New Mexico Quarterly

Volume 28 | Issue 1 Article 2

1958

The Spanish Conqueror as a Business Man: a chapter in the history of Fernando Cortes

France V. Scholes

Presented here is the University of New Mexico Fourth Annual Research Lecture, delivered by Dr. Scholes on May 3, 1957. The Serra Award of the Americas, an international citation "in recognition of his contributions to the progress of Spanish American History," was conferred upon Dr. Scholes in 1956 by the Academy of American Franciscan History. Now Research Professor at the University of New Mexico, Dr. Scholes has served this institution as professor, Chairman of the Department of History, Dean of the Graduate School, and Academic Vice-President. He is author of more than forty published titles, primarily in fields of the colonial history of Spain in the New World.

FRANCE V. SCHOLES

The Spanish Conqueror as a Business Man: a chapter in the history of Fernando Cortés

In the first week of May, 1924, a graduate student from an eastern university arrived in Albuquerque in search of health. Within a few months the miracle of New Mexico sun and sky had worked its healing grace, and early in the following year this student, restored in body and spirit, received a temporary appointment as a member of the faculty of the University of New Mexico. During the weeks and months of enforced rest and part-time employment he found here a new interest—the colonial history of the Southwest and of Mexico—an interest which has prompted him to make many visits during the past thirty years to the archives of Mexico and Spain to seek new and unexploited documentary sources for the history of Old and New Mexico. Tonight this student stands before you, proud of his long association with the University, and grateful for the esteem of his colleagues who nominated him for the research lectureship for 1957.

The subject of this lecture was chosen with rather deliberate care. Perhaps a New Mexico theme would have been more appropriate for a New Mexico audience, but I have published a number of papers and books on the colonial history of this region and such a topic might have had a familiar ring for some of my listeners. I also wanted to present some account, if only a progress report, of investigations I have made in recent years, especially during my leave of absence a year ago—investigations related to the history of Mexico during the first half-century following the military defeat of the Aztec state by Fernando Cortés in 1521. This early period of colonial Mexican history offers an unequalled opportunity to study the entire process of conquest in Spanish America.

THE MILITARY CAMPAIGNS of the Spanish conquerors in North and South America, often characterized by brilliant strategy and field tactics, by individual exploits of great daring and valor, and by almost unbelievable feats of human endurance, represent merely the first, and from a retrospective point of view, the least significant phase of Spanish conquest in the New World. The full meaning can be comprehended

only in terms of later developments during the years when the consolidation of Spanish power and empire was slowly achieved, when new patterns of society and economy took form, reflecting the interaction and partial fusion of European and native American cultures within the framework of the Spanish imperial system. The purpose of this lecture will be to describe one facet of this historical process: the role of the Spanish conqueror, and specifically the part played by Fernando Cortés, in the early development of colonial economy, a chapter in the story of the great conqueror which has been rather neglected by his biographers.

The fame of Cortés probably will always rest primarily on the story of the two-year campaign, 1519-1521, brilliantly described by Prescott, which brought to an end the political, economic, and military dominaiton of the Aztec Triple Alliance in central Mexico and over a much larger area extending from the Gulf of Mexico to the Pacific and southward toward the borders of Guatemala. In August, 1521, on the feast of San Hipólito, Cuauhtémoc, last of the Aztec rulers, surrendered the smoldering ruins of his capital city, Tenochtitlan, to his Spanish adversaries. With the collapse of the Aztec confederacy, Cortés and his captains rapidly extended the area of conquest, northeastward toward modern Tampico, westward and southward through Michoacán, Colima, and Oaxaca to the South Sea, or Pacific Ocean, and southeastward to the Isthmus of Tehuantepec and beyond.

For three years, 1521-1524, Cortés was the undisputed master of this new realm, known henceforth as the Kingdom of New Spain. During this brief period of absolute power, described by one of his contemporaries as the years when Cortés "dined with minstrels and trumpets," the conqueror took the first steps toward the creation of a new society in which the Indian masses were subjected to political and economic controls for the benefit of their Spanish masters. As early as April of 1522, he made grants of encomienda to his companions-in-arms, by virtue of which they were authorized to receive tribute and labor service from specified Indian towns and villages. In making these encomienda assignments, Cortés carefully protected his own interests, securing for himself the tributes and services of some of the richest and most populous towns and provinces.

In 1524 Cortés led a large force of Spanish soldiers and Indian auxiliaries overland from the Isthmus of Tehuantepec through the swamps and jungles of Tabasco and southern Yucatan to the Caribbean coast to establish claim to Honduras. This effort is justly regarded as

one of the most remarkable feats of exploration in American history, but he failed to achieve lasting success. Soon after his return to Mexico in 1526, his fortunes suffered another reversal, when he was removed from office by a Crown official appointed to take his *residencia*, a formal investigation of his activities as commander of the campaigns against the Aztec and as governor of the colony. Although this judge died within a short time, Cortés refused to resume his office as governor, and early in 1528 he went to Spain to plead his cause at the royal court. By this time, however, the Crown had reached a decision to place the government of New Spain in the hands of an audiencia, or high court of appeal, pending the appointment of a viceroy.

This decision reflected a firm policy of the Spanish monarchs to remove successful conquerors from political office and to establish other agencies of government in order to consolidate Crown interest and royal absolutism in their new American domains. For some of the leaders of conquest, this meant an end to their New World careers. In the case of Cortés, any disappointment he may have felt was tempered by new honors and favors bestowed upon him by the Crown: the title of Marquis of the Valley of Oaxaca, the right to receive the tributes and labor services of 23,000 Indian vassals in New Spain, and authorization to make new expeditions of discovery and conquest.

During Cortés' absence, the audiencia reopened the residencia proceedings, embargoed much of his property, and revoked many of his encomiendas. His attorneys promptly brought legal action for redress, and Cortés, after his return to Mexico in 1530, filed many other suits for the same purpose. During the early 1530's a long series of judicial cases in which Cortés was either plaintiff or defendant cluttered the dockets of the courts of New Spain.

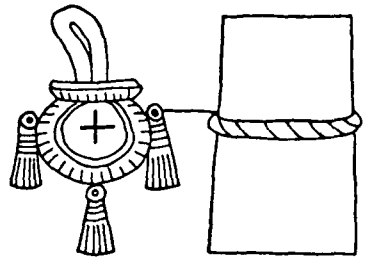
Cortés left this legal business, which dragged on for years, largely in the hands of agents and attorneys, and gave personal attention to the promotion of his business interests and to the organization of sea and land expeditions along the Pacific coast. The latter were costly and generally unsuccessful, and he would have been wiser to have devoted all his energy to his business enterprises. Moreover, in the Pacific Coast ventures, he encountered serious opposition and competition from an old rival, Nuño de Guzmán, and later from Viceroy Mendoza.

