# *The Conqueror's Inheritance: the Cortès-Pignatelli Mexican Estate*

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Hernán Cortés embarked upon the conquest of Mexico in rebellion against the Governor of Cuba. His band of Spaniards elected him Governor and Captain General of the country that was to be conquered and in this capacity in August 1521 he destroyed the Aztec empire and subjugated central Mexico. This feat gave him immense prestige among the Indian population which then numbered over twenty million, and he now wielded unlimited military and civil power. The Spanish Crown prudently confirmed his authority, for the members of the Council of Indies must have been aware of the possibility that Cortés might attempt to turn against Spain. As it was, the son of an *"hidalgo"* was not dangerous and although it might have been otherwise with a member of high nobility, it was beneath the dignity of a Spanish *grande* to emigrate overseas. When it appeared that the conquerors,

*Sources:* For the colonial period, BERNARDO GARCÍA, *El Marquesado del Valle - tres siglos de régimen señorial en Nueva España*, México, 1969, and WARD BARRETT, *The Sugar Hacienda of the Marqueses del Valle*, Minneapolis, 1970; for the years 1821-1853, the *Archivo General de la Nación*, México, the *Archivio di Stato*, Naples, and the letters of Lucas Alamán to the duke published in 1947 in Mexico in the Vol. 4 of *Documentos Diversos*; for 1853-1904 the above mentioned archives; for 1904-1938, the *Archivio di Stato*, Naples; for the division of the hacienda in 1920-1926, the *Department of Agrarian Reform*, Mexico.

most of whom were of peasant extraction, were more interested in material things than in political power, appointment was revoked and he was replaced by royal officials.

In the meantime, however, Cortés had grown accustomed to living in a princely style and he now needed money to keep it up. He had already set aside for himself certain regions of Mexico which he expected to receive as a reward for his services, and he was not disappointed. Spain was working towards the establishment of a permanent government in Mexico, from which Cortés was to be completely excluded; so it was deemed convenient, if not necessary, to satisfy his claims. In July 1529, then, the king gave him the seignorial rights over twenty-two Indian towns with « up to 23,000 vassals » (in fact, there were many more) and granted him the title of the Marquis of the Valley of Oaxaca.

The map shows that the Marquisate covered various regions scattered all over Central Mexico; the Valley of Oaxaca is only one of them. In the first place, Cortés had picked thickly populated areas, an important factor considering that the king had renounced in his favour the right to the so-called Indian tribute, a head-tax payable by every adult Indian male in good health. Secondly, seeing himself deprived definitively of a share in the government, the restless conqueror aspired to continue his discoveries and conquest in the South Sea. For this he asked for and obtained two territories on the Isthmus of Tehuantepec, one bordering on the Pacific Ocean and the other on the Gulf of Mexico. Needless to say, his seafaring ventures failed, not before consuming enormous amounts of money. On the other hand, he was successful as a farmer, cattle-raiser and sugar manufacturer: bringing Old-World crops and domestic animals, he planted wheat in the warmer Valley of Oaxaca and the south-western part of the Valley of Mexico — the boundaries of the Marquisate being only a few kilometres from the capital city — sugar-cane in the hot depression near Cuernavaca, and established livestock ranches in the cool Valley of Toluca, west of Mexico City. He also received a few other less important districts. If Cortés ever harboured the idea of acquiring power over a continuous territory — which in an era of rising absolutism is

doubtful — he was amply compensated for his failure in obtaining it by the profitability of the Marquisate.

Cortés also owned property in Mexico City, which obviously could not and did not belong to the Marquisate. It was not valuable at that time; most of the Marquisate's income was derived from Indian tribute; the second most important source of income was farming, industrial and mining enterprises; urban property was the least important in the XVIth century. Cortés gave part of his Mexico City real estate as endowment to a charitable foundation, the Hospital of Jesus. The Marquesses were to be its patrons and as such were to be responsible in the last instance for the income the hospital should receive from the rent of houses and land.

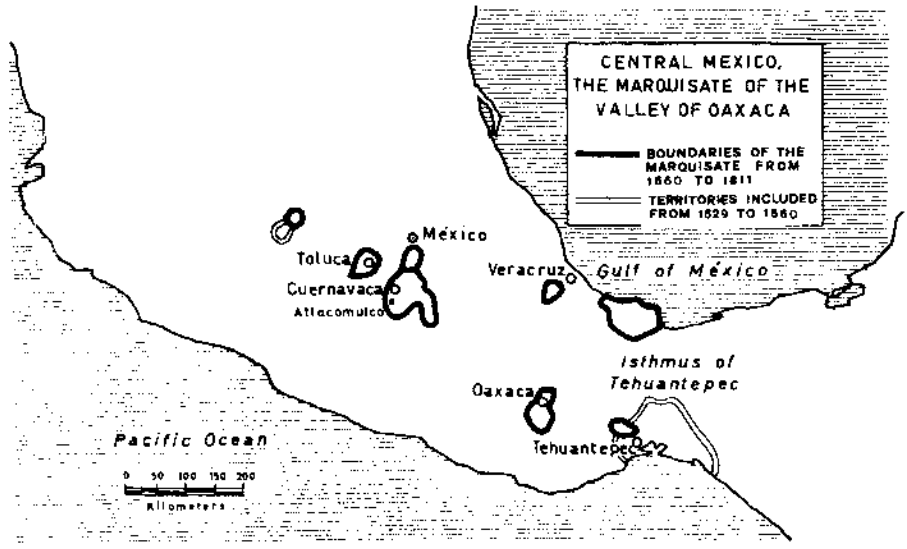
Cortés died in 1547 and his inheritance passed to his son Martin. The viceroys, who had been making inroads into the Marquisate's rights already during his father's lifetime, increased their efforts to shear it of its privileges. Then in 1560 the Crown reclaimed for itself most of the Tehuantepec territory adjoining the Pacific Ocean, including the town of the same name, on the theory that all seaports should belong to the king. In exchange it offered to pay an annual compensation for the income lost by the separation of the territory from the Marquisate. The proposition seemed reasonable enough but it must have raised doubts in the head of the young heir as to whether the Crown would abide by the 1529 grant or whether it would continue, perhaps with an increasing appetite, to slice away pieces of his property. It can be assumed that this measure did not increase his love of the government.

