

PART 2

Eleonora Escalante Strategy presents the last season of

*Central America:
A Quest for the Progression of
Economic Value.
Season IV.*

The origin of Central America political-economy.

Period of study: From 1700 to 1900

Episode 4

Independence Bells (1800-1823) Part 2



Central America: A Quest for the Progression of Economic Value.

A piece of the economic puzzle of Spanish Central America in Four Seasons



Big Picture of our Content.

Season IV as of 19th of September 2025.

| Season | Start Date | Finish Date | Number of episodes | Historical Timeline to Analyze | Main General themes |
|--------------------------------------|--------------------------------------|-------------------------------------|--------------------|--------------------------------|---|
| One (I) Autumn -Winter 2024 | October 4 th , 2024 | December 27 th , 2024 | 13 episodes | 1492-1558 | <ul style="list-style-type: none"> Historical foundations Castile & Aragon: Discovery of Spanish America, the Holy Roman Empire Charles V Holy Roman Emperor: his local, personal, regional, religious, and international agenda The Spanish Inquisition |
| Two (II) Winter-Spring 2025 | January 24 th , 2025 | May 2 nd , 2025 | 13 episodes | 1492-1700 | <ul style="list-style-type: none"> Spanish America with a Medieval Allure: Conquest and Colonization Understanding the economics philosophy of the Habsburgs Rulers in Central America: Philip II, Philip III, Philip IV, and Charles II. Commodities: Mining extraction of precious metal reserves |
| Three (III) Spring-Summer 2025 | May 23 rd , 2025 | August 29 th , 2025 | 14 episodes | 1700-1900 | <ul style="list-style-type: none"> School of Salamanca The Bourbon era begins. From Philip V (1683-1746) to Alfonso XIII (1886-1941) The War of Spanish Succession The Jesuit Suppression and Restoration (1773-1814) The meaning of the French Revolution in Spanish America The Why of Napoleon Bonaparte |
| Four (IV) Autumn-Winter 2025 | September 19 th , 2025 | December 26 th , 2025 | 15 episodes | 1700-1900 | <ul style="list-style-type: none"> Independence Bells of Central America (1800-23) United Provinces of Central America (1823-40) Derailment of violence and inner conflicts Charted Urban vs Forgotten Rural Mining + Agricultural Commodities. Never an Industrial Factory Development. Main agriculture production industries: Cacao, Indigo, coffee, sugar, livestock, bananas. What 's next? |

Past saga: done

Past saga: done

Past saga: Done

 We are here





















Central America: A Quest for the Progression of Economic Value. Season IV

From 1700-1900: The origin of Central America political-economy.



Outline Calendar

Season IV goes from 19 September to 31 December 2025

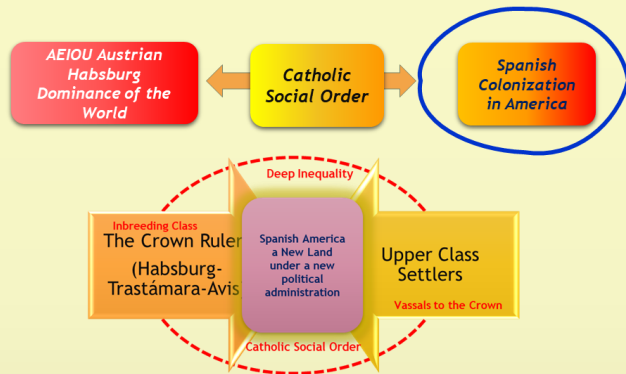
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|---|--|--|--|--|
| <p>19-Sept-2025 Episode 1 </p> <p>Mexican Influence in Central America </p> | <p>26-Sept-2025 Episode 2 </p> <p>Derailment of violence and inner conflicts between Spaniards and Indians </p> | <p>3 and 10-Oct-2025 Episode 3 & 4 </p> <p>Independence Bells (1800-1823) Part I  Last week Independence Bells Part II  Today </p> | <p>17-Oct-2025 Episode 5</p> <p>United Provinces of Central America (1823-1840) </p> | <p>24-Oct-2025 Episode 6</p> <p>A voyage to the Republics Separation (1840-1870) </p> |
| <p>31-Oct-2025 Episode 7</p> <p>Charted Urban vs. Forgotten Indian Rural in Central America </p> | <p>7-Nov-2025 Episode 8</p> <p>When there is no precious metals?. Agricultural commodities in Central America </p> | <p>14-Nov-2025 Episode 9</p> <p>The consolidation of the Hacienda Model in Spanish America </p> | <p>21-Nov-2025 Episode 10</p> <p>The Cacao Industry in Central America </p> | <p>» 28-Nov-2025 » Episode 11</p> <p>The Indigo Courage in Central America. </p> |
| <p>5-Dec-2025 Episode 12</p> <p>The Golden Bean of Coffee in Central America. </p> | <p>12-Dec-2025 Episode 13</p> <p>Sugar Industry in Central America </p> | <p>19-Dec-2025 Episode 14</p> <p>Livestock and other agricultural subsistence products </p> | <p>26-Dec-2025 Episode 15</p> <p>Bananas joining the Plateau of Central America 19th century </p> | <p>31-Dec-2025 Episode 16</p> <p>Summary and Conclusions Industrial Factory Development in CA: It was Never a priority </p> |

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Independence Bells 1800-1823 Part 2



Our agenda for today's master class:

Independence Bells (1800-23)

1. Contextual Patterns in Latin America: The Predecessors of the Independence Actions.
2. Conservative Independence of Central America.
3. Philosophical mindset of the Independence Leaders of CA.
4. The Native Pre-Hispanic Peoples of Central America Under the Bourbons (18th century)
5. Bourbon Reforms in Central America (1700-1808)

← Last Week

6. The 18th century Economic History Kingdom of Guatemala
7. Independence Proclamation of September 15th, 1821

← Today

8. Central America Post-Independence 19th century - Next episode
This theme is about the United Provinces of Central America

“Most of good historians are chroniclers of events. A Chronicler narrates, but doesn't explain the facts. Before proceeding further in our civilization, corporate strategists are obliged to understand the different explanations and interpretations of history. Otherwise, history will repeat under new circumstances”.

