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TABACALEROS AL GRITO DE GUERRA: THE MEXICAN TOBACCO INDUSTRY

AND THE U.S.-MEXICO WAR

A Thesis

by

JORGE A. HERNÁNDEZ

Submitted to the Graduate College of The University of Texas Rio Grande Valley In partial fulfillment of the requirements for the degree of

MASTER OF ARTS

December 2015

Major Subject: History

TABACALEROS AL GRITO DE GUERRA: THE MEXICAN TOBACO INDUSTRY

AND THE U.S.-MEXICO WAR

A Thesis by JORGE A. HERNÁNDEZ

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Dr. Irving Levinson Chair of Committee

Dr. Maritza De La Trinidad Committee Member

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December 2015

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ABSTRACT

Hernández, Jorge A., *Tabacaleros al Grito de Guerra:* <u>The Mexican Tobacco Industry and the</u> <u>U.S.-Mexico War</u>. Master of Arts (MA), December, 2015, 110 pp., references, 43 titles.

This study analyzes the role of the Mexican tobacco industry during the chaotic years from 1845 to 1847. In nineteenth-century Mexico the tobacco industry was an important financial contributor to Mexican government's efforts to sustain the war against the United States. Without any significant success, the Mexican government tried to confront and solve the problems limiting the amount of revenues that was expected from the tobacco industry. Regional interests, political factionalism, administrative negligence, and tobacco contraband limited the amount of money the tobacco industry contributed. In spite of all the problems the tobacco industry experienced between 1845 and 1847, the federal government still received significant financial assistance from that industry and the people involved.

DEDICATION

This thesis is dedicated to my father Jorge Hernández and my mother Sylvia Alba. They have always said that there is no better gift a parent can give a child than an education, and with that in mind, they have set the example for my sister Karla Hernández, and I. Following their footsteps has been an honor and a pleasure. Thank you *papá y mamá* for all your unconditional love and support.

ACKNOWLEDGMENTS

The completion of this thesis wouldn't have been possible without the guidance and help from my committee members, Dr. Irving W. Levinson, Dr. Maritza de la Trinidad, and Dr. Jamie Starling. Dr. Levinson shared with me his knowledge about the subject and expertise in the conducting research. Without his help, my constant visits to the archives in Mexico City would have been in vain. Furthermore, he offered me valuable feedback every time we sat down to discuss the content of my work. Their suggestions and orientation were impeccable.

Since 2011 I have worked at Palo Alto Battlefield National Historical Park. It was there where I developed my interest in the war between Mexico and United States. The exemplary work of all the staff at Palo Alto inspired me to follow their footsteps and contribute to the interpretation and research of this almost forgotten conflict. The topic of my thesis derived after several talks I had with Douglas Murphy. He not only offered me his knowledge but also helped me with all the doubts I had about a subject he knows best. Karen Weaver always supported me throughout my years as a graduate student and specially while writing my thesis. I must also thank Daniel Ibarra, Ruben Reyna, Rolando Garza, and George Perkins. I will always be grateful for working alongside these wonderful people.

I am extremely grateful to all the people I met along the road while conducting research in Mexico. In Mexico City, the help from the archivists at the *Archivo General de la Nación* facilitated my visit and allowed me to find the documentation I needed. I am forever thankful to Noe Berlin and Natalia Partida who opened their home to me and allowed me to stay with them every time I visited the Mexican capital. I must thank the Director of the *Archivo General e*

Histórico del Estado de Tamaulipas, Carlos Rugerio Cázares, who took the time to advise me while I researched the role of the tobacco industry in Tamaulipas, and who also introduced me to Benito Antonio Navarro Gonzáles, who shared with me his research on tobacco contraband in Tamaulipas. My research at the *Archivo Municipal de Querétaro* and the *Archivo Histórico del Estado de Querétaro* would not have been successful without the help from all the archivists. Special thanks to Norberto Rodriguez and Margarito Tovar Flores. Much of what I now know about Querétaro I owe to my great friend Georgina Carmona. She not only opened her home to me but also introduced me to her beloved state. Our prolonged talks over a cup of coffee and cigarettes, with Jose Alfredo Jimenez and Chavela Vargas as background music, not only served as leisure time after many hours spent at the archives but also as a moment to share our interests in Mexican history and culture. I must also thank Luis Martinez, Josue Carrillo, Juan Delgado, Mario Peña, Fernando Cortez and David Moran who always supported me while writing my thesis.

Finally, I will always be forever thankful to my father, Jorge Hernández, to my mother, Sylvia Alba, and my sister, Karla Hernández. Their love and support was what kept me writing.

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CHAPTER I

INTRODUCTION

"The fact that a foreign army of ten or twelve thousand men should have penetrated from Veracruz to the very capital of the republic...cannot but give rise to the most serious reflections."¹

Mariano Otero

In the morning of 9 May 1846, the readers of *El Diario Oficial Del Gobierno Mexicano* were intrigued by the editorial news that "blood already stains the waters of the Bravo."² The war with the United States had commenced and the editors of the official government newspaper called on all Mexican citizens to make sacrifices in order to help the government fight the war. By making reference to the poor conditions of the national treasury, the editorial explained that extreme and painful measures had to be taken in order to finance the war. What followed was a decree by the Ministry of Treasury that proclaimed a deduction on the salaries of all government employees. Measures such as this that asked all Mexicans to contribute for the war proliferated in the government's official newspaper throughout the war years. However, the national treasury never achieved the income expected by the Mexican government to fight the war against the

¹ Otero, Mariano, "Consideraciones Sobre la Situación Política y Social de la República Mexicana en el Año 1847," in *The View from Chapultepec: Mexican Writers on the Mexican-American War*, ed. Cecil Robinson (Tucson: University of Arizona Press, 1989), 5.

² AGN, *Diario Oficial*, May 9, 1846.

United States.³ Mexico struggled to finance its two-year war with the United States. Mexico was in a critical disadvantage as its treasury fell victim to the constant clash between political factions, regional conflicts, and the central government's struggle to build a nation. The search for a proper form of government for the newly Mexican republic following the War of Independence brought constant changes in government as one political faction ousted the other from power. In addition, prior to the war with the United States, Mexico had a deficit of almost \$11,000,000 pesos in 1844 and \$8,000,000 pesos in 1845.⁴ Political and economic instability were characteristic of nineteenth-century Mexico.

To finance the war, the Mexican government sought financial contributions from every Mexican citizen, institution, and industry. Historians have emphasized the role of the Church in financing the war. Others have brought to light the loans made to the exhausted Mexican treasury by British commercial houses and entrepreneurs.⁵ In this time of desperation the national government also sought help from the tobacco industry. But the industry failed to contribute the critical and substantial amount of capital expected for Mexico's defense.

During the almost 170 years since the conflict, historians continue to analyze the complexity of the war between Mexico and the United States. The historiography of the U.S.-Mexico War has directed much of its attention to the causes of the war, military campaigns, diplomatic relations, and memoirs and diaries highlighting the soldier's experience.⁶ Excellent books such as Jack Bauer, *The Mexican War, 1846-1848,* and John S. D. Eisenhower, *So Far*

³ Ibid.

⁴ Tenenbaum, Barbara A, *The Politics of Penury: Debts and Taxes in Mexico, 1821-1856* (Albuquerque: University of New Mexico Press, 1986), 182. See "Table C. Income versus Expenses 1821-1856."

⁵ See, for example, Barbara Tenenbaum, *The Politics of Penury;* Michael Costeloe, *The Centralist Republic of Mexico*.

⁶ See, for example, Richard Bruce Winders, *Mr. Polk's Army the American Military Experience in the Mexican War*; Otis A. Singletary, *The Mexican War*; Justin H. Smith, *The War With Mexico*; Robert Walter Johannsen, *To the Halls of the Montezumas: The Mexican War in the American Imagination*; David Pletcher, *The Diplomacy of Annexation: Texas, Oregon, and the Mexican War*; William A. DePalo, *The Mexican National Army, 1822-1852.*

From God: The U.S. War With Mexico, 1846-1848 provide a detail account of the diplomacy and battles during the war. Recent literature such as Douglas Murphy, *Two Armies on the Rio Grande: The First Campaing of the U.S.-Mexican War* has provided a more balance account of the first major battles of the war. Furthermore, the politics behind the armed conflict and Mexico's political and social chaos have been well explored in Pedro Santoni, *Mexican at Arms: Puro Federalists and the Politics of War, 1845-1848,* and Irving W. Levinson, *Wars Within War: Mexican Guerrillas, Domestic Elites, and The United States of America, 1846-1848.* More recent works analyzing the legacy and the cultural impact the war had on both nations and in the created border as a result of the war have appeared on library bookshelves.⁷

The outcome of the U.S.-Mexico War had a different meaning and repercussions for Mexico and the United States. The significance of the victory of the United States and the defeat of Mexico parallels that proliferation of scholarship on the war in both countries. The conflict has been explored more in the United States than in Mexico.⁸ However, Mexican scholars had made excellent contributions with studies about the impact the war had in the republic, particularly in the regional studies analyzing the participation of the different states of the Republic during the war. One book in particular that provides a more complete account of Mexico's political, regional, and economic situation during the war with the United States is Josefina Zoraida Vázquez, ed., *México al tiempo de su guerra con Estados Unidos, 1846-1848*. Amid the growth of literature on the war, one aspect of the conflict remains on the periphery of historical scholarship in both nations: their economic situation during the war.

⁷ See, for example, Michael Van Wagenen, *Remembering the Forgotten War: The Enduring Legacies of the U.S.-Mexican War;* Richard Griswold del Castillo, *The Treaty of Guadalupe Hidalgo: A Legacy of Conflict;* Oscar J. Martinez, *Troublesome Border*.

⁸ Josefina Zoraida Vázquez mentions that until recently, Mexican scholars have chosen to avoid the conflict and the period that followed Mexico's independence. See Josefina Zoraida Vázquez, "Causes of the War with the United States," in *Dueling Eagles: Reinterpreting the U.S.-Mexican War, 1846-1848*, ed. Richard V. Francaviglia and Douglas W. Richmond (Forth Worth: Texas Christian University Press, 2000), 41-42.

The subject under investigation is the Mexican tobacco industry during the U.S.-Mexico War. This study contributes to the historiography of the U.S.-Mexico War as sheds light on a subject previously overlooked by U.S. and Mexican scholars. In analyzing the role of the tobacco industry during the conflict, this investigation follows the work of historians focusing on fiscal policies in Latin America. As Barbara Tenenbaum explains, fiscal policies interest scholars because it "...can be useful in obtaining valuable social information...provides a wealth of knowledge about the evolution of the nation-state...[and] one way nations demonstrate the strength and geographical extent of their power is through their ability to impose and collect taxes."⁹ The years 1845-1847 are critical to understand Mexico's struggle to sustain a vast amount of territory, and most importantly to sustain a country at a time of a foreign invasion. The focus on the tobacco industry provides a better understanding of the complexity of the conflict while highlighting the economic, political, and social divisions of the Mexican Republic during its most difficult time.

So far there isn't a single study that deals exclusively with the role of the tobacco industry during the two-year conflict between Mexico and the United States. However, there is relevant literature that hints at its importance during the war.

One cannot proceed into analyzing the tobacco industry without taking in consideration Susan Smith-Dean's work on the tobacco monopoly during colonial times. ¹⁰ Her extensive study on the monopoly provides an excellent historical overview of this state industry and how it affected the life of workers, politicians, and planters. In colonial Mexico, the Spanish crown relied on the revenues from the tobacco monopoly to sustain the royal army. However, Smith-Dean comments that following independence, "the tobacco monopoly may have survived the

⁹ Tenenbaum, xiii.

¹⁰ For more information on the colonial tobacco monopoly see Carmen Imelda González Gómez, *El tabaco virreinal: monopolio de una costumbre* (Santiago de Querétaro, Querétaro: Fondo Editorial de Querétaro, 2002).

Mexican insurgency of 1810 and the break from Spain, but it emerged bankrupt and in disarray."¹¹ Smith-Dean extends her study beyond colonial Mexico to explain how the monopoly struggled to exist after 1810, finally being abolished in 1856. Smith-Dean's work sets the stage to understand how the glorious past of the tobacco monopoly will just become a distant mirage for post-colonial governments in Mexico.¹²

Mexico's political and economic situation prior to the war with the United States was critical. In *The Politics of Penury: Debts and Taxes in Mexico, 1821*, Barbara Tenenbaum traces the reasons for Mexico's economic instability during its first three decades as an independent nation. She provides a fiscal explanation of Mexico's situation, using colonial heritage and political turmoil to address Mexico's inability to build a stable government. In her section discussing the U.S.-Mexico war, Tenenbaum emphasizes the dispute between the federal government and the Church to raise funds for Mexico's defense. Within these Church-State disputes, Tenenbaum explains that when the government tried to persuade the Church to provide money for its treasury, the government pledge to mortgage the profits from the tobacco industry as security to obtain capital.¹³ This indicates one way in which money derived from the tobacco industry was used during the war, and highlights the significance of the industry for the national government. Tenenbaum also emphasize on the role of *empresarios* or *agiotistas*, who were

¹¹ Deans-Smith, Susan, *Bureaucrats, Planters, and Workers: The Making of the Tobacco Monopoly in Bourbon Mexico,* (Austin: University of Texas Press, 1992), 249.

¹² Deans-Smith, xii-xiii. The term monopoly refers to the way the Spanish Crown managed and controlled the production, manufacture, distribution, and sell of tobacco. According to Deans-Smith, under Bourbon management, the supply of tobacco leaf was regulated through contracts that determined who produce tobacco, the quantities of tobacco to be produced and the purchase price. Furthermore, six state-managed tobacco manufactories had the responsibility to manufacture tobacco into cigarettes and cigars. Finally, tobacco goods were sold in government-licensed stores across Mexico. Throughout the 1840s, the Mexican government mirrored the colonial management of the tobacco industry. However, due to the precarious conditions of the national treasury, sometimes controlled of the industry was shared with private investors.

¹³ Tenenbaum, 78.

merchants who provided short-term loans at high rates of interests to the treasury.¹⁴ Due to the constant revolts, political factionalism, and foreign invasions, the national government relied on these tobacco shareholders to support the government financially.

The tobacco industry was very influential in the economic and political policies the Mexican government was trying to implement. In *The Central Republic in Mexico, 1835-1846*, Michael P. Costeloe explains why a centralist government did not succeed in Mexico. He highlights the influence of the tobacco industry and how *tabacaleros* exerted their influence. Tobacco planters used their collective influence to obtain help from governors or military commanders every time they felt that the government in place did not appeal to their interests. *Pronunciamientos* against the federal government were issued by *tabacaleros* expressing discontent and encouraging revolts.¹⁵ Entrepreneurs such as Manuel Escandón and Cayetano Rubio who had shares in the tobacco industry also protested and exerted their influence when the federal government suspended payments to them.¹⁶ With the outbreak of the war and with the need of resources, the influence of the *tabacaleros* would continue to be felt as Mexico desperately looked for money to sustain its war against the United States.

The people who composed the powerful tobacco industry are further examined by David Walker in "Business as Usual: The *Empresa del Tabaco* in Mexico, 1837-44." Walker goes into detail about the contestants who began to quarrel over who would manage the tobacco monopoly following Mexico's independence. The conflict between entrepreneurs, planters, and bureaucrats not only created an atmosphere of conflict within the tobacco administration but the *tabacaleros*' disagreements affected national politics as well. It is in these political and

¹⁴ Tenenbaum, xiv.

¹⁵ Costeloe, Michael, *The Central Republic in Mexico, 1835-1846: Hombres de Bien in the Age of Santa Anna* (England: Cambridge University Press, 1993), 305.

¹⁶ Costeloe, 88.

economic battles where the power of the tobacco industry comes to light. Walker's investigation of the Empresa del Tabaco allow us to understand how important the revenues from tobacco were for all the people who depended on it. More importantly, his investigation demonstrates the role of tobacco in Mexico's political and economic policies. When the war with the United States became imminent, this important industry would once again play a crucial role financing the war.

The study of the role of tobacco factory workers during the U.S.-Mexico War is limited. This might be a result from the limited amount of archival material available. However, Arturo Obregón has provided important information about the tobacco factory workers in the Mexico City manufacturer, whom many were women. In *Las obreras tabacaleras de la ciudad de México, 1764-1942*, he provides a short, but significant history of the tobacco industry before the war. Obregón explains that early in 1846 the Mexican government had tried to industrialize the tobacco industry but protest from women factory workers erupted right away. Women factory workers raised their concern because industrialization would have had a negative impact among them and their families. According to Obregón, "more than thirty thousand families depended on the tobacco industry; most used to work in the manufacture of cigarettes and cigars."¹⁷ The numbers provided by Obregón are important because they highlight how important the job was for tobacco workers to sustain themselves and their families. The lives and jobs of all tobacco workers would be jeopardized once the war with the United States erupted.

The conflict that changed the geography, diplomatic relations, and history of Mexico and the United States began in 1845. Mexico broke all diplomatic relations with the United States that year when Texas was annexed by the United States, becoming the 28th state of the Union.

¹⁷ Obregón Martínez, Arturo. Las obreras tabaqueras de la ciudad de México, 1764-1925 (México: Centro de Estudios Históricos del Movimiento Obrero Mexicano, 1982), 66.

For Mexico this was an act of war since Mexico never recognized Texas' independence. What followed was a territorial boundary dispute; Mexico claimed the Rio Nueces as the boundary of Texas with the other Mexican territories and the United States claimed the Rio Grande. In March 1846 President James K. Polk ordered General Zachary Taylor to march to the disputed territory and set a fort right on the banks of the Rio Grande overlooking the city of Matamoros. At this time, Mexico understood that the ambitions of its northern neighbor would end in a confrontation; the war between Mexico and the United States was inevitable.

The first major battles occurred north of the Rio Grande at the prairie of Palo Alto on 8 May 1846 and the following day at Resaca de la Palma (known as Resaca de Guerrero in Mexico). Mexico's defeat in those confrontations allowed General Taylor to occupy the northern villages of Tamaulipas (Matamoros, Reynosa, Camargo and Mier), giving him enough time to prepare his army to march to Monterrey and Saltillo. Mexico's defeat at the Battle of Monterrey (21-24 September 1847) and at the Battle of Buena Vista (23 February 1847), just outside of Saltillo, did not put an end to the war, as President Polk believed it would happen. Therefore, Polk continued to send troops to the rest of northern Mexico. General John E. Wool was ordered to march towards Chihuahua and Colonel Stephen W. Kearny to New Mexico and then to California.

By March 1847 Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, New Mexico, and California, now occupied by U.S. armed forces, were completely cut off from the rest of Mexico. Amid the defeats, Mexico continued to defend its integrity against the United States. Now under the command of General Santa Anna, the Mexican army shifted its defenses to the coast of Veracruz where General Winfield Scott had made an amphibious landing at the port. His goal was to capture Mexico City and force Mexico to surrender under President Polk's terms. From

April to September 1847, fierce battles occurred along the national highway from Veracruz to Mexico City. The United States victories at the battles of Cerro Gordo (18 April 1847), Churubusco and Contreras (20 August 1847), Molino del Rey and Chapultepec opened the path for the United States army to finally occupy Mexico City on September 14, 1847. When the war came to its conclusion on February 2, 1848 with the signing of the Treaty of Guadalupe Hidalgo, Mexico had lost almost half of its territory to the United States. It is within this context that the role of the tobacco industry will be analyzed.

To reconstruct the story of the tobacco industry between 1845 and 1847 this study draws on a variety of sources. Secondary sources served the purpose of providing information about the war. Furthermore, they provided the economic and political situation of Mexico during its war with the United States, while highlighting Mexico's struggle to raise money, and the difficulty it encountered to keep together a nation divided among different political ideologies and regional interests. The tobacco industry had served historians as an example providing information on the public finances during the war and provided sufficient information regarding the people involved in the industry and the financial role it played for the national government during the 1840s.

The primary documentation for this investigation concerning the tobacco industry during the first half on the nineteenth century come from the *Archivo General de la Nación* in Mexico City. Much of the correspondence and notifications by the Ministry of Foreign Relations, the Ministry of Treasury, the General Administration of the Tobacco Rent, and state governors described the conflict over the income from the tobacco industry. The *Fondo del Tabaco* at the AGN provided crucial information about tobacco workers and their contribution to the war. The amounts recorded by the Ministry of Treasury and the General Administration of the Tobacco

Rent provided qualitative and quantitative data to understand the role of the industry and its workers in financing the war, and how much money was directed to the support of one battalion of the National Guard.

The *Diario Ofical del Gobierno Mexicano* portrayed much of what was happening across the republic between 1845 and 1847. The desperation for money, the political chaos, and regional perspectives towards the war are well explained in the pages of this national newspaper. Even though the editorials expressed the views of the national government and those people in power, they provided key information about the tobacco industry at the national and regional level. Monthly treasury reports from the different states administering the tobacco rent and from the national treasury provided the amount of revenues made and lost by the industry between 1845 and 1847. To understand the situation of tobacco workers, much of the information had to be collected from administrative reports and communications between government officials in Mexico City and employees in the General Tobacco Administration published in the *Diario Oficial*. Finally, documentation found at the *Archivo Histórico del Estado de Querétaro* provided a regional perspective of the tobacco industry.