It will probably never be known whether Martin Cortés did or did not conspire in 1566 to take over the country after a viceroy's death. The fact is that he was arrested and that in the following year the Marquisate was attached to the royal treasury. It looks like a frame-up motivated by political, administrative and fiscal reasons. But money began to flow to Spain and continued to flow until the charge was dropped and he himself rehabilitated in 1574. The accounts show that 25,000 *pesos* on average were remitted every year to Castile. The figures for 1567 give 120,000 *pesos* as gross income and 95,000 as expenses, and consequently only

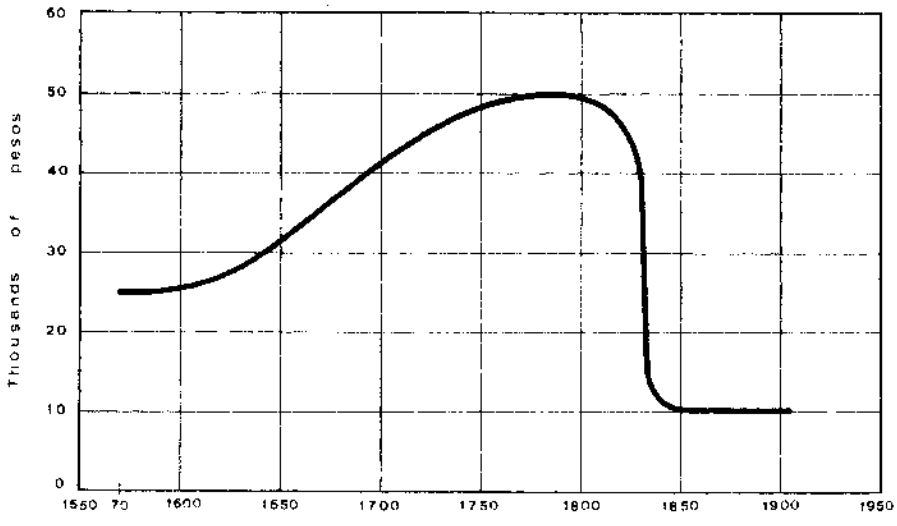
25,000 as net income. The expenses seem too high; but if we bear in mind the high cost and inefficiency of government bureaucracy, it may be concluded that net income was normally much higher. But even the figure of 25,000 *pesos* is enormous for those times and amounts to about 5% of the average annual shipments of precious metals to the Crown from New Spain in those years.

The cautious eldest son of Martín Cortés, Fernando, preferred to live in Spain, but his brother Pedro, the fourth Marquis since 1602, returned to the colony with the intention of reorganizing the finances of the Estate. Among other things, he added an important new source of income. The 1529 royal grant had given the Marquesses the land not belonging already to Indian villages or to private persons, be these Indians or Spaniards. Now, when the demographic catastrophe — a result of the introduction of European diseases — decimated the Indian population and reduced it in the last decades of the century to a small fraction of its original number, much land in Mexico became vacant. Pedro Cortés began to sell it in perpetual instalments or, as this transaction could also be called, to lease it in perpetuity. This contract was called emphyteusis and the annuity *censo.* The individual amounts were small, for the annual payment was usually considered as 2.5% of the property value, but there were so many of them — many large *haciendas* owed their origin to such a deed — that by 1706 they yielded more than ten p.c. of the total income.

Pedro Cortés died without heirs in 1629 and the title passed to two women in succession, who lived in Europe: first to his niece Stephany, wife of Diego Aragón and then to their only daughter who married the duke of Monteleone, Hector Pignatelli. Thus the Cortés Estate came into the hands of this Neapolitan family whose members preferred to enjoy without labour the fruits of their ancestor's efforts. Since 1629, so far as is known, no Marquis del Valle has ever set foot on Mexican soil. It must be admitted that for a long time this was perhaps not even necessary for the cash continued to flow to Europe undiminished. For instance, the average annual shipment in 1629-1637 amounted to




NET INCOME FROM THE PIGNATELLI MEXICAN ESTATE




Figures for 1875-1900 are adjusted for the devaluation of the Mexican peso by one half.

44,658 and in 1639-1648 to 30,765 *pesos*; the average annual net income in 1686-1704 was 40,647 *pesos*.