Eleonora Escalante Strategy. El Salvador

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Independence Bells (1800-1823) Part 2

Economic history kingdom of Guatemala 18th century

Three economic systems coexisting in between

The economic structure of the Kingdom of Guatemala was based on three sub-parallel economic systems pivotal to the main one, the Church: (1) The Church Economic system, (2) the Indian-Natives subsistence-tribute system, and (3) the recent Criollos-Peninsular Spaniard new.



The Economic Context of the Independence of the Kingdom of Guatemala is not analyzed from the point of view of Immanuel Wallerstein theoretical framework. Central America was the Kingdom of Guatemala. It was a Spaniard Habsburg-Castilian territory organized under the Catholic Church premises; in consequence the Wallerstein World-system theory can't be fittingly applied to this particular region.

2 Indian Native Subsistence-Tribute System



1 Catholic Church System



Colegios-Universidades



Nunneries and Convents



Indian Rural Communities Parishes



Secular clerics in urban parishes



Productive Haciendas

3 Colonial Criollos-Spaniard local Commerce and Mercantilism



Local Trade & Commerce



Productive Haciendas

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Independence Bells (1800-1823) Part 2

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Three economic systems coexisting in between: 1. The Catholic Church

Understanding the economics of the Catholic Church System in the Kingdom of Guatemala



- Most of the Mendicant Clergy lived among the numerous, populated highland communities where the Native-Indians (called pueblos) dwelled.
- The sustenance (food-shelter) of the pueblo and the small church expenses were the main concerns.
- Each indigenous pueblo was responsible to cover the operating and maintenance expenses of the church: In Chiapas (1695), each town had to pay each member of the clergy at least 5 reales daily, 12 eggs, a fanega of corn, and fish every Friday. The community provided workers for daily farming of the church, serve as porters, horsemen, woodcutters, cleaners, cooks, water-collectors, grinders of corn for tortillas, and livestock maintenance.
- Each church charged for every ritual: marriages, special masses, etc.
- Cofradías or Sodalities: The “cofradia” was a fiesta of the pueblo (10 to 12 per year), established to finance saint's religious events. The cofradías were supported by contributions from the Indians (goods, labor, money). The Cofradía funds became the pueblo defense against the Spanish requirements, and were invested in lands, cattle, financing the criollos, etc.
- Caja de la comunidad for Tributes: This community fund was a secular fund, administered by Indian town officials. The money was coming from the Community land and labor and was used to pay the tribute to the Spanish Authorities, and to support any additional financial burden requested by Spaniards.
- In the case of wealthy pueblos, the exceeding money from cofradías and the caja, was lent to non-Indians with interests (5%).
- It was responsibility of the Friars to enter unsettled dispersed Indian tribes to put them under control, to establish a “pueblo”



Indian Rural Communities Parishes



The Catholic Church was the bedrock of the Spanish Habsburg Colonial System. It was the center of supervision, control, economic resources, Indian labor and financing. The Habsburgs rulers appointed them to implement the new territorial, cultural and social backbone, not just to create a new ideological-identity in the Native peoples, but also to serve and defend the interests of the Royal Crown in Central America.

The king of Spain mandated the Church under the Patronato Real.



- Patronato Real was an agreement between the King of Spain and the Papacy, in which the Monarchy had direct control over all the Church non-doctrinal matters in Spanish America.
- The king appointed all the orders, priests, friars. The Council of Indies received all ecclesiastical reports from Spanish America.
- Since Charles V HRE, the Council of the Indies became a curia to the Royal crown, while the Roman Papacy curia was barred from direct participation in the religious affairs of the Indies.
- The Patronato real was free of taxation.
- The internal structure of the Catholic Church in Spanish America consisted of two different groups:
 1. The Missionary Church of the mendicant orders (Dominicans, Franciscans, Mercedarians, Bethlehemites, etc), with the main objective of evangelization of the Indian Natives. The king must provide certain support (tithe and grants).
 2. The Secular Church directed by the Episcopal Hierarchy. From the start it was understood that once the mendicant missionaries finished the Christianization, a normal and secular hierarchical structure was supposed to take over.

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- The Secular Clergy was commanded to guide and embrace the Criollos and the Spaniards flock. It was a religious society with Christian charity at the center of their activities: aiding in orphanages, hospitals, and the poor.
- The life of the Criollos was built around the church: processions, masses, festivals. Their kids were educated by the Church.
- The Criollos were pleased to donate to the church for pious works, perpetual masses upon death, and purchased bulls for salvation. Rich Criollos devoted their fortunes as donations to the Clergy to save themselves from the purgatory.
- The secular clergy of the urban villages collected funds from three main sources:



Secular clerics in urban parishes

The tithe retention:
On most income (10%) and taxes on agricultural commodities, which were paid for the maintenance of the diocesan administration and some charities.

The State:
The State supplied some funds from its own for the support of religious functions.

Donations:
Donations provided capital from the Criollos society.

See next slide for some data regarding these sources of funds.

The Secular Clergy wealth in urban towns and the capital included several sources: tithes, fees collected for the administration of rituals and sacraments, pious bequests and donations, and income from rental property and money lending. Secular Clergy also depended on their own productive haciendas that provided foodstuff, lumber, sugar and necessities for their subsistence and of the criollos.

Where the church control was higher, the Indian pueblos had higher chances to survive.



- Dominicans, Franciscans, Mercedarians and The papal Sacred Congregation for the Propagation of the Faith (Propaganda Fide, established in 1622) were all Mendicant Orders. However, they also instituted presence in the main towns and the capital.
- The rivalry between the Mendicant Orders and the Secular Clergy had its roots in the difference of their flocks. The Secular Clergy was appointed to serve the local Criollo and Spaniards Elites. The Mendicant Orders, the Indians.
- Secular Clerics were limited in the main urban bishoprics in the Dioceses of Chiapas, Comayagua, León and Santiago de Guatemala, and to some Spanish special parishes.
- Mendicant Friars Orders were in the pueblos indígenas, and they were obliged to learn the dialects of the Natives, to evangelize the peoples. While the Indians remained in the “pueblos” they were alive and protected by the Church; outside of the reduced villages, they were subject of abuse from officials and colonists.
- The Spanish king favored the Mendicants, the Secular clerics and the regular order of the Jesuits, designed mainly for educational purposes with ownership of haciendas.