The chapters that follow examine the role of the tobacco industry from 1845 to 1847. The time frame of this investigation follows the crucial period prior to the war when Mexico broke all diplomatic relations with the United States and began to gather funds and recognized the critical situation of its treasury, and ends in 1847 when the United States Army occupied Mexico City. In addition, this investigation considers how the lack of adequate contributions from the tobacco industry impacted the outcome of the war. Finally, it demonstrates how

tabacaleros responded to the cry for funding from the federal government, thus highlighting their views and actions towards the conflict.¹⁸

Chapter two explains the evolution of the tobacco monopoly prior to the war with the United States. This chapter also discusses the economic and political situation of Mexico prior to the war to establish the context in which the tobacco industry will play its role. The tobacco monopoly felt victim to the political and economic uncertainties experienced by the Mexican government from independence to the eve of the war. In 1845, with an asphyxiating inflation, the situation of Mexico's treasury was critical. Government officials tried to come up with a solution to help the treasury. Laws were made; some accepted and others repudiated by the opposition. However, the monthly cash outs from the states administering tobacco proved the government suspicions that employee negligence was hurting the industry.

Chapter three analyzes the critical problem of contraband. The notifications of the Ministry of Foreign Relations as well of the Ministry of Treasury attest the difficulty the national government encountered in stopping contraband, and how crucial was the income from the tobacco industry for the national treasury. Official in Mexico City believed employees were at the root of the problem. However, much of the problem derived from the inability of the government to aid the departments in pursuit of smugglers and provide tobacco leafs. Here, the state of Michoacán will be used as an example. In Michoacán, local authorities demanded more help from the national government to defend the industry, thus creating altercations between states and the central government.

¹⁸ The term *tabacaleros* is being used to refer those involved in the tobacco industry (planters, factory workers, bureaucrats, and regions administering the tobacco rent). The term follows the meaning according to the *Real Academia Española*. See *Diccionario de la Lengua Española*, s.v. "Tabacaleros," http://dle.rae.es/?id=YqweTjQ (accessed December 8, 2015).

Chapter four deals with the conflict between the states and the federal government over the use of tobacco revenues for the war with attention focused on Chihuahua, Jalisco, the state of Mexico, and Michoacán. Placing regional interests above national interest created conflict between Mexico City and the states managing the tobacco industry. Throughout 1845 and 1846 the Ministry of Treasury continuously asked departmental governors to avoid using the revenues of the tobacco industry. The state of Chihuahua will be used as an example to demonstrate such disputes. Even though states disputed the destination of tobacco revenues with the war threatening the integrity of the nation, the majority of the states provided financial support from the tobacco industry.

Chapter five analyzes the monetary and manpower contributions of tobacco workers to the war. From the lowest ranks to the senior administration, employees at the factory in Mexico City contributed to the war effort. The contribution from workers demonstrates that in times of national crisis they helped the national government, even if not at will as the donation could be interpreted as mandatory. Many of them joined the *Batallón de Bravos* of the National Guard and fought at Churubusco.

The research concludes by asserting that the tobacco industry was an important financial contributor to Mexican government's efforts to sustain the war against the United States. Without any significant success, the Mexican government tried to confront and solve the problems limiting the amount of revenues that was expected from the tobacco industry. Regional interests, political factionalism, administrative negligence, and tobacco contraband limited the amount of money the tobacco industry contributed. Amid all the difficulties experienced by the national government and the tobacco industry, the industry and its workers provided substantial amounts of money and manpower to defend the nation against the United States.

CHAPTER II

ECONOMIC REFORMS AND THE ABUSES TO THE TOBACCO INDUSTRY DURING THE HERRERA ADMINISTRATION

"The supreme government urgently needs huge resources for the expenses of a foreign war, which is likely to become unavoidable...and this war is going to compromise national honor, and very seriously put in jeopardy the Republic."¹⁹

Luis de la Rosa,

Minister of Treasury

The political and economic situation of Mexico prior to the war with the United States was critical. Just a year before the conflict, there was another change in the person who would sit, using Carlos Fuentes' term, on the Eagle's Throne. This meant a new approach likely paralleling the political ideology of the president in power to build a stronger government and stable economy. For Mexico 1845 not only signified the end of all diplomatic relations with the United States, as it annexed Texas, but also the last breath of a centralist political order. 1845 also marked a continuation of confrontations between political factions who disagreed with the new political order in place. As a result discrepancies grew between the national government and its regions. Such political and economic uncertainties characteristic of the first half of

¹⁹ AGN, Diario Oficial, July 23, 1845.

nineteenth-century Mexico took their toll on the Mexican treasury. Desperate to fill the treasury, politicians in Mexico City knew the problems that were asphyxiating the treasury. They implemented economic reforms to try and fix some of the wrong doings occurring in the national industries, which included the tobacco industry.

To understand the role of the Mexican tobacco industry in 1845 and during the war with the United States, it is important to note how political changes in Mexico's government had affected the industry and its economic evolution.

The tobacco industry was an important source of revenue for the Spanish crown. As part of the Bourbon reforms, the crown regulated the purchase and sale of tobacco in New Spain in a 1764 royal order.²⁰ Even though colonists opposed the monopoly because now tobacco could only be cultivated in certain areas, manufactured in state-own factories, and only sold to the crown at fixed prices, the crown continued with its plan, eventually making the monopoly "…the most precious jewel that the King had in his American domains."²¹ Just second to silver mining, the tobacco monopoly yielded to the crown almost one-fifth of total state revenues.²² By 1790 state control of tobacco sales alone accounted for \$986,559 pesos.²³

The glorious days of the tobacco monopoly ended with the War of Independence. Dean-Smith comments, "If the Bourbons believed the tobacco monopoly to be a fiscal golden goose, they managed to kill the creature with great alacrity."²⁴ The monopoly survived and just lost its economic magnitude. During the War of Independence, the crown used all the revenues from the

²⁰ Deans-Smith, 15.

²¹ Tenenbaum, 4.

²² Deans-Smith, xii.

²³ Tenenbaum, 5. According to Tenenbaum, as a result of the Bourbon Reforms the royal treasury experienced an increase of revenues totaling \$11,493,748 pesos by 1790. Such revenues were divided in four parts, the second being the tobacco, cards, and mercury monopolies that yielded \$ 1,798,520 pesos; sixteen percent of the total revenues came from this category and fifty-five percent of that amount came from the tobacco monopoly.

²⁴ Deans-Smith, 249.

monopoly to sustain the royal army. Loans were made to sustain the monopoly, and the tobacco revenues were immediately used to acquire more loans.²⁵ In the transition from colony to independent nation, and with the help from private investors, the tobacco monopoly survived the War of Independence though in a critical financial situation.²⁶

Following independence, the new republic of Mexico faced the challenge of creating a new tax structure that would allow the nation to build a stable government, economy, and finance an army that could protect the vast amount of territory from any foreign threat. Politicians saw with enthusiasm the monopoly, as it was the only source of income left to the government.²⁷ They hoped such industry would produce the revenues that so much helped the Spanish crown, but their expectations were never met. The fervor of independence caused conflict over whether to continue with the monopoly or abolish it. However, the different views towards the monopoly did not matter. It continued to exist, though with fewer restrictions and less regulation, shifting organization and management of cigars and cigarettes to the states.

After Agustin de Iturbide's failed monarchy, Mexico adopted federalism as form of government in 1824. Under the 1824 constitution, the federal government received all port taxes, revenues from the mints and the lottery, as well as taxes on national property and the revenues from the post office, and sales from gunpowder, salt, and tobacco monopolies.²⁸ Under this federalist plan, a law was decreed on February 1824 explaining the structure and functions of the tobacco monopoly. It stated that the national government would retain control of the planting

²⁵ Ibid.

²⁶ Ibid, 250-251.

²⁷ Tenenbaum, 15; Deans-Smith, 251. The government expected that twenty-three percent of the government income was going to be supply by the monopoly. In reality, the tobacco only provided from \$637,145 pesos to \$1,356,127 pesos during the years 1825-1828.

²⁸ Tenenbaum, 46. States were also required to collect revenue from the consume tax, (three percent on the value of imported goods), official paper, cockfights, clerical tithes, *contribuciones directas* (three day's salary) and duties on gold and silver.

and selling of tobacco leafs to the states. The states had the option to sell the leaf to individuals and allowed the construction of privately own factories. Another option was that they could build their own factories in order to monopolize manufactured tobacco. Finally, they were given the option to buy the manufactured product from the national or other state own factories.²⁹ By 4 August 1824, after months of continuous debate on the designation of Mexico's rents, the tobacco rent became officially under federal control; the federal government expected \$2,500,000 pesos in revenues, while the states expected to receive \$1,500,000 pesos for selling the tobacco.³⁰ Changes continued to be made as Mexico still sought to obtain more revenues from its industries. By May 1829 states had to pay a tax to the federal government to produce tobacco. Two years later, the general management of the monopoly was replaced by the *Compañia de la Renta del Tabaco.³¹*

The shifts on the management of the tobacco monopoly after independence and the loosened regulations demonstrated the critical political and economic situation of the Mexican state and its treasury. During the early stages as an independent nation, Mexico would continue to try out different paths to eventually build a strong government and an abundant treasury that would allow the nation to supply its government and sustain its vast territory. This process followed the political ideology and constitutional framework in place.

In 1833 Federalist President Valentin Gómez Farías suspended the national monopoly on tobacco leafs with the Liberal belief that the states should have the freedom to choose the best way to produce tobacco in their territory.³² Reactions to the government's decision to abolish the

²⁹ González Navarro, Benito Antonio and Jesús Hernández Jaimes, "Vivir Sin Impuestos: Los Orígenes de la Hacienda Pública Tamaulipeca, 1825-1834 in *Historia, Región y Frontera Norte de México*, ed. Gerardo Lara Cisneros (Tamaulipas, Mexico: Universidad Autónoma de Mexico, 2011), 89.

³⁰ Navarro, 107.

³¹ Deans-Smith, 251-252.

³² Navarro, 111.

monopoly emerged right away from several groups involved in the tobacco industry, thus demonstrating their political and economic influence in government decisions. They demanded the return of the monopoly to government hands since they saw no significant improvement in their pockets with the Liberal plan. One of the most vocal groups opposing the abolition of the monopoly were the tobacco planters from the Veracruz region. They put pressure on the government when their needs and expectations were not met. They used the help and influence of political and military figures such as Lucas Alamán, Antonio López de Santa Anna, and José María Tornel to communicate their grievances to the national government.³³ Very well organized in a *común de cosecheros* (planter's corporate body), together with the state legislature of Veracruz, Mexico, and Michoacán the tobacco producers demanded Congress create a new monopoly. Costeloe explains, *tabacaleros* from Orizaba and Córdoba joined the protest as they argued "the industry had long been a fruitful source of tax revenues, which had dropped drastically since the end of the monopoly."³⁴

If Gómez Farías planned to make any modifications to the tobacco industry under a federalist liberal plan to resolve issues with the tobacco growers, his intentions soon evaporated after Santa Anna deposed him in 1834. On 3 October 1835 Mexico officially became a centralist Republic. In theory, centralism was supposed to have a strict control on regions and a stronger hold on Mexico's revenues, but Mexico City's political and economic weakness did not allow that to happen. As Tenenbaum explained in her study on debts and taxes in Mexico, centralism as a political organization "promoted regional autonomy even more than federalism."³⁵ One of the only links between the capital and the departments were the departmental governors, and for

³³ Costeloe, 305.

³⁴ Costeloe, 88.

³⁵ Tenenbaum, 42.

the wealthy class it became easy to promote their interests within a department. Furthermore, the vast amount of territory became a burden for Mexico City as most of the peripheral states were left alone to defend themselves from Indian incursions, and fell to the mercy of a few wealthy *caudillos*.³⁶ Centralism's political and economic deficiencies become evident through the tobacco industry's experience. The pages that follow demonstrate that the tobacco industry and the people involved in it took advantage of such regional autonomy created by centralism.

Centralism created conflict among Mexico's regions. Departments that opposed the centralist plan revolted against Santa Anna. The most successful revolt occurred in Texas, which ultimately became its own republic in 1836. The constant revolts forced the government to make changes in its revenue system as Mexico's treasury began experience a decline and an increase in expenses.³⁷ The situation of the tobacco industry during the first years of the centralist period continued to be full of uncertainties. Discontent among the people involved proved frequent. Hence, the changes in government did not stop protest for the return of the monopoly. Finally, with the law of 12 January 1837, the tobacco industry returned to the national government under the control of the *Banco de Amortización*.³⁸ Notwithstanding the government's decision to maintain control of the industry, the Mexican treasury was not resuscitated by the tobacco industry as Mexicans hoped would happen.

Since the government could not finance the tobacco industry as the Spanish crown once did, the tobacco industry fell prey to political groups and ambitious entrepreneurs. Many proponents of the monopoly argued the monopoly was a crucial fiscal institution. It seems that the government still maintained hoped for more revenue from the monopoly, and after pressure

³⁶ Tenenbaum, 41-43.

³⁷ See pages 46-53 in Tenenbaum, *The Politics of Penury* for an overview of the economic changes during the centralist period.

³⁸ Costeloe, 87.

came from prominent leaders such as Alamán, the government organized an auction in 1839 to decide who would rent and take control of the monopoly.³⁹

In 1839 conflict emerged between entrepreneurs, bureaucrats, and planters after a group of entrepreneurs and financers from a company based in Mexico City outbid planters. With the treasury almost bankrupt, President Anastasio Bustamante accepted the entrepreneurs' proposal in which they would assume the control of a centralized tobacco monopoly. This basically gave almost unlimited political and economic power to the entrepreneurs, as the monopoly's jurisdiction would encompass almost all of the national territory.⁴⁰

Dissatisfied with how entrepreneurs managed the now privately owned *Empresa del Tabaco*, and discontented with the political and economic power acquired by them, planters, factory workers, and bureaucrats joined together to make business impossible for entrepreneurs. They tried every legal means going as far as the Supreme Court to change the government's decision, and sought the help of their comrades in the military and government, notably Tornel, who was from the tobacco-producing area of Orizaba, Veracruz. In the summer of 1839, five thousand tobacco workers in Mexico City rioted in response to the new managerial and working policies implemented by the new company owners.⁴¹

Entrepreneurs did their part as well to repel all sorts of protests. One of their maneuvers was to focus on the Minister of Treasury and through him they effectively influenced government fiscal policies. In addition, had the assistance of José Basilio Arrillaga and Luis Varela, respective heads of the finance committees in the Senate and in the Chamber of Deputies. And above all, the capitalist group had a big advantage, and that was Mexico's fiscal

³⁹ Walker, David, "Business As Usual: The Empresa del Tabaco in Mexico, 1837-44," *Hispanic American Historical Review* 64, no. 4 (Durham: Duke University Press, 1984): 704.

⁴⁰ Walker, 681.

⁴¹ Walker, 684.

instability and weak national government. The company constituted a unique reserve of money and influence upon which the Bustamante administration became dependent.⁴²

The Empresa del Tabaco created an atmosphere of conflict among the regions involved in the industry. States that depended on tobacco also protested the change in the control of the monopoly. Local authorities from fifteen departments saw a significant loss of revenue from the tobacco trade and opposed the influence and power acquired by Mexico City in coalition with a few capitalist hands.⁴³ For Guanajuato and Zacatecas, the abolition of locally administered monopolies after the *Empresa* took over the monopoly cost them a key source of revenue. Something similar occurred in Jalisco and Michoacán as popular protests emerged to resist any institution that denied them the opportunity to produce and market locally grown tobacco. Or as it was in the case of Chihuahua, officials imposed an illegal tax on each pack of cigarettes and cigars.⁴⁴ By April 1841 fifteen departments had petitioned for the abolition of the private monopoly.⁴⁵

Future discontent from several states followed. By the time the United States army began to march to the disputed territory, Mexico relied on the tobacco industry to sustain the *Ejército del Norte* (Army of the North) and the *Ejército de Oriente* (Army of the East). However, many states in charge of managing the tobacco industry depended on that money to defend their own territory against raids from *indios bárbaros* (savage indians) or foreign invasions. More importantly, they need the revenues of the industry to sustain their own economy, to maintain public tranquility, and to operate other government services. When Mexico City began to ask for

⁴² Walker, 687.

⁴³ Costeloe, 165-166.

⁴⁴ Walker, 690.

⁴⁵ Costeloe, 166.

more income from the tobacco industry, resistance or discontent to such demands arose in several regions across the republic.

Meanwhile entrepreneurs who cheered for the privatization of the tobacco monopoly found out very soon that the tobacco contract was not the profitable venture they had anticipated. By December 1840, they renegotiated their agreement with the Bustamante administration, and with the help of all their influential peers in power, received more favorable terms in April 1840. However, protest from the planters and bureaucrats obliged Bustamante to abolish the agreement, leaving the entrepreneurs with a contract on which they were losing a large amount of money.⁴⁶

What occurred to the tobacco monopoly after the failed project of the 1839 Empresa del Tabaco is uncertain. Deans-Smith mentions the tobacco monopoly was once again reopened in 1847.⁴⁷ However, there is evidence that shows the tobacco industry continued to exist under government control in 1845.

The critical situation of the Mexican treasury in 1845 led officials in Mexico City to try to reform Mexico's industries. The person who dealt with Mexico's problems during that year was José Joaquin Herrera, a moderate federalist who came to power after a group that opposed Santa Anna overthrew the dictator in December 1844. In his speeches to Congress published in the moderate newspaper *Siglo XIX*, Herrera's presidential priorities became clear. For Herrera, Mexico needed immediate reforms in the area of civil bureaucracy, the army, and the public finances, which he identified as an "impenetrable chaos," while also promising to settle the Texas issue with the United States. The way Herrera approached these issues, giving priority to

⁴⁶ Costeloe, 165-166.

⁴⁷ See last chapter in Deans-Smith, *Bureaucrats, Planters, and Workers: The Making of the Tobacco Monopoly in Bourbon Mexico.*

the time consuming importance of legal procedures, caused many problems for him. Time was what Herrera and Mexico most lacked.⁴⁸

As soon as Herrera ascended to the presidency he began to implement his reforms. Throughout the 1840s Mexico's national treasury received three important incomes. One of them was the tax collected from the custom offices, which was to pay off Mexico's internal and external debt. The short-term loans from entrepreneurs established in Mexico were another form of income that allowed Mexico to pay for its deficit. Lastly, the taxes from all the national rents, which in turn came from all the departments served to pay Mexico's bureaucracy and army.⁴⁹ Herrera's first tasks were to eliminate previous taxes and fiscal burdens imposed by Santa Anna, which in Herrera's eyes slowed Mexico's economic growth and brought public discontent. Even though he decided to deviate from Santa Anna's policies, Herrera continued to work under the *Bases Orgánicas*, the constitution proclaimed by Santa Anna on 12 June 1843, arguing that Mexico should work under that constitution before making any constitutional reforms. Among the immediate changes Herrera made were the elimination of the *alcabala* (head tax) and reallocation of most tax revenues to the departments.⁵⁰

The departments that managed the tobacco industry paid close attention to what Herrera was doing. The debate focused on the destination of tobacco revenues. The governor of Coahuila Santiago Rodríguez wrote to the Minister of Treasury expressing "…the relative evils the department would resent if [the national government] will pursue the suspension of aid that the administration of tobacco" gave to his department.⁵¹ The money that the tobacco industry

⁴⁸ Costeloe, 263.

⁴⁹ Rodríguez, Carlos Venegas, "Las Finanzas Públicas y la Guerra Contra los Estados Unidos, 1846-1847," in *Mexico al tiempo de su guerra con Estados Unidos (1846-1848),* ed. Josefina Zoraida Vázquez (Mexico: Secretaría de Relaciones Exteriores, 1997), 105.

⁵⁰ Costeloe, 264.

⁵¹ AGN, *Gobernación*, Coahuila, May 24, 1845.

supplied Coahuila was of such great importance for that state that when Herrera's government decided to continue with the stipend of \$2,000 pesos, governor Rodríguez expressed the following:

"Greatest satisfaction that the interim President of the Republic, wishing to avoid the evils that this department would resent lacking the help of two thousand pesos with which contributes the income of tobacco, so it can take care of their own expenses, was kind enough to agree that for now and subject to what would later be resolved in particular, continue to ministering the sum expressed...[so] its political march is not interrupted nor dissolution occurs which is a threat due to the lack of resources."⁵²

The economic situation of Coahuila is a small reflection of what Mexico and its states were experiencing in 1845, a year before the armed conflict with the United States erupted. The tobacco industry provided financial aid not only to the national government but to its departments as well. Herrera's reforms sough to placate public discontent. However, as it will be discuss in chapter four, the destination of tobacco revenues shifted as the war with the United States caused conflict between the national government and its states.

For the time being, Herrera's reforms seemed destined to increase Mexico's revenues and received public support. However, bigger problems were at hand. Early in June the Herrera administration received the news that the United States had annexed Texas to the Union. Historians have interpreted Herrera's approach to the Texas issue as being soft. He sought to fix

⁵² AGN, Gobernación, Coahuila, June 2, 1845.

this problem by accepting Texas independence, which infuriated the radical wing of the federalists who sought a more strong militant approach.⁵³ This might be true early on 1845.