The ups and downs of European politics in the first part of the XVIIIth century led to an annexation of the Cortés Estate to the royal treasury in 1707. It lasted nineteen years. On the other hand, the third sequestration, in 1734, lasted only half a year. In the second part of the XVIIIth century, the Estate recovered remarkably well: the net income went up from 18,324 *pesos* in 1750 to 44,860 in 1771 and from this amount to 60,435 *pesos* in 1809 (one *peso* was equal to one United States dollar). The prosperity of the Estate reflected the general economic progress of the colony, especially its mining, just as the prosperity of New Spain reflected the over-all progress of Western European economy. Significant changes had taken place in the composition of the Marquisate's income: Indian tribute which had obviously declined as a result of the demographic catastrophe to its lowest value in the XVIIth century, grew in the following century as a consequence of the population recovery, without, however, reaching the absolute or relative amount of the first decades after the Conquest. In 1809 it came to 44,860 *pesos*, almost 40% of the total gross income (which was 113,878). The second largest item, urban rental property, mainly houses in the capital, yielded over 30,000, more than rural property, the most important of which was the sugar-cane plantation and sugar factory Atlacomulco near Cuernavaca. Being the closest sugar factory to the capital city, its main market, and so having an edge over its competitors at a time when transport costs were so high, Atlacomulco was a profitable enterprise in normal times Finally, the Tehuantepec indemnity annual payment amounted to over 5,000 *pesos*.

Pignatelli's involvement in European politics led to the fourth annexation of the Estate in 1809. It was returned to its owners, much impoverished, in 1816. In the first place, the Indian tribute had been abolished as early as 1810. True, the government also stopped receiving it from non-Marquisate Indians, but the government could always levy new taxes while the Marquisate could not. Gone also were the different seignorial rights and the Tehuantepec

indemnity. Also taking into account that Mexico in 1810-1820 was theatre of a civil war which damaged the Atlacomulco *hacienda*, the gross income of the Estate in 1821, when Mexico became independent, was reduced to 37,883 *pesos*, most of it from rental property in Mexico City, and its net income to 3,265 *pesos*.

In fact, in 1817-1821 the Atlacomulco *hacienda* had suffered the average annual loss of 8,000 *pesos*. Rural properties were especially vulnerable for the war was conducted in the countryside, not in the cities. This set the pattern for the civil wars which were to follow. Fortunately, the only other rural properties of the Marquisate were a few *haciendas* in the Tehuantepec territory, leased for 2,600 *pesos* a year. Perpetual leases after Independence produced about 7,000 *pesos*, the same amount as half a century before, and the houses in Mexico City yielded about 25,000 *pesos*, somewhat less than before the war as many tenants owed rent due to a bad economic situation.

If the Marquesses thought that an independent Mexico which was obviously not interested in the side which the Pignatellis might take in European politics would respect their property more than Spain had done and that they would thus be free from periodic sequestrations, they were sadly mistaken. They actually fell from the frying pan into the fire. Hostility against everything Spanish crystallized in the popular hatred of Cortés; no matter that his descendants were Italians, they were considered as Spaniards; and even though they lived in Palermo, they were still *grandes de España*. Consequently, they could easily be made scapegoats; and while they were not in Mexico, their property was. Hence the Mexican governments displayed from the beginning a permanent interest in nationalizing it. Fiscal needs in this war-torn country lay behind this. As early as the autumn o f1822, one year after the establishment of independent Mexico, the emperor Iturbide attempted to confiscate the rents of the former Marquisate in what might have been their fifth annexation, but he lost his throne before carrying out his plan.

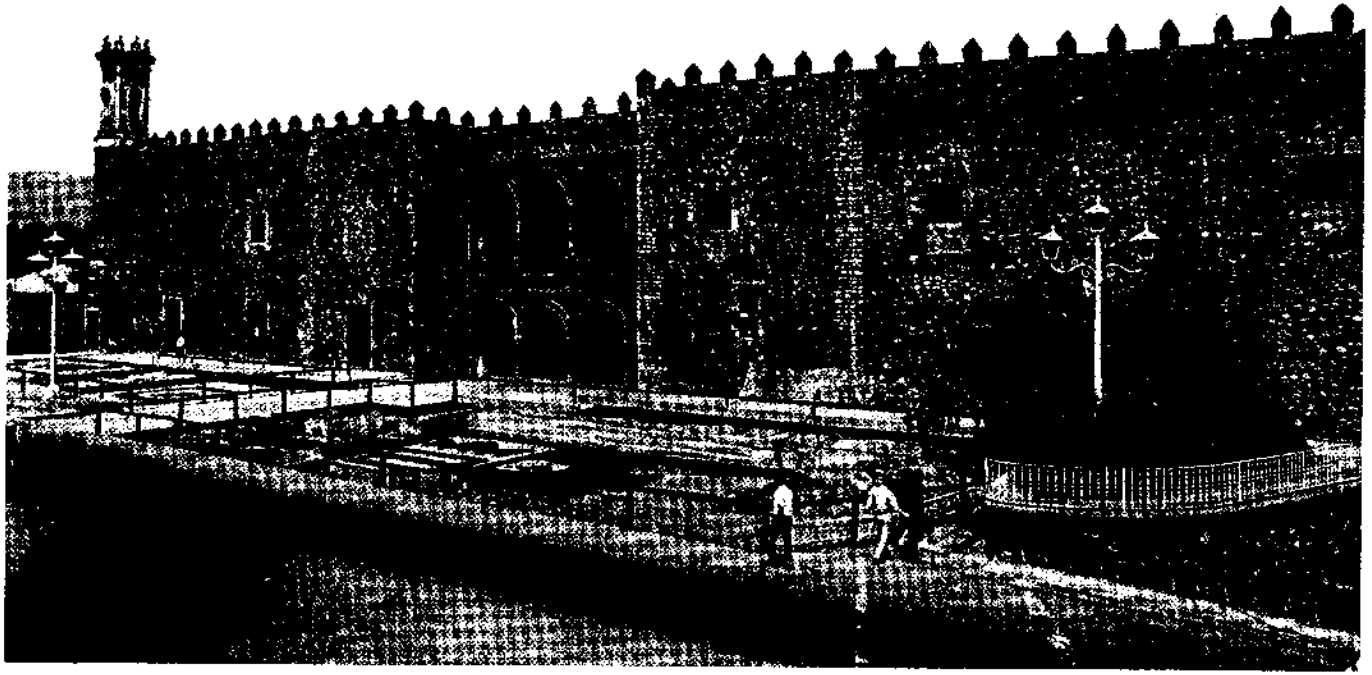
An uneasy civil truce was established in 1823 and economic recovery began to take shape. Until then, the Pignatelli properties

