

DANGEROUS LIAISONS: MERCHANT SOCIETIES AND TRADING NETWORKS

BETWEEN PERU AND FRANCE, 1698-1764

AN ABSTRACT

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IN PARTIAL FULFILLMENT OF THE REQUIRIMENTS OF

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BY



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Abstract

The Spanish galleon system's last hurrah occurred during the War of the Spanish Succession (1701-1714). A century's worth of pirate and corsair attacks, budget shortfalls, fraud, and contraband trade had progressively weakened the Spanish crown's transatlantic trade monopoly. The famous Portobello fairs linking Peru to Spain grew cumbersome by the end of Habsburg rule, and Portobello itself became harder to defend in the face of British aggression. Into this precarious situation stepped an array of French merchants, who seized the opportunity of Bourbon alliances to introduce foreign manufactures to Spanish South America in exchange for silver, the precious lubricant of global trade. They did so via Cape Horn, bypassing Panama and penetrating the Pacific by rounding the southern tip of South America. This dissertation examines the shared history that linked merchant communities between Peru and France between Bourbon accession and the end of the Seven Years War, when trade policies changed. The merchants of Lima and Saint-Malo stand out for developing an intimate yet dangerous relationship that lasted from just before 1700 to the early 1760s. In their long and tangled affair, Limeños and Malouins tested one another in ways that exposed the changing nature of mercantile societies. Urged on or pulled back by their respective governing dynasties, city-based merchant families and associations on opposite sides of the globe deployed creative strategies to win profit from high-risk, ultra-long-distance trade. Along the way, enemies became friends and vice versa, until the "long route" to Peru proved politically untenable. "Dangerous Liaisons" sheds light on this often-forgotten interlude in world economic history.

Key Words: Merchant Communities, Contraband Trade, Colonial Peru, Spanish Empire, French Empire, Global Trade, Eighteenth Century

DANGEROUS LIAISONS: MERCHANT SOCIETIES AND TRADING NETWORKS

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Introduction

The French vessel *Deux Couronnes Catholiques* arrived at Lima's port of Callao in 1710. Jean Vivien, its captain, demanded, in the name of his king, Louis XIV, that local authorities grant him a permit to search for missing Frenchmen who might be stranded on Peru's Pacific coast. The viceroy, Diego Ladrón de Guevara, was hesitant to allow this ship to freely navigate the coast as the arrival of French contrabandists had become quite common during the War of the Spanish Succession (1701-1714). When the viceroy solicited advice from Lima's merchant guild on how to proceed, their response was intense. The spokesperson for the *consulado* replied that the French "had an insatiable greed, and every day, with subtlety, [they] hatch new plans to commit fraud and elude the prohibitions [against French direct trade]."¹ The *consulado* advised the viceroy to not fall for French deception, but Ladrón de Guevara ultimately ignored their plea. We do not know if the *Deux Couronnes Catholiques* was successful in finding lost Frenchmen, but we do know that it returned to the French port of Saint-Malo in 1712 with its hold full of Peruvian silver.

The *Deux Couronnes Catholiques* was one of many French vessels that helped reshape Spanish American, transatlantic, and even transpacific commerce at the tail end of the War of the Spanish Succession and in decades following. The merchants of Saint-Malo seized a one-time opportunity to trade directly with one of the Spanish Empire's richest

¹ "[...] como es insaciable la codicia de los franceses, utilizan cada día nuevas ideas con qué hacer fraude y dejar ilusorias las prohibiciones [...]" in Manuel Moreyra Paz Soldán, *Estudios históricos. Tráfico marítimo colonial y el Tribunal del consulado de Lima*, vol. 1 (Lima: Pontificia Universidad Católica del Perú, Instituto Riva-Agüero, 1994), 381.

colonies. In the midst of war and uncertainty, members of the Lima merchant guild and the traders of Saint-Malo forged a tense relationship that would last just over sixty years. This trading relationship between Limeños and Malouins went through several phases or cycles, in which quite distant and culturally distinct mercantile communities sought maximum gain. As seen in the opening case, both sides were always fighting for control of a contested narrative as well. Lima merchants took advantage of their privileged position, operating furtively when French trade was more advantageous to them than official Spanish or “galleon” trade. Yet, when the French presence seemed to threaten their interests, the Limeños did not hesitate to lash out, denouncing their French partners to Spanish royal authorities.

This dissertation focuses on the tense, triangular trade relationship between Spain, France, and Peru centered on the convergence of Peruvian and French mercantile communities. Merchants from Lima and Saint-Malo were the main protagonists of a vibrant trading circuit that started with the Bourbon accession to the Spanish throne at the beginning of the eighteenth century and continued through the Spanish commercial reforms of the 1740s and 1750s, ending with the Seven Years War. France’s long-desired connection to Peru fell apart after several decades, leading some historians to dismiss the episode as a short-lived anomaly. I argue that asking who benefited and who lost out as a result of this failed experiment, or “dangerous liaison” is more than worthwhile. Much was at stake, and global trade patterns were altered along the way. A considerable amount of money and merchandise was exchanged. This dissertation follows the trajectories of Limeños and Malouins as they

intersected with and influenced the political economies of Spain and France during the first half of the eighteenth century.

The main argument of this dissertation is that, throughout the first half of the eighteenth century, Limeños and Malouins maintained a mostly mutually beneficial but always tense relationship based on self-interest and self-preservation. This partnership displayed cycles of seemingly open friendship and close collaboration between Peruvian and French merchants, but both sides also exhibited antagonism and hostility if the political and commercial context demanded it. Whipsaw government decisions, news of which traveled slowly, were important, but not always decisive. Peru's viceroys in these decades were also hard to predict. Fluctuating Spanish American trade reforms forced the Peruvian merchants to navigate and adapt. From the Peruvian side, French trade could seem like a wildcard, played at certain moments for maximum benefit, such as when the terms of trade at the Portobello (Panama) fairs were detrimental to Limeño interests. Friends became enemies when the Lima merchant guild tried to get support from the Spanish crown and colonial authorities. French merchants were sometimes caught off guard by these sudden shifts in attitude, howling in protest like jilted suitors. Letters suggest they had a hard time reading the signals of their counterparts.

This dissertation covers the period between 1698 and 1764. During these six and a half decades, the Spanish Empire implemented sweeping changes and enacted numerous reforms in overseas trade. The collapse and brief revival of the galleon system and the Portobello Fairs was followed by creation of the registry ship system plus a sudden openness to admitting naturalized foreign merchants and their descendants into Peru as residents.

Taken together, the early eighteenth century constituted a brief window of opportunity for “foreign affairs” or what I am calling dangerous liaisons. Limeños and Malouins engaged closely with one another during this period, creating rudimentary alliances as they redefined their respective long-term commercial goals.

The French “invasion” of colonial Peru in the first decades of the eighteenth century is a hidden episode in the shared history of France, Spain, and Peru. Unlike British attacks on Portobello, Cartagena, and Havana, textbooks rarely mention it. Peruvian silver was the driving force that connected these three territories through trading networks and political agendas that ultimately shaped political and economic structures. I examine the movers of contraband silver to expose this trade’s political and economic effects from a global perspective. Why? Because silver was avidly sought and exchanged throughout the Atlantic, Pacific, and Indian Oceans.

Though I focus on mercantile communities, I address the larger context in which they were embedded. The first major change entailed transforming the Spanish commercial structure from the *Sistema de galeones*, or fleet system, to the *navíos de registro*, or register-ship system. Dating to the 1560s, the galleon system was the original backbone of the Spanish commercial monopoly. It consisted of fleets of armed vessels that guarded the merchant fleet that sailed from Seville to the Indies. When Spanish merchants reached the New World, they met to trade with their colonial counterparts in Cartagena de Indias (in present-day Colombia) and at Portobello in northern Panama. The fleets loaded up on colonial commodities, most importantly precious metals, and made the return journey.

This exchange was costly for colonial merchants as they were subordinated to their Sevillian partners as to how precisely trade should be conducted. The Sevillians aimed to force the Limeños, or, as they called them, the *peruleros*, to be dependent on them. As the seventeenth century drew to a close, Limeño merchants found the galleon system in decay. It went from a vital structure that connected them with major Spanish wholesalers to a nearly zero-sum scheme that harmed their financial interests. A confluence of factors played into the fleet system's decline. Wars broke out and the fear of attacks on Spanish ships grew, meaning the cost of galleon maintenance and defense of transatlantic trade rose.

Charged with subsidizing galleon upkeep, *peruleros* saw their earnings from the Panama trade dwindle, motivating them to embrace illicit commercial practices to cut losses. Thus, when the French arrived on Peruvian shores *en masse* at the beginning of the eighteenth century, they and their varied cargoes of new and old-style merchandise represented a welcome alternative. Nevertheless, as we will see, the Portobello Fairs would not die so easily. The lingering effects of a changing Spanish trading system would determine how Limeños and Malouins interacted. Old habits died hard despite reciprocal opportunities.

My second aim is to assess the impact of contraband silver exports on French overseas commerce. By the second half of the seventeenth century, France under Louis XIV adopted aggressive commercial policies to improve his kingdom's economy and also to assert authority abroad. Expanding and monopolizing trading routes on the West Coast of Africa, in the Americas, and throughout Asia were a central part of France's plan to secure future economic prosperity. Peru offered not spices nor captive laborers but rather silver, the most sought-after ingredient of global trade and in an era of hard money, vital means to finance

war. In the last quarter of the seventeenth century, under the transatlantic fleet system, the French community at Cádiz (using Spanish frontmen) received the largest consignments of silver. The War of the Spanish Succession simply opened new possibilities in following a trend that had begun years before. Both sides seemed to benefit, encouraging new liaisons.

A growing number of Saint-Malo merchants, alongside a proliferation of French companies shipping goods to Peru, made it possible for the French to secure large quantities of Andean silver. In turn, the positive impact of Spanish-American trade on Malouin merchants encouraged them to migrate to Cádiz and become the city's most wealthy and influential merchant colony by the 1750s. Interpenetration was the rule, and this dissertation examines how Peruvian silver affected the distant, yet intimately connected merchant guilds involved in this trade.

Furthermore, to understand the implications of Peru's "French invasion," I am approaching the analysis of contraband silver exchanges by combining an imperial or state point of view and a local or regional perspective. The importance of going from micro-level analysis to a birds-eye view is founded in the need to analyze simultaneously key actors such as merchants and royal officials. One also must follow shifting, legislations and royal decrees to construct a compelling narrative of this historical process in which overwhelmingly private trading networks and transnational royal policies played critical roles in reconfiguring commercial patterns in the first half of the eighteenth century.

France's "up close and personal" attempt at a "soft conquest" in early Bourbon Peru will shed new light on the varied ramifications of French expansion in the Americas. Additionally, it will allow us to observe from a different perspective the transformation of

the Spanish empire's commercial structure and provide new clues to solve the puzzle of the Bourbon reforms in eighteenth-century Peru and their variable impacts. New work on the early Bourbon reforms demands this detailed and local, yet globally minded analysis. But "Dangerous Liaisons" is also about commerce and colonial consumers, revealing a number of festering social tensions, unfulfilled desires, and regional jurisdictional fractures stretching from Lima all the way south to Concepción, Chile.

Historical Context

Why was France interested in "conquering" Peru? The answer derives partly from the tense relationship between France and Spain during the seventeenth century. They fought each other in two critical wars prior to the Bourbon accession to the Spanish throne: the Franco-Spanish War (1635-1659) and the Nine Years' War (1688-1697). Both conflicts weakened Spanish European authority in Europe and diminished Spain's sovereignty over its territories in the Americas. Dutch, English, and French corsairs, merchants, and settlers seized the opportunity to establish profitable colonies in the Caribbean while eroding the ancient Spanish trading monopoly through piracy and contraband trade.

However, Spain's most important asset in the Americas remained secure: the silver mines of Mexico and Peru. Other European powers recognized the massive production of Spanish American silver. Potosí, the most crucial silver city, was known even by the rulers of the Ottoman Empire and the sovereigns of China. The silver fleet that carried treasure from Potosí and other mines in South America sailed from Callao, port of Lima, to Panama

City, after which silver crossed the Isthmus on mules to be reloaded on the other side, at Portobello, onto a Spanish armada for the final voyage to Spain.

The silver route through the South Pacific was exposed to fewer dangers in contrast to the Caribbean, although buccaneers raided freely from 1680-1695. Since the only viable entrance from the Atlantic was via the problematic passages of Cape Horn and the Strait of Magellan, it is safe to say that Peruvian coasts were pretty well protected from other European powers. This geographical fact led American historian William L. Schurz to call the early modern Pacific the “Spanish Lake.”² The term is not frequently used nowadays, but the idea of a relatively calm and, hence, vulnerable “Spanish Pacific” persists.