In 1539 Cortés again returned to Spain to press his claims for exclusive privileges in west coast discovery and to seek final adjudication of the residencia proceedings and other legal cases. He found the atmosphere at the royal court chilly, even hostile—a deep wound to his pride

and self esteem. Ignored and snubbed by his king, he spent the last years of his life in bitter contemplation of the ephemeral value of fame. In December, 1547, the conqueror of the Aztec died in a small village near Sevilla, leaving his title and estates to his eldest legitimate son, Martín Cortés.

The biographers of Cortés have given relatively little attention to his later career. The reasons are obvious. The story of his life after the mid-1520's lacks the epic quality of the years when he matched wits with Velásquez of Cuba, Moctezuma, and the valiant Cuauhtémoc. Several years ago Henry R. Wagner, well known for his writings on sixteenth-century Mexico, published a heavily documented account of the conquest years, entitled *The Rise of Fernando Cortés*. In the preface he wrote: "The title of this book demands a sequel, *The Fall of Fernando Cortés*, for fall he did." Granted! But the story of his "fall" has greater significance than Wagner suggests.

There is another reason that the biographers of Cortés have neglected the story of his later years: the vast amount of documentation. I hesitate to estimate the volume of this material, but a conservative figure would be 100,000 pages. Most of it is now in two major collections, the Archive of the Indies in Sevilla and the records of the Cortés estate in the Mexican National Archive. In the past three or four years, I have made a preliminary survey of a large part of the material, and I can testify to the richness of information, not only for the later career of Cortés, but also for the social and economic development of post-conquest Mexico.



In view of the enormous mass of documentation, I sometimes ask myself: "What kind of folly, what research frenzy, compels you at the age of sixty to plunge into this bottomless pit?" The answers are simple. In the first place, it is fun, and that should be reason enough! I have a profound sense of pity for any man who finds only drudgery in research—and drudgery it often is. But it can be—should be—exciting. Second, it is the kind of work I believe in and did for

many years, before I fell from grace and became an academic administrator. It is old-fashioned research, that I know well, for it does not command much support these days from the money-granting agencies and foundations, which give preference to projects that seek to test or prove some hypothesis or are supposed to have more reference to the contemporary scene. Nor is it the kind of research which easily lends itself to the large-scale cooperative project so dear to the hearts of the foundations and government agencies. For this, however, I lift up my heart in praise—in praise of the fact that the individual historian is still the master of his craft.

But this is not all. In recent years my profession has been visited by a plague of pseudo-historians, some of whom seem to believe that it is possible to write sound history without careful study of the documents and monographic literature. I have no quarrel with scholars who make proper use of the research of spade-work historians, of whom I am one, to produce brilliant pieces of historical synthesis. I envy them. But I have little patience with the romanticists who force their materials, usually materials chosen to suit their own notions, into some preconceived pattern of ideas and palm it off as history. And the pity of it is that the documentary sources which they despise, or do not know how to use—these "dusty documentary cadavers" of the past, to use the phrase of an esteemed friend—often have more life in them than the distorted interpretations they choose to call living history.

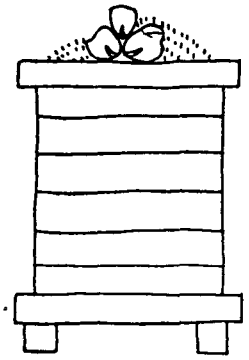
BY 1550 a great colonial state stood upon the ruins of Indian civilization in Mexico. A privileged minority of European origin had established itself as the most potent force in the area once dominated by the Aztec and other indigenous rulers. As compared with an Indian population of some 5,000,000 in central and southern Mexico, this privileged minority was a minority indeed, numbering no more than five or six thousand male adults. It included government officials, clergy, conquerors, colonists, merchants, shop-keepers, artisans, miners, and floaters. The conquerors, first settlers, and their descendants were the colonial aristocracy, a hereditary class of considerable wealth, whose aspirations to semi-feudal privileges constantly had to be curbed by the Crown and its colonial agents. The most influential group were the encomenderos, who numbered between four and five hundred in 1550, and they were the men who set the pattern of early economic development in New Spain.

The tribute and labor service received from their encomiendas was their most certain source of income and capital for investment. During the 1520's there had been no control over the amount of tribute and labor they could demand from their Indians, and we have ample evidence that the demands were often exorbitant. In the decade of the 1530's the Crown officials began to regulate the tribute payments and the amount of labor service that could be required. Assessments were progressively reduced until, in the 1560's, fairly standard annual payments of tribute were established, usually one silver peso and four-fifths of a bushel of maize for each married tributary Indian. In 1549 royal legislation abolished labor service as part of the encomienda obligation, and thereafter encomenderos were expected to pay wages to all free Indian laborers. This process of legislative and administrative control has been described as "the taming of the encomienda," but before it was tamed many conqueror-encomenderos had acquired great wealth and extensive holdings in land, livestock, mines, and other investments.

The conqueror-encomendero *par excellence* was Fernando Cortés. The story of his far-flung economic interests and the way he developed them make him the outstanding example of the Spanish conqueror as a business man. As the wealthiest man in New Spain, he had the capital necessary to engage in a wide variety of business enterprise, real estate, and retail trade in Mexico City and Oaxaca, farming, stockraising, mining, ship building, and inter-colonial trade. He also pioneered in the development of sericulture, and he was the sugar king of New Spain.

What was the extent of his capital, especially during the 1520's when he laid the basis of his fortune? What were the major sources of his income?

The documents of the 1520's go into considerable detail in these matters, but much of it is suspect. As I read the sources, I sometimes wonder whether anyone, Cortés included, told the whole truth. This was a turbulent period. All the resentment and bitterness that had been building up during the campaign years spilled over in a flood of denunciations. Newcomers were quickly drawn into the factional strife and violence, and the colony was torn by a sordid scramble for power between the Cortés and the anti-Cortés factions. Sworn testimony given in legal proceedings is often contradictory, and I have no doubt that perjury was common. Indeed, we soon learn to spot the perjurors, the men who were fast on their feet and changed sides with astonishing ease and skill.



Despite the welter of conflicting testimony about the wealth of Cortés, it is possible, I believe, to sort out some fairly dependable evidence. The conqueror himself stated that when his first wife died in October, 1522, he had 500,000 pesos, mostly in gold, silver, and Indian jewels, and that his debts amounted to 20,000 pesos. In view of the fact that he made the statement in a lawsuit brought by his wife's family for division of community property, I doubt that he would have overestimated his wealth in 1522. He challenged the family's claim to a large share on the ground that he had acquired it in the wars against the Aztec. This probably conservative figure clearly shows that for Cortés the conquest had paid a handsome return on his original investment in the conquering expedition, estimated at 20,000 pesos, part of which was borrowed.