The annexation of Texas by the United States, a catastrophic event that the official government newspaper perceived as a threat to Mexico's independence and "...whose outcome will decide for many centuries the fate of Mexico," urged Herrera and his administration to analyze in depth the situation of the nation's treasury. The annexation had created indignity across Mexico. Notwithstanding Mexico's discontent against the United States, the economic situation of the country did not parallel the patriotism and enthusiasm to recover Texas. Mexico needed to reform its fiscal system, including its financial institutions, in order to defend its claim on the Texas issue against the United States in an inevitable armed conflict.⁵⁴

President Herrera understood that in order to embark on a campaign to reclaim Texas, Mexico's treasury needed far more money. The intention to reform Mexico's fiscal system was a sign of Herrera's view towards the conflict. However, any reforms to the treasury or its rents, which included the tobacco, were not easy as those reforms aroused conflict with the various groups associated in the industries. In the early months of 1845, the Herrera administration managed to remove some of the causes of popular discontent regarding Mexico's fiscal situation, particularly in the departments. But there were many other groups, according to Costeloe, that saw an opportunity to promote their interests. Among the opportunists were the tobacco growers of Orizaba. They complained that they had not been paid for their tobacco. The government accepted their case and managed to borrow \$100,000 pesos at six percent interest to meet their

⁵³ Costeloe, 268. See Costeloe's Chapter 11 discussing Herrera's administration.

⁵⁴ AGN, *Diario Oficial*, Luis de La Rosa, Minister of Treasury, to the secretaries of the Chamber of Deputies, April 20, 1845.

claim. In contrast the former private tobacco monopoly shareholders, including Manuel Escandón and Cayetano Rubio, bitterly protested against the suspension of payments to them.⁵⁵

The Texas issue continued to get all the attention on the *Diario Oficial del Gobierno Mexicano*. Continuous publication of the opinions from the departments and editors reflected the uncertainty of the problem, while urging Herrera to act strongly. Debate among Mexico City's newspapers emerged on whether Herrera's government was well prepared for war against the United States. *El Amigo del Pueblo* questioned the government's financial readiness while the *Diario Oficial del Gobierno Mexicano* sided with Herrera and his administration by saying that the administration at that time has tried to fix the external debt and public finances in order to borrow abroad, and that's the only way to finance the war. ⁵⁶ That was probably right. The inability of the Mexican government to collect enough revenues to pay for its expenses created the need to acquire domestic and foreign loans.⁵⁷ For example, Mexico's income in 1845 totaled \$21,505,981 pesos. Forty-percent of that amount, a total of \$8,502,564, came from domestic loans.⁵⁸ However, continuous debate about the conditions of Mexico' industries and Herrera's actions indicate that more revenue was needed.

For Herrera and his administration one priority continued to be the implementation of economic reforms that would help Mexico's treasury be ready if the only solution to the problem was an armed conflict. On 20 April 1845 the Minister of Treasury Luis de la Rosa addressed the Secretaries of the Chamber of Deputies to explain how President Herrera sought to alleviate Mexico's treasury. De la Rosa explained that President Herrera has done everything he could do to make the republic ready for this strife. However, "one obstacle is presented to the supreme

⁵⁵ Costeloe, 88.

⁵⁶ AGN, *Diario Oficial*, August 4, 1845.

⁵⁷ Tenenbaum, 56-57.

⁵⁸ Tenenbaum, 179.

government to put into action all measures of defense has prepared, and that obstacle is the shortage of resources to which the treasury is reduced.³⁷⁵⁹ Measures were given and among them was the possibility of a three million pesos loan, be that foreign or national. Article 4 of the decree President Herrera issued stated, "... for payment of the three million, the government can mortgage the rent or rents of the nation that by any law were not mortgaged to other payment.³⁶⁰ In 1845, the tobacco industry was under government control and there is no doubt that if needed, the government would use the industry's value and revenues to pay for the three million loan or any future loan to support the imminent war against the United States. Furthermore, the scarcity of currency, a characteristic of early republican Mexico, brought into use various methods of payments. When the government sought loans from British commercial houses, tobacco bonds were used as a form of payment.⁶¹ This sort of actions increased the dependency of the Mexican government with British lenders and also brought into play the tobacco industry. Not only did Mexico had to increase the productivity of the tobacco industry to fight the war with the United States but also to repay British bondholders who were promised tobacco money.

While Herrera continued to find a way to fix Mexico's internal economy, more money was sought abroad. On 28 April 1845 the Herrera administration authorized to renegotiate the British debt with British Consul to Mexico and bondholder representative Ewen C. Mackintosh. The new settlement was signed on 4 June 1846 that provided Mexico a new issue of bonds worth \$51,208,250 pesos at five percent interest and saved Mexico \$4,805,625 pesos.⁶² Together with

⁵⁹ AGN, Diario Oficial, April 20, 1845.

⁶⁰ Ibid.

⁶¹ Heath, Hilarie J., "British Merchant Houses in Mexico, 1821-1860: Conforming Business Practices and Ethics," *Hispanic American Historical Review* 73 (1993): 269-271.

⁶² Tenenbaum, 77.

the new issue bonds, the Mexican government received \$200,000 pesos in cash and some credits, which included tobacco bonds from the British commercial house Manning and Mackintosh.⁶³

Amid the reliance on loans, the Herrera administration continued its campaign to reform Mexico's public finances. The situation of Mexico's industries could be seen as a small reflection of Mexico's fiscal problems. The tobacco industry in particular became important since the government controlled the industry, and it was up to Herrera and his administration to fix the problems. Furthermore, the changes to the industry in order to create more revenues demonstrated the uncertainties the Mexican government was experiencing in 1845. If Mexico was to defend its vast territory against the United States, the Herrera administration had to come up with a solution to increase federal revenues.

The Herrera administration encountered employee negligence as well as political opposition. On 8 April 1845 the Minister of Treasury communicated via the *Diario Oficial del Gobierno Mexicano* an announcement regarding the tobacco industry made by President Herrera. The changes advised by the President were "...dictated by a true zeal for the public good," however, the Minister of Treasury highlighted, probably as the core problem, that the industry was being victim of abuses made by administrators and workers.⁶⁴ The call to highlight such abuses continued to be debated throughout April, which only means that Herrera was in a hurry to fix the problems that limited the amount of revenues this national industry was yielding. De la Rosa communicated to the General Director of Tobacco, José de la Fuente, Herrera's concerns about the tobacco rent. De la Fuente replied that he was already aware of "...a matter as serious

⁶³ Tenenbaum, Barbara, "Merchants, Money, and Mischief: The British in Mexico, 1821-1862," *The Americas* 35 (1979): 322; Gallo, Manuel Lopez, *Economía y Política en la Historia de México* (México: Ediciones El Caballito, 1982), 104-105.

⁶⁴ AGN, *Diario Oficial*, April 8, 1845.

as this.³⁶⁵ Although specific figures of revenue lost are uncertain, such communications between De la Rosa and others serve as an example of what was happening in the tobacco industry.

For the Herrera administration solving these problems was critical. The issue of Texas was escalating to the point that Mexico understood that an armed conflict was inevitable and resources were of critical need. On 23 July 1845 De la Rosa explained:

"In the circumstances in where the supreme government urgently needs a great amount of resources for the expenses of an inevitable war...the President sees with sentiment that the products of some of the administrations of public rents notably decrease, and the revenues are scarce on what they should be, and slow the collection and recovery of those rights."⁶⁶

This announcement was directed to the Director of Alcabalas (head tax), Manuel Payno y Bustamante, which means the tobacco industry was not the only sector suffering from the abuses noted on the announcement two months before by De la Rosa. However, the message depicts the overall situation of Mexico's rents. In the same decree Herrera once again repudiated industry administrators continuing to work for personal gains instead of aiding the national treasury.

De la Rosa communicated Herrera's discontent and suspicion that administrators and workers were not doing a good job in the rents and in collecting revenues. "The administrators and receptors of the rents see with negligence and contempt their fulfillment of their duties," De la Rosa said they, "...differ or neglect the timely collection, and forget their principal obligation...[that] have been entrusted to them by law."⁶⁷ Herrera issued a decree with several articles that tried to fix some of the wrong doings in Mexico's rents. Among the twenty one

⁶⁵ AGN, Diario Oficial, April 19, 1845.

⁶⁶ AGN, Diario Oficial, July 23, 1845.

⁶⁷ Ibid.

articles, he mandated for all administrators to be present at all times of their shifts, that they not provide any *licencias* (leave of absence) to any one if its going to hurt the treasury, to express any abuses by the directors and workers, and to collect any pending revenues from the rents.

Article 20 seems to reflect Herrera's past experience with tobacco growers. As mentioned before, early on December tobacco growers were protesting a missing payment by the government, and to avoid protest Herrera gave them what they were asking for. Article 20 stated that many debtors to the treasury hindered payments with the pretext of asking the government for compensations. It's a probability that the tobacco growers did not owe to the government. However, article 20 prevents "this abuse and to not admit that excuse," an excuse the government would use for the delay of payments. ⁶⁸ Finally, in the last article Herrera calls for the Minister of Finance to "dictate or promote all necessary measures to increase revenues and prompt for a more rapid collection."⁶⁹ All employees and officials that aid and fulfill their jobs "…will make to the republic a distinguished and highly recommended service."⁷⁰

The issue with the group of tobacco growers from the Veracruz region highlighted another problem the Mexican government experienced. On October 1845 growers from Córdoba and Orizaba once again complained about not receiving a payment of \$54,641 pesos for the month of August. The Director of the Tobacco Rent explained that such payment would've been possible "...if in the last three months the rent had not been taxed for different payments decreed by the supreme government...a total of \$430,439 pesos of which \$125,000 pesos that is assigned to it."⁷¹ Here lays a problem that the tobacco industry experienced during this time period. If the government could not complete payments to the growers, who were only requesting what was

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ AGN, *Diario Oficial*, October 2, 1845.

owned to them, it was because the money from the tobacco industry was being used as an aid to other sectors of the government. In addition, this shortage of money within the tobacco industry demonstrates the importance of the industry to the national government. It is not clear what was the destination of the taxes collected from the tobacco industry. The response from the government to the tobacco growers was that this was an absurd excuse funded without reason since "they never had been owned before, whether in time of past companies, or since the rent came back to the government control."⁷² Words such as this reflect frustration since the government did owe them before as explained earlier. However, Herrera and his administration once again sought to placate public discontent.

The situation of the treasury did not allow the government to pay its workers and people involved in the industry, and since "most of them are poor and need timely payments", the government's solution was to ask for loans from commercial houses such as Serment, P. Fort and Company to pay the growers.⁷³ This was a maneuver that the government used several times to calm any debt situation, which caused not a solution but a cycle of debts. These short-term loans at high interests became the escape route for governments under centralist governments.⁷⁴ The conflict between the government and the tobacco growers from the Veracruz region demonstrates not only the lack of resources for compensation but also how the tobacco rent served as primary source of income to fix Mexico's financial problems. The communication between the General Director of the Rents and the Ministry of Treasury did not specify the destination of the tobacco revenues. However, if the Texas issue continued to aggravate, such income must have been destined to maintain the army.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Tenenbaum, 57.

On the days that followed Herrera's July decree to make the rents function properly and yield the most possible revenues, De la Rosa made an announcement to the governors of the departments concerning the *cortes de caja*. This monthly departmental cash outs meant a lot for the Finance Ministry because it informed the government about the revenues made from the rents in the departments. The *Diario Oficial* published each month the monthly incomes from several departmental treasuries and on it, the revenues from the tobacco industry appeared. It is important to note that not all departments managed tobacco, and by the information provided by the *Diario Oficial* it seems that Michoacán, Guanajuato, Puebla, Coahuila, Durango, Chihuahua, and Querétaro were among the departments involved in the industry.

The numbers provided by the *Diario Oficial* are important because they reflect how much money the tobacco industry made throughout 1845 in the departments and they also explain why Herrera and his administration sought to fix the industry. One of the departments that provided the most revenues from the industry was Durango. In April 1845 the treasury of Durango reported \$17,590 pesos of tobacco revenues. However, the cortes de caja for the months of May, August, and November show a decrease in revenues, highlighting the problem Herrera and De la Rosa addressed. For example, in May Durango reported \$9,639 pesos, an almost \$8,000 pesos decline in only one month. In August the Durango treasury saw an increase on tobacco revenue as it reported \$14,290 pesos but in November the revenue decreased once again to \$10,637 pesos. The tobacco industry in Querétaro experienced almost the same thing but in a smaller scale. In May the treasury of Querétaro reported \$4,158 pesos on tobacco revenues, in July \$4,000 pesos, in August \$3,625 pesos, and in November it only reported \$3,000 pesos. On the other hand, for the month of March, Michoacán reported \$9,781 pesos on tobacco revenues and continue to see a decrease until the month of June where it reported \$7,000 and kept reporting

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the same amount for August and September. However, the treasury of Michoacán saw a significant decrease in October where it reported \$4,410 pesos.⁷⁵

The constant decrease in revenues could be attributed to various reasons. However, Herrera and De la Rosa distrusted the departmental governors and administrators in the industry. The announcements made in July that addressed the abuses on part by administrators and workers implied that such negligence was affecting the collection of revenues and the cash outs and the numbers provided by the cortes de caja serves as proof of Herrera's case, at least for the tobacco industry. The events involving the cortes de caja demonstrate the lack of response to the national government's call to the departmental governors to improve the efficiency of their departments. This ambivalence between national and regional governments grew as the national government continued to demand the revenues from the tobacco industry once the United States army began its march to Mexican territory in 1846. Such cases will be analyzed in four three.

However, there was another issue that implied administrative negligence and the weakness of the national government to tax and to control what was occurring with its national industries. Tobacco contraband hindered Herrera's reforms and reduced the funds available to the Mexican treasury. Furthermore, it continued to cause problems when the Mexican army began to look for financial help from the tobacco industry.

⁷⁵ AGN, *Diario Oficial*, March 14, 1845; AGN, *Diario Oficial*, April 8, 1845; AGN, *Diario Oficial*, May 16, 1845; AGN, *Diario Oficial*, May 28, 1845; AGN, *Diario Oficial*, June 8, 1845; AGN, *Diario Oficial*, July 26, 1845; AGN, *Diario Oficial*, July 27, 1845; AGN, *Diario Oficial*, August 16, 1845; AGN, *Diario Oficial*, August 15, 1845; AGN, *Diario Oficial*, August 19, 1845; AGN, *Diario Oficial*, September 19, 1845; AGN, *Diario Oficial*, October 21, 1845; AGN, *Diario Oficial*, November 2, 1845; AGN, *Diario Oficial*, November 19, 1845.

CHAPTER III

TOBACCO CONTRABAND, 1845-1846

"Perhaps also the employees in those offices do not watch when they should in preventing and fighting against contraband, and perhaps none of them disguise it, defrauding the nation of its legitimate rights."⁷⁶

Luis de la Rosa,

Minister of Treasury

Before Herrera's short presidential term came to an end, he and his administration continued the fight against the abuses in the tobacco industry. Without any significant success, the Mexican government tried to confront and solve the problems limiting the amount of revenues that was expected from the tobacco industry. Herrera and his administration believed that the problem of tobacco contraband had its roots with the people working in the industry. Government officials in several departments that managed the tobacco rent also shared this belief. On 8 July 1845 the Minister of Justice from Guanajuato complained about the continuous contraband trade of tobacco that reduced the departmental treasury. Although measures were being put into practice to end such evil, the Minister explained, "Even officials are assisting these criminals."⁷⁷ The government had all the reasons to believe this. However, tobacco

⁷⁶ AGN, *Diario Oficial*, July 23, 1845.

⁷⁷ AGN, Diario Oficial, July 8, 1845.

contraband was not only an effect of administrative negligence as maintained by the central government. The refusal of the central government to aid the departments by sending contingents of armed men to stop contraband and the precarious situation of the rent revenues origin from a shortage of tobacco leafs incited people to make some money out of tobacco contraband. If that wasn't enough, the imminent war with the United States over Texas, and the opposition from the entire political spectrum and the military to Herrera's constitutional and fiscal reforms limited the amount of federal help the tobacco industry and the departments received to stop contraband.

The tobacco industry experienced a reduction of their financial gains as contraband persisted in the tobacco regions. Tobacco contraband wasn't a new problem for the national and state governments, or for the tobacco administration, as it existed in several regions of the republic even before 1845. In their study about the origins of Tamaulipas' public finances, Benito Navarro and Jesús Hernández explain how tobacco contraband originated and affected Tamaulipas from 1825 to 1834. Contraband was the main problem the Tamaulipas' tobacco industry experienced. It became a problem after several factors intertwined: technical and administrative deficiencies, low productivity due to the lack of tobacco leafs, and the disarray in the distribution of manufactured products.⁷⁸ As a consequence of all these problems, tobacco smugglers met the public's needs by supplying less expensive products of better quality from other parts of the republic and even from the United States.⁷⁹ This would be a constant problem experienced not only in Tamaulipas but also in other regions across Mexico, which ultimately affected the national government and its treasury in the years that followed. By 1845, the issue of

⁷⁸ Navarro, 108-109.

⁷⁹ Navarro, 110.

tobacco contraband became a focal point for the national government as the imminent war with the United States led to pressure for more revenues.

Much of the money to finance the army ought to have come from the tobacco rent. For example, in the monthly cash out done by the treasury of the department of Jalisco, a substantial amount of the \$9,000 pesos in revenues from the tobacco industry in the capital of that department was to be "dispatched to the treasury of the 3rd division for their military attentions."⁸⁰ But with an industry losing money to smugglers, times were harsh for Mexican soldiers. In mid-1845 army, officials complained about the conditions of the soldiers due to the lack of resources. In the communications held between General Mariano Paredes y Arrillaga and politicians that included President Herrera in June and July 1845, the subject under discussion was the critical situation of the rents and the army. On 18 April 1845 Teofilo Romero wrote to Paredes that the active forces of Celaya, Guanajuato hadn't received their monthly payment, and from that the rents "...we ought to live from, is not enough for anything."⁸¹ Four days later, Herrera notified Paredes that an amount produced by the rents destined to the army was pending because the General Administration didn't expedite them. Herrera expressed his sympathy and told Paredes that help ought to arrive. However, before concluding his communication Herrera explained to Paredes that the United States Navy had arrived to the port of Veracruz, probably as an act of intimidation, and "... the endless and very urgent attention had to turned to Veracruz."82

Furthermore, at the time of the communications between Herrera and Paredes, the news that the United States had opted to admit Texas into the Union, and that General Zachary Taylor was ordered to march to Corpus Christi arrived to Mexico City. These events caused Herrera to

⁸⁰ AGN, Diario Oficial, July 15, 1845.

⁸¹ García, Genaro., and Carlos Pereyra, *Documentos inéditos ó muy raros para la historia de México* (México: Vda. de C. Bouret, 1905), 12.

⁸² Garcia, 14.

change the destination of revenues from the rents, leaving soldiers in other parts of the republic without money, clothing, and supplies. The lack of money in Mexico's treasury, and the eminent threat of the United States took its toll on the people and institutions that directly depended on the rents. On 1 May 1845 Paredes wrote to Herrera that his 3rd Division "…has survived God knows how, not haven't consigned to any [of] rent their payment."⁸³ More complaints kept on piling up on Herrera's desk, but he knew nothing could be done at the moment. It was critical for Mexico to supply any kind of help to that part of the republic that needed it the most. Mexico was preparing for a war, a war that "would be terrible for the Republic due to the condition is in."⁸⁴

The importance of tobacco revenues to Mexico's army and national treasury, and with a foreign army knocking at the gates of San Juan de Ulúa, incited Herrera to decree laws to protect such valuable product. On 21 October 1845 new tariffs were imposed in Mexico's custom offices. Among the products prohibited from entering the country via land and sea was the tobacco. Section 2, article 9 of Herrera's decree stated, "all kinds of tobacco and in any form are prohibited, and it may only be imported by the tobacco rent, except the amount that passengers may bring from their personal use."⁸⁵ With these sorts of laws the government believed the tobacco was safe from any threat. However, that was not the case. Contraband persisted throughout the republic affecting local and national treasuries. Hence, suspicion from Mexico City centered on the administrators, workers, and local authorities in the states that managed the tobacco rent continued to exacerbate. In the 25 July notice, De La Rosa condemned administrators and workers in the industry for the loss of revenues; he identified contraband as a

⁸³ Garcia, 22.

⁸⁴ Garcia, 15.

⁸⁵ AGN, *Diario Oficial*, October 21, 1845.

problem debilitating Mexico's government and its finances. De la Rosa explained, "Perhaps also the employees in those offices do not watch when they should in preventing and fighting against contraband, and perhaps none of them disguise it, defrauding the nation of its legitimate rights."⁸⁶ This statement is an exaggeration and generalization from De la Rosa, as we shall see that local authorities were trying to do their job, though without any success due to their limitations. In the meantime, to end the abuses and the probable participation of administrators and workers in the contraband trade, Herrera continued to issue orders to put an end to tobacco contraband.

