

14. THE MONEY PLANT: THE ROYAL TOBACCO MONOPOLY OF NEW SPAIN, 1765 – 1821

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I.

In a recent review article John Fisher posed the question of whether or not

...the Bourbon reforms tend to bewitch all who study them. Did they really comprise the smooth, coherent, masterly program of imperial change and revival that generations of commentators, from the very imperial policy makers of eighteenth century Spain to the researchers of today have identified? Might they not be more realistically depicted in terms of a halting, uncertain, inconsistent desire for imperial modernization and centralization, characterized more by delay, contradiction and obstruction than by decisiveness?¹

It is a question well worth asking but one which still awaits a satisfactory response. Certainly in the following analysis of the Royal Tobacco Monopoly of New Spain, evidence presented can only be used to support the traditional view of the Bourbon reforms. The monopoly's administration and management illustrates not just the organizational capacity of the Bourbon reformers but the lengths to which they were prepared to go to ensure its success in producing revenues for the Spanish crown. Behind those revenues, however, lies a hitherto virtually untouched history of how the establishment of the monopoly affected New Spain and those individuals caught in the changes it wrought.² Emphasis will be placed on two groups affected by the imposition of the monopoly: the tobacco growers and the *cigarreros* (private tobacco store owners). Before examining what happened to these groups a brief look at the background to, and fiscal structure of the Tobacco Monopoly is in order.

The monopolization of tobacco in New Spain came relatively late compared to other Spanish American colonies. A formal monopoly had been established in Cuba in 1717, in Peru by 1752 and in 1753 Chile and La Plata were added to the Peruvian jurisdiction. Venezuela, Guatemala, Costa Rica and Nueva Granada joined the group in 1778, thirteen years after it had been established in New Spain. Monopolies were established in the Philippines in 1782 and Puerto Rico in 1783.

The Visitor General, José de Gálvez, had always supported the idea of such a monopoly in New Spain and was only too well aware of its revenue potential. Writing to the Viceroy in 1766, he commented:

Muchos son los millones que perdió la Corona en tantos años que ha corrido el tabaco por toda la América Española como género de libre comercio. Mas de un siglo ha que el Venerable Dn. Juan de Palafox aconsejó al Conde de Salvatierra ... que se estancara el tabaco ... pero ha sido, tal la desidia de los que han gobernado estos Dominios distantes del Trono, que, ó no pensaron en los asuntos más importantes, ó se finixieron dificultades que nunca hubo.³

Reluctance to establish a monopoly can be partially explained by a fear of hostility on the part of vested interests.

Yet those fears and objections were superseded by a greater threat – possible defeat at the hands of the British. Military reform was necessary and the costs of raising regular and militia units in New Spain made the imposition of new taxes imperative as did the general war effort of the peninsula. Since tobacco was deemed to be a substance unnecessary to sustain human life, the creation of the monopoly was judged to be the fairest and least burdensome way of generating new revenues. The Crown's decision was made public in two royal decrees of December 14, 1764 and January 18, 1765.⁴ Profits received from the Tobacco Monopoly along with those from the playing card and quicksilver monopolies were to be placed into the *masa remisible* and shipped directly to Spain. Production was for the domestic market only.

Designed to secure control over tobacco and tobacco products throughout the colony, the monopoly was placed in the hands of a professional, salaried bureaucracy. The Viceroy, acting as President of the Junta de Tabaco, met and conferred periodically with the members of the General Directorate. All policy decisions were taken at this level. Selection of personnel was the responsibility of the General Directorate, accounts and finance were administered by the *Contaduría* and *Tesorería* sections. Bureaucrats were paid fixed annual salaries while other employees such as the members of the *Resguardo* units were paid fixed daily wages. By 1790 there were an estimated 17,256 individuals employed and paid by the monopoly.⁵

By 1810 New Spain provided three quarters of all profits received from the Spanish colonies. The contribution made to those profits by the sale of tobacco was substantial and, after silver, was probably the most lucrative source of revenue to which the Spanish Crown had access. As

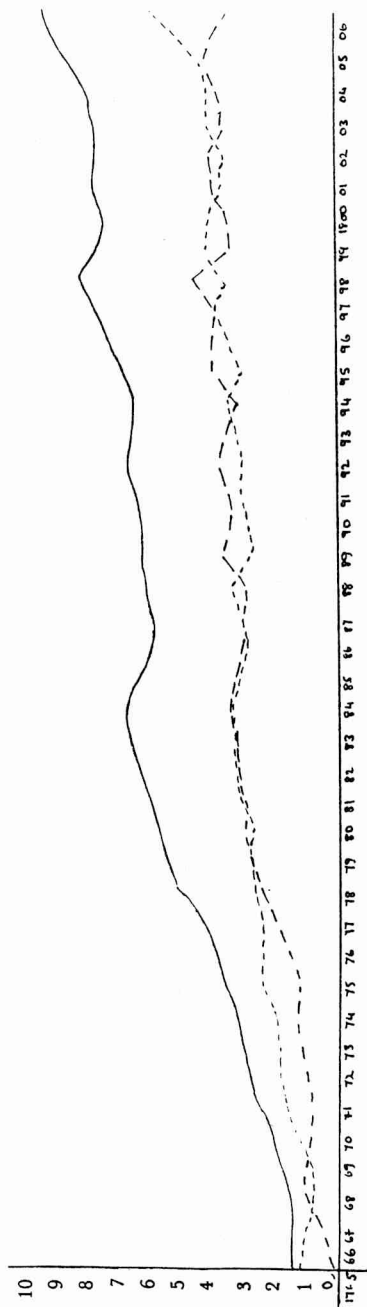
can be seen from Graph I, using current pesos (nominal) total receipts from the monopoly followed a secular upward trend to nine and one half million pesos by 1809; profits grew steadily until 1799 when the trend seemed to stabilize at between three and one half and four million pesos. It should be noted here that state management of the tobacco industry was not apparently as efficient as that of private control – one estimate of the values of tobacco sales in 1748 for all of New Spain was placed at 12,348,000 pesos.⁶ In order to express the value of these receipts, however, in terms of their purchasing power, the data have been deflated by an index of maize prices based on Florescano's Mexico City figures. The deflated data (Table I, Graph II) show that the highest point and longest period of sustained increase in the value of tobacco receipts occurred by 1792 when total receipts reached nine million pesos and stabilized thereafter at around seven million pesos; profits reached their peak of five million pesos in 1792, thereafter fluctuating between three million and four million pesos. Hence, in real terms, the high point of fiscal returns from tobacco occurred well before 1809 although the income from the sale of the tobacco products remained substantial until the outbreak of the insurgency in 1810. Not surprisingly, the most lucrative administrations were Mexico City and its environs (Querétaro came under its jurisdiction), Valladolid and Guadalajara.

Throughout the period, the General Directorate was concerned to keep prices of tobacco products at a reasonably moderate level in order to avoid encouraging contraband. Nevertheless, prices were increased twice – in 1777 and 1800. Until the first increase consumers could purchase a pack of *cigarros* containing between forty-two and sixty *cigarros*, according to the quality, for one half real. *Papeles de puros* (packs of cigars) containing between six and sixteen *puros*, again depending on their class, could also be purchased for one half real. With an eye to reaching all types of consumers, certain types of *cigarros* could also be sold in sets of twelve for one tlaco (there were five tlacons to one half real).⁷ Leaf tobacco was sold at six reales per pound in the General Administration of Mexico but at seven and one half reales in Chihuahua. After 1777, however, this price of leaf was standardized throughout the colony at eight reales per pound. The price of *cigarros* and *puros* was then increased by reducing the quantity contained in each packet. The number of *cigarros* ranged between thirty-six and forty-eight per pack and between five and fourteen per pack of *puros*. After 1800, leaf sold at ten reales per pound, *puros* remained the same, *cigarros* were now sold in packs containing between forty-two and thirty