The richness of Peru did not go unnoticed by France. Louis XIV’s Prime Minister, Jean-Baptiste Colbert, who was responsible for France’s largest-scale maritime and commercial reform project to date, saw the invasion of Peru as viable and profitable, such that he financed the unsuccessful expedition of Jean-Baptiste de Gennes (1695-1697) to reconnoiter Spanish defenses on the South Pacific coast amid the Nine Years’ War. However, alongside Colbert’s aim to win direct access to Peru, France expanded globally, and Asia was one of its most important destinations. Inspired by Dutch and English chartered companies, the *Compagnie des Indes Orientales* (1664-1769) inaugurated a stable flow of French commerce with Asia, and soon afterwards other French chartered companies followed this path. Among wealthy merchants and investors interested in Asian markets was the powerful Malouin merchant Noël Danycan, who plays a significant role in our story.

² William Lytle Schurz, «The Spanish Lake», *The Hispanic American Historical Review* 5, n.º 2 (1922): 181-94.

Danycan sailed in the *Amphitrite* to China in 1698 by an unconventional route. Instead of going around the Cape of Good Hope at the southern tip of Africa, he decided to go the opposite way around South America to take advantage of the trade winds in the Pacific Ocean to speed up his arrival. While on this “Magellanic” course in the South Pacific, the *Amphitrite* stopped in Peru to rest, resupply, and trade. Danycan realized that Peru was not only well located as a stopover along his route to Asia, but the openness of its markets, the tolerance of its local authorities in allowing foreign trade, and the possibility to directly access the precious silver of Potosí convinced him to pursue an enterprise that focused on Peru. The news of Danycan’s Peruvian experience spread rapidly in France’s commercial circles. Merchant groups from Saint-Malo supported Danycan, who soon financed a royally chartered enterprise, the *Compagnie de la Mer Pacifique*. These events commenced the Franco-Peruvian trading period treated by this dissertation.

For any reorientation of global trade patterns to work, Lima was critical. Merchant groups and local authorities throughout colonial Peru were divided about the French: some saw them as pure menace, an old, entrenched enemy, whereas others sensed opportunity. Lima boasted centralized vice-regal and wholesale merchant power, and thus its merchant elite – organized since 1613 into a guild or consulado – mostly saw the French as partners. They and diverse French interlopers already shared trading partners in Cádiz, and Peruvians were looking for alternative associates since official transatlantic trade was paralyzed due to the War of the Spanish Succession (1701-1715). The arrival of the French was most favorable for already powerful merchants since they were facing a scenario of intense trading competition. Even so, not all of Lima’s “bigwigs” benefited, and those lower down the

consignment hierarchy faced potentially catastrophic losses. The massive arrival of French manufactures drove cloth prices down significantly, which mostly harmed petty and midlevel merchants. These latter benefited the most from scenarios of scarcity, which gave them more control over prices. They would have to adjust in order to benefit from direct French trade.

At all levels, Peruvian merchants had to cover their tracks and pretend they were always loyal to the Crown's orders. Put another way, they had to play "hard to get." Ambivalence toward new trade liaisons went to the top. Just as French merchants started to sail to Peru, from 1702 until the succession war's end, Philip V instructed local colonial governors to prohibit French trade while calling upon Peruvians to tolerate the foreigners' arrival. This official ambivalence resulted from wartime need, opening considerable space for interpretation. The king of Spain was well aware of this situation since Louis XIV's agents were already in Spain, pushing Madrid to allow French direct trade to Spanish America.

Thus, the situation in Peru needed to be clarified. Tolerance was mistaken for trade permission, and local authorities and merchants tended to record on paper that they were behaving according to the king's orders, even if in reality, they were doing otherwise. Spain and France both shared or suffered what might be called imperial failures in this long and twisted affair. The Spanish failed to prevent French presence in "Peru" (which in these early years encompassed nearly all of Spanish-claimed South America), and the French failed to consolidate their presence there (although they did hang onto their colony at Cayenne, too far from the Andes benefit from their mineral riches). In short, uncertainty, official

ambivalence, and private interests shaped the nature of silver contraband dealing in the Spanish South Pacific during this period.

Historiography

The historiography of the French interlude in early eighteenth-century Peru can be divided into three sections, according to perspective. In short, historians have examined the phenomenon from European, South American, and Atlantic viewpoints. Eric W. Dahlgren pioneered the European perspective on this topic in the early twentieth century.³ He focused on the roles of Noël Danycan and Nicolas Jourdan, two prominent merchants and directors of the *Compagnie de Chine* and the *Compagnie de la Mer Pacifique*, in establishing the first direct trading connection with Peru. From a state or French imperial point of view, Dahlgren narrates the conflicts these charter companies encountered while trading in the South Pacific with other merchant groups from Saint-Malo and northern France who seized the opportunity to sail to the Peruvian coast amid the Franco-Spanish alliance at the beginning of the eighteenth century.

In the same vein as Dahlgren but coming almost a century later, Hubert Juet offers an updated view of the role of the French state towards direct insertion into the Peruvian silver routes.⁴ Juet argues, from a crown point of view, that Louis XIV saw Peru as a potential conquest. Colbert and Danycan envisioned a scenario wherein military intervention could be

³ Erik Wilhelm Dahlgren, *Les relations commerciales et maritimes entre la France et les côtes de l'océan Pacifique (commencement du XVIIIe siècle)* (Paris: H. Champion, 1909).

⁴ Hubert Juet, *Louis XIV a la conquete du Pérou avec Jerome de Pontchartrain (1694-1715)* (Paris: Editions le Sémaphore, 2001).

possible. The animosity between France and Spain throughout the seventeenth century and the international crisis provoked by the absence of a direct heir to Charles II made the beginning of another war between the Spanish and French possible. Bourbon accession to the Spanish throne presented an opposite result, but this did not stop Louis XIV from pursuing his plan to attempt to divert the flow of Peruvian silver. He shifted to a policy of negotiating on two fronts. The first was with the Spanish to allow French traders to trade directly in Peru in exchange for helping the transatlantic silver fleet return to Spain safely. On the second front, the king of France had to mediate the conflict between chartered companies and individual merchants looking to obtain the monopoly to trade with Peru. In the end, despite considerable personal efforts, Louis XIV's plans failed.

Turning from the French state point of view to that of certain private investors, Jean Delumeau⁵ and André Lespagnol⁶ examined the Peruvian interlude from the perspective of the essential merchant group chasing contraband silver with French dry goods: the merchants of Saint-Malo. Saint-Malo was one of the port cities that thrived after Colbert's maritime reforms in the late seventeenth century. Initially invested mainly in privateering and commerce in the Baltic Sea, the merchant families of Saint-Malo soon realized the potential of investing in transatlantic trading enterprises, first in the Caribbean and then in the South Pacific. Powerful merchant family dynasties like the Magons, Eons, and Grouts contested the already-established chartered companies of Danycan and Jourdan, creating a vibrant and competitive commercial atmosphere in the city. These families had in their favor that they

⁵ Jean Delumeau, *Le mouvement du port de Saint Malo, 1681-1720: Bilan statistique* (Rennes: Institut de recherches historiques, 1966).

⁶ André Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV* (Rennes: Presses universitaires de Rennes, 2011).

were involved in large trading networks that linked their interests with merchants from Cádiz and members of the merchant elite of Lima to gain an advantage over their rivals.

The third branch of the historiography of French contraband trade in the South Pacific takes the perspective of Spanish South America. Sergio Villalobos has examined the impact of French contraband in Valparaíso and Concepción, Chile's main ports.⁷ He argues that local merchants and artisans were hard hit by trade with the French. The massive arrival of French merchandise exacerbated competition among them, as cheap European manufactured goods drove prices down considerably. This sector had benefited from Spain's long-standing commercial restrictions and resulting scarcity, and now their isolation and small-scale operations made them vulnerable. In short, local artisans were displaced by foreign competition with more sophisticated and cheaper products. Zacarias Moutoukias, by contrast, found that contraband trade was not as harmful to the merchants of Buenos Aires, Spanish Peru's other major outlet, sometimes referred to Spanish South America's "back door."⁸ On the contrary, smuggling benefited the *porteños* who took advantage of their peripheral location, the tolerance of local authorities, and the proximity of inland silver routes to exploit this practice throughout the seventeenth century. Villalobos and Moutoukias center their analysis of contraband relationships on a local perspective in which location and political context determined winners and losers in this trade.

⁷ Sergio Villalobos, *Comercio y contrabando en el Río de la Plata y Chile, 1700-1811* (Buenos Aires: Universitaria, 1986).

⁸ Zacarías Moutoukias, *Contrabando y control colonial en el siglo XVII: Buenos Aires, el Atlántico y el espacio peruano*, Bibliotecas universitarias. Historia (Buenos Aires: Centro Editor de América Latina, 1988).

A compelling approach that combines both European and South American narratives can be found in Carlos Malamud's seminal 1986 work.⁹ Malamud analyzes how merchants from Saint-Malo and Cádiz merged their interests and sought profit via silver in Peru. Malamud centers on the role of merchants and exposes the ramifications of networks that revolved around contraband trade and fraud. Whether the French did or did not benefit (or damage) different sectors of the colonial economy, Malamud demonstrates that they were involved in various sectors of Peruvian society - from petty trade to trading relations with the Church. Malamud argues that, despite the king's prohibition of French trade, these foreigners enjoyed general tolerance and acceptance in colonial Peru.

My dissertation aims to contribute to the existing historiography by developing a compelling narrative centered on the relationship between Peruvian and French mercantile communities within the context of Spanish commercial reform and global trade. I aim to help solve two puzzles not treated fully in the current historiography. First, I use original documents to shed light on the ambivalent attitudes of Lima consulado members towards transatlantic commerce in the first half of the eighteenth century. As Margarita Suárez has shown, we know that the merchant class sought to prioritize its interests rather than the crown's. Looking out for themselves, Limeño wholesalers searched for ways in which they could find the most profitable alternative to trading via the official channels of commerce.¹⁰ According to Malamud and Lespagnol, for the first two decades of the eighteenth century French direct trade was widespread throughout Peru; Limeños and their Malouin partners

⁹ Carlos Malamud, *Cádiz y Saint Malo en el comercio colonial peruano (1698-1725)* (Cádiz: Diputación Provincial de Cádiz, 1986).

¹⁰ Margarita Suárez, *Comercio y fraude en el Peru colonial: las estrategias mercantiles de un banquero*, (Lima: IEP, 1996).

seized the opportunity thanks to the Spanish crown's lenience. However, there is a historiographic void regarding the Lima consulado's hot-and-cold attitude toward the French amid changing Spanish commercial policies and reforms. My dissertation shows that the French trade with Peruvians continued serving Limeños' interests long after the War of the Spanish Succession ended. The Lima consulado deployed the French as a wildcard, upping their game whenever possible. In specific contexts, the French were useful for Peruvian interests, yet at the same time, the French could be blamed, even scapegoated, when needed. Dangerous French liaisons in Spanish South America thus played a more important role than previously argued in determining how global political economy might be organized.

With this global view in mind, my research suggests that Peruvian silver extracted in these roundabout (yet arguably more direct) voyages was crucial to Franco-Asian trade. Jean-Baptiste Colbert, the French theorist and prime minister who reorganized and improved the French navy, was convinced that France's future economic prosperity depended on its success in overseas trade. In his view, controlling the Asian trade – or monopolizing some portion of it – would ensure this objective. France invested in several chartered companies throughout the seventeenth century to make this happen.¹¹ However, when Peru appeared unexpectedly on the French commercial horizon, merchants and chartered companies bound to Asian trade saw the possibility of making their voyages even more profitable. Stopping in Peru not only offered them a place to rest, resupply, and make needed repairs, but it also offered a host of port cities that were more than willing to trade.

¹¹ Some of the initial attempts to enter Asian markets were carried out by following companies: the *Compagnie des mers Orientales* (1600), the *Compagnie des Moluques* (1619), and the *Compagnie d'Orient* (1642). In Glen J. Ames, *Colbert, Mercantilism, and the French Quest for Asian Trade* (DeKalb: Northern Illinois University Press, 2016).

Methodology

My methodology consists mainly of following the money. Since silver was the economic engine (or lubricant) that Spanish, French, and Peruvian merchants all shared and cherished, following the path of silver helps to paint a clearer picture of the main characters involved in this unusual interoceanic trade circuit. Mapping money also shows where silver flowed, and how the buying power of this precious metal varied. The unofficial silver trade was technically illicit, yet it entailed more than simple smuggling. Untaxed silver ingots (*piñas*) were distributed and sold to the French in exchange for European manufactures, often with the complicity of merchants and local authorities. Contraband silver *piñas* had different destinations. For example, vessels sent by the French Compagnie des Indes Orientales occasionally stopped in Peru, resuming their voyage to India carrying South American silver.