in Mexico were managed by an official called "governor", because of his seignorial prerogatives, who sent his accounts and money to the general director in Madrid. In the 1820's, this position was occupied by the duke's uncle, Count Lucchesi. But now it seemed convenient to move the headquarters to Mexico and appoint a Mexican director, the more so as Spain was technically at war with her former colony. The Marquis chose Lucas Alamán, a brilliant conservative cabinet member who had recently saved Cortés' tomb from desecration by a mob, thereby risking his political career and perhaps even his own life, and so tying his future irrevocably to the Hispanic cause. Alamán accepted and became director in 1825.

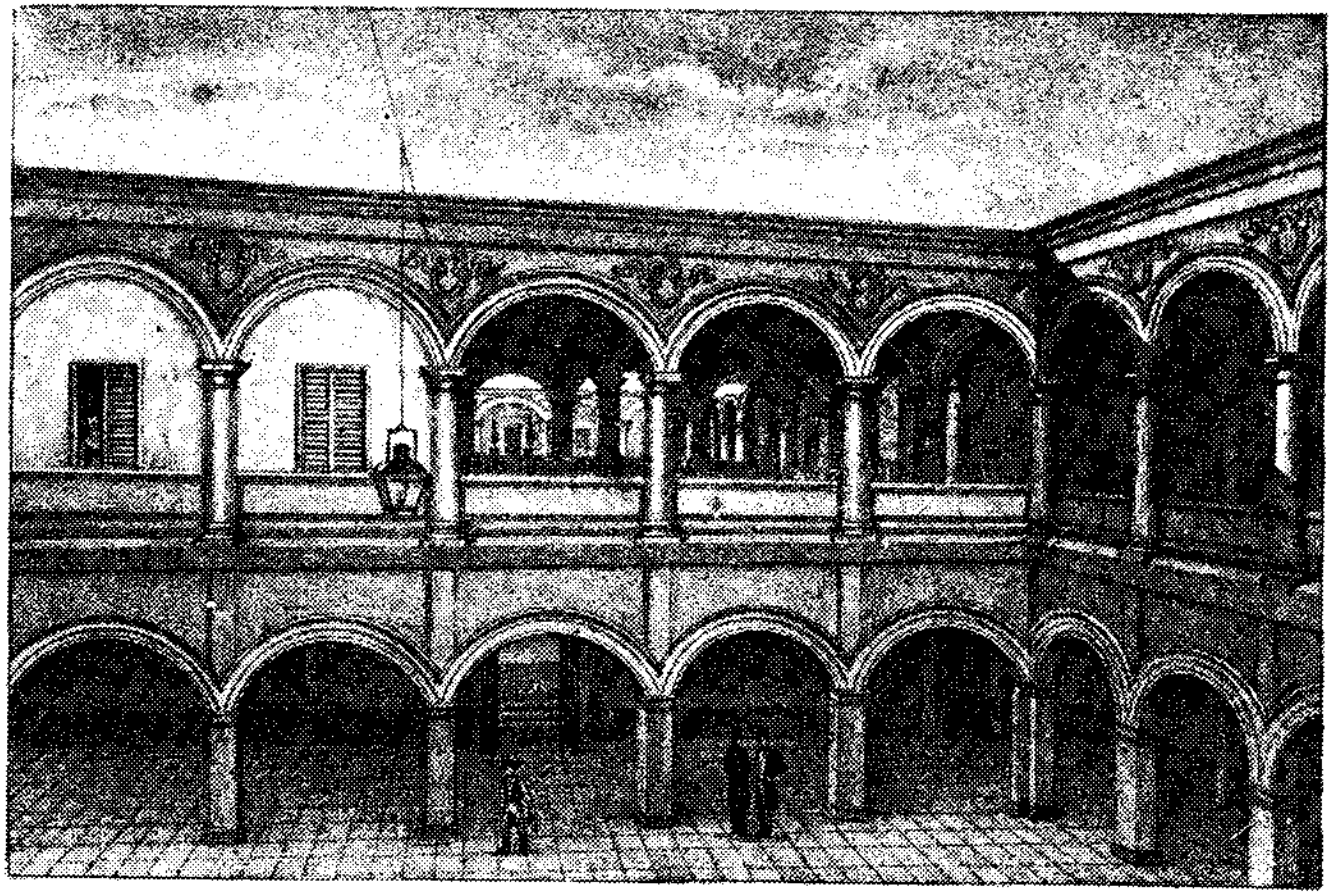
He could not save the Estate from further sequestrations, however. A rising tide of anti-Hispanic nationalism pushed him out of the Cabinet and proposals for the annexation of the Pignatelli properties appeared now and again. Alamán spent the years 1827-1828 defending the right of the Conqueror's heirs and descendants to own property in Mexico. In an attempt to unite all landowners (who were the ruling class and most of whom were Mexicans) he argued that the present landownership was based on the Spanish Conquest, for the property deeds went back either to the purchase of land by Spaniards from Indians or to the royal land grants or to the perpetual leases by the Marquisate. In fact, among the wealthiest landowners in Mexico were the holders of numerous *haciendas* in the valleys of Mexico, Cuernavaca and Toluca, which had originated in emphyteutical sales of land by the Marquisate and in the last instance in the Conquest itself.

