementation of *comercio libre* (free trade) on market risk, and argues that the dismantling of traditional commercial institutions led to increased uncertainty in the market, resulting in frequent gluts and a spate of bankruptcies. It also includes a revision of the historiography surrounding the degree to which imperial trade increased after 1778, especially regarding the reliability of the calculations of John Fisher and Antonio García-Baquero. Chapter 5 details an increase in risk during the era of free trade associated with credit. Focusing primarily on

Mexico, though providing examples from elsewhere in the empire, Baskes describes how the liberalization of trade forced merchants, once their goods arrived in the colonies, to become increasingly reliant on extending credit to traders of modest means in order to dispose of their wares. Many of these debts subsequently proved impossible to collect, making the already risky enterprise of transoceanic commerce even more uncertain in the era of free trade.

The final section of the book, Chapters 7-9, analyzes the profitability and trajectory of the Cádiz maritime insurance industry in the late eighteenth and early nineteenth centuries. Chapter 7 utilizes the charters filed by each firm with the Cádiz *consulado*. Chapter 8 analyzes roughly 800 insurance policies issued in Cádiz, including a multiple regression analysis evaluating which risk factors had an impact on insurance premiums (distance of travel, insured value, type of item insured, etc.). Altogether, this section persuasively demonstrates that while the industry initially flourished in the 1780s, the warfare that erupted in the 1790s inflicted losses and risks too heavy for the underwriters to bear.

Staying Afloat makes substantial contributions to the growing historiography on Spanish colonial trade by focusing on the role of risk, and it clearly merits attention from scholars of Spanish colonialism and economic history. The material presented is also accessible to non-specialists and would certainly be appropriate for assignment in an upper-division undergraduate course.

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Bolívar: American Liberator. By Marie Arana. (New York: Simon and Schuster, 2013. 603 pp. Map, illustrations, notes, bibliography, index. \$35.00 cloth.)

In her new biography, Marie Arana tries but ultimately fails to overcome the supreme challenge facing anyone who attempts to write the life of the Liberator: resisting the appeal of the "Great Man." Even at a distance of almost two centuries, the most careful, empirical, and detached of scholars is forced to work largely within the context of the bloated legend that has surrounded Simón Bolívar since his death in 1830, a mythology that has been constructed by sycophants and detractors alike. While her research is thorough and dedicated, Arana does not pretend to be dispassionate, noting that her interest in Bolívar emerged during her youth in Lima, Peru, as she daydreamed before the portraits of her ancestors who fought on both sides in the wars of independence. While Arana, who has made a distinguished career for herself as a journalist, memoirist, and novelist, strives for objectivity, she is clearly an