In most cases, French vessels sent to the South Pacific returned to port cities like Saint-Malo, Brest, or Nantes with silver in their holds. Much of the metal was sent on to Asia in other voyages. However, there were a few exceptions, such as when the French decided to stay in Peru and invest in local enterprises instead of returning to Europe. In each case, I trace these semi-clandestine transfers in materials that display interactions between Peruvian and French factors. Documents housed in Peruvian, Spanish, and French archives raise concerns about the involvement of the French in the South Pacific trade. They also include directives from the Spanish and French monarchies about this matter. I created databases on the people of interest that were linked in the Franco-Peruvian trade as a reference and then analyzed their networks as they adapted to political and commercial changes throughout the first half

of the eighteenth century. To an extent, I trace the “mirror-image” development of merchant houses in Lima and St. Malo. Mercantile trajectories including those of individuals like Joseph Tagle Bracho for Lima and Noël Danycan in Saint-Malo, as well as associations like the Cádiz-based Magon-Le Fer Company, help us to understand the fickle nature of Franco-Peruvian trade. Studying these individuals and short-lived companies’ correspondence also reveals connections with Limeño and Malouin merchant guilds. As will be seen, the guilds were powerful but not “all-powerful” social and economic institutions.

Despite the technical illegality of much of their commerce, merchants engaged in contraband trade depended on keeping records of their accounts and transactions via notaries. Whether their trade was legal or contraband, if large sums of money or credit were transacted, the odds were these transfers were recorded in notarial protocols. Spanish, French, and Peruvian traders rigorously documented their commercial practices. Thus, I have scoured notary records to assemble a network of people who participated in the Franco-Peruvian trade. Further, merchants’ correspondence complements information collected from notarial protocols and contracts. Although scarce, merchant letters offer a unique window on intertwined mercantile interests. For example, the letters Juan Cranisbro, a major mid-century merchant of Irish descent, are deeply revealing. They expose the vicissitudes of trade between Limeños and foreigners during the era of the registry ship system. Little love was lost between Cranisbro and his Lima contacts and competitors, yet neither could live without the other.

Sources

Archival sources for this dissertation are divided by region. First are materials from Peru's Archivo General de la Nación – Sección Colonial (AGN-Colonial), housed in Lima. The section "Superior Gobierno" contains documentation related to the local government. Viceregal correspondence plus *Juicios de Residencia* or exit audits are essential in determining how connected Peru's viceroys and their secretaries were to the French presence. For instance, documents show that Viceroys Manuel de Oms y Santa Pau, Marquis of Casteldosrius (1706-1709), and Diego Ladrón de Guevara (1711-1714) cooperated with the French. Furthermore, the AGN-Colonial section "Real Audiencia" reveals involvement of royal authorities in contraband trade, primarily through judicial cases (Causas Civiles and Causas Criminales). These documents are very rich in information since judicial procedures often expose testimonies that reveal motivations and interests, providing a voice to the merchants involved in the Franco-Peruvian trade.

The section "Real Tribunal del Consulado" is essential to understanding the directives and records of Lima's merchant guild. Within this collection, there is a subsection labeled "Administrativos" that contains legislation implemented to manage all mercantile matters. The section "Gremios" (literally, "guild") helped me frame how merchants were associated with one another and, in some cases, which accounts they shared. Some arrangements were negotiated outside the purview of royal authorities. The section "Cartas de mercaderes," or mercantile correspondence, also provides rich information on merchants' perceptions of how their businesses were doing.

Documents from the Archivo General de Indias (AGI) and the Archivo Histórico Provincial de Cádiz (AHPC) in Spain were equally important. In the section “Casa de la Contratación” I examined numerous “Registros de navíos” or records of individual register ships not traveling in convoy. This helped to track which French vessels were involved in the Spanish-American trade and who were the people behind it. The subsections “Asientos y contratos” and “Compañías de comercio” aided in complementing the vessels dispatched to the Americas by providing information on who were the merchants involved in these businesses and those favored to receive permits for shipping within the Portobello Fair (or later registry ship). In Cádiz, I focused on the “De la Fe Pública” section, especially the collection of notarial protocols. These are vital since Cádiz was an essential point of connection for numerous silver contraband traders, many with ties to Peru.

Finally, I conducted research in the Archives Départementales d’Ille-et-Vilaine (ADIV) and the Archives Nationales – Fontainebleau (AH – Fontainebleau) in France. In the ADIV, I examined the Série 9B corresponding to the *Amirauté* de Saint-Malo. Saint-Malo is the last essential piece of the puzzle in trying to explain and assess the significance of French commercial direct connections with Peru. Most late-seventeenth and early eighteenth-century French enterprises in the South Pacific were initiated by Saint-Malo merchants. Finally, in the AH-Fontainebleau, I focused on maritime journals that Louis XIV commissioned. These journals range from 1698 to 1753 and include information like cartographical depictions of the South Pacific. Most notably for this dissertation, these records also offer insightful descriptions of French traders’ experiences in Peru.

Chapters

Chapter one, “Merchant Communities and Imperial Designs,” introduces the merchant guilds involved in the Franco-Peruvian trade. I examine the characteristics, challenges, and motivations that Limeños, Malouins, and Spanish peninsular merchants displayed throughout the seventeenth century. During this pivotal century, diverse mercantile communities sought to establish conditions that would grant them leverage over commercial rivals and also win privileges from their monarchs. I also explore the commercial systems that Spain and France established to set the context for what Limeños and Malouins encountered once they entered into what I am calling dangerous liaisons at the start of the eighteenth century.

In the second chapter, “Entangled Interests, or the Peril and Promise of Franco-Peruvian Commerce (1698-1717),” I analyze the period of first contact between Peruvian and French traders in the South Pacific. I revisit the participation of Noël Danycan, a renowned Malouin trader, in the early stages of Franco-Peruvian trade. I discuss how Danycan embodied the successful Malouin “*négociante*”: a risk-taking resourceful merchant who won and capitalized on commercial privileges to trade across the Pacific, from Peru to China. Danycan represented a sector of the Saint-Malo bourgeoisie that competed against the old clans of the city. Danycan initially succeeded but eventually he would clash with the old Malouin clans and Parisian investors eager to partition and take over the Peruvian and Chinese trades. This chapter also follows the trajectories of members of the Lima consulado and how they navigated the encounter with the French. During this period, the Limeños could

be described as two-faced: acting in alliance with the French while stating that French presence was negative for the interests of the viceroyalty.

Chapter three, “The Empire Strikes Back? Between Commercial Reforms and the French Trade Hiatus in the South Pacific Trade (1717-1731)”, follows the immediate aftermath of the prohibitions against French direct trade in Peru. During this period, Spain sought to revive the old system encompassing the galleon escorts and the Portobello Fairs. The Limeños tried to head off new commercial impositions by blaming the French for widespread bankruptcy. Meanwhile, the Malouins established themselves at Cádiz, continuing a migrating trend among the French that picked up in the course of the eighteenth century. In short, the French put their Peruvian interests on hold and aimed to diversify their businesses using Cádiz as a strategic platform.

In the fourth chapter, “The Mirage of Revival: Reform and Conflict in the Franco-Spanish South Pacific Trade (1731-1749),” I examine Spain’s last-ditch attempt to revive the Portobello Fairs and the subsequent transition to the registry ship system. In this section, I analyze the debacle of the French Fleet of 1743 that the Spanish crown commissioned to engage in trade in Peru amidst the War of Jenkins’ Ear (1739-1748). This was a golden opportunity for the Malouins to regain the confidence of the Spanish monarchy in establishing direct trade with Peru. Direct investment of Saint-Malo capital plus that of Cádiz merchants signified a possibility of rebuilding lost ties. However, the 1743 expedition failed, inflicting substantial losses on Spanish and French investors alike.

In the fifth and final chapter, “Hiding in Plain Sight: *Jenízaros*, *Naturales*, and Foreigners in the South Pacific (1750-1763)”, I examine the effects of the strengthened

registry ship system on the foreign communities in Cádiz that were bound to Peruvian trade. I follow the trajectories of two merchants: the Irish-descent wholesaler Juan Cranisbro and the French importer Pierre Siochan. Both traders established direct commerce with Peru during the 1750s and 1760s, revealing that despite repeated prohibitions against foreign trade in the Spanish colonies, foreigners still managed to “hide” themselves in plain sight.

These entrepreneurs employed the so-called *jenízaros*, or foreign interlopers’ descendants born in Spain, as well as naturalized foreigners. Juan Cranisbro was a so-called *jenízaro*, the commercial equivalent of a mestizo go-between. These two types of associates, *jenízaros* and naturalized foreigners, were legally allowed to engage in trade and served as a façade for the operations of foreign merchant houses in Cádiz. In this context, the Limeños, who were at the beginning welcoming to them, quickly aimed to close ranks and forbid their passage to Peru.

By circa-1760, old transoceanic liaisons were apparently becoming far too dangerous for some, yet factors like Cranisbro and Siochan found this cold welcome puzzling. What they regarded as obvious opportunity for cooperation and mutual benefit, others, including the entrenched Limeños, saw only competitors in a zero-sum game. The Spanish crown came to agree. A breakup was in the works, and foreign interlopers were the weaker partners.

Chapter 1: Merchant Communities and Imperial Designs

“*Cette place est tres belle,*” wrote Jean de Boisloreé upon arriving at Callao in August 1707. After a long and tedious journey from France to Peru that took more than five months, Boisloreé was relieved and surprised by the welcoming nature of the locals. He was impressed by the architecture of Lima’s port, its fortifications, and accommodations for ship repairs and supplies. For Boislorée, Callao’s food supply surpassed the resources of any port he and his crew had visited before on the Peruvian coast. Further, Boislorée was surprised even to find tea from China.¹² For him, arriving in the South Pacific was comparable to reaching paradise.

As time passed, French merchants like Boisloreé became more accustomed to what Peru offered. Initially perceived almost as an uncharted land by the French, the image of Peru transformed into a place of unlimited riches. Peru’s lure, to borrow from historian Peter Bradley, came from the abundance of precious metals, especially silver. There were other commodities to be had, but silver more than anything spurred French (and specifically Breton) direct trade in the South Pacific beginning in the early eighteenth century.

The French connection to Peru represented a significant stage in the Spanish Empire’s rocky relationship with this major, neighboring foreign power. It was also a key stage in the development and transformation of mercantile societies and networks across the Atlantic and

¹² Jean de Boislorée, *Journal des vaisseaux Toison d’Or, 1706*. Journal. From Archives Nationales de Paris. Service hydrographique de la Marine. Journaux de bord, MAR 4JJ/97, 30.

Pacific. Throughout the first half of the eighteenth century, merchants from Peru, Spain, and France converged to form a new trading system shaped by changing global geopolitics. These mercantile societies (associations, family enterprises, chartered companies, and guilds) navigated a landscape of fluid, often rule-breaking or at least rule-bending networks.

In this chapter, I examine the trajectories of Peruvian, Spanish, and French merchant groups before their early eighteenth-century convergence. I analyze how these societies or units adapted to changing patterns of global commerce. Geopolitical shifts reconfigured their motivations and presented them with new challenges, and conflicts. From Madrid to Versailles, state regulation and enforcement of trade laws failed to create a cohesive and vigorous commercial system, or at least one that pleased top statesmen. Nonetheless, where governments failed, local initiatives succeeded.

From places as distant from each other as Lima, Cádiz, and Saint-Malo, merchants seized the opportunity to explore and establish networks that would allow them to connect the North Atlantic and the South Pacific into a newly configured global system. Ultimately, all of the players were opportunists looking to profit from comparative advantage. There is a contemporary French saying may be rooted in this earlier era of hope and despair: “*ce n'est pas le Pérou,*” That is: “This is not Peru,” signifying something or someplace that offers little gain or value. This saying reflects the ambition French sailors once had upon arrival in the South Pacific. Peru was an unknown land to them, and they were drawn to its mystery and wealth.

The Spanish Lake

Before the encounter of Peruvians, Spaniards, and Frenchmen (no French women appear in this set of records) in the first half of the eighteenth century, the South Pacific was unique due to its isolation and relative peacefulness. Early twentieth-century historian William Lytle Schurz coined the term “Spanish Lake” to address the undisturbed nature and isolation from Spain’s European rivals of the Mar del Sur.¹³ In the eyes of the Spanish, their claims to the Pacific Ocean allowed them free access the riches of the Philippines and, more importantly, to the products of mainland Asia and the so-called Spice Islands. They tapped into trading networks that connected Maluku, China, Japan, Vietnam, India, Sri Lanka, and Southeast Asia to the Spanish commercial structure.

The period in which Spain’s transpacific trade became prominent was between 1571 and 1662. During this time, the 1580-1640 Union of Crowns between Spain and Portugal amplified the options of the Spanish for trans-Pacific trade. Since the early sixteenth century, the Portuguese had successfully established trading outposts in Asia, incorporating Nagasaki, Macau, Melaka, Timor, and many enclaves on the southern and western coasts of India into their trading network. The Indian city of Goa was the capital of this nodal empire. These commercial stations were added to Spanish Manila after 1580 to form a vast Iberian network that linked Spanish Pacific trade with the existing global dynamics that ranged from Persia to Peru and Mexico. However, the 1640 separation of Portugal from Spain and the rise of the Dutch West and East India Companies in West Africa (1638-1658), India (1608-1661), and

¹³ Schurz, «The Spanish Lake», 182.