Nobody listened to reason in the heated atmosphere of those years, however. In a last attempt to reconquer her former colony, Spain landed troops on the coast of Veracruz and the Mexican government sequestered the Cortés Estate in September 1829. The invasion was promptly defeated and the domestic reaction overthrew the nationalistic and liberal régime (these two traits usually went together) in the last days of the year. Alamán emerged in January 1830 as the most powerful figure in the Cabinet. Needless to say, he restored the Estate to the dukes and offered safeguards to the propertied classes in general. The cash flow to Italy

Portrait of Hernán Cortés. (Hospital of Jesus, México).



Cortés Palace, now the Cuauhnahuac Museum, Cuernavaca, Mor., México.



Hospital of Jesus. (Litograph 1st half of 19th Century).

Atlacomulco: Entrance to the *hacienda*.

The *hacienda* of Atlacomulco.

which had reached its apex in 1825-1826, then diminished in 1827-1828 and finally almost dried up in 1829, was then renewed in 1830 and showed signs of growing in the following two years. Not only Alamán, but also his employer, Giuseppe Pignatelli Aragon Cortés, Marquis of the Valley since the death of his father Diego in 1818, no doubt imagined that they were back in business. But this was not to be.

A new liberal revolution overthrew the conservative government at the beginning of 1833 and the Estate was annexed in May. Alamán went into hiding for fear of assassination or the death penalty in a political trial. One year later, the pendulum swung to the right, Alamán emerged from hiding and the Estate was restored to its owners, *de facto* in July 1834, *de jure* in April of the following year. This time the duke, who had witnessed all the ups and downs of his Mexican Estate since the War of Independence, lost all hope that Mexico would ever have a stable régime and resolved to get rid of his properties there while the going was good.

The detailed inventory compiled in 1835 shows that the 25 houses in Mexico City yielded 28,500 *pesos* annually (the 15 houses of the Hospital, managed by the same staff, were of course not included); the Atlacomulco *hacienda* was leased for 9,750 *pesos* and the few remaining properties on both sides of the Isthmus for 2,500 *pesos*. The perpetual leases amounted to over 8,000 *pesos* annually. After Independence it was argued that these *censos* were seignorial, "feudal", and consequently should vanish together with the Marquisate, and many landowners stopped paying it. Their debts on this account amounted in 1826 to almost 25,000 *pesos*. (Characteristically, the Estate's tenants in Mexico City owed nothing). As the annual payments were consistently lower than the amounts due, — in 1828 they fell to 981 *pesos* — the debt continued to pile up. Thus in 1835, it amounted to 53,000, including amounts owed by rural tenants. The courts ruled that the *censos* were based on a civil contract and therefore should be paid, but the resistance to payment, rooted in the popular conviction that they were a remnant of "feudalism", continued

unabated. In sum, the total gross income amounted to over 50,000 *pesos*, at least in theory. From this we should deduct 4,000 - 5,000 *pesos* as the cost of management (in "normal" times; in 1827-1839 it was twice as high) and almost 3,000 pesos as interest payments on mortgages. Hence the actual net income of the duke from his Mexican properties could be said to have fluctuated between 30,000 and 40,000 *pesos*, occasionally falling below the lower figure and rising above the higher one; the years when it produced nothing are not considered. In spite of all, the duke was one of the wealthiest men in Mexico.

This fortune, which if capitalized at 5%, would represent to $ 600,000-800,000, was now thrown on the market. The 25 houses were sold in two years, a surprisingly short time, and for about 550,000 *pesos*, which is the rent capitalized at approximately 5%. As the rents were rather low, the buyers, among them financiers and politicians, considered the prices as a bargain; wealthy Mexicans could not let escape from their hands the opportunity to acquire the most valuable real estate in the capital. Thus conservative Mexicans benefitted from the anti-Cortés sentiments. Part of the total was paid in yearly instalments; but all of it was sent to Palermo. These remittances were registered separately and were not included in the regular cash flow; nor were the $ 50,000, product of the sale of rural properties on the Isthmus. In 1839 only the Atlacomulco *hacienda* and the *censos* remained. These had been defined in the original deeds as 2.5% of the capital, hence the $ 8,000 in yearly payments should become $ 320,000. But nobody was willing to redeem them at this rate. The overwhelming majority of landowners preferred to wait. They expected to reap the fruits of the campaign against "feudalism".

