

Indians, Merchants, and Markets: A Reinterpretation of the *Repartimiento* and Spanish-Indian Economic Relations in Colonial Oaxaca, 1750–1821. By *Jeremy Baskes*. Stanford: Stanford University Press, 2000. 326 pp. Notes, bibliography, maps, tables, graphs. Cloth, \$60.00. ISBN 0-804-73512-3.

Reviewed by Cynthia Radding.

*Indians, Merchants, and Markets* provides a concise economic history of the trade in *grana cochinilla*, the indigenous red dye of southeastern Mesoamerica that developed a dynamic market in Europe (and North America) from the sixteenth to the nineteenth centuries as the source of scarlet ribbons, crimson satins, calico, and cardinals' robes. Baskes's study is limited to the financial and marketing institutions for one product, cochineal, in the ethnographically rich province of Oaxaca in southern Mexico during the last seventy years of Spanish colonial rule. Produced by native Americans of Mexico and Central America through techniques developed in pre-Hispanic times, cochineal became the second most important export product of Mexico, after silver. Indigenous producers harvested the precious dye from the bodies of insects that were cultivated on the nopal cactus. If Indians controlled the production process, Spanish merchants and magistrates dominated its commercialization, both in the colony and in its overseas transit, thus reaping considerable profits in the dyestuff trade.

Jeremy Baskes presents two revisionist theses concerning the nature of *repartimiento* as it functioned in the cochineal trade of Oaxaca and the central role of European markets in determining the fluctuation of prices and volume of sales. His closely focused analytical study of late-eighteenth-century economic relations, employing a sound base of primary and secondary sources, challenges certain assumptions running through both ethnohistorical and economic histories of colonial Mexico. *Repartimiento de mercancías*, the forced distribution of merchandise or money lent at interest to indigenous villagers in return for labor or commodities such as cochineal, has long been seen as a coercive mechanism that redirected native energies away from subsistence to the production of goods that brought handsome profits to colonial overlords. The Spanish official at the center of the network of *repartimiento* was the local magistrate (*alcalde mayor*), who openly used his post for commercial benefit, having bid a substantial sum to the Crown to "purchase" his term of office. Baskes argues that *repartimiento* should be seen as a system of credit extended to Indian peasant producers, enabling them to purchase the initial capital outlay (of insects) to begin the production process for cochineal. Analyzing the financial transaction in modern business terms of risk and return on investment, he

goes to some lengths to show that the magistrates' nominally high rates of profit were reduced, in practice, by the delayed payment of their indigenous debtors. While accepting that the native producers who received *repartimiento* loans were forced to sell cochineal to their creditors at below-market prices, and that the merchants/magistrates not infrequently employed force (imprisonment, beatings, and confiscation of the peasants' possessions) to collect their debts, Baskes insists repeatedly that the merchants were charging a reasonable "high implicit interest rate" to cover their probable losses from defaulted loans. In his view, the moneylenders are converted into benefactors. Ebenezer Scrooge would be pleased.

Baskes is in good company when he asserts that peasants want to participate in the market and that they seek credit. Furthermore, he argues, it was precisely because of the magistrates' combined economic and political power that they could "risk" loaning money—which they themselves had obtained on credit—to peasant producers. It is not entirely clear, however, why the Indians' socioreligious sodalities could not finance the seasonal cycle of cochineal production, nor does Baskes demonstrate why the native peasants "needed" to produce cochineal. Although Baskes recognizes that loans were advanced to individual producers as well as to entire villages, usually linked to the obligatory payment of tribute, he does not separate their different behaviors. Perhaps because he is less interested in the production process itself than in the credit relations subsumed under *repartimiento*, Baskes misses an opportunity to conjoin economic theories of *both* mercantile and peasant rationale that would explicate further the complex linkages among the Oaxacan *nopaleras*, their colonial overlords, and the warehouses of Amsterdam and London.

The final two chapters take us from the colony to the overseas trade in cochineal, with detailed analyses of the multiple costs incurred in the shipment of cochineal through freight, insurance, and taxation. In order to estimate the cost of marketing one unit measure (*arroba*) of cochineal, Baskes takes full account of economic "externals," such as the legal prohibition of *repartimiento* in 1786, European warfare, and the British blockade of Spanish colonial shipping during most of the 1790s and early 1800s, in his construction of comparative price indices in Oaxaca and in Europe. Baskes's analysis of the primary data shows two related trends, observed as well by earlier authors: the costs of marketing cochineal rose during the latter eighteenth century, due primarily to increased insurance and taxation rates, even as prices obtained in European markets stagnated or fell after the mid-1780s. He explains these dual trends in terms of declining European demand for cochineal, notwithstanding his earlier contention that the dyestuff had an inelastic price structure, while diminishing the importance of local conditions of production, including the institutional constraints on *repartimiento* and the colony-wide famine of

1785–87. Responding to European market conditions, he argues, colonial merchants ceased to finance cochineal production and turned, instead, to new, lucrative opportunities in mining.

Baskes's interpretation of the evidence bears careful consideration. The full implication of his findings brings us full circle, however, to his initial thesis concerning the central role of *repartimiento* and points us to larger questions concerning Spanish mercantilism. If, indeed, the profitability of cochineal trade declined during the period of limited free trade inaugurated in the 1780s, due to the loss of the protective monopoly that producers and merchants in Oaxaca had once enjoyed, then it is clear that the purpose of *repartimiento* was not to afford credit to indigenous peasants but to protect local merchants in their control of the terms of trade. Writ large, the economic, social and cultural history of cochineal has much to teach us about the asymmetries that occur at the intersection of command and market economies within peasant households and in the colonial sphere.

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