Southeast Asia (1609-1641) limited Spanish trans-Pacific aspirations. The Dutch seizure of Sri Lanka and the Spice Islands in the 1650s and 1660s marked a turning point. In a desperate attempt to not be completely expelled from the region, in 1662 the Spanish monarch ordered all the troops stationed in Asia be withdrawn and redeployed in Manila to defend it.¹⁴

The Philippines formed the essential foothold that the Spanish needed to access the riches of Asia, especially spices, silk, and porcelain. The device that made it possible to connect the Philippines with the rest of the Spanish Empire was the so-called Manila Galleon or *nao de la China*. Before European presence, places like the Philippines, China, Japan, Siam, and Borneo already engaged in an animated exchange of merchandise. Short-term negotiations and coastwise trade typified this pre-European system. When European traders arrived in Asia in the sixteenth century, they merged with the existent commercial structure, largely replicating the same trading patterns.¹⁵ The 1571 conquest of Manila allowed the Spanish to participate in this network.

The Spanish immediately established a transpacific trading system that involved sending one or two ships from Manila to Acapulco in New Spain (now Mexico) once or twice a year. These convoys mainly carried silk. In return, the Philippines received American silver, European manufactured goods, settlers, colonial officials, missionaries, and royal decrees. Initially, this trade was unrestricted, and between 1579 and 1581, Philippine governor Gonzalo Ronquillo de Peñaloza sent ships loaded with spices and other luxuries to Callao,

¹⁴ Rainer F Buschmann, Edward R Slack, y James B Tueller, *Navigating the Spanish Lake: The Pacific in the Iberian World, 1521-1898* (Honolulu: University of Hawai'i Press, 2016), 8, <https://doi.org/10.21313/hawaii/9780824838249.001.0001>.

¹⁵ José Luis Gasch-Tomás, *The Atlantic World and the Manila Galleons: Circulation, Market, and Consumption of Asian Goods in the Spanish Empire, 1565–1650*, *The Atlantic World and the Manila Galleons* (Leiden; Boston: Brill, 2018), 57, <https://brill.com/view/title/38230>.

Peru's main viceregal port. However, growing ties between the Philippines and Peru began to threaten the interests of merchants in New Spain and Seville, leading to complaints to the Spanish king. As a result, direct Asia-Peru trade was officially prohibited in 1582.¹⁶

On the western side of Pacific trade, the Portuguese played an essential role. In the existing triangular trade that connected Manila, Macao, and Nagasaki, Portuguese capital and merchants participated actively in these exchanges. So, too, did Japanese, Chinese, and certain South Asian merchants. The Portuguese became intermediaries by the late sixteenth century in Japan, which granted them a settlement in Nagasaki to strengthen *namban* trade (trade with foreigners). Asian demand for silver coupled with a wide variety of markets in Asia allowed Manila to serve as a conduit for Asian goods that were shipped to Spanish America.¹⁷

Successful transpacific trade also relied on cooperation between the Spanish and Portuguese. Despite the Iberian Union, the Portuguese tended to be quite protective of their monopoly on lucrative spices and they often perceived the Spanish as close competitors. Nonetheless, when facing common enemies, the Iberians fought together, as happened in the defense of the Indonesian (or Maluku) islands of Ternate and Tidore from the Dutch in 1605. Additionally, the growing power of the Dutch in Southeast Asia motivated more military collaborations between the Spanish and Portuguese in Manila, Goa, and Macao. Spanish officials were aware that the Portuguese were essential not only for military defense, but they also possessed the capital and influence to participate directly in the luxury trade to the

¹⁶ Birgit Tremml-Werner, *Spain, China, and Japan in Manila, 1571-1644*. (Amsterdam University Press, 2015), 129, <http://www.oapen.org/download?type=document&docid=628136>.

¹⁷ Gasch-Tomás, *The Atlantic world and the Manila Galleon*, 58.

Spanish colonies in the New World. As was standard in merchant communities during the early modern period, Portuguese networks were directed by powerful families that intertwined businesses enterprise, government officeholding, and church or missionary posts, all serving to connected or link up transpacific and transatlantic trade.¹⁸

The principal destination of Spanish Pacific trade in the Americas was New Spain, the epicenter of re-exported Asian merchandise forwarded to the Iberian Peninsula. In the first decades of the seventeenth century, silk exports to Spain from Veracruz reached their highest point. This created economic opportunities for the merchants of New Spain who participated, along with the Portuguese, in illicitly re-exporting Asian goods to Western Africa, Río de la Plata, Brazilian ports, and Peruvian markets.¹⁹

The merchants of Lima or “peruleros” were especially eager to participate in this trade despite the 1582 decree that prohibited trade between the Philippines and Peru. However, the merchant elite from Lima, many of whom also participated in the foundation of the city’s consulado or trade guild in 1613, still accessed Asian goods via trade with Mexico. Their abundant capital allowed them to maintain the only merchant fleet in the South Pacific while also directly investing in the Manila trade.²⁰

Between 1620 and 1630, New Spain began to experience an overflow of Asian products. The Mexico City and Veracruz markets could not absorb the immense quantity of

¹⁸ Among the most prominent families were the Gomes Solis, Fernandes Ximenes, Fernandes do Brasil e Tinoco, and Frias de Salazar. Their family networks ranged globally, connecting dispersed places like Lisbon, Seville, Brazil, Goa, and East Asia. Gasch-Tomás, 60.

¹⁹ Gasch-Tomás, 62.

²⁰ Merchants like Jerónimo Justo de Porras, Gabriel Recio de Castilla, Juan Bautista Crespo, Juan de Urrutia, Diego de Otazu, and Tomás de Mañara were quite active. Margarita Suárez, «Sedas, Rasos y Damascos: Lima y El Cierre Del Comercio Triangular Con México y Manila En La Primera Mitad Del Siglo XVII», *América Latina En La Historia Económica* 22, n.º 2 (2015): 110.

Asian imports. Even the peruleros were overwhelmed by the excessive offer. Silk prices dropped, and New Spain merchants were forced to negotiate with their Castilian peers since Castile became flexible and was the only viable market to acquire the increasing surplus of these goods. Ironically, this situation would soon reverse in the decades between 1630 and 1650, but the 1620s would mark the decline of Asian trade to Spanish America. In the long run, Manila failed to maintain sustained economic development despite its favored position. By the 1630s, Japan secluded itself from external affairs and withdrew all economic assets from Manila. China should have realized the profitable businesses that Chinese traders obtained in the Philippines and restrained itself from further investing due to the limiting maritime trade policies of the Ming dynasty. Meanwhile, Spain lost enormous capital and support for trans-Pacific trade when Portugal restored its independence in 1640. Moreover, the increasing presence of European competitors in Asia, most notably the Dutch, forced the Spanish in the Philippines to adopt a defensive stance. At the same time, the dense rhythm of trade switched from the Pacific to the Indian Ocean.²¹

Imperial Models

Throughout the seventeenth century, the relationship between Spain and France was characterized by constant rivalry and conflict. Most notable were the Franco-Spanish War (1635-1659), the Franco-Dutch War (1672-1678), and the Nine Years' War (1688-1697). Both countries fought each other for almost an entire century. Nonetheless, despite their antagonism, theorists and intellectuals in France and Spain constantly suggested that their

²¹ Gasch-Tomás, *The Manila Galleon*, 75-76.

monarchs could learn from each other. The idea of copying neighbors (or what were seen as their better qualities) became common in the eighteenth century. However, imitating political models was older. In the funerary ceremony of the deceased King of Spain, Philip IV, the French cleric and poet François Ogier recited a speech in Philip's memory in the presence of the young French King Louis XIV. Ogier remarked on the pious nature of the late king, proposing to the Sun King that the French monarchy should integrate "catholic compassion" with Louis's political action. For Ogier, religion and piety were the foundation of the strength of the Spanish Empire and its planetary extension. The French crown's religious emptiness required the vitality of the Spanish model.²²

Nonetheless, Spain's main instrument to protect its planetary empire was a defensive grid. The transatlantic Indies route or Carrera de Indias was also guarded by a sprawling system of fleets and galleons. This system employed big, armed ships to protect the merchant fleet that sailed to and from the Americas. Whether it departed from Sanlúcar de Barrameda or Cádiz, the convoy was necessary to ensure the safe arrival of the fleet to New Spain or Tierra Firme. The route to Spanish America was predictable, marked by stopovers in the Canaries, Cartagena, Veracruz, and Havana. The annual convoys were widely known, yet Spanish fleets suffered few losses from enemy action. Frequently, the number of galleons of the transatlantic fleet and the supporting vessels stationed in Veracruz and Tierra Firme kept foreign enemies at bay. However, there were some cases in which the fleet suffered

²² Héloïse Hermant, «España frente a Francia en los discursos hispanófilos del Gran siglo: ¿de la ontología de las naciones al "modelo político"?», en *Las monarquías española y francesa (siglos xvi-xviii) : ¿Dos modelos políticos?*, ed. Anne Dubet and José Javier Ruiz Ibáñez, Collection de la Casa de Velázquez (Madrid: Casa de Velázquez, 2017), 187-200, <https://doi.org/10.4000/books.cvz.1009>.

considerable setbacks, as in 1628 when a numerically superior Dutch fleet captured 6 million pesos from the Spanish silver fleet in Cuba's Bay of Matanzas. For his errors, the commander of the Spanish fleet, Juan de Benavides, was executed.²³

Fleet commanders like Benavides faced a combination of demands and stresses from an impatient government, wealthy merchants, and investors. In the end, all this forced them to take excessive risks like sailing out of season. The main problem of sailing after May came from heavy storms and hurricanes in the Atlantic. Several merchant ships and galleons sank during the storm season, losing entire shipments of precious silver. The Bahama Strait was especially dangerous off-season since its narrow space limited the area of maneuver of returning ships. However, the crown did not address these environmental issues correctly.²⁴ Instead, the king was more concerned about Spain's enemies and sought to strengthen the existing armadas by increasing taxation.

In the meantime, France was more concerned with reorganizing its naval power. Strengthening French port cities was an issue that Louis XIV prioritized. Following the examples of more established overseas commercial structures from Spain, the Netherlands, and England, the new king of France aimed to transform his nation into an imperial power. After decades of uncertainty and civil unrest, Louis intended to simplify the chain of command. He reorganized the government into a new Council of State, which had only four members: the king, Michel Le Tellier (war), Hugues de Lionne (foreign relations), and Jean-Baptiste Colbert (finance). A noted banker, Colbert replaced Nicolas Fouquet.

²³ Carla Rahn Phillips, *Six Galleons for the King of Spain. Imperial Defense in the Early Seventeenth Century* (Baltimore, Md: Johns Hopkins Univ Press, 1986), 70-80.

²⁴ John Lynch, *Spain under the Habsburgs*, 2nd ed. (Oxford, England: Basil Blackwell, 1981), 187-90.

Since the ambition of Versailles was overseas expansion, developing French marine strength and new trade routes were fundamental goals. The king's favorite, Colbert, stood out. Between the 1660s and 1670s, Colbert became the superintendent of royal buildings (1664), controller general (1665), secretary of state for the Royal Household and the Navy (1669), and grand master of mines and manufactures (1670). The combination of official titles allowed Colbert to set in motion an array of maritime reforms that aimed to strengthen French naval power and maritime trade. For that matter, he envisioned that the state needed to incentivize the foundation of commercial monopolies and also develop local manufacturing.²⁵ With enough effort, French textiles might outcompete English or Dutch ones and conquer world markets, absorbing specie to fund ambitious government projects.

In Colbert's view, the main threat against French trade was the Dutch since they dictated the trading patterns throughout the English Channel and in the North Atlantic. To combat Dutch supremacy, the secretary of state envisioned that strengthening French manufacturing was essential since it permitted achieving three objectives: first, it would create more autonomy and industrial growth in France's northern regions and, simultaneously, it would reduce dependence on Dutch products. Second, the growth of the manufacturing sector would demand more labor, which would benefit the underemployed mass of French people. Finally, higher textile output would increase tax revenues against foreign goods, primarily Dutch ones, giving better opportunities for French manufacturing and shipping to compete.²⁶ But who would jumpstart the motor?

²⁵ James B. Collins, *The State in Early Modern France*, 2nd ed., New Approaches to European History ; 32 (Cambridge, UK ; New York: Cambridge University Press, 2009), 112.

²⁶ Collins, 112.

For Colbert, the French state was responsible for fomenting large-scale trade. Thus, several government-funded enterprises were established during the second half of the seventeenth century. Among the chartered companies sponsored by the king, four stand out: the Company of the North (for trade with Eastern Europe and Russia), the West Indies Company (for trade in the Caribbean and the Atlantic coast of North and South America), the East India Company (for trade in India and Southeast Asia), and the Company of the Levant (for trade in the eastern Mediterranean and adjacent territories). All these companies were established in Paris and directed by Parisian bankers and aristocrats.