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Independence Bells (1800-1823) Part 2

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The Government of the Audiencia Kingdom of Guatemala:
It is not easy to collect the data of the Spaniards support to the Catholic Church, but, as a Habsburg arm much of its wealth couldn't be expropriated until Charles III Bourbon Farnese, the king who expelled the Jesuits and implemented the Bourbon Reforms as of 1783.



The tithe retention:

Table 3.4: Annual Average Income from the Tithe in the Diocese of Guatemala, Diverse Years, 1626-1820 (in pesos)

| | | | |
|-----------|--------|-----------|---------|
| 1626-1631 | 20,633 | 1714-1718 | 25,404 |
| 1644-1653 | 28,083 | 1724-1728 | 20,504 |
| 1654-1663 | 25,784 | 1730-1735 | 22,504 |
| 1664-1673 | 24,960 | 1743-1748 | 27,090 |
| 1674-1683 | 29,014 | 1752-1764 | 22,482 |
| 1684-1693 | 25,330 | 1772-1783 | 87,213 |
| 1694-1703 | 28,397 | 1790-1794 | 165,426 |
| 1704-1713 | 25,633 | 1805-1820 | 85,810 |

SOURCES: See appendix A.

The State:

Table 3.2: Annual Average Government Support Given to Guatemalan Churches and Missions

| | 1671 | 1694-98 | 1715-19 | 1731-35 | 1744-48 |
|----------------------------------|---------------|---------------------------|---------------------|---------------|---------------------|
| Doctrinal expenses ^a | 25,310 | 17,724 | 21,658 | 18,804 | 45,591 ^b |
| Wine and oil | n.a. | 9,492 | 16,129 | 16,727 | 9,873 |
| Bonds (<i>juros</i>) | 0 | 0 | 10,729 | 11,854 | 12,095 |
| Nuns of Chiapas | n.a. | 654 | 476 | 821 | n.a. |
| Hospitals of Guatemala | 1,654 | 2,664 | 18,094 ^c | n.a. | n.a. |
| Total for Guatemala | 26,964 | 34,072 | 67,086 | 48,206 | 67,559 |
| Honduras | | 10,059 | | | 9,132 ^d |
| Nicaragua | | 11,184 | | | 2,022 ^d |
| Sonsonate | | | | | 2,216 |
| Total for Central America | | 55,315^e | | | 80,926 |



Secular clerics in urban parishes

Let's see the relative importance weight of these numbers in relation to the total revenue sent from the kingdom of Guatemala to Spain. On average between 1647 to 1750, around 60,000 pesos were sent annually to the king of Spain. The annual average income from tithe to the Diocese of Guatemala on the same period was of 24,000 pesos (40%).

Tables Source: Wortman, M. Government and Society in Central America 1680-1840. Columbia University Press, 1982

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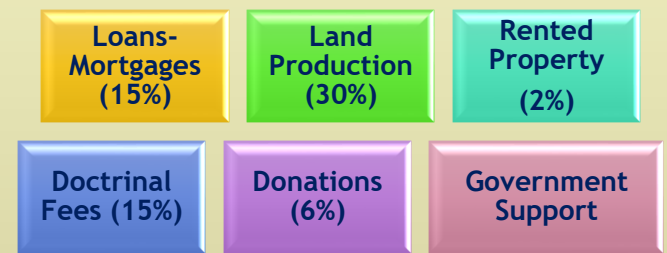
Understanding the economics of the Catholic Church System in the Kingdom of Guatemala



- According to M. Wortman, his research indicates that “the most and best haciendas of the kingdom of Guatemala” were in the hands of ecclesiastical individuals”. The haciendas of the Dominicans were so grandiose, in comparison of the Franciscans. In addition, their land holdings and mortgages were much wealthier than the rest of the orders.
- One of the most impressive Dominican hacienda was the San Jerónimo in Baja Verapaz. It was run with 150 African slaves, and about 1000 Indian-Natives. It produced an annual average of 12,500 pesos (1740). It provided sugar and cattle to Guatemala City. Another one was the Hacienda el Rosario, with an annual income to the order of 2,920 pesos, and 58,400 pesos in capital. The Dominicans also held haciendas in El Salvador, Coban, Comitlán, Tecpatlán and Amatitlán.



Productive Haciendas



Income for year 1740 Dominicans in CA
Members: 81 clerics
(Percentages calculated without considering the Government support of 50,000 maravedis for every 400 tributaries)

From the start, the Spanish Crown changed its plans with the Kingdom of Guatemala:
Instead of setting trading posts and factory-fortresses of the Portuguese, Charles V Habsburg-Castile and Philip II Habsburg-Avis organized, governed and developed the New World for themselves. This is why they “used” the Catholic Church to keep the Indian-Natives under a different type of colonization.

The Habsburgs Castile/Aragón changed the plans for the Kingdom of Guatemala



- The economic model for the Kingdom of Guatemala was never seen as the Dutch or Portuguese Model of factories and fortresses in Asia.
- Charles V HRE and his successors, saw the Kingdom of Guatemala as a treasure, as a new magnificent court-household, in which the Indian Natives were required to convert to Christianity, because this was a new home for the Dynasty of Habsburg-Valois/Castile-Aragón families.
- In consequence, the design of the economic model was left in the hands of the Catholic Church, who also prepared the territorial organization that was respected until the Independence.
- The Catholic Church mandate of the Habsburgs-Castile was as the “guardian” of community resources of the Kingdom.
- We can’t acknowledge the colonial economics of the kingdom of Guatemala without analyzing the Catholic Church economics.