GRAPH I: The Royal Tobacco Monopoly of New Spain, 1765 - 1809

a. Current Pesos

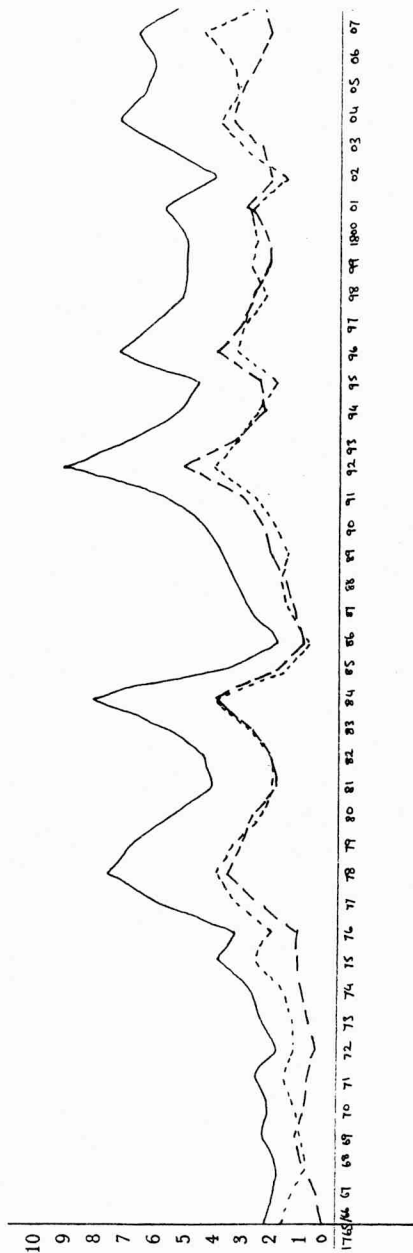
— Total Receipts
 Total Costs
 - - - - - Net Profits



GRAPH II: *The Royal Tobacco Monopoly of New Spain, 1765 - 1809*

b. Constant Pesos

— Total Receipts
 Total Costs
 - - - - - Net Profits



for one half real.⁸ It should be noted that although the cost of tobacco products to the consumer increased, the cost of leaf tobacco purchased by the crown did not. The ability of the General Directorate to maintain the same purchase price of tobacco from the growers for almost forty years is crucial to an understanding of the fiscal success of the monopoly. This is one of the issues with which we shall deal in the next section.

TABLE I: *Total Receipts, Costs of Production and Net Profits of the Royal Tobacco Monopoly, 1765 - 1809 (Current and Constant Pesos)*

YEAR	TOTAL RECEIPTS		TOTAL COSTS		NET PROFITS	
	Nominal	Deflated	Nominal	Deflated	Nominal	Deflated
1787	5,957,720	2,984,531	3,036,655	1,521,218	2,921,065	1,463,313
1788	6,243,183	3,463,298	3,336,942	1,851,111	2,906,241	1,612,187
1789	6,293,182	3,910,922	2,682,971	1,667,343	3,610,211	2,243,579
1790	6,235,315	4,404,715	2,837,349	2,004,344	3,397,966	2,400,372
1791	6,485,627	5,939,763	3,058,789	2,801,345	3,426,838	3,138,417
1792	6,705,635	9,260,648	2,991,004	4,130,650	3,714,632	5,129,999
1793	6,684,864	6,811,559	3,258,772	3,320,534	3,426,092	3,491,025
1794	6,526,352	5,288,711	3,417,540	2,758,973	3,108,812	2,509,738
1795	6,975,463	4,662,743	3,039,864	2,031,995	3,935,599	2,630,748
1796	7,336,540	7,527,747	3,400,312	3,488,931	3,986,228	4,090,117
1797	7,660,350	6,271,265	3,847,000	3,149,406	3,813,350	3,121,858
1798	8,251,574	5,220,202	3,711,778	2,348,186	4,539,796	2,872,016
1799	7,521,621	5,297,289	4,125,232	2,905,298	3,396,390	2,391,992
1800	7,433,159	5,145,479	4,020,559	2,783,164	3,412,600	2,362,315
1801	7,825,914	5,978,087	3,832,079	2,927,262	3,993,834	3,050,824
1802	7,686,835	4,006,064	3,594,205	1,873,152	4,092,630	2,132,911
1803	7,747,529	5,558,817	4,196,914	3,010,915	3,550,615	2,547,252
1804	7,910,719	7,493,339	4,125,747	3,908,068	3,784,972	3,585,272
1805	8,599,624	6,531,691	4,352,379	3,305,772	4,274,345	3,246,502
1806	9,116,393	6,141,466	5,255,066	3,540,195	3,861,327	2,601,272
1807	9,417,205	6,832,478	6,287,483	4,561,767	3,129,781	2,270,755
1808	9,061,468	5,214,333	4,613,982	2,655,071	4,447,486	2,575,014
1809	9,558,698	5,126,682	5,978,748	3,206,623	3,579,950	1,920,059

Source: Fonseca y Urrutía, *Libro de la Real Hacienda* Vol. VII; Relaciones Generales for years 1790 - 1809, extracted from various volumes of the Ramo de Tabaco, Archivo General de la Nación, México; E. Florescano, *Precios del maíz y crisis agrícolas en México 1708 - 1810* (México, 1969). Base years for the maize price index: 1726 - 1742 = 100.

II.

Apart from the creation of the extensive administrative machinery which provided the base of the monopoly operations, three major steps were taken to ensure complete control over tobacco: the restriction of tobacco cultivation, elimination of the *cigarrerías* and the erection of the state tobacco factories and *estanquillos* (monopoly tobacco stores). Not all were achieved at the same time and, as we shall see, the Spanish Crown was not in complete control of income from sales of tobacco until 1775.

In 1765, merchants and dealers throughout New Spain were required to declare all their tobacco stocks and sell them to specially appointed officials representing the new monopoly. Cultivation of tobacco was henceforth declared illegal with the exception of that grown in what is today the state of Veracruz. More specifically, the area chosen encompassed the *villas* of Orizaba, Córdoba, Huatusco and Zongolica. Prior to the monopoly, tobacco was grown as a cash crop mainly in Guadalupe, Puebla and Oaxaca. Very little is known as to actual numbers involved and the real impact of the monopoly prohibition for these growers. Evidently whatever protests were made by these growers fell on deaf ears. The advice was to convert to other crops. A less acceptable alternative as far as the Spanish Crown was concerned was, of course, contraband. Given the efforts put into eliminating clandestine cultivation of tobacco, some growers found contraband a viable option.

The areas in Veracruz were chosen partly for the quality of the tobacco produced there and partly for the relative ease with which illegal cultivation could be controlled by reason of the geographical features of the region. By 1803 the Intendancy of Veracruz covered 4,141 square leagues and had a population of 156,000, a ratio of approximately thirty-eight inhabitants per square league.⁹ Such a low population created an enormous obstacle to the development of urban centers, commerce and local artesan crafts in view of the lack of sustained demand from local markets. Veracruz remained throughout the colonial period a region dependent upon its agricultural products, most notably vanilla, sugar, cotton, maize and tobacco. Sugar and tobacco were the major crops of the growing zone prior to the implementation of the monopoly. In order to take a closer look at the tobacco growers, emphasis will be placed on Orizaba as it is impossible to deal with all four areas in this paper.

Towards the end of the seventeenth century tobacco had slowly begun to displace sugar as the dominant cash crop of Orizaba. By the early 1700's Orizaba had gained fame as one of the most important tobacco-producing regions of the colony. A wide-leaf plant was cultivated (of the species *Nicotiana Tabacum*) which produced a good, aromatic tobacco. Thus, since a shift had occurred away from sugar to tobacco almost fifty years before the monopoly, the Spanish Crown simply accelerated a trend that already was under way.