Meanwhile, merchant communities from Marseille, Normandy, and Brittany were commonly excluded from this state-sponsored business, which, in the end, restricted their overall capacity and funding when they had to compete against the wealthier Dutch enterprises. War with the Dutch in 1672 virtually destroyed the Company of the North and crippled the operations of the Levant Company. Furthermore, although the French West and East India Companies survived to the end of the seventeenth century, their capability to carry on large-scale trade was heavily reduced due to Dutch expansionism. Overall, Colbert's aspirations for French monopoly policies did not work.²⁷

In the meantime, Spain's global commercial structure needed upgrades. The Spanish monarchy's main issue was collecting taxes to maintain this system. The first type of tax was the *avería* (literally, "damage"). This toll was demanded of merchants for maintenance and repair of galleons that guarded the convoys. The amount to be paid varied depending on the defense cost and the appraised cargo value that the galleons were protecting. As an example,

²⁷ Collins, 113.

the gross tonnage of the escorting armadas grew from 20,128 tons between 1601-1605 to 30,362 tons in 1636-1640. Due to intervening warfare, the *avería* rose from 12% to 37% of the total value of transported merchandise.²⁸ These increments harmed trade and forced merchants to seek alternative ways to profit outside the official routes. Fraud became a common practice since, in the long run, paying the *avería* was economically detrimental. At the same time, fraud affected the maintenance of the already costly upkeep of galleons, weakening the escorting armadas and creating a vicious cycle that ultimately damaged the *Carrera de Indias*.

Another tax on seaborne trade was the *almojarifazgo*. It initially oscillated between 15% and 17% of the total value of transported merchandise and was charged at exit and entry in Spanish and American ports. However, as with the *avería*, merchants found ways not to pay, confounding the Spanish monopoly system. These issues affected Sevillian shipping since it became more expensive to the point that the government began authorizing foreign ships to sail to the Indies to compensate for the diminution of Andalusian transportation.²⁹

Given the high value of return cargoes, particularly in precious metals but also dye stuffs, drugs, and hides, foreigners were eager to participate in American trade. Portuguese, Italians, Dutch, English, and Frenchmen concentrated their commercial houses in Seville and Cádiz. Andalusian law was quite strict regarding who could participate in transatlantic commerce. In theory, only native Spaniards were allowed to engage in such activities, but foreigners found work-arounds. Some used Spanish cover-men or intermediaries to mask their operations and others acquired naturalization. Even if it drew criticism, foreign capital,

²⁸ Lynch, *Spain under the Habsburgs*, 177.

²⁹ Lynch, 186.

merchandise, and ships were essential to lubricating Spanish-American trade, more so as the seventeenth century went on. The crown acknowledged the trend and responded by seeking to benefit from monetary sanctions on foreigners keen on avoiding the laws.³⁰

At the same time, the crown sought more reliable streams of income from its colonies in the forms of Indian tribute, taxation on mining, taxation on wholesale trade, and even what were called “gracious donations” (essentially forced loans and gifts to the crown in exchange for royal favors). Nonetheless, Spain's king understood that subjects often acted against the law, more or less openly practicing fraud and tax evasion. The implementation of *donativos* or voluntary gifts was meant to answer the problem of evasion and fraud that merchants practiced progressively. However, these “gifts” were bargains for imperial defense, concessions, and pardons that merchants from both sides of the Atlantic exploited.³¹ These means of negotiation between the king and his colonial subjects became more frequent in response to increasing economic stresses.

A key issue that Spain had to deal with in reforming its overseas trading structure was conflict between Seville and Cádiz. Cádiz was subordinated to Seville as an outer port alongside Sanlúcar de Barrameda, both coastal cities in the Gulf of Cádiz. For Spanish military affairs, the importance Cádiz increased through the seventeenth century due to its strategic location between the Atlantic and the Mediterranean and its capacity to harbor an entire fleet. The geographical advantages of Cádiz also contributed to the growth of maritime

³⁰ Lynch, 186.

³¹ Margarita Suárez, *Comercio y fraude en el Perú colonial: las estrategias mercantiles de un banquero*, 1. ed., Serie Estudios históricos ; 17 (Lima: Banco Central de Reserva del Perú, Fondo Editorial : Instituto de Estudios Peruanos, 1995).

trade, as well as contraband. Foreign merchants, especially French, started flocking to the city by the beginning of the seventeenth century, making their presence known.³²

Despite complaints from Seville authorities, the Spanish crown granted Cádiz its own independent customs office in 1617. *Impuestos de aduana* or customs taxes like the *almojarifazgo* (on imported and exported goods) and the sales tax or *alcabala* could also be paid at Cádiz. As the Spanish crown's expenditures increased throughout the first half of the seventeenth century, supplementary trading taxes were applied in Seville, creating an uncomfortable environment for local merchants. By contrast, these additional tolls were not imposed in Cádiz. Low-cost trade coexisted with growing practices of fraud and contraband trade, transforming Cádiz into a fiscal paradise. Sevillian authorities and merchants complained to the crown about the privileges that their Andalusian neighbors "unfairly" had. In a royal decree from 29, August 1666, the king of Spain ordered the transfer of Cádiz's customs office and the *Juzgado de Indias* (the court for Spanish-American affairs) to Seville.

The Sevillanos felt triumphant, but their joy was short-lived. Cádiz's continuous trading growth eventually convinced the Spanish crown to profit from it. Royal officials reestablished the customs house and court between 1679 and 1680. Further, after the end of the Nine Years' War (1688-1697), the Spanish crown made effective a commercial agreement signed with France in 1679 to benefit the foreign merchant communities in Cádiz. These dispositions varied according to each foreigner's nationality, but the French benefited most from lower taxes and commercial incentives.³³ This scenario was uncomfortable to the

³² Albert Girard, *La rivalidad comercial y marítima entre Sevilla y Cádiz hasta finales del siglo XVIII* (Sevilla: Centro de Estudios Andaluces : Renacimiento, 2006), 90.

³³ Girard, 115-20.

Sevillanos who, by the end of the century, were still the giants of Spanish American commerce.

Similarly, overseas imperial concerns were not new for the French king; they were simply shifting. Founding colonies in the New World constituted a vital part of Louis XIV's plan to realize his imperial desires. However, by the second half of the seventeenth century, tropical American French colonies remained largely underdeveloped and merely existed via inter-Caribbean trade with the English and the Dutch. French North America was another matter: indigenous people vastly outnumbered French colonists. The king of France wanted an empire, but his colonial policies were so ambiguous and inconsistent that they inhibited overseas growth. To boot, resources that colonists needed to develop the territory were always insufficient.

It would take half a century for the French Antilles to become attractive to French merchants and investors. Martinique and Saint-Domingue had incipient markets that were less economically appealing than trading in Spanish America or Brazil. At the same time, the colonies faced a continuous recession that could only be satisfied by Dutch and English contraband. Moreover, although anti-Dutch policies aimed to prevent foreign incursion into French colonies, Amsterdam's capital and influence as Europe's largest entrepot of colonial goods was unmatched.

Additionally, French chartered companies like the West India Company or the Saint-Domingue Company chose to diversify their commercial operations and seek to establish trade with colonies in Spanish America instead of prioritizing commercial ties with French colonies. The apathy of Parisian-centered investments created several problems since the

monopolistic nature of trade impeded other French merchant groups from investing in the colonies, which encouraged further foreign trade. Making matters worse, trade legislation needed to be more transparent and consistent. For example, in 1668, 1670, and 1672, royal ordinances forbade all foreign trade to the colonies and disallowed all trade in foreign goods.³⁴

Still, in 1673, French crown ministers were aware that they could not control their colonies' consumption of foreign products and thus the king permitted French merchants to sell Irish salt beef in the French Antilles. The product had been prohibited two years before.³⁵ One might imagine that the ambiguity and indecisiveness of the French government would have stifled the overseas ambitions of Louis XIV within a few years. However, by the end of the seventeenth century, French maritime trade grew exponentially despite the failure of the monopoly system. Those deemed most responsible were the merchant groups and associations from cities like La Rochelle, Bordeaux, Nantes, Saint-Malo, and Marseille who, instead of going against neighboring competitors, sought to learn from them, share networks and capital, and overall participate in the already existing transatlantic commercial system.³⁶

Dutch capital and its agents dominated French trade in wine, salt, and textiles. This circuit connected Bordeaux, La Rochelle, and Nantes into a north-south network that ranged from the Baltic Sea to the Iberian Peninsula. Soon, this influx of trade dominated by Dutch capital aimed to integrate the French colonies, as evidenced by the ongoing growth of French

³⁴ James Pritchard, *In Search of Empire: The French in the Americas, 1670-1730* (Cambridge, U.K. ; New York: Cambridge University Press, 2004), 191.

³⁵ Pritchard, *In Search of Empire*, 191.

³⁶ Olivier Pétré-Grenouilleau, «Colonial Trade and Economic Development in France, Seventeenth to the Twentieth Centuries», en *A Deux Ex Machina Revisited. Atlantic Colonial Trade and European Economic Development*, ed. P.C. Emmer, Olivier Pétré-Grenouilleau, y Jessica Roitman (Leiden ; Boston: Brill, 2006), 225-63.

shipping. In 1674, the number of French ships that sailed to the West Indies was 134. This was quite a climb, since only sixteen ships had sailed in 1664. During the 1670s, 273 ships departed from La Rochelle for Africa and the French colonies in America. Between 1674-1675, sixty-four ships sailed from Nantes to the Antilles. The number doubled to 128 in 1687-1688. In a span of twenty years, French colonial shipping increased by more than eight times after the end of the Dutch War. And although between 1688 and 1713, the French American colonies experienced a severe decline in French shipping due to the War of the League of Augsburg (1688-1697) and the War of the Spanish Succession (1701-1714), shipping continued apace. Bordeaux, for example, supplied an average of sixty ships (totaling 6,244 tons) to Newfoundland and Canada between 1699 and 1701.³⁷

By the end of the seventeenth century, Spain and France consolidated two types of imperial commercial systems. While the French initially tried to emulate the Spanish by aiming to establish a central monopoly, Colbert eventually scuttled this idea. Instead, France's commercial expansionism replicated the success of the English and Dutch, empowering merchant communities and granting navigation privileges to independent chartered companies. This trading model would be essential for French entrepreneurs who sought to replicate the success of the company model in Peru at the beginning of the eighteenth century.

In the meantime, Sevillian merchants sought to empower the monopoly structure based on the old Andalusian administration. The Sevillian guild contemplated a cohesive and restrictive apparatus where Spanish and colonial merchants were bound to comply. However,

³⁷ Pritchard, *In Search of Empire*, 209-11.

the divisive situation between Seville and Cádiz and the constraints that affected colonial merchants led to an unstable relationship between Seville, Cádiz, and Lima by the end of the seventeenth century.

Limeños

When Chaldean priest Elias al-Mûsili reached in Peru in 1674, he expected to find the most precious jewel of the Spanish Empire and of “Christendom itself”³⁸. As the first documented Arab to travel to Spanish America, al-Mûsili perceived the New World and its submission to a Christian monarchy (which, in theory, meant the conversion of millions of people to Catholicism) as the greatest accomplishment of Christendom. However, far from the paradise he thought he would find, al-Mûsili encountered a place packed with “sin and corruption,” in which the subjects of the king of Spain cared more about their interests than about preserving or expanding the Faith. Who was to blame? For the Chaldean priest, the unruly local merchant class was responsible for Peru’s moral decadence. Throughout the seventeenth century, traders amassed fortunes and exploited extensive networks that allowed them to get directly involved in governmental affairs. They influenced major economic and political decisions. This authority was displayed in 1678 when Lima merchants removed the Peruvian viceroy and al-Mûsili’s friend, the Count of Castellar.³⁹

³⁸ Elias Al-Mûsili, *An Arab’s Journey to Colonial Spanish America - The Travels of Elias al-Mûsili in the Seventeenth Century* (Syracuse University Press, 15), 92-94.

³⁹ Al-Mûsili, 65-68.

For the interests of the Spanish crown's revenue and control of the New World, protection of trans-Atlantic trade was indispensable. In this context, the Sevillian merchant guild oversaw managing how, when, and where trade in the Americas should be conducted. However, the rise of Spanish maritime trade faced conflicts from within when the Sevillian hegemony was contested by the emergent power of the merchants of Lima. The growth of silver mining in Peru benefited the Lima merchant class, the so-called *peruleros* who progressively acquired enough capital to contest the Andalusian monopoly. This emergent elite soon created spaces in which they were able to negotiate on their own terms while trading with their Sevillian peers. However, the *peruleros*' newly acquired roles in the grand context of Spanish Atlantic trade would also make them to face several ordeals. Their new protagonism in the Carrera de Indias required them to sacrifice their profit and financial opportunities for the well-being and maintenance of the Spanish commercial system. This situation eventually pushed *peruleros* and Spanish peninsular merchants to opt for alternative (or illegal) ways to conduct trade.

The Spanish monarchy invested heavily in the defense of Mexico and Peru, more so than on other overseas possessions. This interest was directly correlated with the abundance of precious metals, especially silver, in those territories. In exchange for acquiring American silver, Spanish merchants sold manufactures, equipment, and even food staples to the colonists. This dependent relationship between the metropolis and its colonies was what the Spanish crown wanted from its overseas possessions. And indeed, by the last decades of the sixteenth century, the monarchy all but reduced the Americas to a state of dependence on the metropolis.

