

From Splendor to Crisis Contrasts in Guanajuato's Mining History

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In one of the narrowest canyons of the eastern Sierra Madre mountain range, north of the fertile lands of the Bajío area, as if risen from an enchanted spell, sits the city of Guanajuato. Its buildings, planned to cling to the

sides of its hills and to hang from the heights of the walls of its underground streets, are crowded together around irregular plazas and along twisting alleyways, mute witnesses to the mining bonanza, the origin of the settlement, but also to hard times.

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Mining is one of the most uncertain, chance-ridden productive activities there are. Mining has always been associated with adventurers



Photos by Daniel Munguia

The Valenciana mine made its owner the richest man in New Spain in the eighteenth century.



Mining was not always profitable.



Ruins of what was the Rayas mine.

and fortune-hunters hoping to rapidly become tycoons. The history of Guanajuato mining is full of stories of poverty and riches, the result of chance; it is also a sack full of dreams come true and acts of faith...as well as unbridled avarice.

As Doris Ladd said, mining was the riskiest kind of production in colonial Mexico. To achieve modest profits, millions in investment were required, most of which went into mines that were short-lived and usually did not yield the profits expected. The ones that did make a profit for 30 years in a row were considered extraordinary finds and true exceptions to the rule.¹

Guanajuato is an example of the kinds of fixes the mine owners found themselves in: underground rivers constantly flooded their mine shafts and tunnels, making ore extraction impos-

sible, causing large financial losses and requiring more investment in drainage and drying out the deposits. We would have to add to this the difficulties in obtaining loans and fresh capital to continue with their mining and metal-working projects. This, given the enormous amount of works that had to be built before getting the first kilograms of ore out of the ground, made the mining industry the least profitable of the Viceroyalty.

While the city's evolution is the immediate and natural consequence of mining, the area's first colonial establishments were built on the site of old indigenous communities and by the Spanish agricultural-cattle-raising lands.²

Documents found in the Pátzcuaro municipal archives show that the first recorded min-



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Mineral wealth was not always as spectacular as legend has it.



Cata Church, built with mining profits.

ing sites in Guanajuato date from about 1552.³ In the following decade, the ore for the mines of Rayas and Mellado was discovered and several years later, that of Cata, which coincided with the first prospecting in the area of Valenciana.⁴

During the first centuries of the Viceroyalty, the city of Guanajuato managed to create a modest mining-based economy, but in no way was it among New Spain's most important mining centers. The eighteenth century, however, brought a rise in production that allowed some mine owners to amass enormous fortunes; Antonio de Obregón y Alcocer, the first count of Valenciana, became the richest man in all of New Spain.⁵

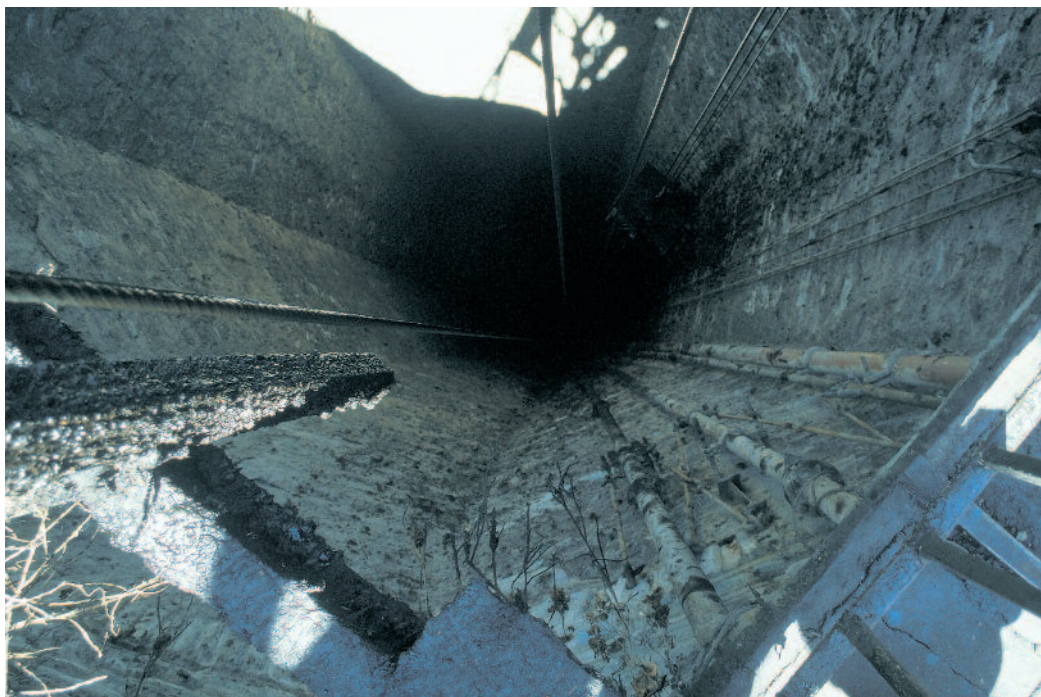
To a lesser extent, the other mines in the area, like the Mellado and Cata, provided their owners with respectable incomes, and the ex-