These peso figures I have used represent gold pesos *(pesos de oro de minas)*, not actual coin but a standard unit of monetary value. I am reluctant to suggest a present day equivalent for the gold peso, but it would appear that in terms of the gold content values of the peso and our dollar, the peso would have the value of between five and six dollars. On this basis Cortés' fortune in 1522 would represent at least $2,500,000.

During the 1520's Cortés spent large sums on lavish living, for heavy purchases of supplies from the West Indies and Spain, and for the organization and equipment of costly expeditions; and when he was absent on the Honduras expedition of 1524-1526, part of his property was seized by the men he left in charge of the government of New Spain. But during this same decade he acquired a considerable amount of new capital from his encomienda revenues and from other sources. I believe, therefore, that it is reasonable to assume that when he went to Spain in 1528, he was still worth at least half a million pesos.

Some evidence of the lavish scale on which he lived is found in the record of an auction of part of his Mexico City property ordered by

the audiencia in 1529. A few items selected at random may be of interest:

> A sleeveless coat faced with brocade and scarlet velvet.
>
> Another of green velvet and brocade.
>
> A jacket, or doublet of black satin with sleeves of brocade and scarlet velvet.
>
> Another jacket of blue velvet trimmed with brocade and pearls.
>
> Two shirts of Holland linen embroidered in gold and blue.
>
> A writing desk embellished with orange and green velvet.
>
> A coverlet of scarlet and olive-colored cloth with fringes of orange-colored brocade.
>
> A dressing gown embroidered in gold, green, scarlet, and silver.

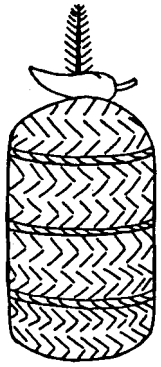
In view of recent events in Albuquerque, I call your attention to nine items listed as—*reposteros*![1] Three of them with the coat of arms of Cortés. There was also a rich piece of Flemish tapestry portraying the Fifth Agony of Christ. An inventory of the contents of Cortés' palace in Cuernavaca, made after his death, also reflects a fondness for this kind of house decoration, for it describes no less than twenty-two tapestries measuring three by five yards or more. Here are the descriptions of two:

> One rich new piece measuring five by eight yards, in the center the figure of a nude man with a blue cape over his left shoulder, and at his feet three faces of three winds.
>
> Another new piece, also measuring five by eight yards, at the top the figure of a king with a palm branch in his right hand, a scepter in his left hand, and at his feet the god Cupid and other figures.

His Lordship the Marquis of the Valley of Oaxaca may not have been a hereditary grandee of Castile, but his tastes evidently ran along the same lines as those of the Dukes of Alburquerque.

To resume discussion of the sources of Cortés' capital and income in the 1520's, much ink has been spilt in the debate concerning his share in the treasure of Moctezuma, the loot of the Aztec capital in

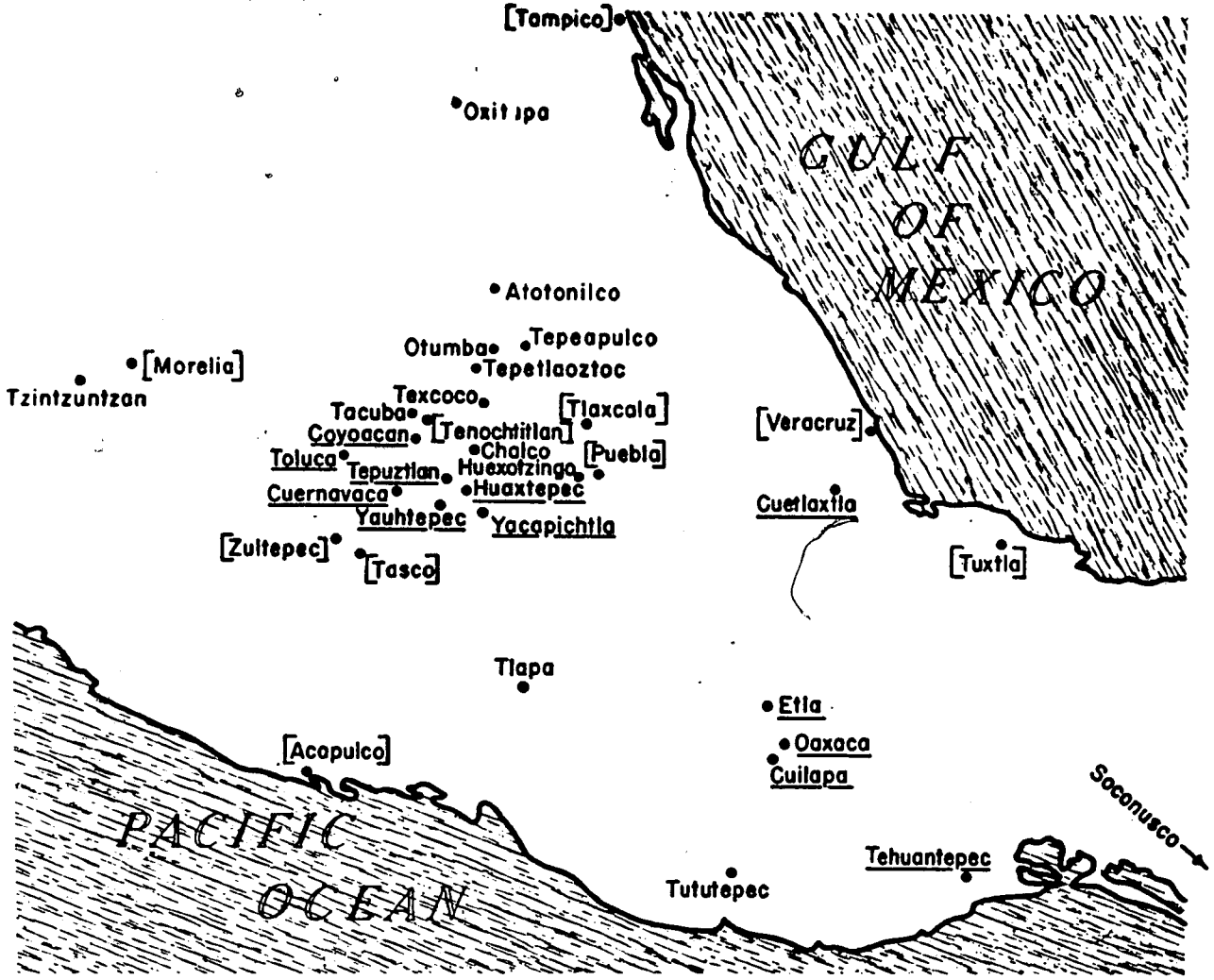
1. Reference is made to the 250th anniversary celebration of the founding of Albuquerque, attended by the Duke and Duchess of Alburquerque, who presented to the city a richly decorated *repostero*, or wall hanging, which has been placed in the foyer of the city auditorium.