The Sevillanos benefited from this trade since they controlled the frequency with which the fleets departed from Spain and the quantity and prices of the products that were ultimately sold in Veracruz and Portobello. However, the system faltered when, due to rising taxes, the tonnage of European commodities brought to the Americas started to diminish while their prices increased. The discussion of whether Sevillian merchants intentionally created this atmosphere to keep controlling Spanish American markets rather than proceeding this way as a response to the increasing taxation for defense was still ongoing. Whatever the reason, the pressure exerted on the colonies resulted in the diminution of treasure returns to Spain, the development of colonial industries and agricultural production, and the growth of inter-colonial trade. All this led to more autonomy, which was contrary to the monarchy's interests.

In contrast with other colonial merchant guilds during the seventeenth century, the strength of the merchants of Peru came from their abundant capital from silver extracted mostly from Potosí. Since 1544, and until the creation of Lima's consulado in 1613, merchants from Peru were subjected as mere agents of their Sevillian peers or go-betweens for Peninsulares to access local markets and facilitate exchange. Additionally, it was expected that after making a considerable fortune in the New World, the most successful merchants returned to Spain and resumed their trading operations from the Peninsula. Family businesses replicated this entrepreneurship model when older sons were sent to the Americas as agents of their family to gain enough experience and capital to return to Spain.⁴⁰ Day-to-day life had inadvertently accommodated the colonizers, who preferred to remain in the

⁴⁰ James Lockhart y Enrique Otte, eds., *Letters and People of the Spanish Indies, Sixteenth Century* (Cambridge; New York: Cambridge University Press, 1995), 80-81.

territory instead of returning to Spain. In the case of Peru, merchants gained autonomy, influence, and fortune, but they were still subjected to the principal center of official exchange: Portobello.

Merchandise brought by Sevillian merchants tended to be sold at high prices in Portobello. The Peruvian merchants, the principal purchasers of these goods, felt that this trade harmed their interests since earning from re-exported goods was minimal. In response, Peruvian colonial authorities, who often cooperated with the local merchant elite, sought different opportunities to reduce the prices of imported merchandise. However, when this occurred, Sevillians immediately protested to the king, arguing that local resolutions would ultimately harm the royal exchequer and the whole trading structure. The merchants from Lima initially accepted the Sevillian terms with discomfort since the rising imports of Chinese merchandise to Peru at the end of the sixteenth century compensated for the disadvantages of official trade.⁴¹

Relations between the *peruleros* and the of Seville merchant guild grew tense. Peru benefited from the growth of intercolonial trade, leading to more investment in local production and industries. With self-invested capital obtained by silver mining, the territory experienced an increasing autonomy from the metropolis. The foundation of a formal trade guild or *consulado* (1613) consolidated elite merchant interests in Lima. As a wealthy group that sought to monopolize Peru's wholesale trade, guild members followed similar patterns

⁴¹ Suárez, *Comercio y fraude en el Perú colonial*, 80-82; Mariano Ardash Bonialian, *El pacífico hispanoamericano: política y comercio asiático en el imperio español, 1680-1784: la centralidad de lo marginal* (Mexico D.F.: El Colegio de México, Centro de Estudios Históricos, 2014); José Luis Gasch-Tomás, *The Atlantic World and the Manila Galleons: Circulation, Market, and Consumption of Asian Goods in the Spanish Empire, 1565–1650, The Atlantic World and the Manila Galleons* (Leiden; Boston: Brill, 2018).

of organization and control tried by their Sevillian counterparts for transatlantic trade. First, the peruleros aimed to restrict the participation of a wide array of merchants and control the means of transportation essential to carry merchandise through the Spanish South America's vast interior. Managing these aspects would mean limiting the number of potential competitors and thus obtaining more profit. Second, the peruleros set prices and managed which products were authorized to enter Peruvian markets. All these actions by Lima's consulado were seen threatening to their metropolitan counterparts. Colonial merchants gained autonomous power to dictate how trade should be conducted in Peru while, at the same time, engaging in illegal practices to obtain the best deal for them.⁴² This tug-of-war between peruleros and Sevillians went in parallel with the conflict between Seville and Cádiz, creating several fronts in the dispute to gain the most profit from Spanish American trade.

Adding to problems caused by the rivalry between Spanish and American merchant guilds, there was a growing problem with American silver returns. Silver constituted the essential ingredient in the Lima consulado's wealth as well as the for the interests of Spanish merchants in the Iberian Peninsula. However, beginning in the 1620s, silver returns fluctuated negatively. The returns between 1601-1605 were worth 17.8 million pesos; they grew in 1616-1620 to 25.1 million, but five years later fell again to 20 million. In the following years, fluctuation continued but trended downward, going from 10.1 million pesos in 1646-1650 to 2.7 million in the next decade.⁴³ Since the reduction of silver exports had a notorious impact on the finances of the Spanish Empire during the seventeenth century,

⁴² Margarita Suárez, *Desafíos transatlánticos: mercaderes, banqueros y el estado en el Perú virreinal, 1600-1700* (Lima: Pontificia Universidad Católica del Perú, Instituto Riva-Agüero, Fondo de Cultura Económica, Instituto Francés de Estudios Andinos, 2001), 190-94.

⁴³ Suárez, *Comercio y fraude en el Perú colonial*, 43-44.

historians still debate about the potential destinations to which silver was diverted and also the estimates of how many pesos were transported in total.⁴⁴ Although calculations of silver exports varied, what is certain is that an essential quantity of silver remained in the colonies, causing the expansion of local economies and, most importantly, impacting the growth of American capital and its investment in entrepreneurship apart from transatlantic trade.

Another explanation of the instability of the treasure returns can be explained by the so-called "*donativos forzosos*." Between 1620 and 1652, Spanish monarchs Philip III and Philip IV applied embargo policies and confiscation of silver returns that were bound to Spanish Peninsular merchants. Both kings sequestered silver from private Spanish merchants or *particulares* to pay for their previous year's expenses and to obtain credit. In 1620, Philip III confiscated one-eighth of incoming American treasure. Spain's financial situation worsened in the following decades, forcing Philip IV to confiscate even larger quantities from 1629 to 1645. These forced "donations" caused a negative impact among peruleros and Spanish peninsular merchants alike. The most impactful form of protest was to protect silver exports by not registering the total amount of silver on board the silver fleet. In 1642, upon returning from Portobello, Spanish merchants and the silver fleet commanders agreed to hide the true quantity of silver on board to avoid Philip IV's confiscation practices. The Consejo de Indias also sided with the merchants, claiming that continuing with the embargo practices would cause the collapse of Spanish transatlantic trade. The crown did not listen and continued the embargos until 1652 when Philip IV realized he had lost the confidence of

⁴⁴ José María Oliva Melgar, «La metrópoli sin territorio. ¿Crisis del comercio de Indias en el siglo XVII o pérdida del monopolio?», en *El sistema atlántico español: (siglos XVI-XIX)* (Madrid: Marcial Pons, Ediciones de Historia, 2005), 19-74.

private merchants. However, it was too late. Contraband trade and fraud became standard merchant practices. They claimed that they needed to overcome financial uncertainty, but however justified, illicit trade became so deeply entrenched in Peru and Spain that it was impossible to eradicate.⁴⁵

The proliferation of contraband trade and fraud, combined with the growing expenditure of Spain's treasury, created a rise in taxation and the introduction of supplementary taxes. Alongside the Sevillians, the *peruleros* were also required to collect and pay for the maintenance of the royal fleets that guarded the safe return of American silver to Seville. In 1660, the Spanish crown decreed that Lima merchants were bound to pay 350,000 *ducados* for the *avería* of the Spanish Atlantic fleet or *Mar del Norte*. The *peruleros* accepted the terms, thinking that gaining these types of favors with the crown would eventually prove beneficial. The monarchy realized that to maintain their authority, they needed the support of local elites. The tool to obtain contributions was by granting their subjects access to public offices by public auction (*venta de cargos*). The crown was confident that granting this privilege would guarantee the collaboration of the colonial elite and ensure a constant influx of revenue from the purchases their subjects made to obtain bureaucratic posts. Between 1662 and 1664, the *peruleros* carried the heavy weight of colonial Peru's tax administration. The *consulado* managed the main sources of tax income that came from *almorajifazgos*, *alcabalas*, and the *Unión de Armas*, aimed at equalizing colonial and metropolitan tax burdens.

⁴⁵ John Lynch, *Los Austrias (1516-1700)* (Barcelona: Crítica, 2000), 615.

In return for farming taxes, Lima's consulado obtained several prerogatives ranging from assigning accountants for silver production, confiscating illicit merchandise, inspecting vessels coming from the Pacific, and even carrying weapons to facilitate their intervention against contraband trade. However, the consulado's enthusiasm for playing this vital role was short-lived. The merchants of the guild soon felt the pressure of the growing taxation they were bound to collect against the large number of loans they were forced to extend to the crown. An economic recession severely affected Lima's royal treasury, raising its debt from 2,418,528 pesos in 1661 to 5,783,783 pesos in 1681. A substantial amount of that debt was owed to the consulado.⁴⁶

The issues facing the peruleros continued to add up. The situation with Panama and its local authorities was already unsustainable. The growing power and influence that peruleros gained meant that the Panamanians were less needed for intermediate exchanges at Portobello. The authorities of Panama soon realized this situation and, to compensate for their losses, they raised transport and accommodation prices on the Isthmus. The peruleros were tired of being forced to stay over in Panama, but they were duty-bound by the king. In 1664, the monarchy approved the creation of the *situado de Panamá*, a subvention for Panama's military expenditures with Lima's royal exchequer was the principal contributor. As with any military expenditures, the payments to subsidize Panama's defenses rose as well, which added to the already high expenses that Lima merchants were already shouldering.⁴⁷

⁴⁶ Margarita Suarez, «El Perú en el mundo atlántico (1520-1739)», en *Compendio de Historia Económica del Perú. Economía del periodo colonial temprano*, vol. 2 (Banco Central de Reserva del Perú, 2009), 278-81.

⁴⁷ The Peruleros were the main contributors of the avería tax for the fleets in the South Pacific and the Caribbean. Suárez, 318-20.

When Peru's viceroy Count of Castellar arrived in 1674, the situation with the consulado worsened. Unfamiliar with the tense relationship brewing between Limeños and Panamanians, Castellar forced consulado members to depart immediately to Portobello for the next fair. In response, the peruleros took a whole year to prepare, since it gave them more time to collect more money, as well as to generate uncertainty among the Spanish wholesalers in Panama, who were impatient to sell their wares. Before the departure of the Limeños in 1675, Castellar sent a letter to the president of Panama's audiencia ordering him to fine the peruleros 200,000 pesos for the delay as soon as they arrived on the Panamanian Isthmus. The Limeños saw this as the viceroy adding insult to injury. However, the issues did not end there. Castellar sought any excuse to squeeze money from the peruleros throughout his government. For example, in 1678, after negotiating a "gracious donation" of 100,000 pesos, the viceroy called the prior and consuls of the consulado and imprisoned them until the money was delivered. This event caused public scandal in Lima since it occurred during Easter.

That same year, Castellar's unwillingness to negotiate with Lima's elites caught up to him. Lima's royal officers and the peruleros sent a letter to the king of Spain, Charles II, informing him of the offenses that Castellar committed during his administration. Surprisingly, Charles II acted quickly and sent a letter to Castellar, depriving him of his office and ordering his immediate return to Spain for further investigation.⁴⁸ With Castellar gone, the peruleros enjoyed a break after a long century of tribulations, ranging from conflict with

⁴⁸ Margarita Suárez, «Política imperial, presión fiscal y crisis política en el virreinato del Perú durante el gobierno del virrey conde de Castellar, 1674-1678», *Histórica* 39, n.º 2 (1 de diciembre de 2015): 80-87, <https://doi.org/10.18800/historica.201502.002>.

their Sevillian peers, to silver embargos, to issues in Panama, and finally to clashes with royal authorities. However, the Limeños were not out of the woods yet.

In April of 1680, an English pirate fleet commanded by Bartholomew Sharp entered the Pacific through Panama's Isthmus. For more than a year, Sharp and his buccaneers wreaked havoc on the coasts of Peru, raiding port cities and capturing defenseless ships, including two merchant vessels that were carrying silver up the coast from Arica. The estimated damage caused by Sharp's incursion was the loss of 25 merchant ships, the death of 200 men, and over 4 million pesos of damages to ports and ships all along the coast.