Atlacomulco had been leased towards the end of 1834 for three years at $ 9,750 a year; the tenant obligated himself to pay $ 250 annually to surrounding villages for the rent of land needed by the hacienda. Atlacomulco had an advantageous location: it was only a few kilometres from Cuernavaca and approximately sixty kilometres from the capital city. It also had abundant water for irrigation. But its higher elevation compared to that

of other sugar-cane plantation meant that it suffered more frequent and intense frosts. Finally the *hacienda* had only around 2,000 hectares of land and was smaller and less valuable than most other sugar plantations in the Cuernavaca depression. Worst of all, Atlacomulco had nowhere to expand as it was surrounded on all sides by suspicious Indian villages. These unfavourable factors might have contributed to the insolvency of Atlacomulco's tenant in 1837: on the expiration of the lease he owed $ 7,750; $ 8,817 had already been credited to his account for different repairs; and yet he was unable to pay the rest.

In this situation Alamán offered the property for sale. The outlook did not seem to be bright, especially as peasants from neighbouring villages had just invaded *hacienda* lands. Even though they eventually left, it was obvious that Atlacomulco was highly vulnerable. The best offer was $ 100,000 payable partly in cash, partly in seven annual instalments. The offer was so disappointing that Alamán preferred to lease the *hacienda* again. This time he found an excellent tenant but the rent was to be only $ 5,500 a year, a more realistic amount in view of past experience. In the ten years of the lease, the tenant was to make many improvements, so it would seem that the offer of $ 100,000 was not too low.

Alamán received Atlacomulco back from the tenant at the beginning of 1848 in exchange for the obligation to pay him for the sizable improvements both on the plantation and the sugar factory. This time Alamán did not even find another tenant. Mexico was occupied by the United States army, funds could not be remitted to Europe in the two critical years of 1847 and 1848, and business was slow, to say the least. Thus Alamán resolved to manage Atlacomulco himself, which was probably also to his personal advantage for he was an entrepreneur in his own right, but had failed in his own business ventures. At that time he also had no income from the government which had been taken over by the Liberals after the military defeat, so that he now depended on his salary as director of the Estate. Consequently, he might not have shown much eagerness to sell or even lease the *hacienda* (which was also a convenient place to spend winters). The Pignatellis

were stuck with Atlacomulco. It must have dawned on the duke (still the same Giuseppe Pignatelli) that he had sold the best and kept the worst portion of the inheritance. It was not to his advantage to maintain an expensive administration in Mexico, for although his Mexican Estate had been reduced to the Atlacomulco *hacienda* and the *censos* whose real value was problematical, the management costs did not diminish in the same proportion. The duke was unhappy with the situation and became unpleasant in his letters to Alamán whom he pestered all the time with demands for more and more cash and occasionally expressed suspicions about his honesty. (He had been doing it since before the sale of Mexico City houses). But not even this would move him to undertake a journey to Mexico to see for himself how things were.

Under the impact of the 1848 European revolutions, the duke instructed Alamán to begin buying property in Mexico again but nothing came out of this plan when order in Europe was reestablished and Mexico returned to its revolutions. In spite of this, Atlacomulco enjoyed a temporary boom thanks to the soaring price of sugar caused by the California gold rush. Thus the *hacienda* profits in 1850 and 1851 reached the maximum of 40,000 and 38,000 *pesos*, respectively. The remittances of funds were much lower, however, for different investments, including a coffee plantation, made by the lessees had to be paid; these amounted to 20,000 *pesos*. With the rest of the available cash Alamán proceeded to modernize the *hacienda*. Until then, molasses, a by-product in the manufacture of sugar, were sold locally, and a popular eau-de-vie was distilled from them. Now Alamán invested 24,000 *pesos* in building a large distillery in Atlacomulco. Thereafter the *hacienda* earned cash from both sugar and alcohol. All these different payments and improvements between 1847-1856 cost over 80,000 *pesos*, which of course diminished the remittances, thereby incurring the displeasure of the duke.

In the midst of this process, Alamán died in 1853, although not without first securing the sinecure for his son Juan Bautista. Giuseppe Pignatelli confirmed the new director's power of attorney (which could, of course, be revoked at any time) but reminded the

young man, rather tactlessly, that he had received letters accusing his father of dishonesty; so he had better behave . . .

The improvements nearly doubled the *hacienda*'s value which could now be estimated at about 200,000 *pesos*. Real estate in Mexico was expected to yield approximately five per cent, but Atlacomulco never lived up to the expectation. The year of 1856 marked the end of important improvements but it also marked the beginning of a series of protracted wars between the Liberals and the Conservatives. J. Alamán was solidly conservative but as he was not a political figure the properties as such did not suffer; but the wars were not favourable for agriculture. The situation improved in the seventies, but then the silver *peso* also began to depreciate so that at the turn of the century it was only one half the United States dollar, a depreciation of fifty per cent.