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- The dowries from the nuns were another source of income of the Catholic Church.
- Each woman who entered the convent and was professed, had to pay a substantial dowry, in which the dowry interests (5%) went to her maintenance and upkeep in the convent.
- In the Convent of Santa Catarina (Guatemala) the nuns each paid 2000 pesos to enter. Over the years, the dowries passed to the order and purchased large areas of land. Sometimes the sisters held more money in mortgages and loans than all the Dominicans, Mercedarians and Franciscans together.
- The cloister of Concepción contained around 1000 women in 1630 (between nuns, servants and young girls).
- Criollo Wealthy families (including royal dynasties) had always at least one daughter in the convent, either because of widow condition or lack of a good partner, or because it was a convention expected for specific religious goals and social service that was a requisite for a charity society.
- The nun's role of the families of the high-status was also critical in the processes of establishing and inserting nobility criollos through the **fifty-eight nun convents** existing in New Spain (including the kingdom of Guatemala). The rich families also put daughters out of sight (nunneries seclusion was evident), who expanded their networks of power, for concealed lineage, and the reproduction of their own descent by way of these institutions. There are multiple hidden stories about nobility babies who were taken by nuns to Spanish America, or pregnant nuns who traveled from Europe, hiding their kids, or keeping them in secret, to give them in adoption through orphanages who were administered by the convents.



Nunneries and Convents

The Catholic Church Convents provided havens for the daughters and widows of Criollos in the nunneries.

The reason for becoming nuns were diverse. Sometimes to avoid arranged matrimonial alliances that were not accepted, when the lady was caught not-virgin, and to protect the fragile economic fortunes of their families. Also, Royal queens or princesses escaped their castles to live in Convents with their entourage for seasons in exchange for patronage. Each professed nun had to bring their dowries to be accepted in the convent.

The Nuns and Female Convents in Colonial Spanish America



- To become a Nun was a trend after the example of Teresa of Avila (1515-1582), which became a model to follow, particularly for the high-class society.
- The Convent became a solution for the increasing number of women of European Descent who were not able to find suitable husbands, or the place for refuge to avoid to be married with inappropriate or arranged partners.
- To establish a convent became a matter of social and spiritual status for a city.
- Nuns could join reformed orders in which they had to harvest their food, make their clothing and take care of housekeeping. Or unreformed cloisters that allowed servants and slaves to perform those chores. In this last case, nuns must provide a dowry.
- Additionally, nuns in the convents had certain autonomy from their dynastic families, most of them fostered an education that wasn't available for them but just for men. In the kingdom of Guatemala, these convents were places where criollo girls could receive education.

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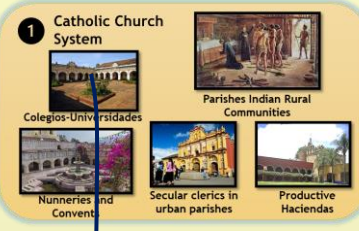


Independence Bells (1800-1823) Part 2

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- The Jesuits explored to settle in Santiago de Guatemala since 1579, but it wasn't until 1607 that they began to teach from their residence.
- The Jesuits lacked financial backing, until 1646, when Nicolas Justiniano Chavarria (a regidor*) donated 30,000 pesos for the construction and operation of the Colegio San Lucas. In exchange, the Jesuits were obliged to perform annual masses in his behalf after his death.
- With these funds, the Jesuits bought a hacienda between Amatlán and Escuintla, which yielded 4,000 pesos in 1647. The return on the investments helped the Jesuits to cover the expenses for their educational projects.
- According to Wortman, Chavarria attracted other criollos who donated crosses and images of gold, a small piece of land in the city to provide firewood and grazing for the Colegio, a water well, and an encomienda of Indians worth 400 pesos for year.
- Family wealth was offered through donations (estates, funds deriving from land and housing) and were tied also to the "capellanías": the testament of the benefactors compelled their descendants, to donor in his behalf, a perpetual payment to support masses after his death and his family members. Many times, when the hereditary right was a property, the priests rented the ranchos or houses to obtain liquid money for their OPEX expenses.



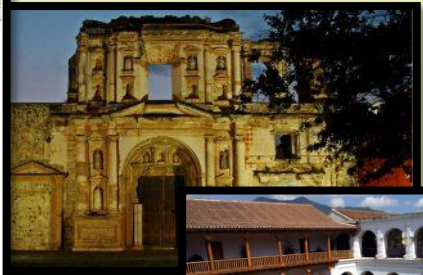
Colegios-Universities



The Jesuits Reputation of high-caliber excellence was well known between the criollos and Spanish Peninsulares: Criollos never questioned or doubted of the level of rigorous education in the hands of the Jesuits. The respect of the Criollos Elite was so high towards them, that in the 17th century, the teaching space of the Jesuits regularly was packed with more than 300 students, while the Dominican schoolrooms remained empty.

An example of how the education role of the Church worked in the kingdom of Guatemala

- The Catholic Church was the sole source of education: It maintained private schools in their residential homes in villages and built colegios in major cities. Additionally, it installed entities that became the places where future priests could be educated.



Jesuit Church and Religious Educational complex: Colegio Mayor San Lucas, San Francisco Borja Boarding School Residence, and the Colegio Jesuita de Nobles for superior university education. Founded in first half of 17th century. Antigua Guatemala.

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*Chavarria was regidor sencillo as of 1645, a hereditary position from his father.
<https://dialnet.unirioja.es/descarga/articulo/4009549.pdf>

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- In Summary, the Catholic Church in Colonial Kingdom of Guatemala (and all Spanish America domains) is the precursor of modern banking in the region.
- The customers of the Church were wide-ranging: from the peninsular and criollo landowning class to the Indians who required money for their harvests, coming from the cofradias.



The Catholic Church were the main players of commercial banking before the Independence. The two most important amongst given annually to ecclesiastical entities came from the secular government and from loans and mortgages of their assets and capital.

The financing-banking power of the Catholic Church was more important than the Spanish Government Audiencia power.