While tobacco growers in Guadalajara wondered how to make their future living, the growers in Orizaba contemplated their new situation. Instructions were given that *diputados* (representatives) were to be elected from the *común de cosecheros*. These had to travel to Mexico City where, theoretically, they negotiated with the General Directorate for satisfactory prices at which they would sell their tobacco to the monopoly. The relationship between the monopoly and the growers was carried out via a contract system. Such contracts stipulated prices, conditions of delivery, packaging, deductions to be made for waste and shrinkage and the duration of each contract. The General Directorate decided how much tobacco had to be produced in order to satisfy the needs of the domestic market. Licenses were issued to each planter who had agreed to the new contract stating how many *matas* (plants) he had been allocated. The eventual amount was a compromise between how many *tercios* of tobacco the General Directorate required, how many growers wished to contract and the production capacity of each.¹⁰ Growers were then bound by these conditions. Excess cultivation of tobacco by growers above their license allocation was treated as contraband activity. After delivery at the monopoly warehouse in Orizaba, each planter's *tercios* of tobacco were weighed, evaluated and, after deductions such as the *alcabala* (6 percent) and *diezmo* (8 percent), he received a cash payment. For its part, the monopoly represented a guaranteed buyer and, of far more significance, it advanced to the planters interest-free credit to help cover costs of production.¹¹ It seems that this was done in order to ensure that the required production levels were met by the growers. Left to their own resources, apparently, the majority would have been unable to increase the quantity of tobacco cultivated. Writing to the Viceroy in 1764, the man who was to become the first Director General of the monopoly, Jacinto Espinosa commented:

...los labradores cosecheros y rancheros que se ocupan y emplean en la siembra y cultivo de tabacos en Orizaba y Córdoba ... son pobres y que piden a los Hacenderos y marchantes algun dinero para el havio de sus gastos de

siembra ... por lo que se hace preciso e indispensable se les proponga y asegure que por cuenta de la Real Hacienda se les subministran y anticipara el mismo havió que antes ... en dinero efectivo y no en otras especies....¹²

Another adviser to the General Directorate, Don Antonio Carlin, observed that prior to the monopoly few growers cultivated more than 30,000 or 40,000 *matas*. Considering that by the beginning of the 1770's 100,000 *matas* was to be the average number planted by many growers with some receiving licenses to plant 5,000,000, then clearly an intensification of cultivation was under way.

Any illusions that the deputies elected by the growers could influence the contracts drawn up were soon destroyed. By 1772 they were refusing to agree to further contracts until the prices offered by the monopoly were increased. Indeed, in 1777 the deputies and the *común de cosecheros* were abolished. The growers found themselves unable to bargain. In 1765 prices for tobacco were set at three and one fourth reales a pound of first grade tobacco, two and one half reales a pound of second grade, one real a pound of third grade and *punta* was to be purchased at twenty-four reales an arroba.¹³ Gálvez, the Visitor General, furious that the prices had been set so high, at least by his standards, declared that they must be reduced. Thus, the second contract drawn up in 1767 stipulated that the prices for first, second, third grade tobaccos and *punta* were to be set at three reales, two reales, one real and twenty-four reales respectively. Between 1765 and 1810 fifteen major contracts were drawn up and agreed upon despite continuous and severe conflict between the growers and the monopoly. Prices were always the central point of contention. On two occasions planters complained that it was simply not worth their while to continue growing tobacco at the prices offered and that there was no point in signing a contract. On both occasions the monopoly, with royal approval, took the same action. The General Directorate ordered the *Factor* of Orizaba to buy up or rent as many tobacco *ranchos* as possible so that the Crown could cultivate its own tobacco, thus bypassing the recalcitrant planters. Shortages of tobacco were to be met by imports from Cuba and Louisiana. Both options proved extremely costly to the crown, but they served their purpose. The growers eventually submitted and accepted the prices offered by the monopoly. By 1810 they were still being paid the same prices stipulated in the 1767 contract (with the exception of *punta* which had been lowered to twenty-two reales per arroba). Moreover, following the abolition of the *común de cosecheros* and dissolution of general contracts

(a temporary measure) those growers who contracted individually did so at lower prices still – two and three – fourths reales, one and three – fourths reales, one real for first, second and third grades, and twenty – two reales per arroba of *punta*.¹⁴ Thus most growers eventually faced a fall in real income during the inflationary years of the late eighteenth century as costs of labour and basic necessities increased, a situation which was acknowledged by the Director General.¹⁵ Yet for whatever reasons, economic, political or a combination of both, the growers continued to supply the monopoly with tobacco during the chaotic period between 1810 and 1821, often without receiving full payment for the value of their tobacco.¹⁶

Given the paucity of information concerning the tobacco trade and planters prior to 1765, any comparison between pre – and post – monopoly situations is rendered extremely difficult. The best that can be done at the moment is to take a brief look at the planter group of Orizaba.

One advantage of the contract system and licensing of growers was that those growers known as *los cosecheros verdaderos* were given preference when the tobacco quota was allocated between the planters. Partly to prevent an influx of potential tobacco growers tempted by the thought of interest – free credit, those individuals known to have made their living from growing tobacco prior to the monopoly, especially those with their own *ranchos* and equipment were permitted to request their preferred quantity of *matas* first. The monopoly, of course, did have a vested interest in this. Subsistence farmers with few tools and even less skill at growing tobacco were not in a position to produce high quality tobacco which satisfied the consumer. At the same time, a limit on the number of growers who could contract meant that growers were more likely to receive the quantity of *matas* requested. Only when their allocations had been made and if a quantity remained to be distributed would new growers be allowed to contract. Thus, a distinction can be made between a core group of planters, *los cosecheros verdaderos*, and the rest of the growers who were far less stable in their composition. While the former group generally grew tobacco every year, the latter were a mixture of what appears to be a floating rural migrant group, and local subsistence farmers who grew tobacco when it was convenient to do so. Thus determination of how many growers were involved is not a simple exercise.¹⁷

If the numbers are measured by the quantity of licenses issued, then we get the following range of figures:

Year	Number of Licenses Issued
1769	228
1774	200
1788	236
1789	290
1790	133
1795	227
1799	159

However, if the *aviados* of certain planters are added then the numbers increase. For the year 1789, for example, by adding the total number of *aviados* the number becomes 575. Conversely, the numbers are reduced if the amount of harvests delivered to the monopoly warehouse is taken as a measurement:

Year	Number of Harvests Received
1769	90
1774	138
1789	129

The discrepancies can be accounted for, in part, by poorer growers selling their tobacco to wealthier growers after cutting the leaf since they could not afford to dry and cure their tobacco. A different set of figures is presented altogether if the numbers of planters receiving credit is taken as a measurement as to how many individuals were involved.¹⁸

Year and Number of Growers Receiving Credit

1792	83	1799	56	1806	126
1793	70	1800	58	1807	148
1794	76	1801	56	1808	176
1795	65	1802	104	1809	176
1796	61	1804	82	1810	114
1798	60	1805	69	1811	110

Thus, for the moment, it seems as though the core group had a numerical range of between 50 and 150.¹⁹

The credit advanced by the monopoly was not given to everyone. Planters had to be able to provide a suitable *fiador* and/or security against any credit borrowed. Restrictions were imposed on the use of monopoly credit to prevent it being invested in other interests. An overall amount was decided depending upon the quantity of plants a grower had to cultivate. The amounts and names were entered into *registros de créditos*. Amounts allocated were generally divided into two parts, the first to cover costs of growing the tobacco, the second to cover its *beneficio* (curing, drying and packing). Money for the latter operation was not delivered until monopoly officials, namely the *Factor* and the Inspector General, were satisfied that the first credit quota had been used for its correct purpose.