The pirates were not finished. In March 1684, another three English pirate crews crossed the Panamanian Isthmus, joined by another crew sailing around Cape Horn. This time, the English attacked the South Sea convoy that was bringing the annual silver shipment to Panama. Surprisingly, despite being guarded by two galleons, the Limeños managed to fend off the English and land the silver on the shore. Lima's consulado faced the predicament of spending more to strengthen the South Sea fleet, which already absorbed 20% of the yearly income to Lima's treasury. The situation was so dire that between 1681 and 1690, the *peruleros* sent approximately 1.8 million pesos in silver to Spain, which represented only 7% of the total of Lima's treasure. Of the treasury's total annual income, 33% of it (8.3 million pesos) went directly to defense expenditure.⁴⁹

However, not all South Pacific incursions during the last decades of the seventeenth century were headed by pirates. In May of 1690, English captain John Strong reached Peruvian coasts through the Magellan Strait. In contrast with his predecessors, Strong's

⁴⁹ Lynch, *Los Austrias (1516-1700)*, 694.

mission was to sell his wares via contraband trade, which he did successfully. A couple of years later, French filibuster François Massertie imitated Strong's feat and reached Peruvian coasts in 1695 to engage in contraband trade. Massertie recorded his Peruvian seafaring experience in a journal and later published it back in France, which caught the attention of the French Royal Navy captain and explorer Jacques Gouin de Beauchêsne. Beauchêsne saw an opportunity and solicited Jêrôme Phélypeaux, France's Prime Minister, for permission to sail to Peru. Louis XIV authorized the voyage, and Beauchêsne established the first French reconnaissance mission of Peruvian coasts, which also set in motion the Malouin navigation and direct trade to Peru by the turn of the next century.

The Malouins

From the wide range of port cities that benefitted from the Colbertian reforms, Saint-Malo stood out as the most essential French port of the North Atlantic during the seventeenth century. Saint-Malo is situated on the Breton coast, next to the opening of the La Rance River. Surrounded by fortified islands, Saint-Malo was a fortress itself. Located within a peninsula, Saint-Malo was composed of a fortress, an exterior port, an inner port, and the city itself. Moreover, the geography that enclosed the city was also part of its defensive structure. Navigation to and from Saint-Malo presented several difficulties for inexperienced sailors. Strong wind currents, rocks, and islets could mean disaster for the integrity of a vessel under bad weather conditions and lack of visibility. France's Prime Minister Jêrôme de Pontchartrain (1674-1747) recognized in 1694 that Saint-Malo's first line of defense was

“natural” and it basically “impeded our enemies ever to have success when attacking by sea.”⁵⁰ Further, to prevent bombardments, Pontchartrain financed the construction of fortresses in the islets enclosing Saint-Malo to delay the enemy and grant citizens enough time to prepare for an attack. Due to the city’s imposing defensive structure, Saint-Malo became one the bastions of French defense in the North Atlantic throughout the seventeenth and eighteenth centuries.

Crown support enabled Saint-Malo to defend itself and also to expand overseas trade. After 1650, maritime business proliferated. Malouin trade covered the Baltic Sea, the Anglo-Norman and British Isles, the Iberian Peninsula, and distant destinations in the Mediterranean Sea, Canada, and Newfoundland. Malouin mercantile expansion is even more remarkable knowing that the city was a *ville sans manufacture*. In contrast with Nantes and its sugar refineries and Marseille and its famous soap factories, Saint-Malo did not produce local products. The absence of local industrial production led the Malouins to become intermediaries, acquiring merchandise and reexporting it elsewhere. Channelizing French manufactures to needy markets transformed the city, increasing its population at the end of the seventeenth century to 30,000, a far cry from Amsterdam but not unlike booming Marseille.⁵¹

Although the Malouin were not manufacturers themselves, they managed to exploit and export resources. Transatlantic fishing was one of their main activities dating to the mid-sixteenth century, continuing through the seventeenth and eighteenth centuries. Focused primarily on the coasts of Canada and Newfoundland, or as the French called it, the *Petit*

⁵⁰ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 22.

⁵¹ Lespagnol, 39.

Nord, abundant of cod permitted the Malouins to exploit resources and assert their dominance and military power in Newfoundland. However, this imposition did not go unchallenged. For example, the Inuits from Labrador waged war against the Malouin throughout the first half of the century. In this scenario, Brittany fully supported the Malouin incursion, demanding French royal authorization to send armed escorts and soldiers to secure Breton fisheries.⁵²

Malouin traders were famously persistent and adaptable. A case that exemplifies these tendencies is the continuous Malouin trade with the British Isles through the sixteenth and seventeenth centuries. Despite a long-lasting French and English rivalry, Saint-Malo maintained friendly relations, especially with Dorset, Wilshire, and Hampshire counties. This connection was so strong and reliable that merchants from the interior of France looked for Malouins to send their merchandise to England in times of war.⁵³ The Malouins maintained a so-called *abstinence de guerre*.⁵⁴

Malouin traders also reached Spain by the end of the sixteenth century. The growth of the demand for manufacturing from the Americas and the arrival of abundant Peruvian silver to Seville motivated the Malouin to strike deals with Andalusian merchants. The Castillian brothers Andrés and Simón Ruiz resided in Nantes and Medina del Campo, respectively, coordinating with Malouin partners to ship textiles to Seville. Breton and Rouen fabrics were in high demand in Spain and the Americas, which ensured an intertwined

⁵² Peter Pope, «Le Petit Nord de Saint-Malo», Saint-Malo. Construction d'un pôle marchand (1500-1660), n.º 3 (2018): 195-222.

⁵³ Baptiste Etienne, «Deux Frondes, un commerce: Rouen et Saint-Malo au milieu du XVII^e siècle», *Annales de Bretagne et des Pays de l'Ouest. Anjou. Maine. Poitou-Charente. Touraine*, Saint-Malo. Construction d'un pôle marchand (1500-1660), n.º 3 (2018): 79-106.

⁵⁴ Jean-Philippe Priotti, «En temps de paix comme en temps de guerre. Le commerce de Saint-Malo avec les îles anglo-normandes et britanniques (vers 1500-vers 1650)», Saint-Malo. Construction d'un pôle marchand (1500-1660), n.º 3 (2018): 117.

relationship between Castilians and Malouins. Most importantly, the flow of Peruvian silver to Saint-Malo and Brittany strengthened the position of the Malouins in the trading sphere of northern France through the late sixteenth century to the mid-seventeenth century. The high number of silver bars that arrived at Saint-Malo also forced the main mint of the capital of Brittany, Rennes, to function at levels never experienced, for example, coining in 1591 the equivalent of 1,000,000 pesos in silver, or 100,000 *livres*.⁵⁵

Moreover, this commercial impulse also motivated an initial Malouin migration to Seville and Cádiz. Two notable Saint-Malo families, the Magon and Eon, had relatives settled in Andalusia since the 1630s and 1640s, and they became crucial intermediaries in sending French merchandise to the Americas. The commercial activities that Seville and Cádiz offered were so prosperous that the Malouin branches settled in Spain were almost entirely devoted to Andalusian and Spanish American businesses, leaving aside French entrepreneurship and creating their own commercial houses separated from those in Saint-Malo.⁵⁶ Perhaps unsurprisingly, by the beginning of the eighteenth century when Malouin interest turned to Peruvian silver and to direct trade in Spanish America, the Magon and Eon families spearheaded of the Saint-Malo initiative towards the South Sea.

⁵⁵ Jean-Philippe Priotti, «Au cœur des échanges européens: argent américain et circuits économiques entre la Bretagne et l'Espagne (1570-1635)», *Saint-Malo. Construction d'un pôle marchand (1500-1660)*, n.° 3 (2018): 140-41.

⁵⁶ Priotti, 144.

Conclusion

Spanish transatlantic trade underwent profound transformations in the seventeenth century, and the same could be said of Iberia's global trade mechanisms generally. As happened with Portugal, Spain's overseas presence shifted from expansion to stagnation, and in many places, withdrawal. Several factors explain this transition. First, European rivals waged constant warfare against Spain, disturbing the Spanish economy and testing its competence to defend its American territories. Second, the need for more flexibility in the Spanish commercial system entailed a loss of control over the Indies, thus yielding lower revenues.

On the American colonial side, the old trade monopoly and the galleon system asphyxiated the merchant class by interrupting supply chains and jacking up transport costs. Shouldering the burden of defense was no small thing. In response, supply bottlenecks and high taxes motivated colonial merchants to practice fraud and contraband trade. Finally, the growing autonomy of the Spanish colonies in the Americas not only lessened the colonies' dependence on the metropolis but also generated ambitious power groups to dispute Sevillian supremacy over transatlantic trade.

Among emergent colonial elites, the merchants of Lima stood out as a threatening adversary for the consulado of Seville. Control of silver flows allowed the peruleros to obtain influence over the colonial bureaucracy and to control or deeply influence intercolonial trade. The Spanish monarchy was aware of the strength and capital of their colonial subjects and as a result granted them greater privileges as well as obligations. In the end, crown obligations

weighed heavily, seeming not to offset the gain in privileges. Facing unfavorable conditions, Lima's merchant guild oriented new businesses enterprises towards unofficial trade, leaving the traditional routes and markets, like Portobello, abandoned by the end of the seventeenth century.

Several European nations, including the English and French exploited Spanish overseas weakness. Louis XIV aimed to build an overseas empire similar to those of Spain, Portugal, and the Netherlands. Following mercantilist notions of political economy, France combined a monopoly system and multiple chartered companies to serve as the backbone of French transatlantic (as well as Asian) trade. The idea was to maximize revenue by exerting maximum control. However, royal decrees on trade and colonial affairs were rife with contradictions and ambiguity, making it difficult for French bankers and merchants to invest in colonial trade with any certainty. French ministers' inability to adapt to swiftly changing trends in European trade tripped up several state-supported trading companies. In this context, regional merchant groups from Brittany, Normandy, Aquitaine, and Marseille embraced risky overseas investments on their own. They became vital in the development of the French empire.

By the turn of the eighteenth century, merchants from Peru, Spain, and France met in the South Pacific to chart a new course for inter-imperial trade. Pacific trade presented two main options. The first involved direct commerce with Peru, that is, sailing from France or Iberia all the way to Callao and other Peruvian ports by way of Cape Horn or the Strait of Magellan. Bypassing Sevillian control and reaching Peru this way allowed French merchants to bargain for silver more efficiently than they could have back in Spain. For French investors

and the merchant guild of Lima, these transactions could yield prosperous outcomes for both parties. The lure of Asian trade brings us to the second commercial route explored by the French in the late seventeenth century. The Spanish and the Portuguese already profited from direct Asian trade, linking the Pacific and Atlantic trade systems. The Manila galleon exemplified Spain's connection between Spanish America and Asia. On the eve of the War of the Spanish Succession, the French were exploring the possibilities of transpacific trade even as they penetrated Asian trade circuits by way of the Cape of Good Hope. As we will see in the next chapter, linking Peru to Asia in the same commercial system could be most beneficial for them.

Chapter 2: Entangled Interests, or the Peril and Promise of Franco-Peruvian Commerce (1698-1717)

“*La mer belle*” wrote a relieved Jean de Boislorée when his vessel, the *Toison d’Or*, finally reached the South Sea in mid-December 1706 after a tortuous voyage. The directors of the *Compagnie des Indes Orientales*, a state-funded enterprise based in Paris, had assigned Boislorée, an experienced Saint-Malo seafarer, to command a small expedition to the South Pacific.⁵⁷ Since the beginning of the eighteenth century, France sought to exploit its alliance with Spain to directly access the long-desired Peruvian markets, and, especially, Potosí silver. The reputation of the Viceroyalty of Peru as the most prosperous and mineral-rich Spanish American colony enticed the minds of merchants and financiers alike. All were anxious to establish trading enclaves in the South Pacific.

Further, accessing the South Pacific offered the possibility of strengthening other existing commercial enterprises. For example, the Paris-based *Compagnie des Indes Orientales* and *Royalle Compagnie de la Chine* were deeply interested in trading with Peru since its silver could enhance their operations in Asia. But at the same time, such trade created conflict between the merchant community of Saint-Malo and Parisian financiers. Overall, French traders had to find their own ways to succeed in penetrating Peru. In this chapter, I analyze the political landscape and debates over French participation in trade with the Indies, and the

⁵⁷ Jean de Boislorée, *Journal des vaisseaux Toison d’Or, 1706*. Journal. From Archives Nationales de Paris. Service hydrographique de la Marine. Journaux de bord, MAR 4JJ/97, 16.

development and growing layers of complexity with which French enterprises, colonial authorities, and wealthy merchants sought to negotiate. Given the many logistical and political challenges, French penetration of the so-called Spanish Lake was not straightforward. Rather, it was made up of a triangular structure that connected Peru, Spain, and France, with actors from each side seeking to prioritize their interests.

I argue that merchant guilds from Peru, Spain, and France formed a convention independent of the Spanish commercial structure and of the ongoing trade negotiations between the Spanish and French in the court of Madrid. Instead of bowing to crown authority, merchants from Lima and Saint-Malo shaped their own allegiances according to the established commercial networks and the events surrounding the 1701-1713 War of the Spanish Succession. These “free” associations created an ambivalent landscape that formed spaces of rivalry and cooperation between the merchants of Lima and their colonial authorities, and the merchants of Saint-Malo against merchant groups from Paris, and even against their own king. As we will see, what seems to have allowed flourishing French trade in the South Pacific was a prevalent political disarray that set central authorities against local interests.