Censos

- Censos enfiteúticos: when a property owner transferred the use of property to the Church in return for an annual payment. The annual payment was usually 5%. The church leased the properties.
- Censos reservativos: In this case the property owner gave up control rights.
- Censos consignativos, which served to guarantee annuities.

Pious Works (donations)

- Gifts of an entire hacienda, houses, or land without assets to the Church. It also included modest pledges to provide oil for candles or cover basic expenses of the priests.

Capellanías

- Capellanías were instruments used to guarantee the payment of masses for the dead, as anniversaries and memorias.
- The average value of a capellania was around 3,500 pesos per person.

Depósitos

- When in the case of loans of money in the modern sense, each payment installment (cuota) was called depósito.

Dowries

- This is the case explained for the nuns of the convents. Convents required dowries running from 3,000 to 4,000 pesos. It could be given in cash or through a censo on property. These funds were used for mortgaging businesses.
- In México, by 1813, the Church owned 47% of all urban property in the capital, from that 65% was in the hands of the feminine orders.

- The Catholic Church as the primary lending institution in Spanish America, explains why the Bourbons attacked it so fiercely.
- During the 17th and 18th centuries, before the Independence, the Catholic Church lending businesses may cause us today, a sentiment of controversy and a sense of venality, however these “enterprises” are understood because their capital (passive-as a recipient of annuities, or active-as lender of money) had a purpose: the economy of the colonial society was based in their “guardian role” of administering the capital and community resources (criollos, Indians, and their religious CAPEX and OPEX** expenses).
- Certain religious orders were more active in their lending operations (using money as an investment, loans to colonial miners, merchants, landowners, the State or for productivity income from agriculture); while others, were more passive, waiting to receive the supply capital from the colonial offerings and alms.

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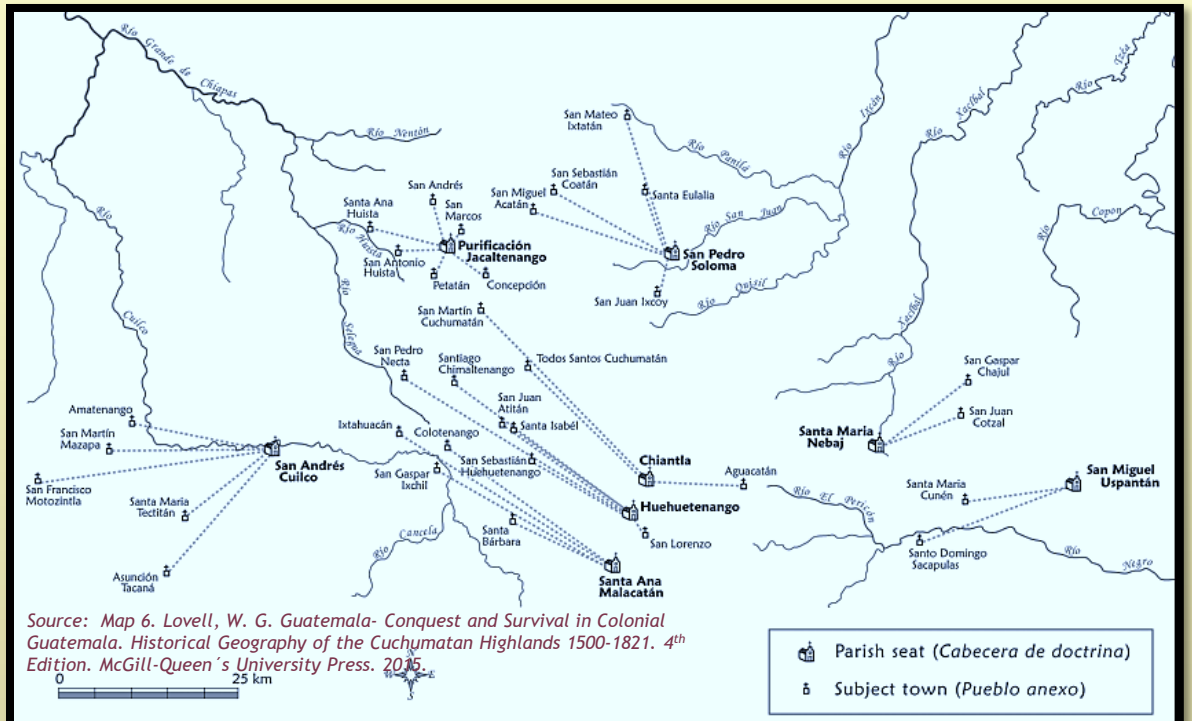


- The Catholic Church economy was equivalent to all what Charles V Habsburg-Valois/Castile-Aragón wanted for his dwelling place:
1. Evangelization of the natives
 2. Prodigious temples construction
 3. Great Agricultural Development
 4. Catholic Territorial organization with full basic services of health, education and welfare
 5. Financing System based on kinship without usury (only 5% interests)



- Let´s understand how the Catholic Mendicant orders organized the territory of the Highlands of Guatemala. Example>:The Cuchumatán Highlands.
- The pueblos of the Cuchumatanes natives were divided for purposes of ecclesiastical administration into eight parishes, each having a *cabecera de doctrina*, the town where the local priest lived and from where he made his parish rounds (see figure 6)

- The cabecera de doctrina gave its name to the entire parish.
- The Dominicans started first with this territorial organization and later were replaced by the Mercedarians. During the 18th century, in 1754, a Crown royal edict ordered all parishes to become secular, and then in 1804, with the “consolidation of vales reales”, all this economic catholic system and land-financing-savings of the natives was destroyed.
- Under the Habsburg period, “Indian towns held land under a communal title, and often successfully petitioned for territorial extensions beyond the standard one-league ejido allocation”. When the Bourbons arrived, the Spaniard latifundistas took several communal lands of the natives and possessed them as their own haciendas.
- For more information, read part III of the book Lovell, W. George 1951 “Conquest and survival in colonial Guatemala: a historical geography of the Cuchumatán Highlands, 1500-1821”. We will revisit this example when we enter to analyze the episode “Consolidation of the Hacienda Model in Central America lands” in some weeks from today. Stay tuned.