Much of the credit advanced went to pay labour costs. One crucial feature to remember about tobacco is that it was (and is) a labour intensive crop. There was always a high demand for *tabaqueros*, especially skilled ones. Effectively, these workers could determine the quality of a planter's crop. Knowing when to cut the leaves, and how to cut them correctly was a skilled operation. Cutting too high, too low and too soon could mean the difference between a crop with a high proportion of a high grade leaf, as opposed to one with predominantly low grade leaf. *Cuadrillas* of Indians were brought in from the surrounding pueblos to perform a variety of tasks. Workers were needed for the preparation of seed beds, transplanting, weeding, topping, suckering, cutting, stringing and hanging the leaves, sorting and packing. Those planters who employed *operarios* on their tobacco *ranchos* paid them between two and three - fourths reales and three reales per day (with or without food depending on the task).²⁰ By 1800 growers were complaining that costs of labour had risen to between three reales and four reales per day.²¹ Competition for skilled workers undoubtedly exercised an influence on rural wages, but so did competition between tobacco growers and sugar *hacendados*. It was not simply a question of a shortage of skilled tobacco workers but of workers in general. Commenting on the problems faced by tobacco growers, Antonio de Sobrevilla observed that the *gente operaria* constituted the greatest cost, not just for the *jornales* but for the money which remained owing to the growers from workers who ran away or died. Costs were increased further by having to pay people to search for and bring back recalcitrant *operarios*.²²

Any idea that the tobacco growers were akin to a homogeneous group of yeoman farmers is firmly dismissed by looking at the following two

examples: In 1779 the total value of tobacco *cosechas* in Orizaba amounted to 240,085 pesos. Of that amount 5 1/2 percent of the total number of growers paid, received 40 percent of the value of the crop with three growers receiving 61,942 pesos, 22,366 pesos and 11,303 pesos respectively.²³ In 1792 the spectrum of payments included Manuel José Hernández who received ten pesos from a crop worth 360 pesos after credit and other deductions had been made; Don Felipe Torres received 331 pesos from a crop worth 3,531 pesos, while Da. Bernarda Rendón received 21,416 pesos from her crop valued at 36,000 pesos.²⁴

The differentiation of the planter group implied by these two examples is borne out if we take a closer look at the growers. Based on planter cultivation profiles the pattern of differentiation which emerged between the growers can be roughly described as follows:²⁵

1. an "elite" core of wealthy growers, the merchant - planters;
2. a middle group, ranging from prosperous to poor *rancheros*;
3. a marginal but ever - present group of subsistence farmers, the *pegujaleros*.

The first group tended to be wealthy Spanish merchants for whom tobacco was one of several economic interests. Often holding political posts they were more likely to live in the *villa* of Orizaba rather than on tobacco *ranchos* which they owned or rented. They employed *mayordomos* to look after their tobacco crops and were *aviadores* for the bulk of the Indian growers and poor creole or mestizo planters. For 1789/90, for example, one of the most outstanding tobacco planters of Orizaba, Don Antonio Montes Argüelles had thirty - eight creole and mestizo *aviados* distributed throughout the jurisdiction of Orizaba. He was also *aviador* to 358 Indians of the Sierra de Tequila and forty - eight Indians from Tomatlan. On average, however, the number of *aviados* was much lower, varying from one to fifty.²⁶ These planters generally cultivated between 600,000 and 5,000,000 *matas*. Argüelles is typical of this group. A peninsular Spaniard, he was a *regidor* of Orizaba. His house in the *villa* was valued at 20,000 pesos. He owned two *boticas* and a general store valued at 30,000 pesos. His bulls for the *abasto de carne* of Córdoba and Orizaba were valued at 75,600 pesos and his tobacco *ranchos* (including stock) were worth 18,000 pesos. At the time of his death his total estate was valued at 283,600 pesos, 138,788 pesos after payment of debts.²⁷ So also, by 1810 Don Francisco Florentino Avila

owned six houses, a *tienda de comercio*, two tobacco *ranchos* (valued at 6,000 pesos). His goods and properties were worth 56,800 pesos. Don Domingo Piñeiro, Spanish, also by 1810 owned four houses, three tobacco *ranchos*, and 150 mules, collectively worth 51,268 pesos.²⁸ Clearly these individuals were not solely dependent upon income received from the sale of their tobacco crop. They could withstand bad years when the value of a harvest was low.

The second group constitutes the majority of the core group of growers. These medium to small-scale planters were generally creole or mestizo *rancheros* (the majority were probably *arrendatarios*).²⁹ They were likely to live on their *ranchos*, have a few *aviados*, and cultivate between 100,000 and 500,000 plants. They generally owned livestock ranging from sheep to bulls. Values placed on *ranchos* which were owned by various planters ranged between 300 pesos and 3,000 pesos. The main difference between this group and the previous one was that they were much more vulnerable to fluctuations in the tobacco harvest, this crop being their major source of income. It should be noted here that one of the problems facing a grower was that, if he borrowed a certain amount of credit based on an estimated value of his crop he ran the risk of finding that he could just about pay off the credit and other deductions. No adjustments were made for bad harvests, prices could not be increased. The margin between profit and loss could be very thin indeed.

The third group, the *pegujaleros*, according to the Commander of the *resguardo*, can be divided into two categories: Those individuals who owned their *ranchos* and who knew no other profession than that of growing tobacco, and those of no fixed domicile who requested licenses at the time of the allocation of *matas*, generally cheated their *aviadores* and were a major source of contraband for dealing in tobacco leaf.³⁰ Generally mestizo or Indian (occasionally mulatto), they tended to cultivate between 6,000 and 60,000 plants.

The *pegujaleros* were a source of contention between monopoly officials and the tobacco growers. In the light of restricted quantities of tobacco to be harvested each year, the more growers there were the less number of plants were available for allocation. The wealthier growers argued that the *pegujaleros* were too poor to produce high quality tobacco. The Crown responded that if such people were not permitted to cultivate tobacco they would have no means of earning an income. The *Factor* of Orizaba, Mendiola, a candid individual, observed drily that "above all else they (the *pegujaleros*) are the reserve body upon which

the Renta counts against the threats of the tobacco growers."³¹

Certainly by the first decade of the nineteenth century this pattern of differentiation within the core group seems to have established itself. Based on the growers receiving credit, you find a distribution pattern which suggests the existence of a strong middle group of small to medium-scale planters but, at the same time, what appears to be an expansion and consolidation of the elite group. Such differences did not go unnoticed by the tobacco growers who were well aware of the existence of a "privileged" group of planters. Reacting strongly to an assessment made by the *Factor* of Orizaba that the monopoly was responsible for the economic growth and prosperity of the *villa*, a spokesman for the informally reconstituted *común de cosecheros* responded:³²

Se describen muchas y hermosas fábricas nuevas, otro tanto más opulento y decoroso en los vecinos, un comercio brillante con un rápido y lucroso giro, y todo por afecto de los beneficios que ha comunicado al establecimiento de esta Renta ... no es más que una violenta extracción del dinero ... reducida toda la utilidad verdadera a una corta parte á veinticinco o treinta comerciantes...³³

Given the existing information, any assessment of the beneficial effects bestowed upon the regional economy by the establishment of the monopoly must be a speculative exercise at this stage. Apart from tobacco, sugar was the only other cash crop of significance. This suffered from two disadvantages, however, in that there was not a large market for it and, of more importance to the local farmers, it demanded heavy capital investment. Migration and contraband were other possibilities or, indeed, to work for the sugar hacendados or wealthy tobacco growers. A guaranteed buyer did not necessarily mean constant flows of capital into the economy - such dependence upon a single crop could plunge the region into crisis as it was to do in 1782 and 1801. Nevertheless, there were positive features which were direct results of the monopoly's presence: the interest-free credit which enabled wealthier planters the freedom to invest their own capital in other activities such as commerce and property; improvements of the highways from Veracruz to Mexico City. This was designed to achieve two things: to improve the route from Orizaba and Córdoba to Mexico City in order to speed up the transportation of tobacco from the growing regions to reduce wastage en route. In a wider context, the highway was conceived as part of a plan to encourage the import-export trade centered in Veracruz but also

to strengthen the development of the sugar and tobacco growing regions of Córdoba and Orizaba.³⁴ This, in addition to the substantial comings and goings of the muleteers responsible for transporting the tobacco was designed to encourage the commercial development of the area.

III.

If history has permitted the tobacco growers to give their views on the Tobacco Monopoly, it has not been so kind to their urban counterparts, the *cigarreros*. The few protests that have survived reveal little of their struggle to withstand the decision of the General Directorate and José de Gálvez to take over the private tobacco stores. The ultimate testimony to their fate is their elimination and it is to this process and their replacement by the royal factories and *estanquillos* to which we now turn.