tremely rich lode of the San Juan de Rayas Mine, afforded their owners the Marquisates of San Clemente and San Juan de Rayas.

Nevertheless, according to documents of the time, it is false that mineral wealth had made Guanajuato itself one of the richest cities since most of its inhabitants were either miners or owners of claims that were not very valuable, and their capital came to much less than the spectacular fortunes that nineteenth-century legends say were made in Guanajuato. It is true that the city's mines became the most productive of all those in the Spanish colonies in the second half of the eighteenth century.⁶ However, these riches were concentrated among a handful of fortunate family emporia that can be counted on one hand: the Busto y Moya fam-



The Valenciana mine, one of those still in operation.



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ily (Marquises of San Clemente), the Sardañeta y Legaspis (Marquises of San Juan de Rayas), the Obregón-Rul-Pérez Gálvez multi-family consortium (the Counts of Valenciana, Casa Rul and Pérez Gálvez, respectively) and, finally, the Oteros, well-known trading partners of the Valenciana corporation who aspired to the nobility in 1804.

In Guanajuato, processing the ore was unprofitable due to its low mineral concentration, the high price of industrial inputs like quicksilver, the high quotas paid to the owners of ore-processing haciendas and the difficulties in finding fresh credit for these companies.⁷ These conditions made it impossible for the great majority of local mine owners to make large profits in the eighteenth century. For this reason, they sank into debt and poverty and were forced to sell their claims to other, more fortunate miners whose claims bordered on theirs.⁸

The high incomes from mines like Rayas, Cata, Mellado and Valenciana by no means guaranteed their owners that they would maintain their fortunes intact and the lifestyle of the New Spain aristocracy. The case of the Marquisate of San Clemente best illustrates this: the first marquis, Francisco Matías, trusting to the large profits from his Cata and Mellado mines, sought large loans from local and Mexico City merchants; upon his death, his unpaid debts were so large that paying them off required at least half of his estate.⁹

The War of Independence was particularly hard on the city's mining, and production dropped spectacularly from 1810 to 1820 when income from all the Guanajuato mines brought in only 22 million pesos, in contrast with 47 million of the previous decade.¹⁰

In an effort to weather the first financial crisis of independent Mexico, the miners of

Guanajuato struck up a partnership with Mexico City's Vivanco and Fagoaga families to found the United Company of Mexican Mines in 1822 with English, French and Mexican capital. This new association was moderately successful for a couple of decades until the following, inevitable mining crisis broke out in the third quarter of the nineteenth century, sinking the city in another important recession of the silver extraction industry.¹¹

The *Porfiriato* (Porfirio Díaz's 30-year dictatorship) and its support for foreign investment in primary industry gave Guanajuato another period of mining splendor, whose profits can be seen in the buildings that gave the city its current look. One of the most famous foreign companies, The Guanajuato Mines & Reduction Company, worked the Valenciana mine; to it, we owe the renovation and functioning of the shafts in that area, making it possible for one of Guanajuato's richest mines to recover important production levels.

