

## Economic thought and land ownership in New Spain

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**ABSTRACT:** *This research explores the topic of land through the history of economic thought, focusing attention on this relationship in a long-term reflection, which goes from the 16th century to the 19th century, and takes a tour of the Viceroyalty of New Spain until reaching the formation of the Mexican State. In this sense, we start from the idea that the possession of land in the context of the conquest marked a situation regarding land ownership, generating a double vision. On the one hand, the native peoples maintained the vision of the land as a means of subsistence and self-consumption. On the other hand, the European vision of land was assumed as a means of wealth and integration into international commercial exchange derived from specialized production. The truth was that the amalgamation of both conceptions of property resulted in a relationship of power and conflict, which had different expressions because of the established legal framework. Although it is important to highlight that the links were determined in the background by economic thought, this being the one that explains the situations and phenomena regarding the conception of the land.*

**KEYWORDS** –Economic History, History of economic thought, Land, New Spain,

### I. INTRODUCTION

One of the key elements that incited the revolutionary struggle was the possession of land. This is due to the dependence on crops for the survival of communities since pre-Hispanic times: “The economic base was the intensive cultivation of the land with corn, beans, chili, pumpkin and other plants” [1], although the conquest reached reconfigure both land ownership and use; Self-consumption agriculture remained a food bastion during the New Spain period.

Since the time before the Conquest, the location and movement of the aboriginal tribes depended greatly on the control of the land. The Conquest itself, carried out in the peak period of economic mercantilism, was basically due to the desire for new lands, which, along with tribute, would give the metropolis territorial power, which in those times was the essential factor of the greatness of the nations. [2]

During this period, the land was not only a direct source of sustenance for colonizers and natives, but it became the basis of the economy of New Spain, but from the exploitation of mineral resources, which meant the beginning of a global link that connected the viceroyalty with the rest of the world through the circulation of silver. In this regard, Hausberger takes up the fact as part of the processes that begin an early stage of globalization. Other economic fields developed derived from this type of land use, through what historians such as Assadourian understood as marketing circuits, whose function promoted a system that allowed the incorporation of various economic activities. This facilitated the development of different economic branches, which together reconfigured the native market and nourished the economic development of (New Spain. Assadourian, 1982; Hausberger 2018; Jumar, 2018)

## II. THE POSSESSION OF THE LAND

The need to possess land was controversial throughout the colonial period, although popular knowledge tends to associate the excessive dispossession of the Spanish with the native populations, as Andrade mentions below, we also find authors who seek more explanations. Insights into tenure during this period, which deal with the land market. "It can be considered that it is through royal grants that the large property of the Spanish and Creoles was established during the Colony, until these concentrations of land acquired characteristics of true latifundia, that is, large extensions of land explored in a minimal and consequently of a great waste of the earth factor". [3] Andrade's statement is based mainly on a document issued in 1493 by Pope Alexander VI in which the donation of the newly discovered lands to the Spanish Crown is mentioned, thus property rights were used, in some cases, as a means of compensation for the conquerors. At the same time, the clergy received donations from the Crown for the construction of churches among other real estate.

[...] So all its islands and main land found and discovered and discovered [...] by the authority of the Almighty God, granted to Us in Saint Peter, and of the Vicar of Jesus Christ, which We exercise in the lands, with all their lordships, cities, forces, places, towns, rights, jurisdictions and all their belongings, by the tenor of the present we give, grant and assign them perpetually to you and to the Kings of Castile and León, your heirs and their successors [...] with a declaration that by this our donation, concession and assignment it is not understood, nor can it be understood that it takes away, nor will it take away the right acquired from any Christian prince, who currently has possessed the said islands and main lands [...].[4]