The decision to control the manufacture and sale of tobacco products was not without conflict. In 1764 when the initial discussions were in progress concerning this policy, Espinosa, one of the Director Generals pointed out to the Viceroy that between 5,000 and 6,000 individuals were occupied in the manufacture and sale of tobacco and that they could not be left without employment.³⁵ He complained that the attempt to create a tobacco factory in Puebla had been the cause of several riots in which leaflets had been distributed with statements such as "death to Spain, long live the English" followed by threats promising to burn down the monopoly offices. Velarde, the *Fiscal* (Treasury Attorney) received petitions which made obvious a "general repugnance" to the abolition of private manufacture of tobacco products, i.e. *puros* and *cigarros*. On July 26, 1766, 30,000 people occupied the city of Guanajuato, threatened to burn the monopoly offices and demanded a return to control over the sale of leaf tobacco only. In December of the same year, popular riots broke out in Puebla and Oaxaca, albeit on a smaller scale, but with the same objective – withdrawal of the decision to take over the *cigarrerías*.³⁶ José Gálvez, dismissive of any suggestions that there was a link between the riots and the decision to control the manufacture and sale of tobacco products, began to outline how such control was to be achieved. The transfer must be carried out, but in a way that would keep the potential social and economic dislocation to a minimum. This was to be done by ensuring that the ex-*cigarrerías* were absorbed by either the new monopoly stores or the royal factories. Initially emphasis was placed on the need for a gradual transition from private to state

control over the manufacture and sale of tobacco and tobacco products. All existing *cigarrerías* were declared non-transferable through sales (at least to other private citizens), monopoly officials were to prepare registers of all the existing tobacco shops in Mexico City and tobacco factories were to be set up in the major urban centers of New Spain - Mexico City, Querétaro, Puebla, Guadalajara. Factories were also eventually established in Orizaba, Oaxaca and Durango. Thus, for a period an uneasy co-existence was maintained between private and state-owned tobacco shops. It did not last for long. With the encouraging signs of a 50 percent "profit" figure from Mexico City factory in 1769 the General Directorate was motivated to speed up the process of elimination of the private shops.³⁷ To permit the final transfer from private to public control, several surveys were carried out to determine location, age, family size, scale of operation and general economic condition of the *cigarreros* of Mexico City. Based upon the results of these surveys those owners with the largest families, owners of advanced age or widows would be given first refusal on the offer of a license to operate an *estanquillo*. When all licenses had been allocated those *cigarreros* remaining and their employees would be offered work in the Mexico City factory.

The takeover took about ten years to complete. In 1765, there were an estimated 543 *cigarrerías* in Mexico City.³⁸ By 1772 they were down to 286. By 1775 all tobacco shops were in the hands of the monopoly. One hundred and ten *estanquillos* were in operation. Riva Agüero, one of the Director Generals, estimated that in order to achieve control, it had been necessary to relocate approximately 400 owners and 1,700 tobacco workers.³⁹ Clearly, the Mexico City factory bore the burden of absorbing the majority of displaced *cigarreros*. Indeed, although the figures available for the number of individuals involved in the tobacco trade and industry are, at best, dubious, if the maximum estimate of 5,000 to 6,000 is taken, then the employment of 7,500 in the Mexico City factory indicates that extra jobs were created. This positive feature was counteracted, however, by the need to reduce the number of workers periodically after the 1790's when acute shortages of paper resulted in lower production of cigarettes.

Thus far, it has not proved possible to trace the pace of the takeover for the rest of New Spain. In 1772, well into the transition phase, the distribution of *cigarrerías* throughout the colony was as follows:⁴⁰

General Administration of Mexico	739
Factoría de Durango	104
Factoría de Valladolid	204
Factoría de Puebla	72
Factoría de Guadalajara	386

As to the *cigarreros* themselves not that much is known. Thus far, only one of the surveys carried out by the monopoly has been located. Taken in 1773 it revealed that of the existing 146 *cigarreros*, approximately half were women, seventeen of whom were widows or daughters of the previous owners. The total labour force employed in the shops amounted to 691, 30 percent of which was female. The largest shop employed thirty-one workers (all female) although the average shop employed between four and eight workers. Seven owners were classified as not needing their tobacco stores because they had other economic interests. Eight offered to sell their shops to the monopoly. Of the six who put prices on their stores, one wanted eleven pesos, three requested twenty pesos each, one, twenty-five pesos and the final one suggested 120 pesos. No indication of wages paid to the employees is given, or indeed, if the larger concerns operated with a system of wage labour at all. No direct statement of ethnic background is given. No assessment of daily takings is made.⁴¹ In the same year, 1773, the views of the *comunidad de cigarreros* were made known through the *Procurador del número de la Real Audiencia*. They offer us a rare glimpse into the *cigarreros'* self-perceptions of their situation. They lamented that their families were being ruined by the operation of the Mexico City factory. They requested that the King order the elimination of the *cigarrerías* to be stopped and that the manufacture of *cigarros* should remain free. They also emphasized the detrimental effect on women since so many derived their livelihood from the manufacture and sale of *cigarros*, not merely in Mexico City, but throughout the colony. They were thus being deprived of an honest livelihood and exposed to great dangers (i.e. prostitution).⁴² The response to their pleas has already been described.

The reaction of the General Directorate to accusations that the monopoly had caused nothing but misery and unemployment was that, on the contrary, the policy devised to effect the takeover was such that nobody would be left without some employment of some sort. To what extent that was achieved is impossible to say. For those who were employed as *estanzquilleros*, they were to receive a commission on sales for their salaries. However, there was a minimum and a maximum rate

set to ensure that they received something. No *estanquillero* was to receive less than six reales per day nor more than twenty – two reales. Commission on sales varied between 4 percent and 9 percent.⁴³ Hours of operation were between six a.m. and ten p.m. and only family members were permitted to work in the *estanquillos*. This was to be uniform throughout the colony. By 1780 the distribution of *estanquillos* throughout the *cascos* of the administrative divisions was as follows:⁴⁴

Mexico City	64	Guadalajara	18	Córdoba	18
Valladolid	9	Orizaba	17	Veracruz	13
Puebla	26	Oaxaca	9	Mérida	2
Durango	2	Rosario	1		

Thus the option of opening up a tobacco store was removed from the list of possibilities available to New Spain's artisans. Even the possibility of gaining a license became less feasible as limits were placed on the number of *estanquillos* which could operate. Moreover, the policy adopted after the takeover was completed was that if an *estanquillo* became vacant, retired monopoly bureaucrats or their widows or children were given preference among those seeking access to a license.

The gradual takeover of the *cigarrerías* was accompanied by the parallel process of the creation of the royal factories. Between 1769 and 1777 four factories became operational: Mexico City, Puebla, Oaxaca and Orizaba – Querétaro and Guadalajara were added two years later. It seems that there were no private "factories" as such. It was José de Gálvez who strenuously advocated their establishment in New Spain using the tobacco factory of Seville as a model. José de Gálvez's views on the merits of the factories were quite clear. The manufacture of *puros* and *cigarros* was to be standardized and a steady supply of these made available throughout the colony. The consumer was to be protected from the fraudulent practices, allegedly carried out by the *cigarreros*. Chiles, ashes, and other "noxious substances" were often mixed in with the tobacco to give it "body." Monopoly products were to be of the highest standard. Colonial society in general, Mexico City in particular, was to reap the benefits from the "social" effects of the factories. For Gálvez, the Mexico City factory was

...tan beneficioso al Público como el mejor hospicio por el gran número de pobres que se mantienen del jornal que ganan y por los muchos delitos que se evitan con el recojimiento voluntario de una multitud de ociosos y de mujeres pobres que en aquel asilo socorren su necesidad y se livertan de infinitos riesgos.⁴⁵

Each factory was similar in structure and administration, the major difference being the scale of operation. The Mexico City factory produced the bulk of *labrados* (manufactured products i.e. *puros* and *cigarros*) for distribution throughout New Spain, although each factory was responsible for supplying its immediate areas. Coahuila, Monterrey, Santander, Mazapil and the *factorías* of Valladolid, Guadalajara, Durango and Rosario were supplied by the Mexico City factory. Querétaro also supplied Guadalajara and Valladolid. Guadalajara, Puebla and Oaxaca were supplied by their own factories while Orizaba supplied Veracruz, Córdoba and parts of Puebla.⁴⁶ Table II shows the distribution of workers between the six factories for the quinquennium 1790 - 95. They emphasize two important characteristics of the factory structure: high employment of female workers and large numbers of pieceworkers.