Source: Map 6. Lovell, W. G. Guatemala- Conquest and Survival in Colonial Guatemala. Historical Geography of the Cuchumatán Highlands 1500-1821. 4th Edition. McGill-Queen's University Press. 2015.

6 Ecclesiastical administration of the Cuchumatán highlands.

All the information of these slides is supported and inferred from the bibliography page 19-20.

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Independence Bells (1800-1823) Part 2

Economic history kingdom of Guatemala 18th century

Three economic systems coexisting in between: 2. The Indian Native Subsistence-Tribute System

All Indian Natives were subjects to the Royal Crown: they were Indian Tributaries.

The economic system of the Indians has been already discussed in Episode 3.

2 Indian Native Subsistence-Tribute System

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Table 7.2: The Relationship of Major Sources of Fiscal Income, Annual Averages, 1694–1768 (in pesos)

| | Indian Tribute (%) | Quinto (%) | Alcabala & Barlovento (%) | All Other Income (%) | Total |
|---------|--------------------|--------------|---------------------------|----------------------|---------|
| 1694–98 | 172,518 (73.0) | 795 (0.3) | 16,881 (7.0) | 45,914 (19.5) | 236,108 |
| 1713–17 | 159,171 (80.0) | 640 (0.3) | 11,002 (6.0) | 13,461 (7.7) | 184,274 |
| 1723–25 | 152,311 (77.5) | 9,152 (4.6) | 15,081 (7.4) | 20,079 (10.2) | 196,623 |
| 1731–35 | 193,888 (81.0) | 4,946 (2.0) | 18,349 (7.6) | 21,711 (9.0) | 238,904 |
| 1744–48 | 202,968 (80.0) | 12,402 (5.0) | 18,500 (7.3) | 18,990 (7.5) | 252,860 |
| 1752–56 | 173,941 (67.6) | 23,949 (9.0) | 23,137 (9.0) | 36,098 (14.0) | 257,125 |
| 1760–63 | 136,822 (57.1) | 21,665 (9.0) | 23,663 (9.9) | 57,420 (24.0) | 239,570 |
| 1764–68 | 140,139 (41.3) | 16,003 (4.7) | 98,989 (29.0) | 83,789 (24.7) | 338,920 |

SOURCES: A.G.I., 1694–98: Guatemala 419, Los Ramos de Que Se Compone La Real Hacienda . . . 6/20/1698; 1713–17: Guatemala 977, Cartas Cuentas; 1723–25: Contaduría 976, Cartas Cuentas; 1731–35: Guatemala 724, Testimonio del . . . todo el Ingreso de Caudal . . . ; 1744–48: Guatemala 724, Cartas Cuentas; 1752–56: Guatemala 725, Cartas Cuentas; 1760–68: Guatemala 726, Cartas Cuentas.

Source: Wortman, M. *Government and Society in Central America 1680-1840*. Columbia University Press, 1982

- The Indian villages apart from the cities of the Spanish Peninsulares and criollos during the 18th century in the Kingdom of Guatemala, were the consequence of the two-republic policy that the Habsburgs left for the region.
- The role of the Catholic Church installed by Charles V HRE was to protect the Indians, and guard them against the abusive of power of the Spaniards who saw them as “exploitative labor for their haciendas and city building requirements”. We have already discussed in episode 3.
- In exchange, the Indians were obliged to tribute to the royal coffers. Most of the fiscal income to the Crown was coming from the Indian Tributes (look at the table at your left)
- The subsistence economy and the common understanding between the Spaniard-pensulares and criollos during the Habsburgs and the Indians was completely lost during the Bourbon’s period.
- It is not clear to us (even at this moment in time), how the Native-Peoples of the kingdom of Guatemala were able to survive in the middle of the transition to the Indigo-Coffee economy. Their suffering was beyond what we can write. We can only state that God truly loved them so much, and that is why they are still alive.
- We can infer that the Kingdom of Guatemala was consecrated with the presence of concealed Habsburg representatives who protected them with all they could (probably under the Catholic institutions), given the circumstances of how land expropriation occurred when the Bourbons arrived at power. This can only be explicated because Habsburg royal members were dwelling in secret in the

The “Tasación de Tributos” was obligatory for the Native Indians. An Indian tributario was a married Indian male as a head of his family. The tribute was accrued to a private encomendero, then a regidor, and later to an alcalde mayor (in pesos as of the Bourbons). Additionally, the Indians contributed to the Crown, an annual *real servicio* of ½ peso or 1 *tostón*. The *Encomenderos/regidores/alcaldes* received foodstuff from the Natives. But the Bourbons imposed the policy of pesos (coins minted in Guatemala) during the 18th century.

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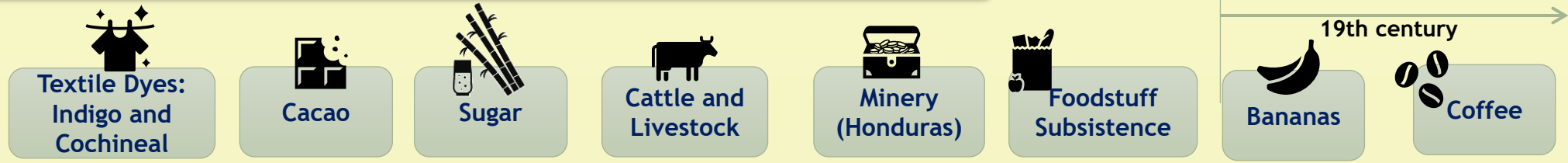
Independence Bells (1800-1823) Part 2

Economic history kingdom of Guatemala 18th century

Three economic systems coexisting in between: 3. The Colonial Spaniard-Criollos System

The Spaniard-Criollos economy was based in commercial trade and the labor of African slaves and urban native-Indians who worked in their agricultural businesses. We will analyze in detail each of these industries during the development of this season.

3 Colonial Criollos-Spaniard local Commerce and Mercantilism



Indigo was by far during the 18th century, the best product which raised above the rest given its highest-quality in the international markets. In the northern part of the kingdom there was a minor interest to cultivate cactus to produce cochineal too.