This declaration nullified the active participation of the natives on their lands, which is why the idea of dispossession is assumed. However, recent specialized historiography like (Menegus, 2009) points out that historiography referring to the analysis of economic and political changes during the colony shows a differentiation between the postulations of historians throughout the second half of the 20th century. Starting in the 1960s, studies regarding chiefdom and forms of property during the colony came to light. Historians such as Luis Reyes, Pedro Carrasco, Hidelberto Martínez, Gibson among others, embarked on the path that Taylor and Pastor would later follow in the seventies; Farriss, Olivera and Quezada continued the studies in the eighties, joined again by Hidelberto Martínez with a study on Tecali and Tepeaca. The studies of this decade were joined by Mercedes Olivera and Luis Reyes, who developed the -manor house- model, taken up by Bracamonte and Sosa for studies of the Mayan population, where resistance and permanence in the forms of government are postulated. Indigenous people despite the introduction of Hispanic regulations, as well as the permanence of property control in relation to lineage. This posture maintains that the appropriation of land from the legal order was by far more complex than simply thinking about usurpation and theft. So, the kinship relations between Indians and Spaniards through marriage provided a possibility of access to land for the Iberians, in addition to purchase and sale agreements. "[...] royal grants and compositions had very little quantitative importance in the transition from the Mayan land to the Spanish; The recurrent or privileged mechanism was, in reality, the market; the purchase of lands, lineages and republics of Indians, an acquisition feasible only through mutual recognition of property" [5]. In 1513, as a way to promote colonization, Don Fernando Quinto declared: "It is our will that houses, lots, lands, caballerias, and peonies can and will be distributed to all those who were going to settle new lands [...]" [6] However, to 1531, 1615 and 1617, as part of LAW XVI, the monarchy addressed the issue of the Indians:

To avoid inconveniences and damages that result from giving or selling caballerias, peonies, and other land surveys to the Spaniards to the detriment of the Indians, preceding suspicious information from witnesses: We order and command that when they are given or sold, either with a summons from the prosecutors of Our Royal Courts of the district, who have the obligation to see and recognize with all diligence the quality and dispositions of the

witnesses: and the Presidents and Courts, if they govern, give or sell them, with agreement of the Treasury Board, where it must be stated that they belong to us, taking them to the proclamation, and auctioning them in public auction, like our other estates, always looking out for the good of the Indians [...] [7]

Access to land through the purchase and sale of property titles made large concentrations of land possible, which subsequently paved the way for the development of the hacienda as a means of agricultural exploitation. Likewise, it is worth noting the role of the crown in reference to field work since the complaints about the treatment of workers as servants motivated the search for means of protection for the Indian in the 17th and 18th centuries. However, as (Nickel, 1997) points out, these means contradicted the need to comply with the quotas they required cheaper payment for the workers. Likewise, the declaration of empty lands was another appropriation mechanism that contributed to the concentration of cultivable spaces. "The death of the Indian owners and the disappearance of the congregations freed up large areas because there was no longer anyone to cultivate them, because the small towns no longer needed them or because the Spaniards with this pretext simply declared them abandoned, it facilitated their access to the property according to the laws." [8].

However, the Spanish crown's recognition of abuse in both the exploitation of Indians and the appropriation of land dates to the 16th century. This fact was mentioned in 1535 through the Decree of May 31, where the Queen indicated her knowledge of the situation of abuse that some *encomenderos* did to the Indians, especially due to the illegal appropriation they made of their lands. "*les han tomado é ocupado muchas tierras [...] é muestra intención e voluntad que los dichos yndios sean bien tratados é no reciban agrauio*"[9].

