

SPANISH AMERICA, 1790-1830

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1. Coverage

This questionnaire discusses the state of the commercial data in the former Spanish Empire in mainland South America (exclusive of Brazil) and includes some general references to the new republics that emerged in the disintegrating Empire (exclusive of islands like Cuba and Puerto Rico in the Caribbean).

It covers the period from 1790 to 1830. When war that broke in Europe by 1793 prejudiced the regular commerce on Spanish ships, the Spanish King allowed trade on Neutral ships – mainly North American – which thereafter intermediated up to a third or more of the overseas trade of these colonies according to estimates and informed guesses of historians of individual national economies. US merchants and shippers added to active significant intermediation by Genoese and Portuguese in already in place in the Southern Cone during the late 18th century and took over a sizable share of freight from the long time declining Spanish fleet. More often than thought the odd British or French ship which by means of a paying a surtax were always allowed to dock at Spanish American ports alleging (*averias*, lit: damage or malfunction on the ship) downloaded goods in the main ports as Buenos Aires, Montevideo, Valparaiso as in several lesser ports on the coast of Venezuela, Colombia in the Caribbean and along the Atlantic coast all the way to the river Plate, (often *en route* from Brazil) and the South Pacific. Navigation around Cape Horn was probably at its peak over this period of time as shown in the US commercial statistics. Following the French invasion of Spain in 1808 and the end of the Spanish rule in America local elites took over the control – political and economic – of each fiscal district. Politically, but also in fiscal and monetary regards the former empire fragmented in more than twenty autonomous units. Difficulties to establish a successor political regime with some legitimacy opened a period of civil war and fuelled political

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instability until the 1850s or even later in some places. This process severely disrupted any administrative capacity of the state throughout South America. The imperial structure of revenue collection imploded as well and provisional republican governments struggled to expand their fiscal base and collect more revenues. As part of major institutional reforms most of the new republics in the 1820s attempted to detach state income from trade – since customs (*almojarifazgo*) and excise (*alcabalas*) had been the main source of colonial revenues – and to collect further revenues from direct taxes. The level of tariff estimated at 33% for most of the imperial ports was initially lowered but widespread monetary and political turmoil altered exchange rates locally and whichever expected benefits for commerce from lower fiscal burden was immediately distorted. Fast rising public deficits brought the tariff back to previous levels or higher as Customs became the single source of fiscal revenues feasible in the context of turmoil and civil war. Notwithstanding political independence the fiscal structure the Spanish Empire based on taxing trade and consumption remained in place and was further reinforced in the post colonial period with the quick failure of the first fiscal reforms.

2. Documents

In spite that Customs (mainly from taxes on imports) made between 60 and 90% of revenues in these republics, there was no systematic production of documents on trade – and far less on imports. Both aspects are the effect of the institutional weakness and generalized administrative disarray of the period. There are however numerous periodical publications of the time, gazettes, journals, newspapers, consular reports and travelers accounts printed in Europe and at each of the main ports engaged in overseas trade (with Spain and beyond) which offer good detailed but unfortunately partial statistical information so by no means they allow an idea of totals, or annual stocks or flows with which to reconstruct a balance of trade. The weak integration of domestic markets resulting from the end of the Spanish government distorts any commercial information derived from trade data recorded at ports; this information encompasses very limited coverage of the actual geographical consumption of imports and of the origin of commodities for exports.

3. Institutional setting

Despite the importance of trade taxes there was no centralized institution tasked with registering trade, either in the colonial or republican period. Taxes on overseas trade and on overland (intra-regional) commerce were farmed to the Merchants guilds (*Consulados*) during the period of Spanish period; and in most places the structure for the assessment and collection persisted under different name. After 1820s although most of the new republics established Customs Houses and legislation, assessment of prices for the valuation of the *advalorem* tariff was done by the individual merchant and its collection remained farmed out in practice. Customs made (on paper) 60% and more of the Revenues in most of the former colonies; the administrative capacity was so limited that no registration of trade flows was possible. There is nearly no statistical account of the volume, value and composition of imports into any of the South American ports from local sources. Furthermore, as legacy of the colonial taxation of separate treasury districts internal customs remained in place – or emerged – often within the jurisdiction of the same country, e.g. imports paid taxes at the port in Valparaiso and again when entering Santiago de Chile; Veracruz and populous cities in the interior of Mexico, or Buenos Aires and the more populated inland towards Bolivia are similar cases. Run as a private purse by regional elites, the internal custom houses were even less capable to produce information. There is absolutely no systematization of the information or even summaries. Only when the financial standing of the government improved in the late 19th century – usually associated with the renewal of foreign lending and favorable international commodity prices – there was greater administrative capacity by central governments to set a proper collection mechanism of data and of taxes. Hence the quality of information improved after the 1870s