1521, and other treasure acquired by the Spaniards as they raided the country in succeeding years. I doubt that the issue can be resolved with complete certainty, because the evidence is too conflicting. But if we accept Cortés' statement that in 1522 he possessed 500,000 pesos, mostly in gold, silver, and jewels, a large part of it must have come from these sources. His contemporaries also accused him of manipulating the treasury accounts when he was governor of New Spain.

His most stable source of income was the revenue from his encomienda holdings. I have already remarked that he reserved for himself many of the wealthiest and most populous Indian towns and provinces. As new areas were occupied he added others, and in some cases relinquished towns he had originally held in favor of rights in richer districts.

Two sources of information enabled Cortés to identify potentially rich tribute areas. First, groups of soldiers, sometimes accompanied by experienced agents of Moctezuma, were sent out to scout the countryside within a few weeks after the Spaniards first reached Tenochtitlan; and subsequent to the final defeat of the Aztec in 1521, when the Spaniards brought other regions under control in Michoacán, the Oaxaca country, and the Pacific coast districts of Tututepec, Tehuantepec, and Soconusco, Cortés acquired increasing knowledge of the resources of specific areas. Second, he made use of the native tribute rolls of Moctezuma, which recorded in pictorial form the tributes paid by provinces of the Aztec state. One of these codices, at present designated as the *Matrícula de Tributos*, is preserved in the National Museum in Mexico City. In the 1540's Viceroy Mendoza had a copy of this, or of a similar codex, incorporated in a picture manuscript portraying events of preconquest history and of the life and customs of the Aztec. This great codex, prepared as a gift for Emperor Charles V, fell into the hands of French corsairs on its way to Spain, and it eventually came to rest in the Bodleian Library of Oxford University. Now known as the Codex Mendoza, this precious document is a major source of Aztec history.



The map shows most of the important towns or provinces Cortés took for himself as encomendero. The place names in brackets have been included as points of reference; the others indicate his encomienda holdings in the 1520's. You will note, first of all, that in the Valley of Mexico, the center of the Aztec domains, he reserved for himself Texcoco and Tacuba, two of the three towns which headed the Aztec Triple Alliance, and also the nearby towns of Coyoacán, Chalco, Otumba, and Tepetlaoztoc.[2] To the southeast, you will find Huexotzingo, a populous district independent of the Aztec in preconquest times. To the north you will see Atotonilco, and beyond it, Oxitipa (near modern Valles), an Aztec outpost on the Huastec frontier. West of the Valley of Mexico, Cortés reserved for himself a considerable part of the tributary province of Toluca, like Chalco a rich granary area, and south of the Valley he held several populous towns in the Cuernavaca district. After the Spanish occupation of the Tarascan country of Michoacán in 1522-1523, a rich source of gold and silver treasure, he acquired the encomiendias of Tzintzuntzan, the capital city of the Tarascans, and four other towns not shown on the map. In southern and southeastern Mexico, he held encomiendas in other gold-producing areas, e.g., Tlapa, three important towns in the Oaxaca district, Tututepec, and Tehuantepec, and also the province of Soconusco, rich in tropical products. Near the Gulf Coast, he took for himself Cuetlaxtla, another rich source of tribute in preconquest times, and La Rinconada and Mizantla, near which he later established one of his large sugar plantations. Associated with many of these encomienda towns were numerous lesser settlements not shown on the map.

During the 1520's many of these towns or provinces paid tribute to Cortés in the form of gold jewelry and/or disks and strips of gold, plus quantities of cloth and of maize and other foodstuffs. Tututepec, however, gave gold dust only during the early years. Most of the towns also gave service in the form of labor on Cortés' farms, or as carriers of burdens, builders, and herders of livestock. Oxitipa regularly paid tribute in Indian slaves captured in the Huastec area toward modern Tampico, or in regions to the north.

I doubt that it will be possible to determine with entire accuracy the total annual value of the tributes Cortés received before many of his encomienda holdings were revoked in 1529-30. The principal source

2. Cortés held the encomienda of Tepetlaoztoc for three years. Subsequently it was held by other conquerors of New Spain and by one of the royal treasury officials, Gonzalo de Salazar.

of information is the numerous lawsuits brought by Cortés or his agents to recover some of these assets. Here we find that in 1524 his tribute revenue was estimated at 40,000 pesos annually, probably a conservative figure. Computations that I have made on the basis of other data in the lawsuits give a tentative estimate of 80,000 to 100,000 pesos for the value of the tributes and labor services of his encomienda towns in 1528-1529.

The complaints about Cortés' self-aggrandizement of the richest towns and provinces prompted revocation, by Crown directive, of many of his encomiendas to benefit the royal treasury. Others were reassigned to conquerors and colonists. But by a Crown edict of 1529 Cortés continued to receive the tributes and services of 23,000 Indian vassals in specified areas (these are underscored on the map), and over these areas he was granted jurisdictional powers not accorded to other encomenderos. Although his encomienda holdings were now drastically reduced, as compared with those held during the 1520's, this concession of 23,000 tribute payers guaranteed to him much larger encomienda revenues than those of any other conqueror of New Spain. Downward revision of the tribute assessments during the 1530's and 1540's further reduced Cortés' revenue from this source. At the time of his death in 1547, it still amounted, however, to 30,000 gold pesos annually, by any standard a very considerable sum.

These estimates of Cortés' revenue from his encomiendas, which constituted only a part of his total income, clearly indicate that despite his lavish scale of living and the large sums he spent—squandered might be a better word—on unprofitable expeditions of discovery and exploration, Cortés must have had a sizeable surplus for investment. For many years the collection of tribute and the direction of the labor services of the Indians required a rather large staff of majordomos and overseers. These men, in Cortés' towns and in those of other conquerors, replaced Moctezuma's *calpixques*, or tribute collectors, who appear to have been tough task-masters. But many of the European overseers also won such an unsavory reputation for hardness and cruelty that Motolinía, the Franciscan missionary-chronicler, listed them as one of the ten plagues from which the country suffered subsequent to the Spanish conquest. Although the number in Cortés' service was doubtless reduced after he lost many of his original encomiendas, his other enterprises still required numerous local agents scattered throughout the colony.