The pendulum of contrasts again swung in Guanajuato in the early twentieth century during the armed 1910 Revolution, one of the city's worst times; foreign companies were forced out of the mines, which they left in the hands of the Santa Fe de Guanajuato Mining and Metalworking Cooperative Society, which today still oversees the workings of the area's main, most famous deposits. Falling silver prices in the second half of the twentieth century caused another industry recession, making silver extraction from the Guanajuato deposits unprofitable. Today, the mines keep running thanks to the gold found during the refining of other ores. As in the past, the end of the twentieth century brought prosperity to some mine owners—particularly those with gold ore; their yields have reached noteworthy levels nationally, putting Guanajuato back on the map of the country's precious metals producers.

History teaches us that there were more poor and ruined miners than happy millionaires whom luck smiled upon in the tunnels through the bowels of the earth. The few who did benefit

turned the city into the world's greatest silver producer in the second half of the eighteenth century. Now, Guanajuato has learned from the contrasts and ups and downs of mining and has diversified its sources of income; therefore, now its economy is also based on university and governmental activities and, of course, tourism.

Today, visitors can see the magnificent mining, civic and religious buildings erected during the brief periods of bonanza of Guanajuato's mineral deposits. Guanajuato, then, stands triumphant despite the innumerable crises that weighed heavy on the spirits of its inhabitants, proud of her periods of splendor, arrogant about the poverty that she has had to survive, revealing the strength of her foundation and the temper of her character—agricultural by birth, but mining in her growth and at heart. **MM**

NOTES

¹ Doris M. Ladd, *La nobleza mexicana en la época de la Independencia. 1780-1826* (Mexico City: Fondo de Cultura Económica, 1984), p. 48.

² María Guevara Sanginés, *Guanajuato diverso: sabores y sinsabores de su ser mestizo (siglos XVI al XVII)* (Guanajuato: Ediciones La Rana, 2000), p. 79.

³ Mariano González Leal, *Crónica de un palacio guanajuatense* (Guanajuato: Gobierno del Estado de Guanajuato, 1985), p. 9.

⁴ Lucio Marmolejo, *Efemérides guanajuatenses o datos para formar la historia de la ciudad de Guanajuato*, vol. 1, with handwritten notes by Agustín Lanuza (Guanajuato: Imprenta del Colegio de Artes y Oficios, 1883-1884), p. 165.

⁵ Ladd, *op. cit.*, p. 266.

⁶ Alexander von Humboldt, *Tablas geográfico-políticas del reino de la Nueva España y correspondencia mexicana* (Mexico City: Dirección General de Estadística, 1970), p. 149.

⁷ Manuel José Domínguez de la Fuente, *Leal Informe Político-Legal* (1774 document) (Guanajuato: Ediciones La Rana, 1999), p. 125.

⁸ Archivo Histórico de Guanajuato (AHG), *Protocolo de Cabildo*, vol. 1778 (Guanajuato), p. 149.

⁹ Ladd, *op. cit.*, p. 50.

¹⁰ *Ibid.*, p. 219.

¹¹ *Ibid.*, p. 227.



Probably the oldest hotel in Guanajuato and certainly the best known, the Posada Santa Fe is the place to stay in town. Not only does it house a venerable collection of the works of local artist and historian Manuel Leal, it also has the most desirable tables for soaking up the local atmosphere - right on the lively Jardín de la Union.

Enter the magnificent lobby and you could be in one of the finest hotels in Mexico. Lofty beamed ceilings, delicate chandeliers and antique chairs all fade into insignificance alongside the giant paintings dominating the walls. The off-lobby restaurant has the same setting, as does the lounge, with antique chairs and couches perfect for pre-dinner cocktails.

Guest rooms are approached up a winding staircase, with a colorful tile surround. The rooms themselves vary from the high ceiling suites at the front of the hotel to simpler decor at the back. All



have a certain charm, a slightly faded grandeur, yet updated with modern facilities.

The hotel has been owned and managed by the same family for several generations, and although there are exciting plans for future improvements, the emphasis is on retaining the historic and the traditional.

Meals served in the restaurants are as good as the setting, and the location is the best in town. Guanajuato itself is not short of attractions and your only problem could be trying to drag yourself away.