Data on export are more frequently cited in compilations and reports of the time, newspapers, pamphlets, possibly because these were fewer and more standardized goods. But it is uncertain how systematic the compilation and the publications were. Generally exports were lightly taxed and often with specific taxes (a fix amount per unit or quantity) thus only major exports were recorded. Export of specie, gold silver bullion, was highly taxed or outright prohibited, yet outflow of bullion are ever present in the historical literature of each individual country. It is assumed – as it was at the time – that outflows of silver mainly (coined and in bars) were massive through contraband so they escape the (whichever) statistics. Partial data available and

occasional reports for different regions show consistently a substantial commercial disequilibrium which was met with specie. Figments of what ought to be the trade balance intimates a slow decrease in the volume of imports (despite falling values) over the long run. The conventional historiography has quickly concluded this was originated in the specie outflows to balance trade. However because there is no means to estimate neither volume nor values of imports it is difficult to establish the real extent of this shrinking import capacity in the light of increasingly booming new export commodities by the 1840s, in some countries like Argentina, (rather Buenos Aires), and Chile and after the 1850s in other countries like Peru and Colombia.

4. Information

When available, the data for exports usually state quantities, values and destination per each commodity. Any value expressed in local currencies needs to be adjusted by one or another deflator otherwise stated amounts would be meaningless. Each political and fiscal unit emerging from within the Spanish empire issued or minted her own currency at different point in time and there were long periods of repeated debasement, multiple coinages within one single country and various attempts with paper currency. Hence the fragmentation of the colonial monetary union added to ongoing market disintegration. Whereas the region was drained of old Spanish American silver pesos – which increasingly performed more as unit of account, i.e. the peso fuerte – the multitude of bad and worse monies affected real exchange rates by distortions from local monetary circumstances. By the 1820s increasing volume of transactions were priced in sterling or equivalent in gold ounces as the silver standard used for the 18th century disintegrated. As data on local exchange with sterling is common this should be used a deflator to capture incidents in the local currencies purchasing power – yet data series need to be constructed. Problems of interpreting nineteenth-century trade statistics can be found in Platt, D. C. M. (1971). “Problems in the Interpretation of Foreign Trade Statistics before 1914.” *Journal of Latin American Studies* 3 (2):119-30 which is particularly valuable for the period covered in this essay.

The most comprehensive list of goods available – for imports – can be derived for the tariff lists in the various customs laws discussed in congress (to no much avail). They tend to list several thousands of items individualized by particular details and some of which, particularly manufactures were aggregated in the occasional published

summary according to the rate at which they were taxed, irrespective of qualities, origin and price.

Because for both export and imports data refers to ports of call, substantial re-exports overland go missing.

5. Research questions

Scholars have made different attempts to reconstruct balance of trade with very limited information and very often have derived the data from country of origin / or destination. Yet those estimates maybe misleading as they count trade by ship flags and port of arrival / departure and not necessarily final destination. A massive re-exports trade, particularly imports further inland where population was largest, goes missing or it is wrongly assigned to the first port of call. The reconstruction of balance of trade in this period is impossible for all of the above. Evidence of this is the unsatisfactory state of the research on economic and commercial issues of South America in the time period. Generally speaking the statistics age come to being in South America by the 1870s.

The most compelling reconstruction has been made by Javier Cuenca Esteban in his various articles after a very long time devoted to mine data from archives of European trading partners. Of those which I have seen they tend not to distinguish among ports in South America and probably only list the first port of call. Data thus is lumped in broad regional categories for the destination – it is particularly so the earlier the period of the data.

6. Bibliography

Below I have listed titles which may offer some information but as for the overall commerce they only have partial data according to the national (bilateral) trade they have focused on.

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6.4. Trade with France

Various years, starting in 1839 for South America with acceptable level of geographical disaggregation.

Tableau décennal du commerce de la France avec ses colonies et les puissances étrangères... 1827 à 1836 (1887 à 1896).

Documents relatifs au commerce des nouveaux États de l'Amérique, communiqués par le bureau de commerce et des colonies, aux principales chambres de commerce de France. (Publié par le journal du Commerce). 1825. Librairie de l'industrie (Paris). <http://gallica.bnf.fr/ark:/12148/bpt6k1417509> (online)

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