
Coinage in Crisis: Mexico during the 1860s

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To a greater or lesser degree, the numismatic history of each country is a reflection of larger social, economic, and political events within and without that entity. These events may be slow-moving, revolutionary. They may also be rapid, revolutionary, representing seismic breaks with the past.

Whatever their type, they will have an effect on the monetary patterns of the state within whose borders they operate. They may spur reforms, as was the case in Revolutionary France, with assignats and francs. They may force the demise of one type of currency in favor of another, as was the case with private and public paper in the United States during the Civil War. And they may occasionally channel and limit a currency reform, bending its path in directions never foreseen by the reformers. Such was the case in Mexico in the middle years of the past century. There, the period between the late 1850s and the early 1870s should, in theory, have been one of a rapid and simple evolutionary reform of an outmoded currency system. But the force of larger events intervened: instead of a quick and peaceful abandonment of one monetary system for another, Mexico and her people were subjected to an almost unbelievably complex series of shifting currency arrangements, in which desired reforms took on

attributes which no one could have foreseen, and which, far from being rapidly implemented, were still causing disputes and confusion in the opening years of the twentieth century.

Prior to the 1850s, Mexico's national currency system had essentially retained the attributes of its colonial predecessor. Then the monetary unit had been the silver **real**, an inheritance from medieval Castile. Eight reales equalled a silver peso, the 'Spanish milled dollar' so popular in early American commerce. Subsidiary coins of four, two, and one-half real were also struck, their finenesses identical with that of the larger coin. Gold coins were also tied to a relationship based on eights, fours, and twos: two silver pesos equalled a gold **escudo**, while eight escudos made up the **onza**. Subsidiary gold coins mirrored those in silver: four, two, one, and one-half escudo pieces rounded out the Spanish and early Mexican precious-metal coinage systems.

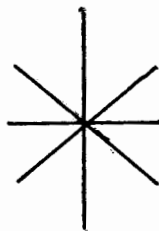
With the coming of Independence in 1821, two additional complexities entered the monetary scene, each with its roots in the last decade of the colony. First, a number of subsidiary mints, primarily located

in the north-central mining country, began striking silver and gold coins on the traditional reales/escudo standard. Their products resembled coins from the mother mint in all respects save mint marks and assayers' initials. Second, a base-metal coinage, representing quarters, eighths, and, occasionally, sixteenths of the silver real, was introduced, struck by the national government, by the states, and, on occasion, by municipalities. This copper and brass coinage reflected the need for small change in a very poor country. It was also a product of isolation, at the same time serving as a vehicle for local sentiment.

Thus the nation's coinage system **T**down to the middle of the nineteenth century. A series of nonmonetary events would soon call the validity of the old system into question, inspire an attempt to replace it with a new one.

The major proponent was a lost war with the United States. The conflict of 1846-1848 had jolted national sensibility, which found it extremely difficult to comprehend how a people of undoubted moral superiority could have possibly lost half the national territory to a nation of **money-grubbing** farmers and shopkeepers. In their search for answers and scapegoats, Mexico's intelligentsia eventually settled upon a set of villains - the backward triumvirate of Church, army, and large landowner - and a set of solutions - reform, modernization in line with Western European and United States 'liberal' ideas. The nineteenth century would be allowed into Mexico to work its magic, and a strong and vibrant nation must necessarily result.

The reformers delved into many aspects of Mexico's economic and cultural life, proposing ameliorations of many sorts. They founded schools. They began the quantification of the nation, discovering its weaknesses and strengths. They built roads. They wrote earnest books. They reformed weights and measures. They undertook to reform money. But by the time they attempted this last, they had also begun the reformation of the role and power of two of the three Mexican colossi, the Church and the army. In essence, the Liberals were impatient people, and they tended to attack on too many fronts at once. Their efforts were thus dissipated, ensuring that no one of them would turn out as hoped.



Nowhere was this truer than in the case of monetary reform. Here, the desired move was toward decimalization - the replacement of the cumbersome, eight-to-one ratio with a logical, somehow 'modern' relationship based on the number **ten**. This simple substitution was to prove extremely difficult to achieve: it was talked about in the early 1850s, made law in 1857, made law again in 1861, reiterated in 1864, 1865, and 1867. But it never triumphed completely, and one suspects that the only reason it achieved any measure of success in the 1850s and 1860s was because it retained several of the pillars of the former monetary system, those coins which could be reckoned by eights **and** by tens.