The invading Spaniards found a flourishing cacao industry when they reached Soconusco and Zapotitlan. As of the last part of the 16th century, chocolate began to be trendy in Europe, the demand increased, and the kingdom of Guatemala brand of the high-quality cacao crossed the Atlantic and still exists today.

In Guatemala, eight sugar mills were developed to produce from their trapiches. Most of these mills were in the hands of religious orders.

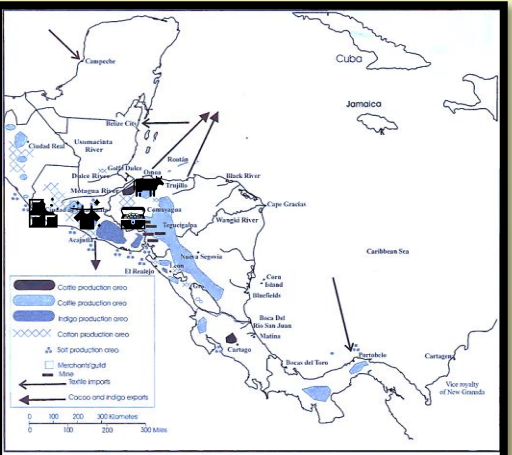
Cattle reached colonial enclaves along the Atlantic coast as of the 16th century, particularly in Honduras and Nicaragua. Mules, pigs and horses were also introduced for farming.

In the central area of Honduras, major mines were developed. During the second half of the 18th century, mines in Central America produced around 230,000 silver pesos per year

The local Native-Indian communities planted maize, beans, gourds or pumpkins. The avocados, chili peppers, tomatoes, limes, amaranth, onions, sweet potatoes, jicamas, and herbs were the backbone for subsistence.

The bananas did not enter the region until the end of the 19th century. In the hands of an American, Minor Keith, the bananas were harvested from 800,000 acres of land in Costa Rica.

Between 1840 to 1900, Costa Rica was the first one to use land for coffee cultivation, however when the liberals from Quetzaltenango took over the national government after Carrera, coffee farming took the spotlight in Guatemala and parts El Salvador.



3. Guatemala City and Its Regional Economy in the Eighteenth Century. Map by Christopher Belaubre.

Economic Agricultural Production map of the Kingdom of Guatemala in the 18th Century
Map Source: Dym, Jordana and Belaubre, C. Politics, Economics and Society in Bourbon Central America (1759-1821). University Press of Colorado, 2007.

After the Independence, the Criollo economy was privileged above the other two economies: the Catholic church system was annihilated by the Bourbon Reforms, and the Indian Native lands system was also seized by the winners of the Independence process, the criollos families.

All the information of these slides is supported and inferred from the bibliography page 19-20.

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Independence Bells (1800-1823) Part 2

Independence Proclamation of September 1821

Right before the Independence, Central American intendencies were economically collapsing



The reason for economic collapse of the Kingdom of Guatemala before September 1821 was the destruction of the Catholic Church Economy by the Bourbon Reforms, which was the backbone of the Kingdom of Guatemala society.

Economic depression from 1803-1821

- Several academic authors affirm that the colonial economies of the Highland Guatemalan textiles, the Nicaraguan-Honduran cattle farmers, the Honduran miners and the Indigo producers were experiencing an economic downturn.
- Indigo trade with the Kingdom of Guatemala was in crisis because of global competition, mainly from Caracas and the south of Asia (Bengal-India) which exported to Great Britain and Europe through the EIC and VOC. The low market prices affected the farmers who had outstanding loans, and the land was taken by latifundias for coffee.
- Much later Indigo was out of the market because of German Bayer's discovery of the synthetic Indigo (commercialized as of the 1890s) by BASF. **However, the reason for economic crisis was the destruction of the Catholic Church Economy by the Bourbon Reforms, which was the backbone of the Kingdom of Guatemala society.**

The discontent of the Criollos and the Church

- The Church's economic domain of property came under attack by the Bourbons. When the Jesuits were expelled in 1767, and their properties confiscated, that was the real origin of the colonial crisis.
- The rest of religious orders were object of confiscation and followed as of 1804 (with the consolidación de vales, or "calling in on loans"). The Indian tenancy structure of the land was reduced to nothing.
- The land that was in the hands of the Natives started to be seized too.
- The dislocation of the colonial economy was not because of indigo, or contraband, or increasing taxes, or inflation; but because of the disarticulation of the Catholic property system and their banking operations in which most of the "poor" criollos were involved with préstamos.

Bonaparte Spain influence in the Criollos (1808-14)

- When Ferdinand VII was dethroned by Bonaparte, Antonio González Molinero y Saravia (1801-1811) was the President-Intendant of the Kingdom.
- José de Bustamante replaced Molinero from 1811-1817, the Aycinena family merchants became the flag of the opposition towards Spain, but the Spanish Cortes Liberal served the executive council of state in Madrid from 1812-14.
- The Cadiz 1812 Spain constitution was important, because it included the abolition of the Indian Tribute, the Inquisition, the equality for all overseas subjects (annulment of castas), freedom of the press and the sweeping of the Catholic Church system.
- In 1811, Prelate Doctor Matías Delgado, the Aguilar brothers, Manuel José Arce and Juan Manuel Rodríguez led an insurrection in San Salvador, with the demand to create a separate bishopric from Guatemala.
- Bustamante, the same year, repressed the San Salvador insurrection, and later another one in León and Granada.

In the final stretch towards independence (1815-21)

- The new Intendent-President-Captain General Carlos Urrutia y Montoya (who arrived in 1818), the Cadiz constitution was abolished.
- Free trade with England became a reality, and the weakening of the Bourbon authority was reflected in their end of control of trade.
- English commercial invasion disrupted the kingdom of Guatemala textile production with their low prices.
- Guatemalan merchants (Aycinena's block) took the political authority in the region between 1819 and 1821.
- The Caudillismo was flourishing with two main political parties: The Gazistas (royalists) against the Cacos (Independent Criollos)
- Gabino Gainza replaced Urrutia in 1821.
- Agustín Iturbide in México launched the Plan de Iguala, under a new Declaration for MX independence in 1821.