On August 1845 Herrera created a Treasury Commission to assess the problems the treasury was experiencing, and to recommend reforms that would help solve those problems. Among the commissioners' accepted recommendations were to condemn contraband and enforce penalties. For example, one of the penalties to tobacco contrabandists included their loss of the product and confiscation of the equipment used in the act, such as weapons, carts, and pack animals. If the contrabandists were detained more than once, the financial penalty increased up to four times for them and the people that came along with them during the crime.⁸⁷ The effectiveness of this kind of laws to stop contraband is unknown. Stricter laws might only mean that contrabandists just found a more careful way to not get caught. However, the political and economic weakness of the central government in 1845 suggests that the effectiveness of those laws was minimal. It was difficult for local authorities with an exhausted treasury to spend money on pursuing contrabandists. Also, and, as the Herrera administration perceived it, people in the administration were just ambivalent about the problem because tobacco contraband was beneficial to their own personal income. Buying a cheaper product and selling it at the settled

⁸⁶ AGN, Diario Oficial, July 23, 1845.

⁸⁷ AGN, Diario Oficial, August 12, 1845.

price was a small gain for administrators. And at last, Mexico's vast territory added to the difficulty of stopping contraband by just simply issuing laws to castigate smugglers. The only hope Mexico City's politicians had was to continued issuing laws to repel contraband and circulars to department governments to excite the zeal and patriotism from departmental authorities and its citizens to protect the rent, a sentiment that most likely wasn't shared by all Mexicans.

Communications between national and regional governments regarding tobacco contraband intensified during the last months of 1845. A circular issued by Manuel de la Peña y Peña, Minister of Foreign and Internal Relations to all department governors on November 18, 1845, expressed the necessity to stop contraband as it was hurting the national treasury. Peña y Peña explained, that "...as a result of the manifestations that the General Director of Tobacco has made to the supreme government on the abundance of contraband in the departments due in large part to the lack of aid from the armed forces and authorities", President Herrera asked local authorities of each state to provide aid to the rent to stop fraud.⁸⁸ The help from local authorities was critical in the eyes of the central government because if Mexico were to fight a war against the United States, Peña y Peña felt that, "it is very urgent to aid those [rents] promoting to alleviate the critical circumstances of the national treasury."⁸⁹

Since the central government lacked money to aid in any direct way the departments suffering from contraband trade, Herrera opted to put the burden to stop contraband onto the departments and asked the governors to aid the industry in any way they could. Furthermore, the financial problems the central government experienced were not the only obstacle to help the departments. The assignation to department governors and local authorities to boost the rent

 ⁸⁸ AGN, Minister of Foreign Relations to all Department Governors, Nov 18, 1845.
 ⁸⁹ Ibid

derived from Herrera's reforms at the start of his presidency. Herrera's eagerness to reform the military and consciously reduce its power alienated all departments from any military help to stop contraband.

One of Herrera's reforms when he took the presidential seat was to minimize the size of the army and its influence in departmental matters. In 2 January 1845 he published his *Breves ideas sobre el arreglo provisional para el ejército mexicano* (Brief thoughts on the provisional arrangement for the Mexican army). In these, he sought the separation of civilian and military authorities and made it clear that each should stay on their respective jurisdictions. This meant that persecution of thieves, smugglers, or any kind of felon was now a matter for civil authorities and its magistrates.⁹⁰ Herrera's reforms not only infuriated military commanders. They perceived they had lost power and status. This also had big repercussions among the departments and the tobacco administration.

The call to the governors to take care of the tobacco contraband did nothing to stop the problem. It only passed the burden to the governors and the local authorities, who lacked the money and people to go after contrabandists. Furthermore, De la Peña's circular made it seemed that governors were not helping the industry at all and strengthened Herrera's argument that abuses was occurring in the industry. Governors responded to Mexico City demands by expressing their total support. Veracruz notified the national government that "all preventions have been made to all district prefectures and all other civil authorities [to] provide the necessary aid" to stop contraband in the department.⁹¹ In the same manner as Veracruz, Puebla and

⁹⁰ Costeloe, 266.

⁹¹ AGN, A.M Salome to the Minister of Foreign Relations, November 24, 1845.

Querétaro expressed their full support of the local authorities to stop contraband.⁹² Other governors did not act in such support of Herrera's government.

Tobacco contraband in Michoacán was draining big amounts of money from the local treasury and was controlled by a group of former insurgents who established their influence following Mexico's independence. These *caudillos*, Juan Álvarez and Gordiano Guzmán, had their own economic and political structures that defied the laws dictated from Mexico City. One of their principal activities was the contraband of tobacco.⁹³ The contraband problem in Michoacán was reported to the national government early in 1845 by General José Ugarte when he informed them that in the *El Carrizal* ranch there was a big concentration of followers of Álvarez and Guzmán, later found to be tobacco smugglers collecting tobacco to be distributed to Jalisco, Colima, Michoacán, Oaxaca and other parts of southern Mexico.⁹⁴ This caught the attention of national authorities also persisted.

The constant flow of contraband in Michoacán in late 1845 alarmed local and national authorities. To the local authorities it was obvious that help from the national government was needed. However, the governor of Michoacán, Juan Manuel del Olmo, brought to light a reason for the increase of contraband in that department. In response to the November 18 notice he wrote:

"This department has always pursued with greater commitment tobacco smugglers and provided workers the help they have asked for, but neglect from the administration of the industry has the largest fault in this disease, as it doesn't

⁹² AGN, Juan G. Cabofranco to the Minister of Foreign Relations, November 24, 1845.

⁹³ Escamilla, Juan Ortiz, "Michoacán: Federalismo e Intervencion Norteamericana," in México al tiempo de su guerra con Estados Unidos (1846-1848), ed. Josefina Zoraida Vázquez (México: Secretaría de Relaciones Exteriores, 1997), 309-311.

⁹⁴ Escamilla, 311.

supply the [unintelligible] necessary which authorities frequently lament such lack of...leaving to the citizens to seek the items they need in any way they can, as it has been done several times.⁹⁵

Del Olmo's response highlights a problem that haunted the tobacco administration even before 1845. As discussed earlier, contraband in Tamaulipas was a result, among other factors, the lack of tobacco leaf. Since the government supplied the leaf, it is possible that in Michoacán there was a shortage of the product, leaving tobacco workers to seek through contraband the items to keep working. Besides, smugglers supplied less expensive tobacco leafs of better quality making it more desirable for the consumers. In addition, the constant conflict between the national government and the planters in the Veracruz region, which was the main source of tobacco leaf, was due to a lack of federal payment. If the shortage of product in Michoacán was constant, there is a reason to understand the discontent from Michoacán towards Mexico City and to the tobacco administration.

Even without the proper supply of tobacco leaf, tobacco workers and local authorities had to perform their job. However, without the help from the central government, local authorities found it very difficult to pursuit and punish tobacco smugglers. A letter from the Prefect of the northern region of Michoacán to the Secretary of Government and to the Governor of Michoacán, transcribes a complaint arising at the town of Zacapu in Michoacán. The Subprefect of Zacapu explained to the Prefect of Michoacán that between the towns of Caurio and Purépero, tobacco smugglers were well established and did their business "…with impertinence and publicity, hiding from no one and walk during the day as the any other merchant."⁹⁶

⁹⁵ AGN, Governor of Michoacán to Manuel de la Peña y Peña, November 24, 1845.

⁹⁶ AGN, Subprefect of Zacapu to the Prefect of Michoacán, November 27, 1845.

is not enough force to go after them.^{"97} The number of smugglers surpassed those of the local authorities as the Sub prefect explained, "They being more than one hundred and all of them well mounted and armed."⁹⁸

Following orders from the national government or just simply trying doing their job, tobacco workers in Michoacán tried to stop contraband without success. Tobacco workers like Juan Garcia who died in pursuit of smugglers in between the town of Epejan or like the Receptor of Zacapu who died doing the same thing just outside of Purépero are the perfect proof that local authorities needed help from Mexico City.⁹⁹ What was happening in the town of Zacapu demonstrates that more than administrative negligence, workers and local authorities did not want to lose their lives over a product and a government that did not listen to their call of help. Hence, the sub prefect concluded his communication suggesting that in order to stop the contraband:

"[It] requires radical remedies and I think the main thing includes that the supreme government will allocate a party of at least fifty men mounted and armed to constantly pursue the smugglers because the residents of the villages and farm state that persecution is impossible and forces them to go to perish without success in the hands of smugglers."¹⁰⁰

Tobacco contraband had large effects in states managing the rent. The national government not only saw its treasury shrink but its personnel, as workers were left alone to defend themselves from smugglers.

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹ Ibid.

¹⁰⁰ Ibid.

The critical situation of Michoacán obliged Pedro Fernández del Castillo, Minister of Finance, to write on 7 December 1845 to Pedro Maria de Anaya, Minister of War and Navy, expressing the need for armed forces in that department. Del Castillo wrote that to stop "...the scandalous smuggling done in that state for which calls for the eighth active regiment of Michoacán with marching orders to San Luis Potosí, should be send for one or two months" to prosecute smuggling.¹⁰¹ This suggestion was made to the Minister of War and Navy, according to Fernandez del Castillo, "...because otherwise the income from the tobacco rent will be reduced to nullity in Michoacán and that could be a bad example with harmful effects in other states."¹⁰² Such suggestion fell on deaf ears.

Ten days after the communications between Fernández del Castillo and the Minister of War and Navy, the former sent a notification to the department of Michoacán denouncing, once again, the "…increasing contraband noticeable crucially in the state of Michoacán, by the lack of assistance from the armed forces and respective authorities, making all sorts of excesses the said large number of smugglers."¹⁰³ As in the November 18 note, Fernández del Castillo expressed the need for local authorities of Michoacán to attend to such matters because the tobacco rents "…are needed by the exhausted treasury."¹⁰⁴ However, what was happening in Michoacán was beyond the hands of the local authorities to solve. The complaint from the governor of Michoacán, and the desperate communication from the Prefect of Zacapu bring to light the difficulty the national government experienced in trying to stop tobacco contraband. The issue of contraband created conflict among local authorities, the national government, and even with the administration of the rent. The situation of Michoacán is a microcosm of the entire situation

¹⁰¹ AGN, Michoacán, Minister of Treasury, Pedro Fernandez del Castillo to Ministry of War and Navy, Pedro Maria de Anaya, December 7, 1845.

¹⁰² Ibid.

¹⁰³ AGN, Pedro Fernandez del Castillo to the governor of Michoacán, December 7, 1845.

¹⁰⁴ Ibid.

and is critical due to the lack of action taken by the national government to aid the departments to stop contraband. Even if Herrera wanted to provide the help the departments needed to stop contraband, such attempts were overshadowed by the events occurring in Mexico City.

The increase of tobacco contraband in the departments occurred at a time when Herrera's presidency was at stake. The critical attention the departments and the tobacco administration needed to devote to stopping contraband shifted to Mexico City as the entire political spectrum and military officials sought to put an early end to Herrera's government. Discontent grew among conservatives and moderates when Herrera decided to return revenues to the departments, an act that hinted at a return to federalism. However, Herrera kept their support as he still worked under the *Bases Orgánicas*. Radicals on the other hand began a strong campaign against Herrera's government through radical newspapers because Herrera refused to shift back to the 1824 Constitution. Radical opposition to Herrera's government was also expressed themselves in a more militant and violent way.

In 7 June 1845 a group of palace guards led by Captain Ramón Othon attempted to overthrow Herrera. The coup seemed to turn out successfully as the rebels arrested several of Herrera's cabinet members including the president. However, Herrera managed to persuade his captors to switch sides, and by 5:00 p.m. the coup had officially failed. The blame for the coup was placed on the radical federalists, which included Valentin Gómez Farías, Manuel Lafragua, among others. The attempted coup was a desperate action by that political faction that wanted Herrera to adopt the 1824 Constitution, but also a reaction to Herrera's stance on the Texas issue.¹⁰⁵

¹⁰⁵ Costeloe, 270-273.

The issue with Texas and the United States added pressure on Herrera as he sought to solve the problem through diplomacy. In May Herrera announced he would attempt to negotiate a treaty with Texas, in which the Mexican government recognized Texas independence to prevent annexation by the United States. This action from Herrera and his cabinet received the support from moderates but continued to received protest and discontent from the radicals and the military that wanted Herrera to act more aggressively.¹⁰⁶ When the news arrived that the United States had opted to admit Texas into the Union, Herrera did not lose hope of settling the problem by negotiation. In 30 November 1845 Extraordinary Minister Plenipotentiary John Slidell arrived in Mexico to discuss with Herrera the situation of Texas and purchase other lands. Even though Herrera later refused to meet with Slidell, this action proved to the radicals and military leaders that Herrera was not the leader that Mexico needed to protect the nation's sovereignty and honor.¹⁰⁷

The radical press used all the material available to put an end Herrera's government. For example, radicals used the poor conditions of the army to receive military support. The radical newspaper *La Voz del Pueblo* expressed: "Soldiers! If you have no shirt, if you are naked, if you have not been paid for days, it is not because there are no resources but because the present government is wasting treasury revenues."¹⁰⁸ Not necessarily responding to the radical cause, however, military officers concurred with radicals that Herrera's approach to the Texas issue and his constitutional reforms were not the best for the republic, and in this case, for the military. The separation of civil and military authority, and the creation of a militia were issues that the

¹⁰⁶ Costeloe, 268.

¹⁰⁷ Costeloe, 277.

¹⁰⁸ Quoted in Costeloe, 277.

military perceived as an effort to diminish the professional army's status.¹⁰⁹ The elimination of officers' billets was another reform the military perceived as a threat. In Herrera's views, having too many officers was a burden to the Federal Treasury.¹¹⁰ However, this kind of action was not only applied to the military. The tobacco industry suffered as well from personnel cuts due to the situation the industry and the national treasury was in. For example, in a note from Herrera published by the official government newspaper, the President announced the elimination of the assistant manager and assistant secretary positions in the General Administration of Tobacco office.¹¹¹ However, by December 1845, any attempts by Herrera to help Mexico's treasury fell short.

On 14 December 1845, the Commander General of San Luis Potosí, General Manuel Romero, issued a *pronunciamiento* blaming Herrera's government for Mexico's situation. Having the support of army officers from almost all the departments, the *pronunciamiento* called for General Mariano Paredes to take the leadership of the movement, which he accepted the following day. Herrera's lack of action against the United States, the growing radical pressure, and military reforms were the perfect excuse for which Paredes was waiting. On 30 December 1845, having lost the support of the army, Herrera resigned from office and on 3 January 1845 members of a junta elected Paredes as president of Mexico.¹¹² After almost ten years, centralism had ceased to exist. But the problem of tobacco contraband continued to hurt Mexico's treasury and was now up to the new government to deal with it.

The Paredes administration knew changes had to be made in order to increase the revenues from all national industries. Lucas Alamán communicated to the Minister of Treasury

¹⁰⁹ Costeloe, 266.

¹¹⁰ Costeloe, 266.

¹¹¹ AGN, *Diario Oficial*, November 27, 1845.

¹¹² Costeloe, 280-282.

José Luis Hiuci the lack of the primary product in the cotton industry and the need to import foreign cotton. Recognizing the additions made to Article four from the San Luis *pronunciamiento*, Paredes allowed the introduction of foreign cotton and gave authorization to make any possible changes to "…provide the national treasury the resources needed to save the integrity of the national territory."¹¹³ There is no evidence that measures such as this actually were taken to end the shortage, and contraband in the tobacco industry. However, what happened with the cotton industry demonstrates Paredes' commitment to aid the national rents and also demonstrates that the tobacco industry was not the only one being hurt by the lack of primary products. This also demonstrates that the loss of revenues on the cash outs and the contraband problem in the tobacco industry resulted not only from the people working under the pressure and responsibility of managing money so critical for the government, but from problems at the administrative level. However, the Paredes administration still felt changes had to be made to stop employees' negligence.

The Department of Public Finances experienced changes in order to increase Mexico's economic efficiency. Employee negligence continued to bother politicians in Mexico City as they believed that whoever was managing Mexico's finances wasn't doing a good job. The editors of the *Diario Oficial* complained about how during Herrera's presidency people that worked in the Public Finances weren't there for "...their ability, honesty or merit but for protection if not favoritism," and occupied "...the most sensitive positions, the most difficult, that perhaps required unique knowledge." These men, according to the *Diario Oficial*, were: "...immoral, uneducated and worst of all, absolutely inept" and a burden to Mexico. After a strong critique of the previous administration, the editors closed their note by expressing

¹¹³ AGN, Diario Oficial, January 24, 1846.

Paredes' compromise to put an end to this problem, "...and the nation will not increase the number of useless men who for so long have caused trouble."¹¹⁴ The distrust from the government towards the employees in the Public Finances serves as an example of the skepticism of the central government towards employees in charge of Mexico's revenues. The department of Public Finances oversaw the tobacco rent, hence the problems and changes made to that government department become significant as they suggest an overall problem experienced in Mexico's fiscal institutions.

Whether or not changes were made in the personnel in the tobacco industry to avoid more abuses to the industry or not, the problem of tobacco contraband persisted following Herrera's removal, and the new government led by Paredes had to act upon the issue. Paredes used the same procedure as Herrera and asked local authorities in the departments for help. Now more than ever, Mexico needed those resources to fight its war with the United States. Hence, Castillo Lanzas, Minister of Foreign Relations, released a circular calling upon all departmental governors to provide help to the tobacco administration. On 31 January 1845 Castillo Lanzas explained:

"[President Paredes,] eager to seek by all means at his disposal to promote public revenues, and considering that one of the most susceptible in progress is that of the tobacco that once has yielded significant products due to the commitment and vigilance that rent had, has asked to effectively excite all zeal and patriotism in the departments so that all departmental authorities provide the help the rent needs

¹¹⁴ AGN, *Diario Oficial*, January 22, 1846.

to pursue contraband...since its of great interest to increase as soon as possible the income of the rent for the defense of the national territory."¹¹⁵

The states managing the rent showed their support to Paredes as they replied promising to provide the help. Querétaro, for example, expressed its total support to the national government to help the tobacco industry, while it also defended its previous conduct. Governor Sabas A. Dominguez responded, "Even though this government and subordinate authorities have always provided the aid to the tobacco rent their managers or agents have asked," Querétaro pledged to "obtain the greatest increase and prosperity from the rent."¹¹⁶ Although states expressed to cooperate with the national government to stop contraband, contraband continued to hurt the national treasury.

The situation of tobacco contraband continued to trouble Paredes' government during the first months of 1846. The monthly cash outs from the departmental treasuries of Michoacán and Durango demonstrate how the tobacco industry continued to lose revenues. For example, for December 1845 Michoacán reported \$2,614 pesos in tobacco revenues. In January 1846 it reported \$2,000 pesos and for February \$1,008 pesos. Durango on the other hand reported \$9,391 pesos in tobacco revenues in December 1845, and \$8,379 pesos for January 1846.¹¹⁷ The lost of revenues in those departments suggest that tobacco contraband persisted. The problem becomes more appalling to Michoacán when numbers are compared to the year 1845. Michoacán was making above \$7,000 pesos in the early months of 1845. Even though some states such as Michoacán continued to lose revenues, the overall situation of the rent was promising for the Paredes administration.

¹¹⁵ AGN, Minister of Foreign Relations to all state governors, January 31, 1846.

¹¹⁶ AGN, Sabas Antonio Dominguez to the Minister of Foreign Relations, November 24, 1845.

¹¹⁷ AGN, *Diario Oficial*, January 24, 1846; AGN, *Diario Oficial*, February 2, 1846; AGN, *Diario Oficial*, February 24, 1846; AGN, *Diario Oficial*, February 27, 1846; AGN, *Diario Oficial*, March 18, 1846.

The monthly reports by the national treasury indicate that the Paredes administration was doing something good to help the tobacco industry. The national treasury reported that it received \$10,469 pesos from the tobacco industry for February, \$33,282 pesos for March, and \$63,435 pesos for April.¹¹⁸ One action by the national government might explain this. On January 31, 1846 the Minister of War, Juan Almonte, released a circular explaining that President Paredes has mandated states to: "...effectively succor such rent with the forces under your command as soon as possible for the prosecution of smuggling which undermines the national treasury."¹¹⁹ The circular was not address to departmental governors as per the usual practice, but to military officials stationed in the departments. The help local authorities and tobacco workers sought had finally arrived. That, however, did not mean departmental authorities were except from such duties. Days after the circular from the Minister of Foreign Relations to all state governors arrived, Treasury Minister, José Luis Huici released another circular, on February 3, 1846, asking local authorities from all states to "...provide the assistance needed to the employees from the tobacco rent to further increase and prosperity of this rent."¹²⁰ With the outbreak of the war against the United States, and the political, economic, and social chaos that came with it, contraband continued to be a persisting problem that continued to asphyxiate the national treasury.¹²¹

Fighting against contraband was difficult for the national government during 1845 and 1846. The instability that reigned in the Mexican capital had tremendous effects in the departments that managed the tobacco industry, which were unable to fight contraband. The Herrera and Paredes administrations sought to end tobacco contraband by issuing laws to

¹¹⁸ AGN, *Diario Oficial*, March 19, 1846; AGN, *Diario Oficial*, April 23, 1846; AGN, *Diario Oficial*, May 13, 1846.

¹¹⁹ AGN, *Diario Oficial*, February 1, 1846.

¹²⁰ AGN, Ministry of War and Navy to all Governors, February 3, 1846.