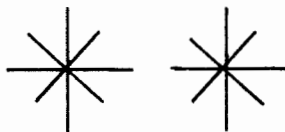
The first serious discussion of decimalization seems to have taken place in 1853, during the less-than-liberal administration of Antonio Lopez de Santa Anna. Apparently having nothing against a modern idea, so long as it posed no threat to himself, the dictator launched a decree on 13 December 1853, stating that, as of the first day of the following year, the peso would be composed of one hundred **centavos** rather than eight reales. This reform received scant attention at the time, and in any case its author soon had more important concerns, including fleeing the country ahead of a pack of enraged Liberals.

The next attempt at a decimal monetary reform took place three years later. The product of another decree, by another president, the new law of 15 March 1857 created a new silver monetary unit, the **Mexican Peseta**, which would weigh ten grains and contain ninety percent silver.

Let us briefly examine the political and social climate of opinion, the world into which this reform was launched. Santa Anna had been driven from office two years previously. The Liberals had taken command of the national government. They had just finished writing the Constitution of 1857, a magnificent litany of Liberal aspirations, which would remain Mexico's fundamental law for the next six decades. They had also alienated conservative opinion within Mexico and without: their attempts to curb the wealth of the Catholic Church found particular disfavor, and the bishops and other members of the old establishment were anxiously soliciting champions who would turn the godless reformers

out of office, who would turn back the clock on progress. They never found a single champion strong enough to defeat the Liberals and the nineteenth century; but they did find a sufficient number of medium-strength military **caciques** to throw the nation into prolonged civic chaos, the **Guerra de Tres Años**, or Three Years' War. This conflict disfigured the nation long after its formal conclusion late in 1860: at its end, Mexico was so weakened that it almost immediately fell prey to attack from abroad.

The Liberal side in the civil war had more important matters on its mind than a coinage reform. The increasing unrest over the new Constitution and the earlier anticlerical and antimilitary tenets of the **Ley Juarez and Ley Lerdo** of 1855-1856 convinced President Ignacio Comonfort (who would soon resign and eventually come over to the other side) that monetary reform might best be postponed. His administration accordingly annulled its original decree of 15 March 1857, by a second decree of 8 July. Larger realities had shaped decimal monetary reform in Mexico for the first time, but hardly for the last.



By the end of 1860, Mexico had a single President, the Zapotec lawyer Benito Juarez. A rock-solid, absolutely immovable man of Liberal ideas, Juarez would dominate national politics for the next fifteen years, and Mexican national ideals up to our own day. He decided to take up monetary reform precisely where the

Liberals had left off some four years previously (Juarez was that kind of person, with a humorless, absolutely consistent, logical, and steadfast quality which, in the long run, would make him impossible to defeat). Accordingly, four years to the day after the first major attempt at a monetary reform, Mexico was treated to a second.

But this reform would not be a complete leap into the dark, based upon an unfamiliar coin. Instead, Juarez took that most typical of traditional coins, the peso or Piece of Eight, and simply divided it up in a new way. The four real piece was kept, as was the two. The change came with the lower denominations. Instead of reales and their halves and quarters, this reformed peso would be divided into tenths and twentieths on the lower level. This was an innovation, but the wary were reassured by the fact that the actual silver fineness of the new coins would be identical with that of the old.

With gold, somewhat greater liberties were taken, but again, this would be a compromise sort of reform, a reform with old and new aspects. The escudo and its multiples did not fit into a decimal system, and so they were abandoned in favor of a new, ten peso coin to be called a **Hidalgo** (after Miguel Hidalgo, who launched Mexico's war for independence against Spain in 1810; this name was subsequently dropped). A double Hidalgo of twenty pesos was envisaged, as were coins worth a half, quarter, and tenth of a Hidalgo (or five, two and one-half, and one peso - the latter the equivalent of the old half-escudo). The evolutionary nature of this part of the reform is

suggested by the fact that, while most of the gold coins were new, their actual gold fineness remained exactly what it had been from the days of the colony seven-eighths or twenty-one carats pure gold.

The lower linchpin of the 1861 reform would be a hundredth part of the peso, to be called a **centavo**. The coin would weigh about a third of an ounce, would be struck from copper. This was a new departure: there had never before been a coin called a centavo in Mexican numismatic history. But there **had** been a goodly number of state and federal copper coins of the same general size as the proposed new subdivision, so that this part of the reform also had a comforting familiarity about it.

Thus the Juarez reform, an intelligent mixture of necessary change and comforting familiarity. In normal times, it would doubtless have seen speedy acceptance. But these were **not** normal times, and the new law soon encountered opposition on two fronts.



The foreign opposition was in the form of an original Tripartite punitive expedition against the country and its liberal government. This soon devolved into the French Intervention and the Empire of Maximilian, events well-known even to the casual student of Mexican history. But there was domestic

opposition as well, and, while not generally known even by Mexican numismatists, it nevertheless played a major role in the difficulties encountered by the decimal reform.