The central office for the management of his business interests was

located first in one of his Mexico City "palaces" and later on in the Hospital de Jesús, also known as the Hospital of the Marquis, because of the large endowment he had given it. To serve as general administrator of his enterprises, Cortés chose a trusted cousin, a lawyer named Altamirano, who held this important post for many years and directed the work of a staff of accountants and scribes, as well as the activities of the local agents of the estate. The records of the estate, now known as the Hospital of Jesus Archive because they were housed there until some thirty years ago, comprise a rich collection of material for the early economic history of Mexico. This archive is matched in importance only by the books of the public notaries of the sixteenth century, which contain copies of contracts, bills of sale, mortgages, wills, and documents of like nature drawn up or witnessed by these officials. These two groups of papers, along with some from other collections, will provide more than adequate material for a much-needed study of business methods and procedures in the early days of the Spanish occupation of Mexico.

During most of the colonial period there were no banks in Mexico. The principal source of credit and loans was the Church and its pious foundations. At the period we are discussing, however, the Church had not yet built up large capital funds. Private individuals, men of wealth like Cortés, put up most of the money needed by other colonists. There is considerable evidence that Cortés made many personal loans to friends and associates, often without collateral, and I suspect that his losses were fairly heavy. He also provided capital in partnerships for development purposes, usually for limited periods of one to three years. In such cases his investments often consisted of goods, livestock, or labor of his encomienda Indians, or of his Indian and Negro slaves. This was a frequent practice in his mining enterprises in the Taxco area. Sometimes he used his encomienda revenues for more speculative ventures. The best example, perhaps, is the partnership he made with Jorge Alvarado, brother of the famous Pedro, by which he acquired a half-interest in the profits of an expedition to Guatemala organized by Jorge. As his contribution, Cortés assigned revenues from his encomienda in the province of Soconusco. We know little of the later history of this undertaking, and when the Crown took the Soconusco encomienda from him, his share had to be cancelled. I do suspect that Indian slaves listed as natives of Guatemala in the inventories of his state were part of his profits.

The Cortés papers and the notary archives also record a type of con-

tract of some interest to New Mexico lawyers and students of business history: the *partido* contract for sharing the natural increase of livestock by the owner and those who agreed to herd and breed them. The notary records of Mexico City, which begin in 1526, are full of contracts of this kind. The earliest refers to a herd of swine, which is not surprising, for pigs brought from Cuba were the first animals extensively raised in Mexico. Large-scale breeding of sheep began about a decade later, and the major development of the cattle industry dates from the second half of the sixteenth century. The early Mexican partido contracts leave no doubt that this practice had a long history, probably dating from very ancient times.

For the development of his business interests Cortés used three major sources of labor supply. The first was free service by his encomienda Indians in the construction of buildings, as farm hands, herdsmen, household servants, and as carriers. The Indians had long been accustomed to serve as burden bearers, called *tamemes*. The Spaniards observed this old tradition, using tamemes to transport merchandise and supplies of all kinds, especially in tropical jungles and on narrow mountain trails. As long as this service was available, they had little incentive to acquire pack animals. Great abuses were inevitable—another of Motolinía's ten plagues.

During the 1520's and 1530's Cortés had many thousands of encomienda laborers at his disposal. They were not slaves in the legal sense; they enjoyed the status of free vassals of the Crown, even though they were obligated to serve for stated periods without compensation in lieu of tribute. In the course of time this form of service was limited more and more until it was finally abolished by royal decree in 1549, as I have already indicated.

The second source of Cortés' supply of labor was Indian slaves, *i.e.*, those who had been legally enslaved and branded. Although Queen Isabella had forbidden the enslavement of Indians within ten years after the discovery of the West Indies, except under specified conditions—for example, captives taken in just wars of reprisal—the permissive exceptions were elastic enough to enable the conquerors to acquire thousands of these Indian bond servants. Others were obtained by purchase or as tribute from the native caciques. It would be difficult to estimate how many Indian slaves Cortés owned at any given time, but certainly he had no less than 3,000 after the conquest of Mexico, of whom two-thirds or more died from hard labor or neglect in placer mining. At his death in 1547 he still owned more than four hundred.

Finally, Cortés acquired Negro slaves in increasing numbers. These could represent a sizeable capital investment, since the going price in Mexico for a skilled Negro ranged from 100 to 250 pesos or more. In 1542, Cortés, then in Spain, contracted with a Genoese merchant for the purchase of 500 African Negroes at 63 pesos each, to be paid upon their delivery in Mexico. They were to be sound in body and "not possessed with the devil." Evidently the merchant failed to deliver the number specified, for it appears that at the time of his death Cortés owned some 125 Negroes in Mexico, most of them employed in his mines and sugar mills.

I shall now review some of Cortés' major business enterprises—and first, his property and trading activities in Mexico City. When the decision was made to rebuild Tenochtitlan as the capital of New Spain, Cortés reserved for himself extensive areas in the center of the city. He also took possession of two of Moctezuma's palaces to be rebuilt for his own use. On or near the central square he erected *tiendas*, or shops, some of which he used for his own trading purposes, others were rented. In his last will and testament, made a short time before his death in 1547, he valued the annual rentals of these shops at 3,330 pesos.

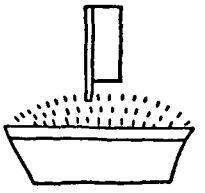
All these were built by Indian laborers from his nearby encomienda towns, which also supplied building materials, stone and lime, vigas, doors, and wood. Documents relating to his Mexico City property in 1529 list large quantities of such materials, including surpluses sold to other persons. Sample items from the list are; 32,000 bushels of lime, prepared and carried to Mexico City by the Indians of Chalco; 150 wagon loads of cut stone; 36 stone pillars with sculptured bases for Cortés' new palace.

Of greater interest, perhaps, for the student of business history is a document of 1535 dealing with the sale of surplus supplies of the tributes in textiles paid by Cortés' encomiendas in the Cuernavaca area. In the early 1530's the pueblo of Cuernavaca alone gave, as part of its annual tribute, more than 20,000 *toldillos*, or pieces of coarse cloth, plus smaller quantities of *huipiles*, shirts, and bed and mattress coverings. The value of these textiles at current rates was 5,000 pesos.