A lesser source of income in the second part of the century were the *censos*. The arrears continued to pile up until they reached almost 100,000 *pesos* in the fifties. Annual payments averaged about 2,000 *pesos* instead of about 7,000, an insignificant yield on a capital originally set at 320,000 *pesos*, being less than one per cent per annum. The establishment of a vigorous Liberal régime in 1855 convinced Alamán that the *censos* would never be paid in their entirety; consequently he showed willingness to sell them at half price. Thus in 1855-57 approximately 20,000 *pesos* were received on this account from different *hacienda* owners. The redemptions were largely interrupted during the civil wars and resumed again in 1867. In the thirty years which followed around 60,000 *pesos* were received, which brings the total to 80,000 *pesos* (besides the regular yearly payments which continued to average about 2,000 *pesos*). By the beginning of 1898, the overwhelming majority of the *censos* had been redeemed. The remaining mortgagors owed over 26,000 *pesos*; furthermore, owners of former ecclesiastical lands mortgaged to the Cortés Estate owed 35,500 *pesos*. As far as is known, these amounts were never paid. Taking into account the *censos* which were completely lost, the 8,000 *pesos*, the original annual *censos*, were redeemed at the average capitalization rate of ten per cent, the Pignatellis receiving

one fourth of the total face value. Such discounts were not uncommon in those unsettled times; the Mexican government sold the nationalized church properties for even less. (As the collection of the remaining *censos* stopped during the civil war of 1910-1920, by 1925 they were considered as null and void).

By 1900, Atlacomulco was basically the last remaining property of the Marquis in Mexico. It then enjoyed a few years of fleeting prosperity which reflected the general economic growth of the period. The production of sugar in Mexico had increased from around 50,000 to 75,000 tons in the last decade of the century, thanks partly to heavy investments of *hacienda* owners. Thus Alamán felt encouraged to invest 25,000 *pesos* in a modern cane mill. In the first two years of the present century Atlacomulco profits reached 45,000 and 46,000 *pesos* respectively. These figures were the highest of the last quarter of a century but taking into account the 50% depreciation of the currency, they were much less than fifty years before.

Even this did not last. In 1904 the production of sugar went up to 100,000 tons but its price, which hitherto had been stable, collapsed from 21 to 15 cents a kilogram, so that Atlacomulco suffered a loss. By this time, the management of the Pignatelli properties was supervised by Don Diego, a younger brother of the duke Giuseppe, both grandsons of the duke of the same name mentioned above. Family tradition required that whenever possible, the Marquesses of the Valley should delegate the financial matters to a close relative and keep to themselves only the honorary position of patrons of the Hospital of Jesus. The loss — which was repeated the following two years as a result of a further decline in the price of sugar in 1906 from 15 to 12 cents — greatly displeased Don Diego. Alamán had been writing to him in Naples since 1904 explaining the need for acquiring new machines for the manufacture of sugar from the cane juice. Now that the *hacienda* had an excellent mill it was necessary, he said, to complement its modernization with new equipment which would reduce costs and thus allow Atlacomulco to compete with other, more

fortunate *haciendas*; such equipment could be acquired for 30,000 *pesos*, an amount which Alamán did not have, however.

As no reply was forthcoming Alamán offered his resignation in June 1906. The documents show that Don Diego took him at his word. He found a new representative in Hugo Scherer, a Mexican banker and native of Germany, but did not deign to communicate his decision to Alamán. Juan Alamán died a year later and his son Lucas telegraphed Don Diego asking him to either confirm or revoke his power of attorney. As he received no reply he leased the *hacienda* in July 1907 for ten years at 25,000 *pesos* a year. This, he explained, would pay the debts in the amount of 40,500 *pesos* which his father had contracted in the last years to cover the *hacienda's* losses and keep it going. Although he felt rather unhappy about Don Diego's lack of interest in his Mexican properties, the young Lucas Alamán offered to continue as director. Finally, instead of an answer from Naples, Hugo Scherer presented his power of attorney. Whatever his managerial ability, the aged Juan Alamán did not deserve to be treated in this way. The dukes were to pay heavily, however, for their neglect, if not disdain, of their Mexican affairs.

The agreement of lease could not be undone, however. In fact, Scherer advised the duke in November 1908 to sell Atlacomulco to its lessee. But it was too late. Agrarian unrest made itself felt not far from there in the following year and in 1910 found its leader in the peasant Zapata. Alleging increasing losses from the sacking and devastation of the *hacienda* by the rebels, the lessee asked in 1913 the duke's attorney (Scherer had died in 1910 and this place was taken by his lawyer) to be released from his obligations. Whatever the outcome, it can be safely said that very little, if any, money was remitted from Mexico to Naples after 1903-1904. (Figures for remittances after 1897 are not available).

The civil war ended in 1920 and the new government began to fulfil its promises to the peasants of the sugar-cane district. Most of Atlacomulco's lands were divided in the following year among the surrounding villages and the *hacienda* labourers, leaving