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Writing thirty-five years ago, Alberto Francisco Pradeau noted that more than two years elapsed between the time of the 1861 reform and the capture of Mexico City and other mint towns by the French. Yet in those two years, only a trickle of new, decimal coins came forth, and only from two mints, Mexico City and San Luis Potosi. In fact, only three denominations were introduced, all of them apparently within the last few months of Republican control. What had happened? Pradeau attributed this lack of enthusiasm for the new coinage not to the Juarez government, and not, solely, to the Intervention, but rather to foot-dragging on the part of the **arrendatario**, or foreign lessee of the Mexico City mint, which establishment was also responsible for the preparation of dies for the other national coining facilities. The preparation of new matrices would have involved more labor than the American tenant, John Temple, was prepared to undertake, especially as his relationship with the central government had long since soured. While Pradeau perhaps makes more of the mismanagement of Mexico's British, American, and French **arrendatarios** than is necessary, I think he does have a point here: the parent mint **could** have done more to implement the decimal reform. But it was nor so inclined, and the Juarez government was not in a position to force it to do so.

That government would shortly be fleeing for its life, one step ahead of the French, coming to rest at last on the nation's northern border, at a town which came to be named for the refugee President. The armies of Napoleon III took Mexico City and most other important towns by the middle of 1863; within a year, they had established the wheel-meaning but witless Austrian Archduke Maximilian upon a short-lived imperial throne.

All of this had a direct effect on Mexico's money, and on the attempt to make it decimal. The Juaristas tacitly abandoned any idea at broadening the application of the law of 1861: to implement a coinage reform, one needs **mints**, which were currently in rather short supply. Ironically, it was the French and Maximilian who drove decimalization forward. On 8 April 1864, the coinage of reales and their halves and quarters was suspended: pieces worth five and ten centavos would be substituted for them. Almost precisely a year later, on 10 April 1865, this imperial decimal coinage was expanded, a full range of coinage from half centavos in copper through twenty pesos in gold being planned. Detailed instructions were laid down as to fineness and design. Most of the coins never got struck, but six denominations did (one, five, ten, and fifty centavos, one and twenty pesos), from mints taken over from the Republicans in Guanajuato, San Luis Potosi, Zacatecas and of course Mexico City. Maximilian also attempted to reform the **quality of Mexican coinage, rather surprisingly managing to acquire a steam-powered coining press from Morgan & Philadelphia, in the summer of 1865. The new**

machine struck beautiful, modern money in Mexico City; coinage from the other mints was a good deal more primitive, aptly symbolizing the precarious and anomalous position of a liberal prince in a conservative country with strong republican traditions. Maximilian's support would evaporate with the departure of the last French bayonet.

The three years of his empire represent one of the most confused periods in Mexico's monetary history. The Empire emitted decimal coinage from four erstwhile Republican mints. It allowed the manufacture of predecimal coinage with the old national designs at several other mints. Almost all of these coins were pesos and onzas, representing the largest denominations in silver and gold: taking advantage of the confused situation, the lessees of these mints shirked their responsibility to provide the citizenry with lower-denomination silver coinage. A good many of these Imperialist coins with Republican faces may have been struck from back-dated dies: it has occurred to me that there are a good many more pesos dated 1863 from Mexico city and Zacatecas than would have been necessary, or even plausible, given the disturbed nature of the country and its economy during that year.

Added to this predecimal coinage in precious metal was a fairly extensive coinage in copper on the part of several states. Sinaloa struck copper **cuartillas** each year of the Intervention through 1866, Durango provided two types of quarter real in the same year (one pro-Maximilian, the other pro-Juarez), while Chihuahua, which had become the

center of Republican resistance, produced heavy coinage of **cuartillas** in 1865 and 1866. They remain among the most common of Mexican nineteenth-century coins, and they are virtually the **only** readily obtainable issues of the nationalist side during the Intervention.

Added to all this were a few municipal issues, based on the old, predecimal standard. This copper **cuartilla** from San Jose de Avino, a mining town in the state of Durango appeared in 1864. Other municipal issues may await discovery.

The entire Imperial enterprise had been predicated upon continuing weakness and disunion within the United States: only in such circumstances could a European reinvasion of a sovereign Western Hemispheric state hope for any degree of success. These hopes were dashed in the spring of 1865: continued French occupation of Mexico would no longer be feasible. With the disappearance of its sponsors, the days of Maximilian's government were clearly numbered. Never one for a realistic assessment of the situation, the Hapsburg prince saw support within Mexico where there was none. He paid for his poor judgement in June 1867, on the Hill of the Bells in Queretaro.

