

## *Bankrupt of Empire: Mexican Silver and the Wars Between Spain, Britain, and France, 1760-1810*

Carlos Marichal

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### RESEÑA

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The importance of the Spanish American economy to the finances of the Spanish Crown has been studied for long time. In *Bankruptcy of Empire: Mexican Silver and the Wars between Spain, Britain, and France, 1760-1810*, Carlos Marichal goes in depth into this issue, arguing that “the enormous extraction of Mexican silver... was used mainly to finance an extraordinary succession of wars between Spain, Britain, and France”. He focuses on Mexico because, he states, “in terms of colonial tax productivity, it is hard to find examples in history that surpass Mexico in the eighteenth century”. By focusing in British and French empires, Marichal hopes to contribute to the growing field of transatlantic history.

Marichal bases his research on archival sources mainly from the Archivo General de la Nación in Mexico City, the Archivo General de Indias and Archivo Histórico Nacional in Seville and Madrid, respectively, and in Archives Nationales in Paris. Although Marichal does not discuss the sources he is going to use in the introduction, the book is divided clearly in two parts according to these sources. The first section covers chapters one to four and the second part, chapters five to eight. In the first chapters, Marichal bases his arguments mainly on previous historiography published by him or by other historians. As he states, “the hypotheses advanced in this book are based on a vast, collective effort of recent historical research realized over the last two decades”. For this reason, most of the footnotes in these chapters refer to other historical works, while from chapter six on, most of the footnotes refer directly to an archival source.

This division in the book also demonstrates Marichal’s methodology, which emphasizes a transatlantic point of view. The second part is where Marichal develops in-depth his argument about the importance of Mexican silver, not only for Spain but also for Britain and France. Given his transatlantic approach, Marichal is “looking *from* the colony *toward* the metropolis” (Marichal’s emphasis). In doing so, he aims to obtain “a new perspective on the complex dynamics... of the Spanish imperial state in the successive wars with Britain and France between 1780 and 1810”.

Marichal begins with an overview of the tax system created by the Bourbons in America since 1760. He says that the Spanish crown succeeded in the creation of a tax system to get Mexican silver due to “a combination of coercion, fiscal and administrative efficiency, and colonial pacts”. Since New Spain was the colony that gave the most remittances to Spain, Marichal calls the viceroyalty of New Spain a *fiscal submetropoli*. Thus, the Spanish empire became in an “imperial tax state,” represented by the great amount of loans and donations to the metropolis that Marichal details. In addition, the Catholic Church became one of the most important borrowers of funds. This successful tax system, however, was only the confirmation of “the progressive extension of the metropolitan financial crisis to the Americas”. From chapter five on, Marichal narrates in detail the British and French actions to get Mexican silver to finance their wars -gotten through the work of private merchants, thanks to the neutral commerce promoted by the Spanish crown. At this point, Marichal criticizes the lack of attention that this neutral commerce has received in Mexican historiography, despite its great economic importance to the viceroyalty. This has to be studied, Marichal argues, because “the continuity of the [Spanish] empire lay in the sustained functioning of what was a complex, transatlantic fiscal machine”. Mexican silver continued helping Spain during the French invasion and during the wars of Independence, but it could not last forever. Since what Spain did was to transfer “a part of its deficits” to Mexico, the end of the story was not surprising: the Spanish empire went bankrupt by bankrupting its richest colony. The money simply ran out: “the funds were not inexhaustible, as believed, but are actually exhausted”, as Manuel Abad y Queipo, Bishop of Valladolid (present Michoacán) said in 1810. Through the book, Marichal writes in a very readable style, which is very valuable when the main topic, the economy, includes such complex terms. The charts and graphs also give the reader a better understanding of these economic processes. Besides, Marichal divides the work into many subsections and always finishes a chapter by introducing the next one.

*Bankruptcy and Empire* has two important strengths. First, Marichal ably inserts the Mexican economy into broader transatlantic history, as noted above. It is not surprising that Spanish America economically supported the metropolis, but the novelty of Marichal’s argument is the contextualization of this support into the Atlantic history, through the incorporation of Britain and France. Marichal values the Spanish empire’s resilience, saying that unlike Britain and France, which could not keep their territories in the Americas, Spain, despite its financial problems, maintained their authority until the beginning of the nineteenth century. By using this economic resiliency, Marichal continues, the crown was able to create “an effective engine of imperial defense”. His fundamental argument is that Spain did matter in the international context in the late eighteenth century.

The book’s other strength is Marichal’s emphasis that the answer for the successful tax system is not only the economy. When he asks why the colony followed the instructions of the crown, though those instructions undermined the economy of New Spain, Marichal argues that the answer is in the *corporative concept* of the colonial society. For that reason, he writes, “The fact that there was neither legislature nor popular press in colonial Mexico implies that discussions about the tax system were limited”. This could not have happened in a parliamentary regime, as in the case of the British colonies in North America. The great amount of Mexican money sent to Spain reflects “the persistence and power of the colonial administration”.

Although Marichal does a very good job showing the role of Mexican silver in the transatlantic economy, Mexican society is not an actor in the book on the same level of the European empires. Recognizing this shortcoming, Marichal correctly draws attention to future research about the impact on Mexican society of Spanish economic decisions in the colonial era and its legacy in the national period.