¹²¹ See AGN, *Gobernación* for more circulars demanding state governors to aid the tobacco rent against contraband.

castigate smugglers, and sent continuous circulars to the departments to aid the tobacco rent. These actions were just a desperate attempt to at least minimize an evil that was consuming money so critical to the national government. In addition, skepticism from Mexico City towards local authorities and workers in charge of the tobacco industry continued to exacerbate the political and economic relations between the national government and its regions. Departmental governors supported the national government in its attempt to stop contraband but not before expressing their discontent with the burden of pursuing contraband without the proper force. Michoacán was the perfect example of what was occurring. Local authorities in that department demanded armed help from Mexico City and also pointed out how the tobacco administration was not supplying enough primary products to continue production. Just as it happened to the cotton industry, employees were anguished by the lack of primary products that jeopardized their jobs. This might explain why, even though with inferior numbers, they fought contraband, sometimes losing their lives in the act.

As the war with the United States erupted, departmental governors began to feel the need to defend their own backyards. Although departments provided the revenues from the tobacco industry to help the national government fight against the United States, they expressed their discontent on how their own economies suffered by giving away tobacco revenues. For example, Durango delivered \$3000 pesos from the departmental rents to the supreme government to fight against the United States while nonetheless explaining that the contributions "will leave in very adverse circumstances [the] departmental treasury."¹²² The next chapter explores the national-regional conflicts that erupted once revenues from the tobacco industry were demanded by Mexico City to fight against the United States.

¹²² AGN, *Diario Oficial*, June 9, 1846.

CHAPTER IV

REGIONAL DISOBEDIENCE: TOBACCO REVENUES, LOCAL INTERESTS, AND THE WAR WITH THE UNITED STATES

"What does it matter if one political faction wins, if to attend our domestic problems we have to lose our nationality?"¹²³

Diario Oficial del Gobierno

Mexicano

The political and economic instability experienced in 1845 and 1846 did not allow the Mexican government to completely eliminate the wrong doings that occurred in the tobacco industry. Throughout these years the Mexican government understood the importance of the tobacco industry for the nation's treasury. President Herrera took action to aid the industry against employee negligence. The tobacco industry's monthly cash outs from each department administering such rent showed a shortage of tobacco revenues. To end these loses several laws were issued by the Herrera administration. Discrepancies and opposition to Herrera's reforms and his approach to the issue with Texas incited a group of military generals to change Mexico's political path. Once General Paredes y Arrillaga became president in 1846 he continued to fight

¹²³ AGN, *Diario Oficial*, June 6, 1846.

contraband and abuses in Mexico's fiscal institutions. Notwithstanding its actions to end negligence and contraband, throughout 1846 and 1847 the national government continued to encounter problems regarding tobacco revenues.

After the start of the war with the United States the national government sought revenues in every corner of the republic to defend Mexico. When the national government began to ask for the tobacco revenues from all departments in charge of the tobacco rent, Mexico City encountered opposition. The departments that collected tobacco revenues also depended on them to sustain their own economies, fight Indian incursions, maintain public tranquility, and more importantly, to sustain their own families. Such disobedience from local authorities aroused conflict and discontent between the national government and its regions. The fight for tobacco revenues, along the lines of political differences and local interests and between the national government and local authorities debilitated the Mexican government during its fight to preserve its integrity and honor.

On 8 May 1846 the first major battle between Mexico and the United States occurred on the northern banks of the Rio Grande. The Mexican forces under the command of general Mariano Arista clashed with those under U.S general Zachary Taylor on the prairie of Palo Alto. Arista's inability to defeat Taylor's army in the Battle Palo Alto and on 9 May 1846 in the Battle of Resaca de la Palma culminated in the occupation of the Mexican city of Matamoros by the U.S. Army. Following these events, in Washington, President James K. Polk asked Congress to declare the war against Mexico on 12 May 1846. Soon after the declaration, Polk gave the orders to block the main ports in Mexico, ordered General Stephen Kearny to march towards New Mexico and California, and told General John Wool to march towards Coahuila and

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Chihuahua, while Taylor prepared his march towards the city of Monterrey.¹²⁴ The U.S. northern campaign had tremendous effects in the Mexican national treasury. As the United States army advanced and occupied territories, it severed the revenues that ought to come from those departments. The Paredes administration had to come up with a solution to help the national treasury.

In responding to the devastating outcome of the first battles of the war, the editors of the Diario Oficial expressed that "...a deep feeling has caused to all Mexicans, who truly love their country, the defeat suffered by a part of our army on the other side of the Rio Grande."¹²⁵ However, to overcome the disastrous defeat and salvage the honor and morale of the nation, the editors continued, "We have more than enough resources to undertake and carry out this defense."¹²⁶ The exaggerated claim sought to inspire hope and incite enthusiasm among the Mexican population after the first defeats. These sentiments were required because not only the United States was a threat to Mexico but the political differences among politicians and the population also became a problem to worry about. Hence, the Diario Oficial asked all Mexicans to leave any differences and ambiguity towards the national government behind because "...we will be nothing if we do not join this solemn occasion in which we find ourselves."¹²⁷ Despite the call for unity, which definitely reflected the continuous conflict between political factions and discontent with the current administration, the Paredes administration aimed at the population and national industries for economic support and issued the most possible and reasonable decrees to bring more money for the cause.

 ¹²⁴ Vázquez, Josefina Zoraida, "México y la Guerra con Estados Unidos," in *México al tiempo de su guerra con Estados Unidos (1846-1848)*, ed. Josefina Vázquez (México: Secretaria de Relaciones Exteriores, 1997) 37.
 ¹²⁵ AGN, *Diario Oficial*, May 23, 1846

¹²⁶ Ibid.

¹²⁷ Ibid.

In 9 May 1846, Treasury Minister Francisco Iturbe communicated one of the Mexican President's maneuvers via the *Diario Oficial*. It became obvious to the government that all Mexicans, one way or another, should contribute to wage a war against the invading army. Anticipating the probable discontent from the population after they heard their salaries ought to be reduced, the opening statement of Iturbe tried to incite all Mexicans to contribute the amount of money the government needed from them. "To defend against the most unjust aggression that recent centuries have ever seen, undertaken by the government of the United States," Iturbe wrote, "this defense is of great interest not only for the dignity and honor, but also for the nationality of the Mexican people."¹²⁸ What followed after this patriotic discourse were several articles explaining how much money was expected from workers to help the national treasury. For example, article one stated that three-quarters of all government employee salaries, wages, pension, retirement, or gratuity should be paid to the public treasury beginning 1 July 1846. Under these measures, all employees and individuals who worked in an industry, government boards, and commercial courts that belonged to the general government, including the President and all of his secretaries, were expected to contribute the three-quarters of income advised.¹²⁹ Soon after the decree, the *Diario Oficial* began to publish as an example of the patriotism needed to fight the war against the United States the donations from several public servants. The Ministry of Treasury reported the contributions from Jose Mariano Marin, Superior Court Prosecutor from Puebla and Julian de los Reyes, Member of the Extreme Assembly of San Luis Potosí.¹³⁰

¹²⁸ AGN, Diario Oficial, May 9, 1846.

¹²⁹ Ibid.

¹³⁰ AGN, Diario Oficial, June 10, 1846; Diario Oficial, June 12, 1846.

Since the tobacco industry belonged to the state, all tobacco workers were expected to contribute. For example, the General Direction of Tobacco transcribed to the Ministry of Treasury a communication sent by the manager of the tobacco rent in the town of Zimapan, who donated the three-quarters of his salary. The manager in Zimapan wrote to the General Direction of Tobacco, "...as a good Mexican I make this sacrifice with the greatest pleasure, not to receive recognition by the nation, but as a voluntary donation, for I desire on my part to cooperate for the benefit of my country with everything that I can."¹³¹ The good will of the manager in Zimapan allowed the Diario Oficial to demonstrate that Paredes' decrees were being implemented and accepted by government employees. However, the conclusion in the transcription from the General Direction of Tobacco to the Ministry of Treasury highlighted some of the effects this donation had in the employees and the industry itself. The General Direction of Tobacco expressed that "this noble trait of patriotism expressed by the administrator" was worth to mention as the manager of Zimapan " is one that pays few utilities due to their particular circumstances."¹³² Similarly, the *Diario Oficial* published the salary contributions from the administrator of the tobacco rent in the department of Mexico and that of José M. Carsí, administrator from the city of Tuxpan.¹³³ A more thorough discussion of the contributions from the tobacco industry and its workers will be presented in the next chapter. For the time being, it is important to note the measures the Paredes administration took to help the national treasury in 1846 and the limitations he encountered with an impoverished industry.

Not everyone shared the belief that Mexico had enough resources to fight the war. In June 1846, the Minister of Finance stood up in front of the Extraordinary Congress to address the

¹³¹ AGN, *Diario Oficial*, June 12, 1846.

¹³² Ibid.

¹³³ AGN, Diario Oficial, June 19, 1846; AGN, Diario Oficial, June 26, 1846.

situation of Mexico's finances "... and the extent of the substantial expenditure the government has to face due to the war the nation is committed to fight."¹³⁴ Contrary to what the editors of the *Diario Official* expressed, Iturbe explained that Mexico's resources were not adequate to cover all the costs of fighting the war against the United States. The United States blockade of Mexico's ports aggravated the problem. Hence, Iturbe proposed the following to Congress:

"The government must obtain all the necessary resources in the way that is more convenient and efficient, and to make use of all national rents to cover the costs of the war, and to take conducive measures to the settlement and improvement the public rents and national debt."¹³⁵

This sort of measure again emphasized the importance that the tobacco industry had in providing financial support to the government during the war. For Iturbe, it was crucial to increase the existing income and distribution of the rents so the national government had enough resources to fight the war against the United States.¹³⁶

Evidence of Iturbe's argument can be seen in the monthly cash outs from several departments that administered the tobacco rent. For example, the Michoacán treasury continued to experience, though minimal, a decrease in tobacco revenues. In April it received \$1,282 pesos from the tobacco rent. In May tobacco revenues in Michoacán decreased to \$1,094 pesos and in June to \$1,000 pesos. Coahuila on the other hand, received its lowest numbers in May when it only reported \$902 pesos. To highlight such problem even more, one must look at the report from the national treasury for the month of June. The tobacco industry had provided the national government \$63,435 pesos during the month of April. By June there was a decrease of more

¹³⁴ AGN, *Diario Oficial*, June 15, 1846.

¹³⁵ Ibid.

¹³⁶ Ibid.

than eight percent as it only reported \$11,364 pesos.¹³⁷ These numbers suggest that some level of employee negligence, tobacco leaf shortage, and contraband still persisted in the departments that managed the rent. Furthermore, Paredes' intentions to settle the national debt suggest the continuous abuses in the national industries. In June the Ministry of Treasury explained that the debt problem would be solved when: "...the products of the public rents that are not as productive as they should increases, for abuses in some parts have been introduced into their administration."¹³⁸ Allowing army contingents to help the tobacco rent served as evidence that the Paredes administration sought increased revenues. However, Iturbe's comments, which came after the circular sent by the Minister of War and Navy about allowing army contingents to pursue contraband, suggest that abuses and contraband persisted. The national government sought other means of revenues to fight the United States Army.

The Paredes administration continued to look for options to help the treasury on the days that followed Iturbe's communication to Congress. By June 1846, departmental governors once again became the focus of the national government to effort for more revenue. The Ministry of Finance released a circular "...exciting again the notorious zeal worthy of the governors of departments...for the settlement of the meetings that had to be formed" under the name *auxilios a la patria* (aid to the homeland). The *auxilios a la patria* was proposed by the Ministry of Treasury and accepted by the Herrera administration in August 1845. The obligation to persuade the population to donate money for the imminent war, at that time, with the United States felt on the governors of each department. In 1845, several departments expressed their thoughts about

 ¹³⁷ AGN, *Diario Oficial*, May 13, 1846; AGN, *Diario Oficial*, June 1, 1846; AGN, *Diario Oficial*, June 21, 1846;
 AGN, *Diario Oficial*, June 26, 1846; AGN, *Diario Oficial*, June 31, 1846; AGN, *Diario Oficial*, August 13, 1846.
 ¹³⁸ AHO, *Fondo Ejecutivo*, Circular from the Ministry of Treasury to the nation, July 10, 1846.

such *auxilios*.¹³⁹ For example, Coahuila supported the creation of the *juntas* and asked to organize more of them in all municipalities of the department.¹⁴⁰ On the other hand, the department of Chihuahua wrote that despite the devastating war against the *indios bárbaros* that has harmed the department for more than fourteen years, "and has seen in that disappear all its richness and much of their children and residents," the patriotism of the citizens of Chihuahua will be reflected as they agreed to contribute for the *auxilios a la patria*.¹⁴¹

When the time finally arrived in 1846 to obtain the money derived from the *auxilios a la patria*, the *Diario Oficial* began to publish the contributions from several departments. For example, the citizens from the district of Villa-Alta in Oaxaca donated \$109 pesos.¹⁴² The governor of Aguascalientes, Felipe Nieto, collected \$800 pesos and provided a detailed list of all the people who contributed to such amount.¹⁴³ These contributions became significant for the national government to fight the war against the United States as at that point every peso helped the national treasury. The constant publications from the *Diario Oficial* sought to demonstrate the will of governors and citizens of each department to contribute for the war. However, Chihuahua demonstrated how difficult it was for that department to obtain any contributions due to their department fiscal situation and constant conflict with the *indios bárbaros*. The patriotism and unity the government called for through its official newspaper was overshadowed by the local interests in each department and the constant conflict between political factions.

The political atmosphere in 1846 made it difficult for the national government to obtain tobacco revenues. One obstacle the Paredes administration encountered when asked

¹³⁹ AGN, *Diario Oficial*, August 27, 1845. To the meetings attended the most influential and respectable citizens of each department. Other citizens were permitted in the meetings but had no vote in decisions about the monetary contributions.

¹⁴⁰ AGN, *Diario Oficial*, September 22, 1845.

¹⁴¹ AGN, *Diario Oficial*, September 30, 1845.

¹⁴² AGN, *Diario Oficial*, June 19, 1846.

¹⁴³ AGN, Diario Oficial, June 20, 1846

departmental governors for the revenues from the tobacco industry arose from the conflicting political ideologies. In post-independence Mexico three major political factions with conflicting views and overlapping methods sought solutions for Mexico's problems. Conservatives viewed the answer to Mexico's problems to be a strong central government that enforced hierarchical social structure, promoted Catholicism, state regulation and economic intervention to benefit and maintain the privileges of the social elite and a strong army. Moderates practiced a liberal doctrine but concurred in some of the ideas with the conservative faction. For example, they opposed state intervention in the economy and believed that the Catholic Church should have some limitations on its influence. Finally, radicals believed in a strong federalist government that limited privilege and supported the lower classes of the population and definitely were against the social and political power of the Church.¹⁴⁴

Paredes' agenda as President of Mexico followed a conservative path. He shared conservative ideals, such as the belief that only men of property should vote and run the nation, Paredes maintained support from politicians from the conservative wing such as Lucas Alamán, who certainly wanted a constitutional monarchy. Paredes' association with Alamán created suspicion among federalists about that Paredes might create a constitutional monarchy. Federalists did not respond to Paredes' *pronunciamiento* against Herrera, but were quick to raise their voice and opposed Paredes when his *convocatioria* (a call) for a new Congress and constitution came to light early in 1846. The ambiguity about the *convocatoria* increased the assumptions of Paredes' support for monarchism since Paredes refused to declare support for the republican system. This provoked a coalition between radical and moderate federalists to put

¹⁴⁴ Stevens, Donald, Origins of Instability in Early Republican Mexico (Durham: Duke University Press, 1991), 110-111.

Paredes out of office.¹⁴⁵ The political quarrel between federalists and the supporters of Paredes did not allow Mexico to prosper and delayed any attempt to establish order and a strong economy. Of course, this situation of political and economic uncertainty kept the nation in a stage of disunity when the United States Army invaded national territory. Even though there was the belief that without a doubt a victory would come against the United States, Mexico's fiscal problems, political factionalism and regionalism stood in the way. ¹⁴⁶

Although there was enough evidence that Mexico lacked resources to fight the war, the *Diario Oficial* continued its campaign to highlight the vast amount of resources the nation had to defeat the United States. However, the editors were right in one thing as they explained that those wouldn't matter if the population doesn't fight in solidarity against one common enemy. "What does it matter if one political faction wins, if to attend our domestic problems we have to lose our nationality?" the *Diario Oficial* asked all Mexicans, and concluded its statement by suggesting this "...turn first to preserve our country, and then, when we secure our independence, we can discuss in solid peace the most appropriate regime for the prosperity and greatness of the country."¹⁴⁷ Two months later the situation did not improve. Hence, in 2 August 1846 the *Diario Oficial* copied an article originally published by *El Indicador* that also called for unity. The editors from *El Indicador* expressed the following:

"If Mexicans forget the political parties, if they come to support and defend the honor and dignity of the nation, and if by forgetting those particular resentments

¹⁴⁵ Costeloe, 284-292.

¹⁴⁶ Barcena, Jose Maria Roa, *Recuerdos de la Invasión Norte Americana* (México: Editorial Porrúa, 1947), 59-60.

¹⁴⁷ AGN, *Diario Oficial*, June 6, 1846.

we just remember that the decorum of the country is being brought down, they will triumph in the cause they defend."¹⁴⁸

Opposition against Paredes had grown so much that the constant publications for unity by the *Diario Oficial* were in vain. Suspicions that Paredes was a monarchist lost him support from several departments. More importantly, some states managing tobacco rent used tobacco revenues to finance their opposition against Paredes. For example, after the defeats at Palo Alto and Resaca de la Palma, a group of federalists led by José María Yáñez who opposed Paredes' alleged intention of bringing a European prince to Mexico issued a *pronunciamento* in Jalisco. In this situation tobacco money became important to finance Jalisco's upraising. At the time when the *pronunciamento* was issued, the tobacco industry in Jalisco reported \$18,256 pesos in revenues.¹⁴⁹ Months later, Yáñez proclaimed a forced loan of \$50,000 pesos to merchants, secured with the revenues from the tobacco rent, to support the cause, which, according to his own words, was aimed at destroying the monarchist project and "…repel the infamous invasion executed by our treacherous northern neighbors."¹⁵⁰

The situation in Jalisco demonstrates how the money from the tobacco industry sometimes was used not only to help the national government but also to oppose any attempt from Mexico City that threatened the political plans and interests of a region. Furthermore, early in June the *Diario Oficial* published the communication from Mauricio Ugarte to the Minister of War and Navy that in Southern Mexico, General Juan Álvarez pronounced against the government of Paredes and took all the aid that had been collected in Chihuahua to help the

¹⁴⁸ AGN, *Diario Oficial*, August 2, 1846.

¹⁴⁹ AGN, Diario Oficial, August 17, 1846.

¹⁵⁰ Olveda, Jaime, "Jalisco Frente a la Invasión Norteamericana de 1846-1848," in *México al tiempo de su guerra con Estados Unidos (1846-1848)*, ed. Josefina Vázquez (México: Secretaria de Relaciones Exteriores, 1997) 283.

Californias for the purpose of his revolutionary movement.¹⁵¹ Since Álvarez was rumored to be involved in tobacco contraband, and since Chihuahua remitted tobacco revenues to the national government it's probable that Alvarez benefited from tobacco revenues. This correlation between politics and economics had an effect.

Amid the political chaos experienced in several parts of the republic, on 20 June 1846 the new Congress announced that Paredes was to command the army against the United States. On 27 June Vice-President Nicolás Bravo assumed the presidency and on 1 August Paredes left Mexico City to fight the U.S. army. Three days later, the Paredes presidency came to an end as a pronunciamiento was issued from the Ciudadela (Citadel). Commander Mariano Salas called for the return of the 1824 federalist constitution and the called on Santa Anna to become the commander-in-chief of the army.¹⁵² Immediately after the Ciudadela *pronunciamiento*, several departments expressed their support. For example, the Governor of Querétaro, Manuel Maria Lombardini, send a communication to Mariano Salas and Valentin Gómez Farías where he supported the federalist uprising to overthrow Paredes. In the communication, Lombardini expressed joy for the return of Santa Anna as president.¹⁵³ Similarly, communications arrived to Mexico City from Zacatecas and Veracruz supporting the Ciudadela uprising.¹⁵⁴ Even the tobacco administration from Celaya, Guanajuato expressed its support to Mariano Salas and citadel plan "...since it is the only thing that can improve the political situation in our country."¹⁵⁵ Even though optimism erupted as the nation returned to federalism, political differences and local interests persisted.

¹⁵¹ AGN, *Diario Oficial*, June 13, 1846. It is probable that sympathizers of Álvares in Chihuahua sent him the revenues as Álvarez was from the South and Chihuahua was a federalist state.

¹⁵² Costeloe, 296.

¹⁵³ AGN, Diario Oficial, August 10, 1846.

¹⁵⁴ AGN, Diario Oficial, August 13, 1846; AGN, Diario Oficial, August 17, 1846.

¹⁵⁵ AGN, *Diario Oficial*, August 18, 1846.

Historians have agreed that centralism did not defeat regionalism in Mexico during the era.¹⁵⁶ State governors ignored the laws issued from Mexico City to attend local interests. This was more evident in the departments far away from the capital. However, once federalism was reestablished political differences continued to exist, and this aggravated the situation for Mexico.¹⁵⁷ Furthermore, the change in government did not stop state governors or people involved in the industry from using tobacco revenues for local and personal interests instead of providing such income for the defense against the United States invasion.