Most encomenderos sold such commodities to traders, who retailed them in Mexico City and other urban centers. In 1532 the city council of Mexico City, as a means of regulating prices, enacted an ordinance requiring the traders to register their purchases and the prices paid with a city deputy before offering them for resale. Then, within a stated period, residents of the city could buy them for personal or household

use at the original purchase prices. For a few years the textile tributes of Cortés' towns in the Cuernavaca district were sold by contract to a merchant named Marín. In 1535, Altamirano, as Cortés' administrator, cancelled the contract and made a new one with persons named Llerena and Palidiñas. The new contractors violated the city ordinance of 1532 by omitting to register their purchases and offering them immediately for sale at a fifty per cent mark-up. The city attorney brought suit for cancellation of their contract and was sustained in the court of the *alcalde*. The intention of fraud seems to be clearly indicated, for the new contractors had been agents of Cortés for several years. In short, they and Altamirano appear to have been guilty of collusion to control marketing of the tributes paid to the Marquis, either for his greater advantage, or for their own personal profit.

The first decade after the defeat of the Aztec saw a frenzied scramble by all elements of the European population to exploit the gold-bearing streams from which the Indians had acquired much of their treasure. Because of their supply of Indian labor, the encomenderos, Cortés among them, enjoyed a great advantage. The records of the smelting and assay offices supervised by the royal treasury officials clearly show the magnitude of the gold rush in the 1520's, and as I turned over the pages during my stay in Sevilla two years ago, I sometimes had the feeling that Mexico City in the early days was little more than a smelting house.



Cortés concentrated his efforts in areas that Moctezuma's tribute rolls showed as the principal sources of gold tribute and in Michoacán. As already indicated, he took care to assign to himself grants of encomienda in these areas. Data recorded in the Cortés lawsuits tell us that in the Oaxaca and Michoacán districts he had gangs of Indian slaves, more than a thousand in each, who performed the arduous labor of panning gold; Indians from his encomienda towns transported food and other supplies to the gold washings. In 1529 the slaves in these two areas were producing at least 12,000 pesos in gold annually. Cortés' agents esti-

mated that each Indian slave produced six to ten pesos of gold per year, which seemed to be a small return from this kind of labor, until I read that the slaves were valued at only six or seven pesos each. In terms of current prices for other commodities, we find that an Indian slave had the value of about thirty bushels of maize or of thirty-five pieces of coarse tribute clo'ʜ. Evidently Indian slaves were plentiful in the 1520's.

Within ten or fifteen years profits from placer mining sharply declined as most of the gold washings in central and southern Mexico were exhausted. Meanwhile Cortés had acquired silver mining claims in several areas, principally around Taxco, long famous for its silver industry. The story of the origins of Spanish mining in the Taxco country still remains to be told. Professor Robert West of Louisiana State University, who is making a study of early mining in colonial Mexico for the period prior to the discovery of the fabulously rich Zacatecan silver mines in 1546, has found considerable new material in the lawsuit series in Sevilla, but I have no doubt that he will find even more, especially for developments in the Taxco area, in the records of the Cortés estate in Mexico City.

Cortés obtained mining claims at Taxco and Zultepec as early as 1534, and many more before his death in 1547. Inventories of his holdings in these districts made for the executors of his estate list sixty-five *minas*, or mining properties, two mills, and large quantities of tools and equipment. Half of the mines at Zultepec were owned in partnership with other persons. The inventories also list 185 Indian and eight Negro slaves, owned outright or in partnership, and also two small herds of sheep and goats, probably the meat supply for the laborers and possibly a source of supply for the tallow candles used in the mines. Other food supplies, such as maize, were brought in by Indians from Cortés' encomiendas in the Cuernavaca area.

Many other documents in the Cortés archive illustrate the character of his mining investments. I will summarize here two of them. On November 15, 1536, Cortés' agents contracted with a certain Hoyos, a miner in the Zultepec district, for the purchase of fifty Indian slaves, and for the one-fourth interest in a mine held by Hoyos in partnership with the royal treasurer of New Spain, Juan de Sosa, and for a half-interest Hoyos owned in a nearby property. The inclusive purchase price was 10,000 pesos. Nine days later Cortés' agents entered into a two-year contract with Treasurer Sosa, a partnership in which Cortés was to have a half-interest. As his share, Cortés' agents pledged the

mining interests and Indian slaves recently purchased from Hoyos, plus forty slaves he owned jointly with his administrator, Altamirano, and twenty more Cortés owned in Taxco. They also pledged the service of eighty encomienda Indians to build houses and a smelter. Sosa, for his part, pledged one-half of all his mining properties in Zultepec, including his share of certain mines owned jointly with third parties, plus sixty Indian slaves of which he was joint owner with one of these third parties, and forty Indian and six Negro slaves of which he was sole owner. All the costs for food, machinery, masters of the smelting operations, and guards were to be shared. Each partner assumed the risk of death or injury to any of the slaves they had pledged. Finally, the contract reads: "All the silver that God may give us shall be divided equally."

I wish I could give you some estimate of Cortés' income from his silver mines, but I cannot do so at present. Before making any reasonably accurate statement, it will be necessary to review the accounts of his administrators, the assay records of the royal treasury officials, and the records of the shipment of silver and gold to Spain for his account. The only comment I care to make at present is to remind you that the silver industry in the areas where Cortés had most of his mines did not pay the rich profits that Cristóbal de Oñate, father of the founder of New Mexico, and other *empresarios* gained from the Zacatecas mines. After the death of Cortés, the administrator of his estate made investments in the Zacatecas area. These produced a good return for a few years, but the Cortés estate never played a major part in mining development in the north.

The business career of Cortés, like that of many of his contemporaries, illustrates the well-established fact that agriculture and stockraising provided a better permanent investment than mining. A combination of all three was generally the basis of the really great fortunes made in sixteenth-century Mexico. But certainly, aside from his encomienda revenues, agriculture and stockraising were the most secure sources of Cortés' income.

His land holdings were concentrated mainly in four areas: in the rich valley of Cuernavaca, in the Oaxaca district, at Tuxtla in the hot country south of Vera Cruz, and at Tehuantepec. I have made no attempt to compute the acreage. It would require some rather complicated calculations. For example, the inventory of his Cuernavaca property in 1549 lists more than thirty separate plots of varying size. Other lands are listed without stated dimensions.

We do not have a clear picture of the manner in which Cortés acquired all his land. Some part he doubtless occupied without due legal procedure during the early postconquest years before the introduction of formal royal land grants. He evidently took possession of others by virtue of the royal decree of 1529 authorizing the creation of an estate with 23,000 vassals, over whose towns and lands he had jurisdictional rights. In only a few cases are there records of actual land grants or purchases. The fact that Indians of the Cuernavaca area later brought suits for the recovery of communal lands is further evidence that not all his holdings were acquired legally.

Data on the tributes paid him in the Cuernavaca, Toluca, and Oaxaca area show that he received a variety of food products, including chile, legumes, and poultry. In each area the Indians cultivated fields of maize for their encomendero. In addition, Cortés' majordomos employed free encomienda labor to plant and cultivate maize on lands owned by the conqueror. In 1531 the maize production for Cortés' account in the vicinity of the villa of Oaxaca alone amounted to some ten to fifteen thousand bushels a year. There was a fairly good market for grains in the Spanish towns and at the mines, and part of Cortés' supply went to feed his gangs of slaves at the gold washings and his Indian carriers.