TABLE II: *Quantities and Total Value of Tobacco Products Sold in New Spain, 1792 - 1806*

Year	Lbs. of Raw Leaf	Packets of Havanna Cigars	Packets of Domestically Produced Cigars	Packets of Domestically Produced Cigarettes	Lbs. of Snuff (all Grades)	Total Value (Pesos)
1773	1,387,091		3,486,635	28,548,635	19,456	3,089,270
1774	1,373,801		2,757,805	30,609,396	19,662	3,206,605
1775	1,073,565		3,325,117	40,936,966	20,246	3,681,861
1776	1,089,798		3,544,773	42,794,331	22,218	3,845,743
1792	348,564		9,585,744	89,930,721	17,549	6,705,635
1793	324,281		9,939,056	89,437,612	16,112	6,684,863
1796	347,590		10,426,393	99,108,282	17,663	7,336,539
1797	319,439		10,353,013	104,423,327	17,601	7,617,688
1798	247,975	1,208	12,338,321	113,752,168	21,827	8,251,574
1799	520,408	1,226	21,355,046	87,548,816	18,430	7,521,621
1800	635,024	3,415	15,163,510	89,989,580	20,682	7,433,459
1801	560,996	773	15,168,921	97,976,248	15,745	7,794,744
1802	611,646	1,640	14,648,040	95,104,840	24,285	7,686,824
1803	526,879	988	15,023,004	97,428,579	13,992	7,747,528
1804	539,568	826	15,141,370	99,822,406	14,465	7,910,719
1805	448,273	1,230	16,551,456	111,381,283	15,605	8,599,623
1806	345,457	1,621	16,712,433	121,377,189	14,672	9,116,392

Source: Compiled from the *Relaciones Generales*, the yearly accounts of the Royal Tobacco Monopoly for the years 1773 - 1776 and 1792 - 1806.

The labour force of the Mexico City factory can be divided into three major groups.⁴⁷ The administrative and supervisory personnel included the factory manager, accountants, carpenters, foremen and forewomen, guards and clerks. They received annual salaries or fixed daily rates with a range from fifty-three to 2,000 pesos per annum. The second group was comprised of workers with specific tasks such as preparation of the raw leaf, shredding it, packing up the *labrados* and stamping boxes. Their wages were within a range of ninety-one pesos to 249 pesos per annum. The third group, the pieceworkers, constituted the bulk of the work force. They carried out the actual manufacture of *puros* and *cigarros*, and included cutters, twisters and fillers. The majority received between three and eight reales a day with average annual incomes of between 100 and 271 pesos.⁴⁸ Overall, women received marginally less than their male counterparts. Although *maestros de mesa* and *maestras de mesa* both received one peso per day, a *maestro* was in charge of 119 workers while a *maestra* had 160 women to supervise. No Indians were found in the ranks of the administrative or supervisory personnel. For the year 1800, of the 7,074 factory workers, 525 were Indian tributaries (7.4 percent of total workers).⁴⁹

Although some workers gained increases in wages (mainly between 1771 and 1779) the majority did not (see Table III). Like the growers and, indeed, most other colonial workers, they were highly susceptible to the inflationary pinch of the late eighteenth century. Very early on, however, in the history of the Mexico City factory the tobacco workers organized a mutual-aid society known as the *Concordia*. By deducting one half real each week from members' wages a common fund was created which provided aid in times of emergency, illness for example. In 1771 the factory manager, Isidro Romaña, estimated that the *Concordia* had 5,600 members with total funds on hand of 70,394 pesos.⁵⁰

It has been estimated that by 1790 the tobacco workers constituted 11.6 percent of the economically active population of Mexico City.⁵¹ Indeed, by 1795 the Mexico City factory employed 59 percent of all tobacco workers employed in the six royal factories. The major difference between the tobacco workers and other workers (particularly those employed in the *obrajes*) was the nature of their labour. Thus far, no evidence of extra-economic coercion has been found with regard to

TABLE III: *Wages and Salaries of the Mexico City Factory Personnel (Selected)*

POSITION	Y E A R S				
	1771	1779	1788	1794	1801
a. <i>Yearly Salaries and Fixed Daily Wage (Pesos)</i>					
Administrador	1,400	2,000	2,000	2,000	2,000
Contador	800	1,500	1,500	1,500	1,500
Maestro Mayor	500 - 550	400 - 600	600	500	600
Maestra Mayor	-	350 - 400	350 - 450	350 - 450	350 - 450
b. <i>Piecework (Reales)</i>					
Maestros de Mesa	-	8	8	8	-
Envolvedores*	-	4 - 4.5	4.5 - 5.25	4.5 - 6.5	-
Encajonadores*	-	-	4	4	-
Operarios	-	-	-	2 - 4	-

Source: *McWatters*, Table 7, p.245

Note: *Envolvedores* were employed to prepare the packs for the *cigarros* and wrap them according to their classification.

Encajonadores were packers who put the packs of *cigarros* into large wooden boxes, ready for distribution to other parts of the colony.

work in the tobacco factories. Piecework rates were neither exceptionally high nor low in comparison with other occupations.⁵² Throughout the final decades of the eighteenth century the state tobacco factories became a focal point of criticism for several reasons. For lack of space only two can be discussed briefly. The first attack was based upon the alleged decline in "profits" of the factories, particularly that of Mexico City. One estimate showed that the Mexico City factory's "profits" had fallen from 50 percent in 1769 to 28 percent in 1794.⁵³ This is not a marginal profit calculation and apparently was designed to show that it was more profitable to sell the leaf tobacco only and return manufacture of cigars and cigarettes to the private sector. Table IV shows the volume and value of sales of tobacco products in New Spain for 1773 - 1806. Both

packets of cigars and cigarettes show stable production levels. Reduced production is generally related to shortages of paper.

TABLE IV: *Distribution of Fixed Daily Wage and Pieceworkers in the Mexico City Factory, 1795*

Factory	Salary and Fixed Daily Wage		% of Total Workers	Pieceworkers		% of Total Workers	Total Number of Workers
	Male	Female		Male	Female		
México	373	64	6	3,646	2,991	94	7,074
Querétaro	76	15	7	716	590	93	1,397
Guadalajara	18	18	2	-	1,514	98	1,550
Puebla	57	15	7	460	495	93	1,027
Oaxaca	21	7	5	-	582	95	610
Orizaba	11	3	4	149	192	96	355
							12,013

Source: Estado de los empleados de las fábricas de la Real Renta del Tabaco de este Reyno, México, 20 July 1795, Francisco Maniau y Ortega, AGN México, Tabaco, V. 495.

The second criticism concerned the dangers inherent in the high concentration of workers in the Mexico City factory. The workers had already rioted twice, in 1780 and in 1794, primarily due to increases in their work quotas without a concomitant increase in wages. The "solution" was to divide the Mexico City factory into three separate units, one of which was the especially constructed and first state-owned tobacco factory which was opened in 1807.

The management and operation of the factories, their profitability and production costs all require careful consideration but cannot be dealt with here. A general question underlying any analysis of the tobacco factories is, to what extent they can be characterized as state-induced industrial-

zation. State control and management resulted in a change in the division of labour upon which the manufacture of tobacco products was based. There were no technical innovations, however, and manual labour predominated. There was clearly an emphasis upon a quantitative expansion of production but not toward a qualitative change in the mode of production. As such it is difficult to disagree with Moreno Toscano's observation that

el cambio o modificación principal que introdujo la fábrica de cigarros fue la concentración de un número grande de operarios en el establecimiento de la fábrica. Esta concentración en lugar de originarse en la necesidad de mejorar el proceso productivo, tuvo por causa una medida política de carácter monopólico impuesta por la Corona con fines fiscales.⁵⁴

For colonial society in general the Royal Tobacco Monopoly provoked a variety of responses. The Consulado de México, ever vigilant in its mission to prove the "harmful" effects of the monopoly, argued that it worked against the development of New Spain.