In 1845, states such as Coahuila had expressed how important were the revenues from the tobacco industry to them. Governor Santiago Rodríguez wrote to the Minister of Treasury expressing "...the relative evils the department would suffer if [the national government] will pursue the suspension of aid that the administration of tobacco gave" to his Department.¹⁵⁸ That same problem continued in 1846 among states collecting tobacco revenues as the national government asked states to send the tobacco revenues to the national treasury. As the war developed, and according to their situation and views towards the Mexican capital, the political elite of various states responded in different ways to the call for cooperation and funding to defend the nation.

Before the year 1846 came to an end, Mexico suffered yet another significant lost against the United States Army. By 24 September 1846 the city of Monterrey fell to forces under the command of Taylor and by the next day, the defeated Mexican army marched to Saltillo, Coahuila. They later received order to march to San Luis Potosí to prepare its next defense.¹⁵⁹

¹⁵⁶ See, for example, Vázquez, "México y la Guerra con Estados Unidos," in *México al tiempo de su guerra con Estados Unidos (1846-1848)*, ed. Josefina Vázquez (México: Secretaria de Relaciones Exteriores, 1997), 37; Tenenbaum, *The Politics of Penury: Debts and Taxes in Mexico, 1821-1856*, 42.

¹⁵⁷ Vázquez, 37-43.

¹⁵⁸ AGN, Coahuila, May 24, 1845.

¹⁵⁹ Barcena, 97-98.

Following the capitulation of Monterrey and that withdrawal of the Mexican forces to San Luis Potosí, Taylor marched to Coahuila and occupied the city of Saltillo.¹⁶⁰ While both armies prepared to face each other again in what became the Battle of Buena Vista, Coahuila; the Mexican government turned its attention to the tobacco industry. On 9 October 1846 the national government issued a decree to all state governors prohibiting them from using any money from the tobacco rent. It seems that disagreements continued to exist on this matter as D. José Maria Lafragua, Minister of Internal and Foreign Relations, expressed his discontent two months later reiterating that "…despite the repeated orders communicated to the governors of the states to not mix nor occupy flows of income from the tobacco rent, some gentlemen governors continue to attack the independence of the rent."¹⁶¹

One of the state governors who disagreed with this decree was the governor of Chihuahua, General Ángel Trías. Through the local newspaper *El Provisional*, he expressed the beief that his state would be invaded. The editorial disclosed that there were no resources in the state and had looked forward to receive help of the capital. The editorial continued to express the following:

"If the department is left to use its own resources, the success of the contest could be fatal...the higher authorities of the department and the general command have been busy and have engaged in issuing any possible orders to prevent being subjugated...we must die rather than be slaves to the North Americans."¹⁶²

¹⁶⁰ Ibid, 127.

¹⁶¹ AGN, Lafragua to state governors, December 17, 1846.

¹⁶² AGN, *Diario Oficial*, September 9, 1846.

Hence, during the last months of 1847, tensions arouse between the governor of Chihuahua Ángel Trías, and the Ministry of Treasury. The problem derived from the destination of the income of the tobacco industry whose funds were used on occasions by the state government. ¹⁶³

Luis de la Rosa communicated Trías that the federal government was in need of money to defend its territory. This issue escalated as Trías asked the administrator of the rent to provide all the information regarding the income of the industry. This provoked federal authorities to demand that states should respect the law of matter which stipulated that no state authority can interfere in the affairs of the income from the tobacco industry.¹⁶⁴

In a note Minister of War Ignacio de Mora y Villamil sent to the President, he explained a communication the general administrator of the tobacco rent had with the administrator of the rent in Chihuahua. The note stated:

"The governor of Chihuahua has celebrated a loan contract with the tobacco dealer from this city, D. [unintelligible] Porras, of two thousand pesos to be pay with the products of the rent calculated in five hundred pesos per month, without giving me consent of such contract."¹⁶⁵

This illicit contract was made, because Chihuahua not only felt threatened by the North American army but also by the continuous attacks from *indios bárbaros*. No further evidence exists as to whether Trías stopped using tobacco revenues to defend Chihuahua. When General Sterling Price and general Alexander Doniphan finally invaded Chihuahua in 1847, Trías notified to the Minister of Foreign Relations about the necessity of using the money from the

¹⁶³ Jáuregui, Luis, "Chihuahua en la Tormenta, Su Situación Política Durante la Guerra con los Estados Unidos.
Septiembre de 1846-Julio de 1848," in *México al tiempo de su guerra con Estados Unidos (1846-1848)*, ed. Josefina Vázquez (México: Secretaria de Relaciones Exteriores, 1997) 151.

¹⁶⁴ Jáuregui, 151.

¹⁶⁵ AGN, Gobernación Indiferente, Mora y Villamil, December 2, 1846.

tobacco industry, as it is the only source of income that can support the troops.¹⁶⁶ Even though the purpose of the tobacco revenues was to aid the Mexican army it seems that the order was to send the revenues to Mexico City. Mora y Villamil's circular against the disobedience from state governors suggests that Trías wanted to use the revenues right away and not lose time by first sending them to the capital.

This sort of disobedience by state governors seemed to anger politicians in Mexico City even when the sole purpose of using the tobacco revenue was to defend Mexico's territory. Something similar occurred in Tamaulipas early in 1845. On 26 December 1845 the governor of Tamaulipas told to the Administrator of tobacco from Ciudad Victoria to provide all the income from the rent to aid General Mariano Arista and his soldiers who were serving on the northern frontier. The Minister of Treasury and the President condemned this action by the governor of Tamaulipas. "The supreme government will not tolerate the slightest abuse on the matter of finances whatever the pretext that it is when committed," expressed the Minister of Finance, "…and I recommend the most accurate and enforcement of the he laws and provisions of that rent."¹⁶⁷ This demonstrates the firmness Mexico City had towards its distant departments. The presence of the United States Army created panic among the population. This made state governors act upon their local needs and not those from a capital hundreds of miles away.

States collecting tobacco revenues expressed their discontent when the national government asked them to provide the money from the rent that helped them sustain their local economy and defend their own territory.

Political differences were also at play. This sort of discrepancies between state and the national government were highlighted by how Jalisco responded to Paredes' affiliation with

¹⁶⁶ Jáuregui, 151.

¹⁶⁷ AHQ, Fondo Poder Ejecutivo, Jesus de la Fuente to Ministry of Treasury of Querétaro, January 13, 1846.

Lucas Alamán and other supporters for a constitutional monarchy. However, once federalism was reestablished, Jalisco did not hesitate in providing the revenues to the national government. For example, On 5 January 1847 the Minister of Internal and Foreign Relations in the State of Jalisco, Joaquín Angulo, told to the Minister of Treasury of his sincere agreement to provide the money that the tobacco industry was producing for the war effort, Angulo responded to the October 9 decree issued by the National Government prohibiting state governors to occupy that such decree has been "…religiously respected by this government."¹⁶⁸

San Luis Potosí, Oaxaca, Aguascalientes, Chiapas, Durango, Querétaro, Zacatecas, Guanajuato, and Michoacán followed Jalisco's example as they too responded in a positive manner to the federal government's decree of October 9, 1846. Sinaloa expressed "...this government had not taken a single cent from the expressed rent."¹⁶⁹ The governor of the state of Mexico responded, "...this [state] under my charge has never attacked or will attack the interests which do not belong to it because it knows how to respect the property belonging to the distressed national treasury."¹⁷⁰ Further documentation is not available to demonstrate that all state governors did what they promised to do on their responses to the Minister of Foreign and Internal Relations. Even though many states provided the federal government with the income from the tobacco industry, the situation of Chihuahua serves as an example that when states that felt threatened sometimes put their own states before the nation.

State governors were not always at the forefront when conflict erupted regarding the destination of tobacco revenues. Tobacco planters were another group who clashed with the national government when tobacco revenues became insufficient to satisfy the financial needs of

¹⁶⁸ AGN, Joaquín Angulo, January 5, 1847.

¹⁶⁹ AGN, Gobernación Indiferente, Sinaloa, December 17, 1846.

¹⁷⁰ AGN, *Gobernación Indiferente*, Estado de México.

both groups. The revenues from the tobacco industry not only served to sustain the Mexican army. Once the federalism was reestablished in Mexico, the Diario Oficial began to publish, almost daily, the financial happenings within the industry. Among the reports, certain quantities of money from the industry were directed to the towns of Orizaba and Córdoba, the towns that had received the almost exclusive responsibility to cultivate and distribute tobacco to the manufacturers around the country since colonial times.¹⁷¹ For example, On 10 September 1846, \$250 pesos out of the \$3,000 pesos reported by the General Treasury of Tobacco were remitted to Orizaba. The next day, Orizaba received \$500 out of the \$5,000 made by the industry.¹⁷² The income received by the tobacco administrations of Orizaba and Córdoba varied according to the revenues received by the General Direction of Tobacco. For example, on 28 September 1846, after the General Treasury of Tobacco received revenues from the administrations of Zacatecas, Mexico, Guanajuato and San Luis Potosí, it reported a total income of \$103,940 pesos. Out of the \$103,940 pesos, \$51,030 were sent to Orizaba and \$40,500 to Córdoba.¹⁷³ The distribution of tobacco money demonstrates the responsibility of the tobacco industry. If money was sometimes insufficient to help the Mexican army fight the United States, other groups that also depended on the revenues made by the industry were definitely left out of the equation when tobacco revenues were distributed. However, tobacco planters from Córdoba and Orizaba knew that without tobacco leafs the entire industry would fall to the ground.

In 1847 one problem emerged in the state of Veracruz between the national government and tobacco planters from the towns of Orizaba and Córdoba because they had not received the payment for their harvest. Even though money was sent to both of these administrations, it did

¹⁷¹ Hernández, Jesús, "El desencanto por la independencia: los tabaqueros de Orizaba ante el monopolio estatal del cultivo de la hoja en México, 1821-1836," *Ulúa. Revista de Historia, Sociedad y Cultura* 16 (2010): 99.
¹⁷² AGN, *Diario Oficial*, 10 September 1846; AGN, *Diario Oficial*, 11 September 1846.

¹⁷³ AGN, *Diario Oficial*, 28 September 1846.

not mean that planters received their payments. Only several reports suggested that this happened. On 31 August 1846 it was reported by the General Treasury of Tobacco that \$80 pesos were sent to planters in Orizaba and on the 10 September report \$446 pesos were sent to Córdoba.¹⁷⁴ Hence, when the planters did not receive their payments, they acted in certain ways that damaged the national treasury.

The planters from Veracruz had been very vocal when their needs were not met. Since colonial times, tobacco planters from Orizaba and Córdoba had not sent tobacco leafs to the nation's manufacturers when they did not receive their payments. This of course damaged the national treasury, as no tobacco could be processed and sold. For example, in 1769, the planters did not agree with the *contratas* (contract) made between them and the Spanish government, and as a response they retained the tobacco leaf and did not send it to the General Administration of Tobacco.¹⁷⁵ They repeated this response several times. For example, during the Paredes administration the planters from Córdoba and Orizaba sent a communication the General Direction of Tobacco demanding the elimination of payments of the tobacco that entered the state and the 2 *reals* payment to the tobacco administration. The planters argued that "this contribution harms a number of people," and also expressed how degrading was their situation. They concluded their statement by recalling an 1842 law that stated that the planters should not be obliged to suffer due to laws not included on their *contratas*.¹⁷⁶ It seems that this time some agreement was made since there is no report of the planters retaining tobacco leaf. However, in

¹⁷⁴ AGN, *Diario Oficial*, 31 August 1846; AGN, *Diario Oficial*, 11 September 1846. Payments to planters were referred as *decimas* and these two reports showed that money was remitted for *decimas* to the Córdoba and Orizaba administrations.

¹⁷⁵ Hernández, 100. The contract made by the planters and the national government included the amount of tobacco leafs and how much money the government should pay for them.

¹⁷⁶ AGN, *Diario Oficial*, 26 July 1846.

1847, when Veracruz suffered from the blockade made by the United States army, the planters once again embargoed the tobacco.

The preference received by the planters of Córdoba and Orizaba in the cultivation of the tobacco leaf gave them certain power to oppose governmental decisions that did not serve their interests. It seems that on May 1847 the planters from Córdoba and Orizaba embargoed the tobacco with the claim that they did not received the payment for their harvest from the national government. The planters removed from the tobacco administration site probably from Orizaba and Córdoba, and with the help from the city mayors, quantities of tobacco that had already been given to the General Administration. The General Administration of Tobacco tried to settle the problem by inviting one representative from the planters to meet. Amid the protests from the planters, since they demanded a payment for all the harvest, the General Administration only agreed to pay for the tobacco that was found in good conditions after being kept in the storehouses by the planters.¹⁷⁷

The Ministry of Treasury did not agree with this action. On a communication sent to the General Direction of Tobacco, the Ministry of Treasury repudiated such action and claimed that the city mayors and Administrators were to hold accountable for that. To this action, the Ministry of Treasury responded:

"To take away tobacco resources from the government is not only to steal the attributions to sustain the war, but it's also to prevent the government to continue the war due to the lack of resources because everyone knows the scarcity of

¹⁷⁷ AGN, *Gobernación Indiferente*, General Direction of Tobacco to Ministry of Treasury, May 31, 1847.

resources, and with no money no wars are fought, nor the cities cannot be defended from invaders."¹⁷⁸

The response from the national government to the action taken by the planters reflected the situation Veracruz and the entire nation faced. After the United States army had occupied the northern territories, Veracruz was the first territory affected by the United States plans to occupy Mexico City. The blockade of the Veracruz port, which lasted almost ten months, not only affected the national treasury as it suffered from the lack of income, but also paralyzed the local economy. Things got worse on 29 March 1847 as Veracruz fell to the United States forces led by General Winfield Scott. By 19 April 1847 the United States Army occupied the entire state. ¹⁷⁹ This context explains why the planters from Córdoba and Orizaba embargoed the tobacco. The lack of money in the national treasury could not satisfy the needs of the planters. Even though the General Administration of Tobacco and the planters made an agreement, no further evidence exists that the payment was made. The defeat experienced by the Mexican army in Cerro Gordo and the march of Winfield Scott along the national highway towards Mexico City suggests that the planters of Córdoba and Orizaba did not see any pesos arrive to their pockets.

The political chaos and economic instability in Mexico affected the outcome of the war. When solidarity was needed to fight a common enemy, political differences and regional interests stood in the way. This inability to unify becomes more evident when attention is given to the destination of tobacco revenues. To fund the war against the United States, the national government sought cooperation from all the Mexican population. Decrees were made by the Paredes administration to seek help from workers and the states to aid the national treasury.

¹⁷⁸ AGN, *Gobernación Indiferente*, Minister of Treasury to General Direction of Tobacco, July 5, 1847.

¹⁷⁹ Blázquez, Carmen, "Veracruz: Restablecimiento del Federalismo e Intervención Norteamericana," in *México al tiempo de su guerra con Estados Unidos (1846-1848)*,ed. Josefina Vázquez (México: Secretaria de Relaciones Exteriores, 1997), 571-574.

However, his affiliations with monarchists and ambiguity towards the republican system lost Paredes support from several departments, and incited federalists to oust him from the presidency. For example, federalists in Jalisco and Juan Álvarez in southern Mexico opposed Paredes and used tobacco revenues to finance their movement. Once federalism was reestablished in Mexico, quarrels about the destination of tobacco revenues continued to exist. Tobacco planters in Córdoba and Orizaba embargoed tobacco leaf because the government did not pay them for their harvest. Furthermore, the responsibility the states had to defend their own territory and also aid the national government brings to light the importance of tobacco revenues for both of them. Chihuahua's example serves as evidence that for states, regional interests were often equal in importance to national interests.

The constant conflict between Mexico City and its regions alarmed politicians in Mexico City. On a letter to the *Ministro de Guerra y Marina*, General Ignacio de Mora y Villamil expressed his concern of how some states showed indifference about the war and distrust towards the national government's ability to protect its territory. Mora y Villamil expressed:

"This same indifference is seen in the entire Republic, particularly in the states of Tamaulipas, Nuevo Leon and Coahuila because even though everyone is talking about the War, is not noticed anywhere such a strong and unequal disposition to carry it along, having in their errors and precautions assuming that the army is unable to do war, believing that this can only be done with guerrilla, unknown force without enlistments, horses, weapons nor ammunitions, against forces that are all confident, without order particularly among the authorities more complete distrust of the army."¹⁸⁰

¹⁸⁰ AHDN, Ignacio de Mora y Villamil to Minister of War, May 19, 1847.

Mora y Villamil concern encompasses the political and economic situation in Mexico. The exhausted treasury of the states ignited conflict with the national government and questioned Mexico City's ability to protect them. Hence, many states used tobacco revenues to defend their own backyard. The economic importance of the tobacco industry for states and for the national government is one way to understand the U.S-Mexico war.

CHAPTER V

INDUSTRY REFORMS AND CONTRIBUTIONS FROM TOBACCO WORKERS

"How different would the situation of the government be today, if from the beginning they had heard the initiatives of the principal leaders of tobacco, so that the industry could develop in abundant prosperity and aggrandizement!"¹⁸¹

Diario Oficial del

Gobierno Mexicano

While politicians fought along the lines of the political ideology, those outside the political circles responded in a positive manner when the national government asked for financial contributions for the war. Of course, one must take in consideration their socioeconomic situation, for much of the money they contributed for the war was minimal. Tobacco workers, many of whom were women, struggled to sustain themselves or their families, as most of them were poor. The situation of the tobacco industry during the years 1845 to 1847 paralleled those of its workers. There wasn't enough money to effectively contribute to the cause. However, this did not stop them from making a patriotic contribution the national government requested.

¹⁸¹ AGN, *Diario Oficial*, December 28, 1846.

The war with the United States prompted the Mexican government to issue a number of decrees to raise money. In 1845 the Herrera administration sought a contribution from all employees working for the Ministry of Treasury. Such contributions were expected to help the almost empty national treasury. On 15 October 1845 the Herrera administration issued a decree that mandated a one-fourth deduction on the salaries from all employees working for the Ministry of Treasury and all its branches. Among these people were the tobacco workers as the tobacco rent was under the control of this ministry. However, the socioeconomic situation of the men and women working for the tobacco industry varied. Not all workers made enough money to sustain their families and an exhausted national treasury at the same time. Hence, doubts, confusion, and probably conflict existed within the industry when the decree was issued. In response, the General Tobacco Administration proposed an alternative to the national government. Believing that such contribution was a financial burden to all the employees in the tobacco industry, on 22 November 1845 the Genera Administration from the tobacco industry stated how difficult would it be for tobacco workers to contribute such amount of money and suggested to the national government that tobacco workers should be exempted from contributing the one-fourth of their salaries.¹⁸²

Even though the national government was in need of money, on 1 December 1845 the Ministry of Treasury understood that "…many of the employees from the tobacco rent should not be considered like everyone else in the treasury department" since the terms reached are not appropriate according to their salaries.¹⁸³ Therefore, Fernández del Castillo, Minister of Treasury, told the General Tobacco Administration of his opinion that those employees who hold temporary positions and don't have the right to receive retirement money and other benefits were

¹⁸² AGN, *Diario Oficial*, 1 December 1845.

¹⁸³ Ibid.

now exempt from the one-fourth contribution. All the administrators who had full-time salaries, workers who received honorariums, ex-military personnel with full-time salaries who worked as guards for the industry and in the general offices still had to pay the one-fourth contribution to the national government. Furthermore, Fernández del Castillo wrote that those employees who made less than \$400 pesos per year shouldn't contribute. If they earned at least \$500 pesos they should contribute one-fifth of their salaries. Finally, if a tobacco worker made more than \$400 but less than \$500, they should contribute with just the difference that exceeded the \$400 pesos.¹⁸⁴

There is no evidence that the General Tobacco Administration agreed to such measures. Whatever agreement was made by the Herrera administration and the tobacco workers was probably altered once General Paredes became president of Mexico just a few days after the communication between Fernández del Castillo and the Tobacco Administration. However, it's important to note that a year before the war, when the national government began to arrange agreements and issued decrees to help the national treasury, the tobacco industry had an important role in this effort. However, any patriotic discourse by the government to raise money clashed with the socioeconomic conditions of tobacco workers. This doesn't mean that they completely refused to cooperate. However, tobacco workers, though through the voice of their administrators, protested against a deduction of their salaries because it was almost impossible to contribute if they did not even make enough money for themselves.

A few days before the Mexican army suffered its first defeats on the northern banks of the Rio Grande, the Paredes administration decided to suspend temporarily the payments of the public debt in order to take away some of the national treasury's burden. To counter this action,

¹⁸⁴ Ibid.

a one-fourth deduction was ordered on the salaries of all employees who fell under the responsibility of the government. Article eleven of the decree stated that one-fourth of the salaries of those employees or individuals from the General Direction of Industry, "...and others that serve as resource for the general government" had to be retained. This meant that tobacco employees were included in the salary deductions. For example, the budget reports from the Jalapa Tobacco Administration in the state of Veracruz for the month of June exemplified how much money was deducted from workers. In June 1846, Administrator Joaquín Llera who made \$1,400 pesos each year suffered a deduction of thirty pesos out of the \$117 he was supposed to receive each month. Accountant Francisco J. Mateos, on the other hand, who made \$700 pesos, suffered a fifteen pesos deduction out of his monthly wage of fifty-eight pesos. First transcriber, Juan Manuel Hernández who earned \$496 pesos a year was paid twenty-eight pesos due to the twelve pesos deduction to his salary. The same occurred with the second transcriber, Manuel Sandoval whose annual salary was \$360. He earned only twenty-five pesos after the five pesos deduction. The level of deduction varied according to each person's salary.¹⁸⁵

So far there is no evidence that the General Tobacco Administration tried to settle an agreement with the national government to exempt those workers who didn't have the financial means to contribute, as it happened during the Herrera administration. However, it is possible that some discontent emerged in opposition to Paredes' decree. In comparison to Herrera, Paredes lowered the amount of income required for an exemption. For example, those who made less than \$300 pesos a year were not required to contribute.¹⁸⁶ It is possible that the certainty of an armed conflict with the United States made the Paredes administration issue this

¹⁸⁵ AGN, *Fondo del Tabaco*, Vol. 94, Presupuesto de los gastos para la administracion de Tabacos de Jalapa, June 1, 1846.