In later years the Indians continued to give large quantities of maize as tribute, and when the amount of such tribute was stabilized in the 1560's, the encomiendas held by the Cortés estate yielded about 20,000 bushels annually. In the meantime, most of Cortés' private lands had been given over to sugar production and livestock. The Cuernavaca inventory lists some plantings of wheat, vineyards, and orchards, but no maize.

After 1530, Cortés used most of his former maize fields in the Oaxaca district for the breeding of cattle and hogs, which were butchered in his own slaughter houses in the Spanish villa. At his death in 1547 he owned about 4,500 head of livestock there. Near Tehuantepec he had herds of more than 10,000 wild cattle, a source of supply for hides and tallow for export to Panama and Peru. At Cuernavaca he raised sheep, as well as cattle and hogs, for food for his workmen and to supply leather and tallow candles for his mines.

In view of Cortés' love of horses and the high prices they commanded, it is not surprising that he kept hundreds of brood mares in all these areas. Near Tehuantepec he fenced in a large estancia—a most unusual practice—but the reason is clear when we read that he was rais-

ing blooded horses. The value of his horses in the 1540's must have been at least 100,000 pesos, and probably more.

Cortés' most important contribution to Mexican agriculture was his pioneering in the development of the sugar industry. Sugar cane had been brought from the Canary Islands to the West Indies a few years after their discovery. Before Cortés left Española for Cuba, he had lived for a time in the home of a sugar planter, where he may have picked up some knowledge of sugar production. In any case, he is usually given credit for the introduction of sugar cane into Mexico. He established his first plantation at Tuxtla in the 1520's, and later turned much of his Cuernavaca land into cane fields. His mill was built just outside Cuernavaca at Tlaltenango, and for several years he seems to have invested a large part of his tribute income in the development of sugar plantations here and at Tuxtla. In the beginning he used encomienda labor and Indian slaves, but later found it necessary to acquire Negroes for the heavier work. More than 250 Indian and Negro slaves were in service at the Cuernavaca properties in 1549.

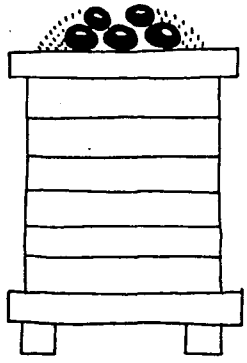
Annual sugar production at the Tuxtla and Cuernavaca plantations amounted to something like 125,000 pounds in 1542, and by the time of Cortés' death five years later it had risen to more than 300,000. Most of it was sold by contract to agents of European merchants for export. The wholesale price was five pesos per hundredweight in 1542; seven pesos ten years later; and by 1575 it had risen to fourteen pesos. The price dropped before the end of the sixteenth century, probably because of West Indian and Brazilian competition.

Members of my audience who have visited Cuernavaca will recall Diego Rivera's murals in the Cortés palace. The records of the Cortés' estate have given the scenes in the canefields, with Indians laboring under the sharp eye of a Cortés foreman, new meaning for me. The Cuernavaca inventories of pictures, rich hangings and carpets, embossed leather, velvet, brocade, and cloth of silver, and silver utensils found in the great house in 1549 reflect not only Cortés' love of display, but his profits.

Professor Woodrow Borah of the University of California has written a learned and heavily-documented monograph on the history of the silk industry, and my remarks are based chiefly on this work.

Although Cortés claimed the honor of being the first to test the possibilities of raising silk in the new colony, others made the same claim, and the question of primacy must be left unanswered. We know that Cortés and others made small-scale experiments in the 1520's and

1530's, but the first undertaking on a large scale was sponsored by Viceroy Mendoza, who had been reared in Granada, a center of the Spanish silk industry. With his support sericulture was developed extensively near Tlaxcala and Puebla, and spread rapidly, especially in the Mixtec district northeast of Oaxaca, which became the major center of production. Both Spaniards and Indians got into the business, "with a zeal," Borah writes, "hard to equal . . . on boom proportions like those of the later tulip craze in Holland when an entire nation saw itself minting gold from a single type of flower."



It would have been surprising if Cortés had failed to jump on the bandwagon. At Coyoacán, the scene of his early experiments, he now went into business on a larger scale, planting mulberry trees and building a house in which to rear the worms. But his major effort was centered in the Cuernavaca area, where, soon after his return from Spain in 1530, he employed encomienda labor to gather wild mulberry leaves and set out mulberry plantations. These attempts failed, but in the 1540's his administrator renewed the enterprise. From mulberry nurseries near Cuernavaca, thousands of saplings were transplanted to sites near his encomienda towns, although, by this time their labor had been limited by government regulations, and wages were paid to the Indians who planted and cared for the trees, sometimes in cash, sometimes in cacao beans, the Indian currency of preconquest times. This project also failed, and Borah attributes the failure to the fact that the land used was taken from the Indians without payment. This may have been true in many instances, but documents I have seen indicate that in some cases the Indians provided land in return for a share in the silk production. By 1549 the inventories show that most of the mulberry plantations were in bad condition. Out of twenty-two, with more than 26,000 trees, well over half were dry and decaying. Apparently the whole project was abandoned soon thereafter. One thing is certain, if the managers of the Cuernavaca estate had been obliged

to prepare income-tax returns, they could have written off losses, how great we shall never know, as a result of the silk raising ventures.

Proponents of the Black Legend of Spanish empire in America like to stress the gold hunger of the conquerors. Certainly we cannot deny the driving force of the economic motive, and what I have told you about Cortés shows that he had a hunger for gold not easily sated. But it would be a distortion of the truth to suggest that this was the only motive of the conquerors. It is difficult to analyze the complex of drives which inspired these men to risk life and fortune in ventures which frequently did not pay off, and even more difficult to summarize them in a few words. Perhaps the best expression I can give you is the Spanish phrase, *el afán de honra*, the anxiety, the eagerness, the hunger, if you will, for honor and fame. It implies, of course, a hunger for gold. In the sixteenth century, as today, honor in the external sense, honorable status and fame, was often measured in terms of worldly goods. But it means something more—an anxiety, a hunger, for glory and for recognition of distinguished service to King and Faith.