Las fábricas de todos los cigarros y puros que se gastan en el Reyno, se han fixado en Orizaba, Oaxaca, Puebla, México, Querétaro y Guadalajara, dejando de todas las demas poblaciones sin esta ocupación y quitandoles una multitud de familias á servir á aquellos seis lugares privilegiados. En ellos se viven con la sugestión y reconocimiento de Parroquias que en donde nacieron ... pero ... una vida la mas licenciosa y criminosa en spiritual y temporal.⁵⁵

Amidst the Consulado's painful lament of how the implementation of the factory system had broken up families and exposed decent people to the sexual immoralities of working in a factory, were complaints concerning the economic effects of the monopoly. Strong productive male labour was being wasted in the factories when it could be used in agriculture or in the mines. Moreover, it was labour used to produce profits which were then shipped out of the country. One of the monopoly's most vociferous critics was the Padre Antonio de San José Muro, a "Bethlemite" friar who seems to have devoted himself to a one man campaign against the monopoly.⁵⁶ Although he pointed to the evils of monopoly in general, one of his major concerns was the ill effects the factories had upon their workers. Conducive to blasphemy, licentious behaviour and subversion, the Mexico City factory was nothing short of "una casa de perdición."⁵⁷ In response to such attacks the Director General asserted that far from breeding delinquent citizens, not only was

the Mexico City factory a manufactory for *puros* and *cigarros* but "ha sido destinado taller para hombres de bien..."⁵⁸ Overall, consumers benefitted from the monopoly because they purchased better quality products. From the labour required by the factories emerged a group of producers and consumers simultaneously benefitting both New Spain and the metropolis. At least that is how the General Directorate perceived the effects of the monopoly. Mexico City could not fail to gain from the operation of the factory, since

continuaría también el mayor fomento que recibe esta Capital en sus comercios trascendiendo á otros, con la circulación del crecido caudal de mas de 750,000 pesos que se distribuye anualmente en la Gente operaria que se ocupa en la labor de *puros* y *cigarros*.⁵⁹

IV.

Much of what constitutes the history of the Royal Tobacco Monopoly remains untouched. However, a general picture has emerged of what the production of four million pesos implied. Many of the hallmarks of eighteenth century mercantilism are to be found in the Spanish state's management of the tobacco monopoly in New Spain: an emphasis upon large centralized manufactures and capital contributions in the form of the interest-free credit allocated to encourage the cultivation of tobacco. Such management signified much more than an exercise in the raising of revenues. The reorganizations and restrictions which typified the absolutist Bourbon reforms were applied with a vigour which was felt throughout the colony. Farmers in New Spain were effectively prohibited from growing tobacco apart from the "privileged" who lived and worked in the province of Veracruz. Within a region largely dependent upon tobacco for its survival there emerged an elite merchant-planter group who manipulated the conditions created by the monopoly to their own advantage. The less able were subject to insolvency and destitution in the face of poor harvests and unsympathetic bureaucrats. If the cultivation of the crop was confined to the rural southeast, manufactures were firmly established in the major urban centres of New Spain, especially Mexico City. Production of cigars and cigarettes was removed from the hands of private artisans and placed into those of the workers employed in state-managed factories - a sweeping change and one which is too easily ignored or underestimated. Nurtured by the Bourbon state, the tobacco monopoly was to survive its demise only to experience its own in the new Mexican republic.

NOTES

1. J. Fisher, "Soldiers, Society and Politics in Spanish America, 1750 - 1821," *LARR*, 17 (1982), p.217.
2. Since H. I. Priestley analyzed the role of José de Gálvez in the creation of the Royal Tobacco Monopoly (see *José de Gálvez, Visitor - General of New Spain*, Berkeley, 1916) little attention has been paid to its workings. The most recent studies to emerge are: María Amparo Ros T., "La real fábrica de puros y cigarros: organización del trabajo y estructura urbana," in A. Moreno Toscano, ed., *Ciudad de México, ensayo de construcción de una historia* (Mexico, 1978) and D. L. McWatters, "The Royal Tobacco Monopoly in Bourbon Mexico, 1764 - 1810," (Ph.D. Diss., University of Florida, 1979). This paper is based on the author's current doctoral research findings.
3. José de Gálvez to the Viceroy, Mexico, April 26, 1766, AGI, Mexico, 2257.
4. An indication of the feeble state of the Crown's finances at this time is that José de Gálvez had to secure loans to the amount of one million pesos from the merchants of the peninsula and New Spain with which to finance the beginnings of the monopoly.
5. Fabián de Fonseca y Carlos de Urrutía, *Libro de la razón general de la real hacienda*, VII, Biblioteca Nacional (Madrid).
6. José Diaz de Lavandero to Marqués de la Enseñada, October 1, 1748, AGI, Mexico, 2256.
7. Fonseca y Urrutía, *Libro de hacienda*, f. 59. *Cigarros* and *puros* (roughly translated as cigarettes and cigars) were classified according to their cut and thickness. *Cigarros* were divided originally into packs of Numbers 12, 13, 14 and 23 with sixty per pack; Number 11, with fifty - two per pack and Number 1, with forty - two per pack. *Puros* sold at six, eight, twelve and sixteen per pack. By 1800 the numbers per pack had been reduced to five, seven, ten, fourteen and sixteen per pack for *puros*; Numbers 12, 13 and 14 contained forty - two per pack, Numbers 10, 32 and 11, forty per pack.
8. Tarifa del precio á que se ha de vender el tabaco de Ruma, Polvo, Rapé, los puros y cigarros en las tercenas y estancos de este Reyno..., AGN(M), Renta del Tabaco, vol. 37, Silvestre Díaz de la Vega.
9. Alexander von Humboldt, *Ensayo político sobre el reino de la Nueva España* (Mexico, 1966), p.175.
10. A *tercio* of tobacco had an average weight of 170 lbs.
11. Bernardo María de Mendiola, Factor de Orizaba, to Director General, January 5, 1778, AGN(M), Renta del Tabaco, vol. 48. A similar situation existed with the Tobacco Monopoly in Venezuela. See C.H. Wickham's discussion of how cash advancements became an integral part of the monopoly's operations in his "Venezuela's Royal Tobacco Monopoly, 1779 - 1810: An Economic Analysis" (Ph.D. Diss., University of Oregon, 1975), p.49.
12. Jacinto de Espinosa to Viceroy, December 18, 1764, AGI, Mexico, 2256.
13. Phelipe de Hierro to Viceroy, May 18, 1780, AGN(M), Renta del Tabaco, vol. 2.
14. *Ibid.*
15. Mendiola to Director General, November 16, 1803, AGN(M), Renta del Tabaco, vol. 88. Parallels can be drawn again with Venezuela. Wickham