Maximilian's empire had in fact died several months previously, with the departure of the last French soldier. A triumphant Juarez re-entered Mexico City in July 1867, determined to take up affairs precisely where he had left them back in 1863. This included the matter of a decimalized coinage: on 27 November 1867, Juarez cast the nation's monetary system into the form it would hold for the next years.

The new law was largely a reiteration of the 1861 ordinance, with additional teeth. The peso remained at the center of the monetary system, to be struck at the traditional weight and fineness. Decimal coins in silver, gold, and copper were arranged on either side of the unit. A convocation of national and foreign artists would be held in Mexico City, to select designs for the new money. And the old money, both of the predecimal type and of the Empire, would all be abolished, called in, demonetized on 15 September 1868. From now on, Mexico would have a single type of coinage. It would be decimal. And it would be Republican.

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It would also be postponed. In their way, Juarez and his circle were no more attuned to Mexican realities than were Maximilian and his advisors. It was perfectly feasible to proclaim the rapid substitution of new money for old. But getting it, especially in a country prostrated by a dozen years of civil war and foreign invasion, would be something else again.

In reality, the next few years would see a groping after the reform rather than the reform itself. A number of odd occurrences took place, explainable only in an emergency situation. State coinage, calibrated to the old arrangement, continued in at least one place, San Luis Potosi. For silver and gold, unused, partially-dated Republican dies from the earlier 1860s and even later 1850s were resurrected, cleaned, repunched, and pressed into service. The mint at Guanajuato was especially enterprising in this regard, and such reworked dies are known for

at least four denominations (three in silver and one in gold) for 1867 and 1868. Of course, it is possible to redate a die for any number of reasons: when Boulton, Watt & Company were supplying dies to the Guanajuato mint in the later 1830s, the Birmingham firm was asked to take back a series of 183-dated dies, to redate them 184-, making them usable for the new decade. But the concentration of redated dies at Guanajuato in the late 1860s may have something to do with the fact that this mint did not strike Republican coinage with dates later than 1863, but **did** strike several decimal denominations for Maximilian. I suspect that the Guanajuato coiners had simply run out of Republican dies dated 186-, were forced to delve deeper into their inventory, this odd run of redated coinage being the result. Hermosillo and Chihuahua also produced redated coinage about this time, though perhaps for different reasons.

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The persistence of this older, predecimal coinage represented, in part, the belated recognition on the part of the Juarez government that coinage reform could not be accomplished overnight. So did a softening of the language concerning the demonetization of the earlier coinage, both predecimal and imperialist. In the case of predecimal issues which did not fit into the new monetary scheme, a plan was eventually worked out whereby the Banco de Mexico undertook to redeem old money for new, receiving three percent of the nominal value of the coins presented to it for its pains. But this was in 1888, not 1868: by that time, natural attrition would

have done part of the Bank's work for it. Natural attrition would also be resorted to in the case of Maximilian's decimal issues: here, the Juarez government appears to have realized that, until it could produce an abundant decimal coinage of its own, it would be wisest to leave alone what decimal issues were circulating, regardless of their origins. By 1870, this coinage was disappearing from circulation, at least in the larger commercial centers. But by that time, new, Republican decimal issues were finally taking its place.

The Juarez government in fact issued two very dissimilar types of decimal coinage. The first was a purely emergency measure, and it represented a continuation of those denominations struck on the eve of the Intervention. Members of this first series largely retained traditional designs for silver coinage, and they consisted of five and ten centavo coins, dated 1867 through 1870.

By the latter year, the second series was under way. It would eventually be participated in by all mints, producing the full spectrum of coinage denominations foreseen in the 1867 decree. The reverse design employed for most of the gold and silver was new to the country's numismatics, and it suggests that Juarez' artistic competition may have actually taken place.

Newly designed, finally reformed, Mexico's coinage confidently faced the future. But the past had not, entirely, been escaped. The flagship of the newly-designed silver coinage, the peso, had to be abandoned in favor of the predecimal Piece of Eight, due to fears on the part of Far Eastern businessmen that the new coins contained less silver than the old.

This was nonsense, but in recognition of the importance of the Mexican silver trade with the Orient, Juarez' successor, Sebastian Lerdo de Tejada, decreed that, from 29 May 1873 onward, the Mexican peso would revert back to its old designs, module, and legends. For the next thirty years, Mexicans would therefore have an odd monetary arrangement, wherein the centerpiece of a decimal system was not, technically, a decimal coin at all. This is unlikely to have confused or annoyed anybody at the time, however: to all intents and purposes, Mexico was now in firm possession of a decimal, 'modern' coinage system. This portion of the Liberal dream had been successfully implanted in the national consciousness, and, if it took many years to achieve, and was long held back by the force of other events, it eventually proved to be among the longest-lasting legacies of **La Reforma**.