Cortés' hunger for fame, for honorable status, and for recognition of his services to his monarch, is reflected not only in his letters and petitions to Emperor Charles V, but also in the plans and projects he made for discovery and exploration in the Pacific after his subjugation of the Aztec. He built ships at Tehuantepec for this purpose, but when they were ready, he was ordered to send them to the East Indies to serve Spain in her rivalry with Portugal there. Others were in the blocks when he went to Spain in 1528. The audiencia interfered, and when he returned to Mexico two years later, he found the unfinished hulls rotting in the shipyards.

Cortés had hoped for life-governorship of new discoveries in the Pacific and had petitioned for concessions and privileges comparable to those given Columbus by the Catholic Kings. The Crown, which had drastically limited or revoked the grants to the Great Discoverer, was in no mood to look with favor upon Cortés' petitions. He was, however, authorized to undertake expeditions of discovery in Pacific waters. So when he returned to Mexico in 1530, he soon invested heavily in shipbuilding in Pacific ports. In the archives of his estate there are detailed records of expenditures for anchors, iron, sails and rigging, and other marine supplies. Great gangs of Indian carriers transported these materials over the mountain trails to the coast. There are contracts with builders and carpenters, with the masters of these ships and their crews. Cortés built nine ships, large and small, during the 1530's and

New Mexico Quarterly, Vol. 28 [1958], Iss. 1, Art. 2

justly deserves the title of founder of the Mexican shipbuilding industry.

Description of the sea and land expeditions he sponsored along the western coasts of North America is beyond the scope of this lecture. These undertakings, one of which he led himself, were costly and generally unsuccessful except in so far as they contributed to the increase of geographical knowledge.

During the intervals between these expeditions, the ships were not idle. Cortés the businessman sent them on trading voyages to Panama, and also to Peru where Pizarro had made himself master of the Inca realm. There the food and other supplies which Cortés could send from his surplus tributes and his stock ranches—cloth, tallow, hides, and preserved fruits—were at a premium. Adventurous Mexican soldiers and colonists, eager to try their luck in Incaland, were glad to take passage in Cortés' vessels.

According to Professor Borah, who has studied these ventures in intercolonial trade as well as the silk industry, the profits did not come up to Cortés' expectations. His heirs stayed in the business for another twenty years, with no greater success. But Cortés had once more played the role of a business pioneer. His example inspired others, who did win considerable profits from intercolonial trade later in the century.

I wish it were possible to give you an accurate estimate of the net worth of Cortés at the time of his death, but I doubt that this will ever be done. For all their volume, the records of the estate are incomplete. My research has led me to believe that 70,000 pesos would be a reasonable estimate for his gross income, not counting the profits from mining. Operating costs rose rather sharply during his later years, because of new building and equipment at his sugar plantations. In addition, the expense of administration was higher than it should have been as the result of antiquated procedures. After more than twenty years of service to his cousin, Altamirano had grown old and crotchety. Shortly after Cortés' death, a more vigorous man replaced him and improved the business practices of the estate, seeking new investments, such as the Zacatecas mines.

Certain writers, moved by an excess of sentimentality inspired by the rebuffs Cortés received during his last years in Spain, have described them as years of poverty. How could a poor man contract for the purchase of five hundred Negro slaves at a price of 31,500 pesos? The most cursory examination of Cortés' last will and testament, long available in print, would have demonstrated that he was by no means a poor

man. He made generous bequests to the Hospital de Jesús, instructed his executors to build a convent for a religious Order and a college for theological students in Coyoacán, and provided large dowries for his daughters and substantial income for his wife and for his illegitimate sons. All this totalled more than 175,000 gold pesos, to be paid from the revenues of his properties in New Spain. Title to his estate passed to his legitimate son, Martín, who became the second Marquis of the Valley of Oaxaca.

There are other items of interest in the will. He instructed his executors to investigate and correct any past injustices resulting from the enslavement of Indians and excessive tribute payments. Moreover, if any of his lands had been acquired in violation of valid Indian claims, his right to possession was to be reviewed. The Indians of Cuernavaca promptly seized the opportunity to bring suit for restitution of extensive properties. These provisions of his will may reflect the great debate over the justice of the Spanish conquest prompted by the writings of Bartolomé de las Casas. Or they may have been solely the thoughts of a man preoccupied by the approach of death and the urgency of making proper spiritual preparation for a good end.

I hope that this review of the business career of Fernando Cortés has given you more insight into the early history of Mexico—a glimpse of how rapidly the Spaniards developed new patterns of society and economy after the military conquest. We may not approve of the basic tenets of that society, or of its objectives and business ethics. For myself, I cannot help but admire the versatility of the conquerors, who were great warriors and also business pioneers.

Histories of the social and economic development of the United States in the nineteenth century usually give some prominence to the story of our own business pioneers. Some of them have been characterized as robber barons. I need not name them, but I feel confident that they would have admired Cortés, even when they might have had difficulty in stomaching some of his methods. And he, I am sure, would have found that he had much in common with them, and also that some of their methods would have been offensive to his way of thinking.

There is an old story often repeated by the biographers of Cortés, the story of an old man who, one day in the streets of Spain, forced himself into the presence of His Sacred, Catholic, Imperial Majesty Charles V. "Who is this man?" the Emperor asked. And the old fellow replied: "Highness, I am the man who gave you more kingdoms than you had cities before." The story may be apocryphal, but it serves my

purpose. As I said in the beginning, the greatest fame of Cortés may always rest on the story of how he and his companions-in-arms, with their hosts of Indian auxiliaries, won a New Spain for their King. Yet he did more, for he, like other Spanish conqueror-businessmen, showed the way to develop the resources of this rich gift.

I doubt that future historians will confirm the judgment of some of the apologists for Cortés that he demonstrated true qualities of statesmanship in the years following the conquest of the Aztec. He—and his enemies during this critical period—must share responsibility for chaotic conditions in the colony during the 1520's, only partially resolved in later years by the arduous labors of Viceroy Mendoza. I agree with tough-minded Henry Wagner: Cortés was a better businessman than statesman. But he was the kind of businessman who did not hesitate to spend income and capital on ventures, like his west coast explorations, prompted not by gold hunger alone, but also by hunger for glory —glory for himself and glory for his God and his King—*por el afán de honra.*

ILLUSTRATIONS. The map of Mexico on page 14, showing the encomienda holdings of Cortés, was prepared by RICHARD G. HUZARSKI, of the Department of Architectural Engineering, University of New Mexico. Drawings decorating the text, by LEZ L. HAAS, of the Art Department, University of New Mexico, are based on the Mendoza and Kingsborough Codices. Page 1: Twenty ocelot skins. Page 4: Spanish majordomo. Page 8: Eight thousand *pliegos* of native paper. Page 11: Bin of maize. Page 13: Four hundred bundles of chile. Page 20: Twenty bowls of gold dust. Page 25: Bin of beans. Page 29: Four hundred feathers.