- found that prices for tobacco "originally set forth in 1779 they remained in effect virtually unchanged until the end of the colonial period in 1810." Wickham, "Venezuela's Royal Tobacco Monopoly," p.49.
16. In 1815, for example, of sixty-eight *cosechas* received valued at 180,885 pesos, only 75,500 pesos were paid out. 10 percent of planters received no payment at all for their crop, 3 percent received approximately one quarter of the value, 10 percent, one third, 57 percent, one half and 10 percent the total value. Razon de Orizaba, Zacarias Beartegui, Antonio Rodriguez de la Vega, September 28, 1815, AGN(M), Renta del Tabaco, vol. 33.
 17. The major sources used for the quantitative aspect of the planter group include the *Matrículas de cosecheros* (lists of licenses issued yearly to the planters), the *Registros de créditos* and lists of *cosechas* delivered to the monopoly warehouses in the growing zone.
 18. The *Registros de créditos* are extremely useful documents. Compiled at the beginning of each growing year, i.e. August, September, they contain the grower's name, location of tobacco cultivation and/or *rancho*, number of *matas* allocated, amount of credit supplied, name of *fiador*, and any security against losses such as property, stock, etc.
 19. This is based on those numbers of growers in receipt of credit, named as owners of *cosechas* delivered and who appear with great frequency on the *Matrícula* lists throughout the period under consideration.
 20. Francisco del Real, Inspector General, to Contador General Silvestre Diaz de la Vega, May 1, 1781, AGN(M), Renta del Tabaco, vol. 44.
 21. Joaquín de Robles to Director General, May 29, 1804, AGN(M), Renta del Tabaco, vol. 88.
 22. Antonio de Sobrevilla to Francisco del Real, April 25, 1781, AGN(M), Renta del Tabaco, vol. 44.
 23. Razon de los cosecheros que en 1779 han entregado tabacos en la Factoria de Orizaba..., Phelipe de Hierro to Viceroy, June 28, 1780, AGN(M), Renta del Tabaco, vol. 35.
 24. Data General de Caudales de la Factura de la Real Renta del Tabaco de Orizaba, 1792. AGN(M), Administración General del Tabaco, Caja 125.
 25. Using the *Matrículas* and *Registros de créditos* it has been possible to build up "cultivation profiles" for the core group of growers. Much of the data remain to be processed but eventually it should prove possible to trace the fortunes of the group which should ultimately help to affirm or reject the pattern of differentiation suggested in this paper.
 26. Matrícula que contiene las siembras de tabaco contratadas por los cosecheros de Orizaba y Zongolica, 1788 para 1789, Directors General, Mexico, May 20, 1789, AGN(M), Renta del Tabaco, vol. 18. One account of the planter-*aviador* written by the *Factor* of Orizaba, Bernardo de Mendiola described the system as follows: "El aviador ó refaccionario recibe las sartas ... señalándoles precio á su arbitrio y discreción: ajusta su cuenta al vendedor, rebatiendo del importe lo anticipado y quedan de acuerdo sobre el resto." Mendiola to Director General, November 16, 1803, AGN(M), Renta del Tabaco, vol. 88.
 27. Testimonio sobre el embargo intentado contra el Cosechero de Tabacos, D. Antonio Montes Argüelles, September 20, 1786, AGN(M), Renta del Tabaco, vol. 501.
 28. Archivo Notarial de Orizaba, Registro de Créditos, 1810.

29. With the exception of two growers (to date) who described themselves as hacendados, most growers thought of themselves as *rancheros* and, indeed, were categorised as such by the General Directorate of the Royal Tobacco Monopoly. For the most part they seem to fit into the description provided by Brading: "In effect, therefore, the term *ranchos*, as it was employed from the late eighteenth century onwards, encompassed two distinct types of enterprise. A *ranchero* could be either a prosperous, commercial farmer aided by several peons, or alternatively, he could be a smallholder eking out a bare subsistence on three or four acres of land." D.A. Brading, *Haciendas and Ranchos in the Mexican Bajío, León 1700 - 1860* (Cambridge, 1978), p.151. As to the size of individual landholdings, that is a separate problem. As was typical of many tobacco-growing regions, planters did not speak in terms of acres but in terms of *matas* or "hills." Taking an average of several estimates of hills per acre, the figure comes to 5,000 hills per acre. Taking an average allocation of 100,000 *matas*, this would give an area of approximately twenty acres. Many of the growers who had much larger allocations, however, did not plant them on a single unit of land, but distributed the majority of the *matas* to be cultivated to their *aviados* scattered throughout the jurisdiction. For the sake of speculation, however, if the highest amount of 5,000,000 *matas* is calculated in terms of acres, this would average out at 1,000 acres, which could probably be placed in the category of a small estate.
30. Rafael García to Director General, March 25, 1795, AGN(M), Renta del Tabaco, vol. 38.
31. Mendiola to Director General, Orizaba, January 19, 1791, AGI, Mexico, 2259.
32. Mendiola to Director General, July 15, 1801, AGN(M), Renta del Tabaco, vol. 88.
33. José María Ortuño to Director General, 1801, AGN(M), Renta del Tabaco, vol. 88.
34. S. Florescano, "El camino México-Veracruz en la época colonial," (M.A. Thesis, El Colegio de México, 1968), p.19.
35. There were several alterations in the elections and, indeed, numbers of Director Generals. From 1766 until 1792, the general rule was that there should be two Directors General; after 1792, it was reduced to just one; Espinosa to Viceroy, December 18, 1761, AGI, Mexico, 2256.
36. Velarde to Viceroy, December 6, 1766, AGI, Mexico, 2256.
37. McWatters, "The Royal Tobacco Monopoly," p.251.
38. *Ibid.*, p.105; Fonseca y Urrutía, *Libro de la Real Hacienda*.
39. *Ibid.*, p.115. See chapter IV on the abolition of the private shops.
40. Resumen General del número de cigarrerías que existen en este Reyno de Nueva España, Felipe de Hierro, Mexico, June 22, 1772, AGN(M), Renta del Tabaco, vol. 23.
41. Testimonio á la letra por duplicado de lo operado sobre la extinción de cigarrerías y establecimiento de estanquillos en esta ciudad de Mejico de cuenta de la Real Renta del Tabaco, José de la Riva, December 1, 1773, AGI, Mexico, 1373.
42. Comun de Cigarreros y Ocurso de Baltazar de Vidaurre (?) Procurador General de la Real Audiencia de la Ciudad de Mexico ..., January 26, 1773, AGI, Mexico, 2258.

43. McWatters, "The Royal Tobacco Monopoly," p.118.
44. Fonseca y Urrutía, *Libro de la real Hacienda*.
45. José de Gálvez to the Viceroy, December 31, 1771, AGN(M), Renta del Tabaco, vol. 49.
46. Estado de los empleados de las fábricas de la Real Renta del Tabaco de este Reyno, Mexico, July 20, 1795, Francisco Maniau y Ortega, AGN(M), Renta del Tabaco, vol. 495.
47. Ros, "La real fábrica," p.52; Fonseca y Urrutía, *Libro de la Real Hacienda*.
48. Ibid. If the working poor of Mexico City can be said to have cash incomes of between sixty and 300 pesos then the large majority of tobacco workers fit squarely into this category. See T. Anna, *The Fall of the Royal Government in Mexico City* (Nebraska, 1978), pp.23 - 24; also, Jorge González Angulo and Roberto Sandoval Zarauz, "Los trabajadores industriales de Nueva España, 1750 - 1810," in E. Florescano, ed., *La clase obrera en la historia de México; Tomo I: De la Colonia al Imperio* (Mexico, 1980).
49. Ros, "La real fábrica," p.53.
50. Isidro Romaña to the Directors General, November 5, 1771, AGI, Mexico, 2259.
51. Ros, "La real fábrica," p.51.
52. For a comparative discussion of the respective colonial industrial occupations, see González and Sandoval, "Los trabajadores industriales."
53. In the calculations made by the monopoly accountant, the cost of tobacco is calculated according to its sale price and not the purchase price to the Crown hence the costs of raw materials are much higher than they should be. If a simple marginal profit calculation is made using the cost of tobacco to the Crown and not to the consumer, then the range for profits of the Mexico City factory become more positive, i.e. 24 percent in 1769 to 41 percent in 1787. Given that monopoly policy decisions were based on the former calculation then those are the ones with which we have to deal. Nevertheless, the distinction is worth making.
54. A. Moreno Toscano, "Los trabajadores y el proyecto de industrialización, 1810 - 1867," in Florescano, (ed.), *La clase obrera I*, 318. It should be emphasized that at no point did the factories undergo technological changes of any kind. Labour was fundamentally manual.
55. Manifiesto que se hace en defensa de las Fábricas de cuenta de S.M. en su Real Renta del Tabaco de Nueva España, sus utilidades, y bien comun de la Gente operaria, de ambos sexos que trabaja en ellas y sus qualidades, contra el equivocado concepto del Real Tribunal del Consulado de Mexico. AGN(M), Renta del Tabaco, vol. 49.
56. See J.S. Fox, "Antonio de San José Muro, Political Economist of New Spain," *HAHR*, 21(1941).
57. Proyecto del P. Br. Antonio de San José Muro, AGN(M), Renta del Tabaco, vol. 476.
58. Manifiesto, AGN(M), Renta del Tabaco, vol. 49.
59. Ibid.