to the plantation about one hundred hectares of irrigated land (irrigation was essential in the cultivation of sugar-cane), plus about 400 of pasture and land used for seasonal crops like maize. This was still a good size, quite sufficient to make it profitable with good management. With the intention of providing this, the duke's son-in-law Valerio, married to his daughter Maria Gloria, arrived in Mexico in 1925. Agriculture was emerging from the depression, and Valerio found somebody living on the remnants of the *hacienda* without paying any rent, but he soon took possession of it himself by leasing it for five years from the Pignatelli's attorney in Mexico City. The lease was to consist of five per cent of net profits. « Io credo che questo cinque per cento ti sembrerà pochino », Valerio wrote on 1 August 1925 to his uncle, « però se tu pensi che le terre di Atlacomulco potevano dirsi perdute ed irrimediabilmente quanto completamente senza il nostro intervento . . . (he was accompanied by his brother-in-law, the duke's son Antonio who devoted himself mainly to the Hospital work which was more appropriate to his position) comprenderai, e ne sono sicuro, che il fatto stesso della nostra presenza sul luogo basterà ad assicurarti un successo ed un largo margine di utile ». Needless to say, it displeased Don Diego but being himself unwilling — perhaps unable — to visit Mexico he let Valerio transfer the lease before his return to Italy. Antonio defended Valerio in 1930 and accused his uncle Diego of « gravissima responsabilità per non occuparsi a fondo dei . . . nostri interessi al Messico ». Atlacomulco survived the climax of the agrarian reform, the years of 1935 to 1938, under the same contract. « Esso contratto non arrivo a capire », wrote a Mexican attorney towards the end of 1938 to Italy, « come fu concesso perché lesiona enormemente gli interessi di Don Diego giacché realmente il proprietario riceve una rendita illusoria consistente in una percentuale minima dei prodotti . . . ». The lessee had recently been assassinated in the *hacienda* garden, a fact which did not add to the market or rental value of the property.

The outbreak of the World War interrupted the family disagreement. Mexico declared war on the Axis Powers in 1942 and

in order to prevent the annexation of Atlacomulco as enemy property, its management was taken over by the Hospital of Jesus, a charitable institution respected by all.

The result is not surprising given the fact that during three centuries none of the dukes ever visited Mexico to inspect the situation personally. Until 1809 everything went well as their income was guaranteed by the authority of Spain. The fateful years of 1808-1821 when the war of liberation in Spain set off the Mexican War of Independence, meant the beginning of the end. The cash flow began to dry up. After 1835 the Pignatellis were dispossessed — in a way — of their most valuable part, the Mexico City real estate; after 1855, of the less valuable part, the *censos*; after 1910, of their last remaining property, the Atlacomulco *hacienda*. Had they sold it and instead kept the capital city real estate which today is worth millions of dollars, they would now be among the wealthiest private urban real estate owners in the country and would remain so even in the future unless an urban reform which is being talked about — a sort of agrarian reform applied to cities — were to be approved and implemented. It is indeed difficult for a family to live on inherited money for such a long time.

## REMITTANCES OF FUNDS FROM THE CORTES ESTATE TO EUROPE

Amounts indicated do not include proceeds of the sale of capital assets.
In pesos (1 peso = 1 dollar)

| | | | |
|---|---|---|---|
| XVIth Century | 25,000 [a] | 1862 [f] | — |
| XVIIth Century | 30,000-40,000 [a] | 1863 [f] | — |
| End of XVIIIth and beginning of XIXth Century | 50,000 [a] | 1864 | 1,000 |
| 1 Jan 1825-30 June 1826 [b] | 70,000 | 1865 | 2,064 |
| 1 July-31 Dec. 1826 [c] | 45,000 | 1866 | 4,211 |
| 1827 | 21,510 | 1867 | 1,083 |
| 1828 | 20,120 | 1868 | 4,849 |
| 1829 | 4,000 | 1869 | 2,141 |
| 1830 | 27,707 | 1870 | 3,203 |
| 1831 - 30 April 1832 | 31,440 | 1871 | 6,382 |
| 1 May 1832 - 20 May 1833 | 51,872 | 1872 | 6,172 |
| 1 June 1833 - 31 July 1835 [d] | 14,470 | 1873 | 11,298 |
| 1 Aug. 1835-30 June 1836 | 22,168 | 1874 | 12,556 |
| 1 July 1836 - 31 Dec. 1838 | 29,635 | 1875 | 16,000 |
| 1839 | 27,596 | 1876 [g] | 13,911 |
| 1841 | 7,785 | 1877 | 11,008 |
| 1840 | Not available | 1878 | 12,682 |
| 1842 | 5.860 | 1879 | 8,031 |
| 1843 | 1,586 | 1880 | 8,041 |
| 1844 | 1,122 | 1881 | 15,968 |
| 1845 | 5,797 | 1882 | 13,761 |
| 1846 | 4,384 | 1883 | 13,677 |
| 1847 [e] | — | 1884 | 29,018 |
| 1848 [e] | — | 1885 | 3,512 |
| 1849 | 2,666 | 1886 | 1,284 |
| 1850 | 29,373 | 1887 | 5,129 |
| 1851 | 15,641 | 1888 | — |
| 1852 | 5,000 | 1889 | 3,893 |
| 1853 | 5,500 | 1890 | 10,312 |
| 1854 | 3,000 | 1891 | 12,850 |
| 1855 | 4,000 | 1892 | 17,046 |
| 1856 | 527 | 1893 | 20,873 |
| 1857 | 1,000 | 1894 | 12,528 |
| 1858 | 2,121 | 1895 | 18,503 |
| 1859 [f] | — | 1896 | 17,782 |
| 1860 [f] | — | 1897 | 26,401 |
| 1861 [f] | — | | |

[a] Rough annual average.
[b] Information prior to 1825 no available. Remittance, if any, were probably small, given that in 1824 the *hacienda* was just emetging from previous losses.
[c] On July 1, 1826 Alámian took over as director of the Estate.
[d] Sequestration of the Estate in 1933-1835.
[e] War with the United States.
[f] Civil War and War against French Invasion.
[g] Beginning of the depreciation of the peso.