¹⁸⁶ AHQ, *Fondo Poder Ejecutivo*, Ministry of Treasury, Francisco Iturbe to all government employees, May 7, 1846.

desperate decree without taking in consideration the socioeconomic conditions of all government employees. Even if the decree mentioned that the president himself was to give one-fourth of his salary, it could not be compared to what the common employee suffered from such deduction. For the time being, tobacco workers had to do what the President asked.

It is very difficult to find any documents that demonstrate any kind of protest against such salary cuts from those men and women working in the tobacco factories. Only those in administrative positions had the ability to send communications to the Ministry of Finance and even to the President to voice their discontent. And even if administrators wanted to show any kind of protest, they did it very implicitly. For example, on 27 June 1846 the General Director of Tobacco, Manuel Gorostiza, transcribed to the Minister of Treasury, Jose Luis Huici, a communication from the administrator of the tobacco rent from Querétaro. In it, the tobacco administrator from Querétaro recalled the 7 May decree and explained to Gorostiza "…although the amount corresponding me is even more, I will give it as a donation."¹⁸⁷ According to the monthly tally made by the Administration of Tobacco from Querétaro for the month of December 1846, the total amount received from the employees in the administration was \$329 pesos with \$423 pesos received from the guards.¹⁸⁸ If the administrator of tobacco in Querétaro complained about his salary deduction assigned, then discontent probably existed among those part-time employees whose salaries weren't even close to what any administrator received.

It appears that the return to federalism did not change things for those workers that the government had to pay their salaries. On 15 August 1846, Hiuci issued a decree with the consent from interim President José Mariano Salas which revoked the law of 7 May that demanded a one-fourth deduction on the salaries of government employees. According to Salas, the

¹⁸⁷ AGN, Diario Oficial, July 4, 1846.

¹⁸⁸ AHQ, *Fondo Poder Ejecutivo*, monthly cash out for December 1846, January 2, 1847.

government required help from all its citizens to fight the unjust war waged by the United States. However, "it is also true that the contribution established in that decree is infinitely burdensome because it deprived one of the less affluent classes of society of a quarter of its salaries."¹⁸⁹ With the United States army marching towards the interior of the republic, federalist politicians understood that extreme measures had to be taken. Hence, when Valentín Gómez Farías became the new Ministry of Treasury at the end of August after replacing José Luis Huici, he ordered a deduction on the salaries of all the employees from his ministry.¹⁹⁰

The pressure to obtain wherever possible any kind of financial contribution while the United States marched towards the interior of the Republic, took its toll on the Ministry of Treasury. During the month of September, one minister substituted for another in a matter of days. For example, on 22 September, Juan Nepomuceno Almonte was named Ministry of Treasury after he took over Gómez Farías' job. A few days later Francisco María Lombardo replaced Almonte. The fall of Monterrey on 23 September 1846 and of Saltillo a few days later caused more changes in the Ministry. After serving for two days, Almonte was replaced on 25 September 1846 by Antonio Haro y Tamariz.¹⁹¹ At the same time these changes were occurring in the Ministry of Treasury, the tobacco industry also experienced pressure to keep its finances in order.

During the last days of August 1846, communication between the General Direction of Tobacco from the state of Mexico and its accounts office addressed the tardiness of financial statements sent to the General Direction of Tobacco. This problem had existed in that administration since 1842. There is no question of the importance of keeping up to date on the

¹⁸⁹ AHQ, Fondo Poder Ejecutivo, Ministry of Treasury, José Luis Huici, August 15, 1846.

¹⁹⁰ Rodríguez, 112.

¹⁹¹ Rodríguez, 114-115.

financial conditions in an industry, and the backwardness experienced in the accountant's office from the state of Mexico prompted the General Direction of Tobacco to express its discontent. On 27 August 1846 they ordered Mr. Ortega, the accountant of that unit to "...put in exercise all the zeal, efficiency and commitment to the more rapid completion of the accounts and statements that have been pending in that office."¹⁹² In order to do this, the General Direction assigned a number of employees from other departments to help out the accounts office. Furthermore, all employees in the accounts department were assigned two shifts. From 9:00 a.m. to 3:00 p.m. they were supposed to work on the current assignments and from 5:00 p.m. to 9:00 p.m. they should turn their attention to the pending work. These measures were supposed to help the accounts department. But Ortega had a different opinion.¹⁹³

Two days after Ortega received the complaint from the General Direction of Tobacco, he explained that since 1842 his department had not had enough personnel to perform a successful job. He pointed out that the employees from other departments did not know how to perform the job. Ortega considered the two shifts assigned to the workers and the new untrained employees a burden.¹⁹⁴

The war with the United States had prompted the national government to ask for direct contributions from all its citizens. The 7 May decree by the Paredes administration is the perfect example of that. Such contributions not only affected their pockets but also their performance at work. According to Ortega, "...the public disorders have been very effective in affecting the order and the general course of business."¹⁹⁵ The public disorders mentioned by Ortega were those that came from the decrees issued by the national government to deduct the salaries of

¹⁹² AGN, *Fondo del Tabaco*, accounts department from the state of Mexico to the General Direction of Tobacco, August 27, 1846.

¹⁹³ Ibid.

¹⁹⁴ AGN, *Fondo del Tabaco*, Ortega to the General Direction of Tobacco, August 29, 1846.

¹⁹⁵ Ibid.

workers and political and economic chaos made by the United States invasion. Even though the 7 May decree was revoked by the Salas administration and no longer existed at the time of the communication between Ortega and the General Direction of Tobacco, Ortega explained how the decree had affected the workers prior, and how it probably continued to do so after its elimination. He explained that the deduction of wages "…has affected the employee morale and has decreased their energy to perform their job, and the relaxing mood has not been in the hands of administrators to avoid when they themselves have participated in these fatal influences."¹⁹⁶ Although the one-fourth deduction on the salaries of tobacco workers affected them in different ways, having their incomes reduced provoked discontent among all of them. Furthermore, they protested against these deductions not only by writing to high officials, but by reducing their productivity at work. These sorts of actions were seen as administrative and employee negligence by the national government, and affected the tobacco industry and the national treasure as well. However, for tobacco workers this was one way of protest to express their discontent to the financial burden put on them without intending to hurt the government.

Their socioeconomic condition gave them a legitimate reason to show in any way possible their discontent. Women workers from the factory in Mexico City were very vocal in regards to that. In 1846, thanks to the prosperity of the business, the government sought to modernize the industry, including opening new factories and mechanizing some production. The women tobacco workers from the Mexico City factory did not stay quiet and rallied against the mechanization of the industry in 1846. However, as the conflict with the United States erupted, all these projects were postponed.¹⁹⁷ According to Arturo Obregón, this protest "draws attention because of the arguments were put forward: the first and most significant, the high number of

¹⁹⁶ Ibid.

¹⁹⁷ Obregón, Arturo, *Las obreras tabacaleras de la Ciudad de Mexico, 1764-1925* (México: Centro de Estudios Históricos del Movimiento Obrero Mexicano, 1982), 60.

families who would be affected if machines were introduced."¹⁹⁸ This statement creates questions beyond the issue of mechanization, as the outbreak of the war was imminent. How did workers react as the government began to ask for money from that same industry that was about to introduce machinery? It seems that their disgust at the introduction of machinery did not matter when asked for a contribution to the war. The degree of cooperation of tobacco workers with the national government varied from one administration to another. There was no doubt workers resented a deduction to their wages from them the government sought other ways to obtain a contribution.

The celebration of the 36th anniversary of Mexico's independence in 1846 was not as expected for any Mexican. People's eagerness to celebrate the birth of their nation was overshadowed by the United States invasion. However, on 16 September 1846 the *Diario Oficial* published some news that brought at least some satisfaction to the government. In a communication from Manuel Gorostiza, the General Director of the Tobacco Rent, to the Minister of Treasury, he explained that "…in a life or death situation as this one, the government could count with the cooperation from all its citizens, no matter their opinions or social status."¹⁹⁹ Gorostiza thus informed his colleagues that the male and female workers from the Mexico City tobacco factory had decided to sustain one battalion for the duration of the war.²⁰⁰

Asking money from workers had proven in some degree to be unsuccessful. The administrators from the Mexico City manufacturer understood that problem very well and instead asked the workers to work a few minutes extra every day to make an extra pack of cigarettes from the one they already made. During a meeting in the Mexico City factory between

¹⁹⁸ Ibid, 66.

¹⁹⁹ AGN, *Diario Oficial*, September 16, 1846.

²⁰⁰ Ibid.

all women workers and administrators, which included the General Director, Manuel Gorostiza, General Accountant, José Anievas, General Treasurer, Manuel Badilla, the Mexico City Manufacturer Administrator Joaquín Torres Tarija, the Mexico City Accountant Manuel Payno, and First Official José Maria Bulnes, managers and laborers agreed that the revenues made from the second package were going to be the worker's contribution to the war. They also agreed that some that revenue was destined for construction of a hospital for all of them.²⁰¹ According to Badilla, "…there weren't enough words to express value of the contribution of those unfortunate workers that have already a miserable salary and have asked them to work another pack of cigarettes." Many of them not only wanted to contribute the entire amount to the war but also wanted to personally join the war campaign.²⁰²

Since the establishment of the tobacco monopoly during the colonial era, the industry had hired many women. In the Mexico City factory, women made up seventy-one percent of the workforce. The work assigned to them followed the lines of a gendered labor organization and current moral perspectives. Men and women were hired to perform different jobs according to their sex. Men were in charge of carrying the tobacco while women were placed in workstations where they stemmed and rolled tobacco into cigars and cigarettes.²⁰³ Tobacco administrators took these same moral and gender perspectives into consideration in 1846 when deciding how to ask women for a contribution for the war. They understood that deduction to workers' wages not only put a burden to their income, but also imposed social consequences. Before making the agreement with the tobacco workers, Jose Maria Bulnes and Manuel Payno calculated how much could the workers contribute and what would be the outcomes. They took in consideration their

²⁰¹ AGN, *Diario Oficial*, September 21, 1846.

²⁰² Ibid.

²⁰³ Porter, Susie S., *Working Women in Mexico City: Public Discourses and Material Conditions, 1879-1931* (Tucson: The University of Arizona Press, 2003), 8-9.

socioeconomic conditions, gender, and social standing, and sent their considerations to the factory administrator, Joaquin Torres Torija, who wrote:

"While taking into consideration their gender and miserable state, but worthy of all the titles of respect from the government and the public...to ask any amount, however small, would certainly not look equitable nor fair, and moreover, it could have, quite rightly, been criticized by the public, it was much better that the donation consisted of a few minutes of work...[and] even though at first look this contribution seem insignificant, it is not taking in consideration of the increasing numbers of female workers that daily come to work to this factory."²⁰⁴

Tobacco administrators believed that working a few minutes extra (it only took them fifteen minutes to make a pack of cigarettes) every day was the most reasonable way to ask for a contribution from female tobacco workers. With patriotic rhetoric and promises of a hospital, women workers agreed to contribute for the war effort. The tobacco worker's example allowed the *Diario Oficial* to show the public how there was a sector of laborers who would cooperate with the national government in this time of need. Manuel Gorostiza took pride in the contribution from the female tobacco workers, and hoped that "…our example is not sterile…as we hope to find so many imitators following this shining example in the corporations and individuals in capital and in the states of the federation."²⁰⁵ He concluded his communication by asking: "Could the clergy, businesses, and corporations follow the example of this Directorate?"²⁰⁶ The answer to Gorostiza's question was more complex than a yes or no answer.

²⁰⁴ Ibid.

²⁰⁵ AGN, *Diario Oficial*, September 16, 1846.

²⁰⁶ Ibid.

Throughout 1846 the Mexican government sought to make agreements with the Church to sell its property to finance the war. These attempts encountered some degree of opposition from the clergy. In October 1846, Minister of Treasury, Antonio de Haro y Tamariz proposed a plan to sell church property but the clergy stalled such plans with the excuse that more study of the issue was needed. Haro y Tamariz had no time to lose and decided to seek other means. With the Monterrey already occupied by the United States, he issued a decree that ordered corporations to contribute five percent of the total value of their property and the Church received orders to accept a mortgage on all its property in Mexico of two million pesos, which would be supplied by entrepreneurs. Negotiations continued with the Church and in November 1846 the government ordered the Church to repay loans to individuals who contributed to the war and it assigned each archdiocese a sum of money for contribution. The Church continued to oppose such measures and in December 1846 the government agreed to stop any plan to sell Church property to private individuals. In exchange the Church agreed to contribute \$850,000 pesos and later loaned \$1,000,000 pesos using unmortgaged revenue as collateral.²⁰⁷

Amid the negotiations with the Church, the national government continued to seek help from every other institution and all its citizens. On 17 September 1846, the *Diario Oficial* published a list of people from the town of Tapachula in Chiapas who contributed seventy-three pesos. Days later, another list appeared of citizens who "possess and know the true love for their country," who donated \$205 pesos for the war effort.²⁰⁸ During that month, Gómez Farías met with a group of prominent capitalists and asked them to contribute to the war effort. In October 1846 the national government sought a credit of \$200,000 pesos from several moneylenders, but only a few agreed to aid the government. That same month the government also established a

²⁰⁷ Tenenbaum, 78-80.

²⁰⁸ AGN, *Diario Oficial*, September 17, 1846; AGN, *Diario Oficial*, October 7, 1846.

direct tax on all urban properties, which affected not only religious institution but also society at large, to sustain the Army of the North. However, this and all other contributions did not meet the government's expectations. By early November 1846 the army defending the northern territory had spent \$117, 856 pesos, which was \$90,000 pesos less than what was needed.²⁰⁹

Notwithstanding the help from different sectors and industries, the tobacco industry and its workers continued to contribute to the war effort. In 24 October 1846, the *Diario Oficial* stated that the Subprefect from the tobacco administration in the town of Actopan had told Haro y Tamariz that all the products in the town's tobacco store ought to be used by the government to cover the war expenses. That same day, the *Diario Oficial* also wrote of the twenty pesos contribution from the subaltern tobacco administrator in the town of Chiautla.²¹⁰ Furthermore, the tobacco industry in general contributed substantial amounts of money to the national treasury. In August 1846 it contributed \$39,021 pesos to the national treasury.²¹¹ In September of that year, \$87,383 pesos of the total of \$301,223 pesos received by the national treasury were given by the tobacco industry. That month the tobacco industry contributed more money than the Church, as the clergy only provided \$52,250 pesos in loans.²¹² However, in October 1846 the contribution from the tobacco industry decreased significantly to \$16,603 pesos.

The daily reports by the tobacco industry explained the cause of this decrease. On the morning of 17 October 1846, the tobacco industry began its operations with only sixty-six pesos in its treasury. That day, it received \$7,000 pesos from the Mexico state administration, \$1,000 pesos from Michoacán, and \$500 pesos from Zacatecas and Guanajuato. With a total of \$9,066 pesos, the General Tobacco Administration had to pay for the paper to make cigarettes, and it

²⁰⁹ Rodriguez, 113-117.

²¹⁰ AGN, Diario Oficial, October 24, 1846.

²¹¹ AGN, Diario Oficial, October 21, 1846.

²¹² AGN, Diario Oficial, October 23, 1846.

also had to send out payments to the tobacco planters in Córdoba and Orizaba, to the Mexico City factory, to the Administrations of Orizaba, Chihuahua, and Puebla, and of course, to the national treasury. All expenses totaled \$9,031 pesos, leaving the tobacco industry with only thirty-five pesos for the next day's operations.²¹³ These might explain why it sent out only seventy-five pesos to the national treasury.

The expenses of the tobacco administration were taking a toll on the industry's treasury as well as in the national treasury. Tobacco administrators believed the root of the problem went back to the government's 1841 nationalization of the Industry. The editors of the *Diario Oficial* recalled that the industry was put into "…a rush and violence under a improvised management plan not to meet the needs of the industry, but to give it a boost."²¹⁴ Ever since its establishment, tobacco administrators sought to provide suggestions to increase the output of the industry. On 8 July 1842, a commission was created to evaluate the performance of the industry and provide a more reasonable plan for the betterment of the industry. However, the political instability characteristic of the era did not allow the commission or its administrators to develop or put into function any plan. Opposition and negligence from the people in government seemed to cause the delay of any reform to the industry. The editors of the *Diario Oficial* wrote:

"The tobacco industry, extraordinarily large and productive, presents to the nation the unequivocal proof of the lack of success or total neglect that the most important elements of our wealth have ever seen due to the unfortunate influence or exaggerated opposition caused by the decision of people who don't have enough intelligence or are unwilling to engage in scrutiny in the things that they

²¹³ AGN, Diario Oficial, October 17, 1846.

²¹⁴ AGN, *Diario Oficial*, January 1, 1847.

decide...this industry is unsupported by the law and without any arrangements in the administrative part."²¹⁵

Tobacco administrators provided several recommendations for change. On 14 October 1844 the government received the results of a commission that suggested creating another plan for employees. A year later, commission reiterated the plan and called for the territorial division of the industry, and tariffs among other points. On 24 August 1846 the government accepted the plan but some opposition emerged suggesting that the plan needed more revisions. Finally on 13 October 1846 the territorial division was accepted and on 4 December 1846 the new plan for employees for all the tobacco offices across the republic was approved. Opposition emerged. On 13 December *Diario Oficial* reported that General Accounts office complained that the changes done by the tobacco administrators required hiring more employees, which did not make any sense if the industry sought changes to reduce its expenses. However, the editors of the newspaper explained that wasn't the case as the industry only merged three offices into one.²¹⁶ Furthermore, on 1 January 1847, the editors of the *Diario Oficial* again stated that the new plan has not created any unnecessary job and explained that the plan has highlighted those employee positions that are essential to the industry.²¹⁷

To clarify matters, *El Diario Oficial* provided the annual expenses of the industry. Under the 1842 plan the tobacco administration spent \$484,577 pesos each year. With the new plan, administrators would only spend \$424,220 pesos. That's \$164,957 less in expenses. One way the tobacco industry would save money, according to the editorial, was that the cavalry of the army would replace most of the guards in charge of pursuing tobacco smugglers. The

²¹⁵ Ibid.

²¹⁶ AGN, *Diario Oficial*, December 13, 1846.

²¹⁷ AGN, *Diario Oficial*, January 1, 1847.

administrators believed this would be a more effective way to fight contrabandists and there would be no need to have guards in Ciudad Victoria, Chihuahua, Córdoba, Durango, Guanajuato, Jalisco, Jalapa, Michoacán, Nuevo Leon, Sinaloa, Oaxaca, Puebla, Querétaro, San Luis Potosí, and Zacatecas. The salaries of all the one hundred guards in those states would be used for the 400 cavalrymen. Only those guards in Mexico, Orizaba, and Veracruz would stay.²¹⁸ With all these changes it was believed that the tobacco industry would not only save money in its internal expenses but would also contribute more money to the national treasury. However, the situation Mexico was in at the beginning of 1847 proved that it would be very difficult for the tobacco industry to meet the expectations of its administrators and the national government. And in 1847, the army needed cavalry for combat.

On 5 January 1847, the General Tobacco Accountant Miguel Badillo sent out to the Supreme Government a report about the current situation of the tobacco industry. The report explains why the tobacco industry failed to become a major contributor for the war. Between 1842 and 1844 tobacco sales rose \$3,341,533 pesos to \$4,966,651 pesos. However, due the excessive financial demand by the government and the constant revolts experience throughout the republic, in the years 1845 and 1846 the industry experienced a decrease in sales. For example, in 1845 the tobacco industry lost almost \$100,000 pesos as it only received \$4,839,000 pesos.²¹⁹

The demands the tobacco industry received from the national government were extensive. According to Badillo, the government not only asked from the industry all its revenues but it also took about two million pesos directly from the money the industry used to sustain itself. Without this money, the tobacco administration could not pay the tobacco planters from Córdoba and

²¹⁸ Ibid.

²¹⁹ AGN, *Diario Oficial*, January 26, 1847.