Despite the Royal provisions, the situation of the indigenous people remained precarious, which is why, at the end of the 18th century, Humboldt, in reference to the report of the Bishop and Ecclesiastical Chapter of Valladolid of Michoacán, points out: "the Spaniards make up the tenth part of the total mass. Almost all the property and wealth of the kingdom is in his hands. The Indians and the castes cultivate the land; they serve the well-off people and only live off the work of their arms." [10]

The description draws attention above all to the conception that was then had of liberalism, which had just appeared in European thought as a revitalizing wave after the mercantilist dogma. Humboldt attributes as liberal ideas those that indicate the recognition of the concentration of means of production and the exploitation of man by man; what years later would be known as the class struggle. "From these results, between the Indians and the whites, this opposition of interests, this reciprocal hatred that so easily arises between those who have everything and those who have nothing." [11]

In that sense, during the period and until the beginning of the 20th century, there was a tendency to increase land units since property served as a means of access to credit and prestige. It should be noted that the landscape and geographical configuration played an important role in the development of population centers and the construction of farms towards the end of the 18th century and the beginning of the 19th century. Likewise, many Spanish economic activities continued to be directly linked to indigenous possession of land through leasing (Hausberger, 2018; Bracamonte, 2019).

This, together, motivated the alienation of the native workers, with the ownership of the land, relegating their permanence in the vicinity of the haciendas due to their category as laborers. Herbert Nickel points out that after the elimination of the taxation of Indians for work at the end of the colony, the Spanish saw the need to create mechanisms for the permanence of workers such as the so-called: ascriptions. In addition, "The fact that the indigenous people were born in the workers' settlements and had been enrolled there also served as a pretext to make them stay on the haciendas." [12]. That is why the author speaks of peonage as a residue of the colonial era, even though this term was not yet used.

This system known as peonage was characterized by the recurrence of advance payments and payments in kind, which affected the possibilities of free transit as an effect of indebtedness. Pedro Bracamonte speaks of debt as the committed future work of the laborer, who sought this means as a way to keep his survival afloat. However, it records the existence of documents that sought, in the meantime, a kind of regulation between the parties involved, in this case, the landowner and the worker.

It is inferred that the debt was a mere investment to ensure labor; that the cash wage basically served to pay off the “between year” and monthly debts; that the debt accompanied the worker throughout his life; and that a small amount of money circulated largely within the hacienda while elsewhere it was only accounting records. The economic life of the farm workers took place with practically no intervention from a true free market of products. [13]

We observed that, despite the influence of liberalism, which began to permeate economic thought since the beginning of the 19th century, pre-existing conditions made ideology very difficult, in practice, both in the idea of work and in commercial exchange. The estates then, and until the beginning of the 19th century, maintained an idea of conformation like the English Burgos, where the self-sufficiency of needs created small economic nuclei that prevented the liberation of the market.

Moreno, 1989 talks about Herbert Nickel's reference to Mexican haciendas according to their degree of modernization, cataloging them into three types: the classic, transitional, and modernized business, however, the issue of modernity has a greater relationship with external government regulatory factors. throughout the centuries, where the first type is associated with the formation of the haciendas since the 16th century, which continues its development in a transitory stage until the middle of the 19th century, to move on to the modernized one until the Revolution. The importance of the introduction of the concept of the hacienda lies in understanding that “The fundamental element of the hacienda, the ownership of land, from the colony and for more than a century onwards, was the most appropriate type of investment [...]” [14]

The hacienda constituted an authentic community, since on very few occasions the working population was less than 100, and on the other hand, haciendas with several thousand individuals who were rooted to the land were relatively frequently registered.

II It normally had the various basic services of the social community: church, store, post office, cemetery, jail and sometimes, school.

III The owners of the land, like the feudal regime of the Middle Ages, considered property titles as indices of lineage and social prestige, rather than as economic units, generating agricultural production. [15]

### **III. CONCLUSION**

Although the differences in historical and social conditions prevent us from observing a replica in European feudalism with the New Spain hacienda, it is precisely these differences that contributed to the impediment in the ideological reconfigurations that manifested themselves as a result of the Bourbon reforms, such as points out Bracamonte: “It is therefore necessary to highlight the weight that the manor model had - and still has - in the formation of Latin American societies derived from Spanish colonization and its impact on a poorly achieved development of the capitalist system, unlike those controlled territories. by the British, as Adam Smith pointed out”. [16]. In conclusion, land is a way to understand how the economic thought impact in the social life.

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