Eleonora Escalante Strategy

- In 1813, occurred another conspiracy, named of Bethlem in Guatemala.

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Independence Bells (1800-1823) Part 2

Independence Proclamation of September 1821

Description of the 15th September 1821

- According to researchers Pérez Brignoli, Bonilla-Bonilla and Marure, the declaration of Independence of Central America was professed right after the Plan de Iguala, the program designed by Agustin Iturbide (apparently a Mexican descendant from Spaniards).
- The proclamation of the Independence of México was an effort from the royalist criollos in reaction to the 1820 liberal coup d'état in Spain against Ferdinand VII. The conservatives in Mexico (formerly staunch royalists) advocated immediate independence, and Agustin Iturbide (A military chief) was the leader of the proclamation. The 24 August 1821, Iturbide signed the Treaty of Córdoba with Juan o' Donojú, superior political chief of New Spain. Iturbide and his troops proceeded to take the capital.
- Iturbide entered MX City the 27th of September of 1821.
- Right after the Treaty of Córdoba, on September 3rd, the Ciudad Real Intendancy of Chiapas declared the independence, and its adhesion to México.
- The 13th of September, the news about Chiapas arrived at Ciudad Guatemala.
- The 14th of September: The Pro-Independence Freedom Group (table at your right) and the Aycinena influenced Gabino Gainza (the superior political chief of Guatemala) and offered him to stay in his position (under interim terms with a provisional junta consultiva).
- The 15th of September: the Independence proclamation occurred.

List of Pro Independence Group who voted for the Independence of 15 sept 1821.

| | |
|------------------------|----------------------------|
| José María Castilla | Father José Matías Delgado |
| Antonio García Redondo | M. A. Molina |
| Francisco Bilches | Mariano Larrave |
| Miguel Larreynaga | Antonio Larrave |
| Tomas O´Horan | Isidoro Castricciones |
| Mariano Galvez | Pedro Arroyave |
| Serapio Sánchez | Mariano Aycinena |
| José Francisco Córdova | Lorenzo Romaña |
| Santiago Milla | Domingo Dieguez |
| Antonio Rivera Cabezas | Fran Mariano Perez |
| Mariano Beltranena | Fray José A. Taboada |
| Mariano Calderón | Gabino Gainza, and others. |

The Impact of Iturbide in Central America:
 Iturbide's Plan de Iguala, published on February 24, 1821, proclaimed three guarantees: (1) immediate independence from Spain, (2) equality for Spaniards and Creoles, and (3) the supremacy of Roman Catholicism and a ban on all other religions

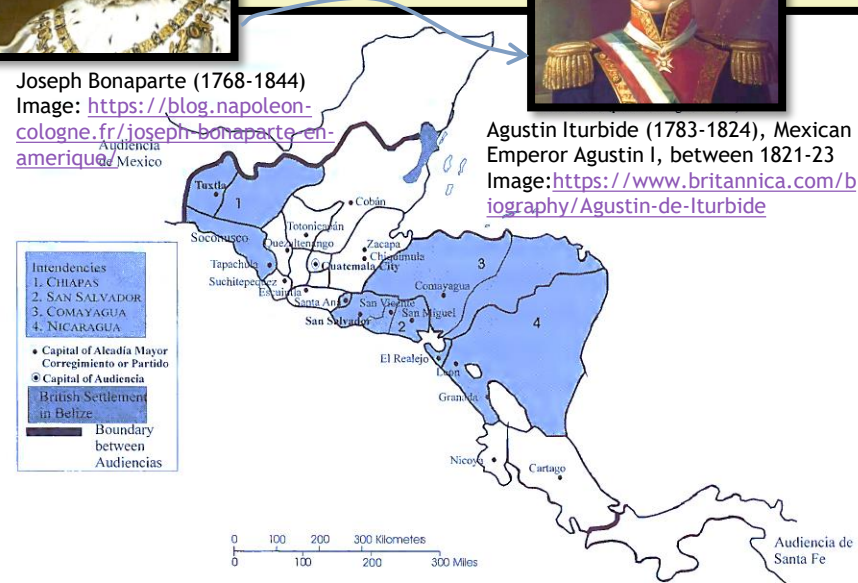
There are strong physical similarities between Iturbide and Joseph Bonaparte painting portraits. Would it be possible?



Joseph Bonaparte (1768-1844)
 Image: <https://blog.napoleon-cologne.fr/joseph-bonaparte-en-amerique/>



Agustin Iturbide (1783-1824), Mexican Emperor Agustín I, between 1821-23
 Image: <https://www.britannica.com/biography/Agustin-de-Iturbide>



2. The Audiencia of Guatemala, 1786-1808. Map by Christophe Belaubre.

Map Source: Dym, Jordana and Belaubre, C. Politics, Economics and Society in Bourbon Central America (1759-1821). University Press of Colorado, 2007.

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Independence Bells (1800-1823) Part 2

Independence Proclamation of September 1821

What Happened between the 15th of September of 1821 until the 1st of July 1823?.

Historians affirm that the most important result of the Acts of Independence of 1821, and the posterior turmoil until 1823 was the end of the Spanish Bourbon Monarchy influence over the Kingdom of Guatemala political-economic decisions. What was the role of Britain in this situation?



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10/10/2025

To be continued...

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Independence Bells (1800-1823) Part 2

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*Next week we will continue with episode 5:
United Provinces of Central America (1823-40)*

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Independence Bells (1800-1823) Part 2

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United Provinces of Central America, an imaginary map?
https://www.reddit.com/r/imaginarymaps/comments/10v3fja/federal_republic_of_central_america_2023/

**Next week we will continue with episode 5:
United Provinces of Central America (1823-40)**



The independence of Central America, proclaimed on September 15, 1821.

Thank you

The origin of Central America political-economy.

Period of study: From 1700 to 1900

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