Orizaba for their harvest on time and meet other expenses. In addition, the constant revolts took a toll on the industry as each faction sought the revenues from the industry to finance their revolution. When an indigenous conflict erupted during 1847 in southern Mexico, the outcome left all the administrations in that territory without products, inciting in this way an increase in contraband.²²⁰

The war with the United States was probably the major cause of the decline in revenues and efficiency in the tobacco industry. Badillo explained that the administrations and revenues from Matamoros, Monterrey, Saltillo, Ciudad Victoria, and Tampico had been paralyzed by the United States occupation. This also affected the many workers who relied on the industry to sustain themselves or their families. According to Badillo, the tobacco administration in Chihuahua that previously provided substantial amounts of money to the General Administration used all those revenues from that administration to defend their territory from the United States. The same development happened in Sinaloa and Durango. Furthermore, those administrations that weren't facing any direct threat from a United States invasion to their territory, such as those in Morelia, Guanajuato, Zacatecas, San Luis Potosí, and Guadalajara sent out all the tobacco revenues to General Santa Anna, without leaving enough money to pay tobacco planters from the Veracruz region.²²¹ Badillo expressed, "sad, very sad is the state that today the most productive and least expensive industry of the republic is."²²²

Amid this nostalgia, Badillo concluded his report by making some suggestions to the national government in order to help the industry. First, he wrote, if the government would stop taking extra money from the industry, the tobacco industry could arrange a war subsidy of almost

²²⁰ Ibid.

²²¹ Ibid.

²²² Ibid.

\$85,000 pesos. With this operation the tobacco industry would void the excessive withdrawal from their treasury by the government, and would have a more stable income to contribute. Furthermore, Badillo asked the government to enforce the reforms made on August and December 1846 regarding the new employee plan and the territorial division of the industry. If all this is done, Badillo explained, the industry and the national government would be beneficiaries, as well as all the people who depend on the industry such as the tobacco planters from Veracruz.²²³

The General Accountant's report demonstrated how difficult it was for the industry to provide money for the national government. Internal and external events affected the industry that ought to sustain the army to fight the war against the United States. The events that occurred in 1847 might suggest that every effort by the tobacco industry to spend less money, avoid abuses, and contribute enough money to the government to sustain the war against the United States was in vain. However, throughout 1847, although with limitations, the tobacco industry continued to support the national government with substantial amounts of money for the defense of the republic.

Before the Mexican army under the command of General Santa Anna suffered the defeat at Buena Vista on 23 February 1847, Santa Anna had found it difficult to sustain all the remaining of the Army of the North that fought in Monterrey, as well as army divisions from Jalisco, Guanajuato, Michoacán, Querétaro and Aguascalientes that arrived to San Luis Potosí to prepare for battle against Taylor's army.²²⁴ General Santa Anna told the Congress his army was in poor conditions and in need of financial assistance. On January 26, 1847 he complained:

²²³ Ibid.

²²⁴ Barcena, 138-140.

"Allow me to say that for me it is unconceivable that the Supreme Government behavior observed with this meritorious Army, leaving him to his fate as it is, from that mentioned date (December 31, 1846) until the present...[and] it should know that I have no resource at all, even the most indispensable, to keep even the sick soldiers."²²⁵

Furthermore, the Second Special Commission of Resources expressed the same desperation. On January 31, 1847 members of the commission wrote, "Very vainly directed the view of all parties to avert the storm thundering over our heads; because no one can find the money to maintain the fairest of the causes."²²⁶ Santa Anna and the Commission expressed the need for money and believed that Church was the only source that could contribute enough to meet the army demands. However, the government found in the tobacco industry the help it needed, at least during the first months of 1847. The government bought one million rations at a cost of \$522,000 pesos, with the help of a \$70,000 pesos contribution from the tobacco industry.²²⁷ In addition, on February the tobacco administrations from Guanajuato, San Luis Potosí, Zacatecas, Durango and Querétaro provided substantial amounts of money to aid the army.²²⁸

Following the fall of Veracruz, the tobacco industry continued to contribute to the national government. Even though during this period Mexico City received scarce financial support from the states, significant sums of money arrived from the tobacco industry.²²⁹ These revenues from the tobacco industry not only served as a direct contribution for the national government, but also as collateral payments for other contributions. For example, Minister of

²²⁵ AGN, *Gobernación*, 1847, s/clas., vol. 6, exp. 1.

²²⁶ AGN, G, s/secc., vol 326, exp 11, ff. 1-13.

²²⁷ Rodriguez, 126.

²²⁸ Ibid.

²²⁹ Rodriguez, 127.

Treasury Juan Rondero asked for a 5,000,000 pesos loan from the British commercial house of Manning and Mackintosh, in exchange of 600,000 pesos in cash with the payment guaranteed by the income of the tobacco rent.²³⁰ Revenues from the tobacco industry continued to arrive to the national treasury until the culmination of the war. After the defeat at Chapultepec on 13 September 1847 and with the imminent occupation of Mexico City by United States Army, supplies were provided through contracts with guaranteed future income of tobacco. Finally, once the government moved to Querétaro following the occupation of Mexico City on 14 September 1847, the government survived with income from the tobacco industry.²³¹

There were many problems in Mexico and within the tobacco industry that limited the amount of financial help it gave to the national government. Amid the industry's decadence and administrative disarray, tobacco workers provided labor and money to help the government during the war.

Before 1846 came to an end, the Ministry of Treasury began to request from the tobacco workers their contributions to sustain one battalion for the duration of the war. On 15 December 1846, Almonte sent a communication to Gorostiza directing that, the monthly contribution of \$10,000 pesos should be sent out directly the Supreme General of the Mexican army.²³² Hence, since December 1846 tobacco workers began to fulfill their promises to sustain one battalion for the duration of the war. This amount might indicate the expected contributions from all those employees working in the administration across the republic, without taking into consideration those administrations in the territories occupied by the United States. Furthermore, it could be

²³⁰ Rodriguez, 131. According to Tenenbaum, Mackintosh had been involved with the tobacco industry since 1846, when he had negotiated the debt agreement which removed \$117,000 pesos from Mexican revenues each month to pay its bondholders. See Barbara Tenenbaum, "Merchants, Money, and Mischief: The British in Mexico, 1821-1862."

²³¹ Rodriguez, 133.

²³² AGN, *Diario Oficial*, December 16, 1846.

suggested this sum of money include the labor contribution from those factory workers in Mexico City working extra hours to increase the production of tobacco cigarettes.²³³ It is difficult to prove that the tobacco industry met the \$10,000 pesos contribution each month. Notwithstanding the limitations the industry and workers, throughout 1847 tobacco employees in the General Administration of Tobacco, and administration offices and factories in Mexico City contributed money for the war.

During the months of June, July, and August 1847, the workload of Manuel Badillo increased notably as he received constant communications from Gorostiza about the contributions from the employees in Mexico City. On June 1847 the forty-three employees in the General Administration of Tobacco contributed the ten percent from their salaries, which totaled \$302 pesos out of the \$3,115 pesos on total salaries.²³⁴ The contribution also included many employees working in administration such as Gorostiza. From his monthly salary of \$381 pesos, Gorostiza contributed thirty-eight pesos. Badillo, as the head of the accounts department, contributed thirty-one pesos out of this monthly wage of \$312 pesos. On the other hand, General Treasurer, Joaquin de la Vega contributed twenty-three pesos out of this monthly wage of \$232 pesos to support one battalion during the war. For July the General Administration of Tobacco only contributed \$284 pesos²³⁵

The administration and workers in the Mexico City tobacco factory did their part to contribute to the war. On July 2, 1847 a note issued by Gorostiza to Badilla, explained that "the tobacco treasurer will receive 1,380 pesos...for the month of last June that employees and workers in the cigar factory in the capital contributed to sustain a battalion in campaign against

²³³ It is important to note that there is no further evidence that other factories followed the example of female tobacco workers in Mexico City.

²³⁴ AGN, *Tabaco*, Vol. 400, f. 371.

²³⁵ AGN, *Fondo del Tabaco*, vol. 400, f. 400.

the external enemy."²³⁶ Employees in administration contributed eleven pesos; workers gave \$1,200 and laborers gave \$168 pesos.²³⁷ Among those employees in administration were included 3rd official Mariano Huaruiz who contributed four pesos out of his forty-seven monthly wage, and transcriber Luis Ortiz and schoolteacher Josefa Salos. Ortiz contributed three pesos out of his monthly wage of thirty pesos, and Salos with four pesos out of her forty-one pesos monthly salary.²³⁸ These numbers attest that every employee, from administration to laborers, helped the Mexican armed forces fighting the invading forces.

The names of factory workers and laborers don't appear on the list of contributions. However, the Mexico City factory kept the records of every job done by all of them, which provided a total of \$1,200 pesos in contributions for June 1847. The rest of the contribution came from the guards and other employees in the factory.²³⁹ In July 1847, the contribution from the workers in the Mexico City factory increased. This time, administration cooperated with forty-seven pesos, workers with \$1,531 pesos, and laborers with \$208 pesos.²⁴⁰ There was an almost \$400 pesos increase from the cigarette packs made by them. Furthermore, on the employee list from the administration, now appeared administrator Jose Franquileno who was absent from the June list, and by July he contributed nineteen pesos out of his \$190 monthly salary.²⁴¹

Since the rent satisfied the pensions of retirees, widows, and orphans, they also had to contribute with the respective ten percent. The tobacco administration spent each month \$1,621

²³⁶ AGN, *Fondo del Tabaco*, vol 400, f. 363.

²³⁷ Ibid.

²³⁸ AGN, *Fondo del Tabaco*, vol 400, f. 365.

²³⁹ AGN, *Fondo del Tabaco*, vol 400, f. 364.

²⁴⁰ AGN, *Fondo del Tabaco*, vol 400, f. 382.

²⁴¹ AGN, *Fondo del Tabaco*, vol 400, f. 383.

pesos to sustain the pension of fifty-nine women and children.²⁴² In June 1847, retirees, widows and orphans contributed \$148 pesos to sustain one battalion for the duration of the war.²⁴³ Women such as Crecencia Vidarte only contributed one peso since she only received ten pesos as pension. Filomenta Villalpando contributed with twenty pesos and Antonia Garcia with five pesos. On the other hand, Josefina Rayon and her sisters contributed seven pesos as they received seventy-two pesos. Manuala Martinez provided more money than the rest as she contributed nice pesos from her ninety-eight monthly pension.²⁴⁴ For July 1847, retirees, women, and orphans contributed the same amount of \$148 pesos.²⁴⁵ At this time of the year, with the imminent march by the United States army to the capital every amount of contribution mattered.

The contribution of a ten percent deduction on the salaries from those employees in administration positions to sustain one battalion for the duration of the war seems to derive from an arrangement made by administrators in the General Administration of Tobacco.²⁴⁶ The documentation provided might not demonstrate the employee's will to donate money, as this ten percent contribution might have been forced among them with the risk of losing their jobs if they did not contribute as requested. During this time the tobacco industry was struggling to provide sufficient amount of money for the war and the managers would not have objected to firing unwilling workers. However, the numbers in the accounts reports proves that there was a considerable support from the industry and its workers not only in the form of money but also

²⁴² AGN, *Fondo del Tabaco*, vol 400, f. 377.

²⁴³ AGN, *Fondo del Tabaco*, vol 400, f. 376.

²⁴⁴ AGN, *Fondo del Tabaco*, vol 400, f. 385.

²⁴⁵ Ibid.

²⁴⁶ AGN, Fondo del Tabaco, Vol. 400, f. 371.

manpower. Administrators, and probably all men able to carry a weapon, showed their patriotism and enlisted in the National Guard to defend the nation.

The battalion that the tobacco industry supported was the *Batallón de Bravos* of the National Guard. According to the budget established by the Ministry of War, the Bravos battalion received \$128 pesos per day from the donations of tobacco workers for its sustenance. However, there were days that only \$80 pesos arrived to the battalion's treasury.²⁴⁷ Amid the financial limitations, tobacco workers joined the battalion to fight the United States army. On 13 April 1847, the editorial of the *Diario Oficial* made a call to all Mexican citizens to join the National Guard. The editors wrote:

"The writer, the artisan, the merchant, and owner, all alike should come to the call of the motherland and be saved with it...What will be more important, not to cooperate with national defense to attend the office or to cooperate by missing a day or a few hours?"²⁴⁸

Among those who responded to the call for action to defend the nation against the United States was the General Director of Tobacco, Manuel Gorostiza. In the afternoon of 10 August 1847 cannon shots were fired to announce that the United States army was on its way to the Mexican capital. Soon after, the Hidalgo, Victoria, Dolores, and Bravos battalions marched out of Mexico City to fight the United States army.²⁴⁹ The *Diario Oficial* wrote that those "…brave useful and largely affluent citizens have left their jobs" to defend the nation. At the head of the Bravos Battalion was Manuel Gorostiza, "…quite famous name that so much honors the Mexican

²⁴⁷ AGN, *Fondo del Tabaco*, vol. 400, f. 401-418.

²⁴⁸ AGN, *Diario Oficial*, April 13, 1847.

²⁴⁹ AGN, *Diario Oficial*, August 10, 1847.

literature.²⁵⁰ He would lead the rest of his fellow tobacco workers on 20 August 1847 during the defense of the convent of Churubusco. The rest of the names of those tobacco workers who joined the Bravos battalion are not available. However, several historians have recorded the actions and valor of the Bravos battalion during that battle.²⁵¹

The editors of the *Diario Oficial* welcomed the year 1847 with enthusiasm and hope. On 1 January 1847, they expressed, "…heaven grant that the year 1847 that begins today, open an era of happiness and glory for the Mexican republic, and appear before the world, powerful and happy, after triumphing over its foreign enemy."²⁵² However, after few months all enthusiasm was lost. After the defeat of the Mexican army at Churubusco, Scott's army continued towards the Mexican capital and finally occupied it on 15 September 1847. The war against the United States had ended. Throughout the war, the tobacco industry and its workers contributed important amounts of money not only to the national treasury but to the army as well. However, the political and economic instability as a result of the war put many limitations on the industry and could not meet the government's expectations. Reforms were made to allow the industry to improve its operations and financial gains but the same old problems persisted. For example, on 21 December 1846 the governor of Sonora, Luis Redondo, received orders from the Ministry of Foreign Relations to aid tobacco workers in the city of Alamos against contraband.²⁵³

To conclude, the effects the war had among tobacco workers were numerous. The constant demand from the government to help the national treasury took a toll on the worker's income. The one-fourth deduction implemented by the Paredes government or by the Minister of Treasury, Gómez Farías, caused discontent among workers. Several protested by not

²⁵⁰ Ibid.

 ²⁵¹ See, for example, Ramón Alcaraz, et al., Apuntes para la historia de la guerra entre México y los Estados Unidos; José Maria Roa Bárcena, Recuerdos de la invasion norteamericana, 1846-1848.
 ²⁵² AGN, Diario Oficial, January 1, 1847.

²⁵³ AGN, Luis Redondo to Ministry of Foreign Relations, January 30, 1847.

performing well at their jobs or by sending communications to higher officials about the financial burden put on them by the deduction on their salaries. There were isolated protests and the overall collaboration from workers was exemplary. Tobacco administrators understood the difficulties of asking any financial contribution from those workers whose salaries were minimal. Hence, an agreement was made with the female tobacco workers in the Mexico City factory to contribute extra shifts to make more cigarette packs to support the Bravos battalion. Those in administrative positions and pensioners also aided the battalion by donating ten percent of their salaries and pensions. When the nation needed more men to fight against the United States, the director of the tobacco industry, Manuel Gorostiza set the example and joined the National Guard to fight the United States at Churubusco. Although Mexico lost the war against the United States, the efforts and contributions from the tobacco industry and its workers were important as they allowed the national government to fight a war that seemed almost impossible to endure with a national treasury on its ruins.

CHAPTER VI

CONCLUSION

The war between Mexico and the United States continues to be one of the most controversial events of the nineteenth century Mexican history. Those who have delved into the archives to understand the reasons for Mexico's defeat in almost every battle of the conflict and loss of almost half of its territory to the United States have produced several interpretations. But understanding the economic situation of Mexico becomes critical. Mexico was at a critical disadvantage as its treasury fell victim to the constant clashes between political factions, regional conflicts, and the central government's struggle to build a nation. Even though the Mexican government sought and received financial help from the tobacco industry and its workers, the critical and substantial amount of capital expected for Mexico's defense did not materialized.

When an armed conflict with the United States became inevitable, every national administration tried to replenish the national treasury. From 1845 to 1847, the Mexican government turned to the tobacco industry for financial support but encountered several problems throughout those years that limited the amount of support the industry could give.

During the Herrera administration, the national government sought to increase the productivity of the tobacco industry and focused on workers' negligence as a major problem. The *cortes de caja* or monthly cash outs from each department that administered the tobacco rent reflected how much money the tobacco industry made throughout those years and also portrayed

how much money the industry lost each month. In 1845 reports from the departmental treasuries in Guanajuato, Chihuahua, Puebla, Coahuila, Durango, Querétaro, and Michoacán demonstrated that the tobacco revenues had been decreasing. The Herrera administration attributed the loss to the employees' failure to collect the revenues on time. To solve the problem, the Herrera administration issued several decrees to administrators to monitor workers and to collect any pending revenues from the rent. However, the call for help did little to improve the industry's situation.

The problem of tobacco contraband became a focal point for the national government as the imminent war with the United States led to pressure for more revenues. Government officials in Mexico City and in the departments shared the belief that the problem of tobacco contraband had its roots with the employees working in the tobacco industry. However, the problem also resulted from the inability of the national government to either provide aid to the departments administering the rent by sending contingents of armed men to stop contraband or to provide sufficient amounts of tobacco leafs for the industry to operate properly.

Throughout 1845, the Herrera administration sought to excite the zeal and patriotism of local authorities and its citizens to protect the tobacco industry against smugglers. However, the call to the governors to take care of the tobacco contraband did nothing to stop the problem. Doing so only passed the burden to local authorities who lacked the money and people to go after contrabandists. Even though the national government received communications from the governors of Veracruz and Querétaro confirming their actions in aiding the tobacco industry against smugglers, local authorities from Michoacán expressed how difficult it was for them to pursue contrabandists when the their numbers surpassed those of tobacco guards. They had tried to stop smugglers but without success. Furthermore, local authorities from Michoacán

highlighted how the lack of tobacco leafs prompted many people to look to smugglers for their supplies. Departmental authorities understood that without the help from the central government, tobacco contraband would continue to exist. Once General Paredes took office in January 1846 he sent out a circular instructing military officials stationed in the departments to aid the tobacco industry. However, contraband persisted throughout 1846, and with the outbreak of the war with the United States it became difficult for the national government to fight contrabandists and the United States army at the same time.

As the war with the United States continued, the national government sought the revenues from the tobacco industry to sustain the army that ought to defend Mexico from the United States. When the national government began to ask for the tobacco revenues from all the departments in charge of the tobacco rent, Mexico City encountered opposition. The departments that collected tobacco revenues also depended on them to sustain their own economies, to fight Indian incursions, to maintain public tranquility, and more importantly, to defend their own backyards against the United States army. Chihuahua's treasury was exhausted and Governor Jose Ángel Trías expressed the need to use tobacco revenues to fight *indios bárbaros* and against the United States. Without the consent from the national government, Trías sought loans from tobacco dealers and promised to repay them with the products of the tobacco rent.

The fight for tobacco revenues along political lines debilitated the Mexican government during its fight against the United States. Paredes' affiliation with monarchists and his ambiguity towards the republican system released a wave of opposition against him. In Jalisco, a group of federalists issued a *pronunciamiento* against him and used tobacco revenues to finance their uprising. In southern Mexico, Juan Álvarez pronounced against the government of Paredes

and took all the tobacco revenues from several departmental treasuries to aid his movement. At a time when the government needed all money available and unity to fight a common enemy, local interests and political differences stood in the way.

When Mexico's financial institutions did not provide enough money for Mexico's defense, the national government sought financial support from all its citizens and particularly from government employees. Since the tobacco rent belonged to the State, any decree issued to deduct money from government employees' salaries included tobacco workers. From 1845 to 1847, each of the administrations at the head of the nation implemented a one-fourth deduction from the wages of every government employee. However, tobacco workers protested as their incomes did not allow them to cooperate with the national government and sustain their families at the same time. Several of them showed their discontent by not performing well at their jobs while others voiced out their concerns by sending communications to higher officials about the financial burden put on them by the deduction on their salaries.

Amid these isolated protests, the overall collaboration from tobacco workers was exemplary. Tobacco administrators understood the difficulties of asking any financial contribution from those workers whose salaries were minimal. Hence, an agreement was made with the female tobacco workers in the Mexico City factory to contribute extra shifts of labor to make more cigarette packs to support the Bravos battalion. Those in administrative positions and pensioners also aided the battalion by donating ten percent of their salaries and pensions. When the nation needed more men to fight against the United States, the director of the tobacco industry, Manuel Gorostiza set the patriotic example and joined the National Guard to fight the United States army at Churubusco.

In nineteenth-century Mexico the tobacco industry was an important financial contributor to Mexican government's efforts to sustain the war against the United States. Without any significant success, the Mexican government tried to confront and solve the problems limiting the amount of revenues that was expected from the tobacco industry. Regional interests, political factionalism, administrative negligence, and tobacco contraband limited the amount of money the tobacco industry contributed. In spite of all the problems the tobacco industry experienced between 1845 and 1847, the federal government still received significant financial assistance from that industry and the people involved. Although opposition existed to these efforts, the dominant sentiment was one of firm enthusiasm to defend the nation. Many of employees worked extra hours and donated a few pesos to help out their fellow workers that shed their blood on the battlefield. Although the outcome of the war did not turn out as Mexico believed it would, the efforts and contributions from the tobacco industry and its workers were crucial as they allowed the national government to fight a war that seemed almost impossible to endure with a national treasury on its ruins.

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