Noël Danycan and *Le Tour de Globe*

The *Compagnie des Indes* played an enormous role in the development of French trade in the South Pacific. As we saw in the previous chapter, experience and knowledge of navigation came from descriptions from expeditions chartered by financiers and bankers from Paris. However, regional merchants disputed the privileges of the Parisians, and aimed to cut a deal

with the king to also be allowed to voyage to the Pacific. Further, the trajectory of the negotiations and quarrels between Paris and regional merchants revealed that their interests did not solely extend to Peru, but to China and Asia more broadly as well. Trading in the South Pacific could provide leverage to boost a larger trading network throughout the whole Pacific Ocean. The main protagonist of this story was the head one of the most prominent merchant families in Saint-Malo: Noël Danycan. Danycan funded a plethora of enterprises that ranged from timber trading in the Baltic Sea to the spice trade via the Levant. Due to his vast experience as a sailor and entrepreneur, Danycan saw trading in Peru as a great opportunity to access the widely desired silver and, at the same time, to monopolize Spanish South American trading activities.

Overseas expansion and the search for profitable trading opportunities was a common agenda that the French crown, Parisian financiers, and merchant elites shared. Since the times of Colbert, the French state aimed to empower both the royal navy and coastal merchants to bolster France's maritime power. However, the introduction of monopolies and the constant rivalry between Parisian investors and regional merchants thwarted France's attempts to consolidate its overseas commercial power. The case of Noël Danycan and his attempts to access the markets of Peru and China, plus his constant clashes with the state-founded, chartered companies that held exclusive privileges to maritime trade, exemplifies this larger trend. In the end, Danycan could not hang onto hard-won privileges to trade in the South Pacific. Instead, the lack of regulation of French trade in Peru eventually created a

heavily competitive atmosphere among French traders that divided regional interests from French coastal cities like Saint-Malo, Nantes, Bordeaux, and Marseille against their king.⁵⁸

By 1695, Louis de Pontchartrain, the Secretary of Marine, envisioned it was necessary to continue to support trading monopolies and chartered companies. Nonetheless, Pontchartrain was certain that to achieve better results, it was necessary to decentralize both oversight and investments towards trade affairs. Thus, he assembled a team that could grant advise and management on French commercial policies. From Paris, Pontchartrain sought the wealthy financiers Antoine Crozat and Jean-Baptiste Le Gendre, who had close friendship with Louis XIV. He also tapped the talents of the director of Commerce and Manufactures, Henri d'Aguesseau, and the president of the conseil of Commerce, Michel Amelot. Finally, some prominent merchants were also selected, among them the prosperous Nicolas Mesnager from Rouen and Noël Danycan from Saint-Malo. Along with decentralization, with the aid of his regional advisors, Pontchartrain aimed to energize trade in the main commercial cities of France: Paris, Rouen, Bordeaux, Lyon, Marseille, La Rochelle, Nantes, Lille, Bayonne, Dunkerque, and Saint-Malo.⁵⁹

The necessity to rearrange how trade was conducted came as a direct response to the start of the War of the Spanish Succession. The conflict made France and Spain sudden allies since the new king of Spain, Philip V, was the grandson of Louis XIV, king of France. From the perspective of the French crown, the alliance provided a perfect opportunity to penetrate Spanish affairs, especially to win uninterrupted access to Spanish American silver. By 1701,

⁵⁸ *Danycan and le Compagnie de la Chine, 10 janvier 1708*. Accounting and reports. From the Archives Départementales de Ile-et-Vilaine, Rennes. Danycan family papiers, Série 9-B, Saint-Malo.

⁵⁹ Paul Butel, *L'économie Française au XVIIIe Siecle* (Paris: SEDES, 1993), 21.

this purpose seemed to be materializing, as Spain granted a French chartered company, the *Compagnie de Guinée*, the monopoly over the slave trade. Pontchartrain was convinced that granting exclusive privileges to trading companies was the optimal route to maximizing profits. And although members of his private council like Henri d'Aguesseau and Nicolas Mesnager were upfront against these monopolistic measures, Pontchartrain decided that the exploitation of the riches of the Spanish empire had to be done through private initiatives, which directly benefited the riches merchants.⁶⁰

Through the end of the seventeenth century, France's exports to Spain grew to be vast. By 1686, France sent to Cádiz approximately 17 million piastres worth of products, representing 39% of European traffic to Spain. Among the ports that actively engaged in overseas commerce with Spain, Saint-Malo held first position. The strong commercial ties between Cádiz and Saint-Malo were evidenced by the high frequency of ships that sailed to Spain and the number of products retailed. In contrast with other port cities that also maintained trade with Spain like Le Havre or Dunkerque, Saint-Malo had the advantage of having the cloth industry of Brittany in close proximity. Brittany's textiles were much wanted to Spain due to the breakdown of the domestic cloth-making industry.⁶¹ For Saint-Malo, trading with Cádiz was extremely profitable due to the abundance of Spanish American silver, but also because it allowed Malouin merchants to extend their trading activities

⁶⁰ Butel, 22.

⁶¹ Saint-Malo maintained a steady number of vessels sailing to Cadiz from 10 to 20 per year between 1697 and 1702, and obtaining yearly profit of 4 millions of piastres. Butel, 25.

towards destinations off Africa's Atlantic coast (Canary Islands and Madeira), and throughout markets in the Mediterranean Sea.⁶²

The strength of the merchants of Saint-Malo came from their robust mercantile community and social unity. The key to their intergenerational success came from social dynamics that allowed amassed local commercial strength to remain in Saint-Malo. Endogamy among Malouin merchants was common since they envisioned trading practices and commercial traits as part of a larger family company.⁶³ Further, the creation of commercial alliances between families via marriage also became an essential tool to perpetuate local power in Saint-Malo as a response to outside competition coming from other neighboring cities in Brittany or financiers from Paris. The sons of these families were usually employed as officers of the ships that sailed to Spain and the Americas to gain experience. For example, Noël Danycan became a captain of the *Grénedan* at the tender age of seventeen. From 1671 to 1688, he sailed to all destinations under his father's command from Saint-Malo to Newfoundland to the Mediterranean Sea. By the age of thirty-two, and after fifteen years of seafaring and acquiring a vast experience in overseas trade, he became co-owner of the family business. For the merchants of Saint-Malo, the only way to maintain their businesses was via transmitting *fidélité au commerce* to the next generation. Further, there was a sentiment to exalter commerce as a symbol of national pride and defense of French interests. This is perfectly encapsulated by the words of the prominent Malouin

⁶² Philippe Jarnoux, Pierrick Pourchasse, and Gauthier Aubert, *La Bretagne de Louis XIV. Mémoires de Colbert de Croissy (1665) et de Béchameil de Nointel (1698)* (Rennes: Presses Universitaires de Rennes, 2016), 37.

⁶³ Between 15 and 17 was the ages in which normally the sons of the great merchants of Saint-Malo were assigned in vessels. For example, Luc Magon (17), Pierre Jolif (15) were sent to Peru in the early eighteenth century to gain maritime and trading experience. Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 92.

merchant Locquet de Grandville: “letting the command of merchant vessels to children of rich families was necessary to shape commerce as a noble matter, to counter to the people that look on France with disgust”.⁶⁴

In 1697, an opportunity arose to materialize the desires of the merchants of Saint-Malo. The signing of the Treaty of Ryswick put an end to the hostilities between the French and the Spanish deriving from the War of League of Augsburg. In the aftermath of this conflict, Spain came out weakened, stretched for resources and money to defend its large empire. Moreover, it was no secret that the condition of the Spanish ruler, Charles II, was deteriorating rapidly to the point that, across Europe, his death was considered imminent. As the wealthy Malouin merchant Nicolas Magon de la Chipaudière put it: with the impending “death of the king of Spain, the peace [between France and Spain] will not last.” He also stated that the merchant class needed to seize the opportunity to profit from Spanish America, and specially the South Pacific as soon as they saw the right moment.⁶⁵

However, the merchant groups of Saint-Malo had contradictory intentions on how to proceed the infiltrate the Spanish Pacific and who would be allowed to participate in this trade. The division came from the old merchant dynasties (like the Magon, Grout, Le Fer, and Vivien families) versus the new generation of wealthy merchants like Noël Danycan and Locquet de Grandville. The old families believed that they deserved the privilege to lead the initiative to Spanish American markets since they already had a liaison with Cádiz and, overall, a handle on the Spanish Transatlantic trade. Nonetheless, by the end of the seventeenth century, there was a resurgence of monopoly contracts and French chartered

⁶⁴ Lespagnol, 113.

⁶⁵ “La mort arrivant du Roy d’Espagne, la paix ne peut estre de longue durée.” In Lespagnol, 518-520.

companies. These enterprises were responsible for the revival of commercial destinations like India and China, but now possessing the combination of seafaring experience and abundant capital. Noël Danycan was the successful director of the Compagnie de la Chine de Saint-Malo and he intended to recreate a similar style company to trade in the Spanish Pacific. Despite their differences, both sides managed to secure contracts with the French state to legitimize their claim to access directly access to Spanish America. On one side, Nicolas Magon assured the participation of most of the old Malouin dynasties in the recently founded Compagnie de Saint-Domingue, which centered its operations in the Caribbean. Meanwhile, Danycan and his Parisian associate Jean Jourdan obtained a royal permit to trade in the South Pacific via the recently established Compagnie de la Mer du Sud, of which Danycan and Jourdan were the directors.⁶⁶

“Je suis le premier moteur de ce commerce qui a fait tant de bien à l’Etat” (I am the main engine of trade serving the well-being of the [French] state)⁶⁷, affirmed Danycan when questioned about the overall role of the Malouin merchants in trading with the Spanish colonies. His deep experience as merchant and sefarer gave him self-confidence in the success of this new venture, so much so that he intended to establish a French colony in the South Pacific coast to facilitate both access to American silver and to guarantee a place for rest and resupply to other French vessels. For Danycan, it was necessary to act with determination and with the expectation of belligerence: the English and the Dutch had proceeded in the same way in the Caribbean and Newfoundland, and they were ultimately successful. In 1698, the company was founded, and a small expedition was sent under the

⁶⁶ Lespagnol, 521-522.

⁶⁷ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 522.

captaincy of Beauchesne shortly after. In 1701, the expedition returned with disappointing news. Coastal settlements across the South Pacific viewed the French penetration as hostile, attacking interloping merchants on several occasions. However, when they arrived in Lima, Beauchesne managed to convince the local authorities to trade.⁶⁸ For Danycan, despite the economic losses that the expedition suffered, investing in trading in Peru was worth it. Nonetheless, the company's remaining financiers did not agree with him, ultimately forcing the company's dissolution. To make things worse, Louis XIV arranged an alliance with Spain for the upcoming war against the Dutch and the English, and thus forbade trading directly to Peru as it could upset their new ally.

The idea of a unified French commercial front that could cooperate to undermine the Spanish authority over its colonies was an illusion. Despite the aspirations of Louis XIV and Jerome de Pontchartrain to strengthen commercial companies to be the spearhead of French overseas expansions, the merchants and financiers that ultimately sponsored these enterprises were driven by interests that did not always coincide. Indeed, they sometimes caused serious clashes. After Danycan's failed attempt to seize the Spanish Pacific trade for himself, Louis XIV granted him the monopoly on trade to China; thus, the *Compagnie de la Mer Pacifique* became the *Compagnie de la Chine de Saint-Malo*. Further, Pontchartrain was mindful that trade with China was highly profitable, and thus he allowed the formation of another company, this one centered Paris and financed mostly by Parisian capital. The Secretary of Marine was aware that competition was inevitable going to ensue between the Saint-Malo and Paris enterprises, and thus he helped broker a partnership between the two. Both

⁶⁸ Beauchesne, Gouin. *Journal de vaisseaux Le Phelippeaux, 1698*. Journal. From Archives Nationales de Paris. Service hydrographique de la Marine. Journaux de bord, MAR 4JJ/97, 5.

companies maintained their autonomy, but they ultimately cooperated in taking turns to trade and to establish base prices of the products that they aimed to sell.⁶⁹

Strife first arose in 1699, when the directors of first *Compagnie des Indes Orientales* (1664-1704) protested that their rights were violated when they received news that the vessel *Amphitrite*, sent by the recently founded *Royal Compagnie de la Chine*, docked in Canton. Despite the successes of initially establishing colonies in Pondicherry (India), Madagascar, and Ile Bourbon (Réunion), the *Compagnie des Indes* was unable to protect them from foreign incursions throughout the second half of the seventeenth century. The Dutch and the English applied constant military pressure and restrained French trading operations. With the Peace of Ryswick, company investors believed that finally Anglo-Dutch aggressions would cease, or at least they would have enough time to prepare for the next conflict. The directors did not wait. Five years later, France was engulfed in another global conflict. War in the Indian Ocean strained the resources and military capacity of the already worn-out company.⁷⁰

In 1698, the Parisian financier Jean Jourdan obtained permission to send the *Amphitrite* to China, despite the monopoly claims of the *Compagnie des Indes* (exclusive rights to sail and trade in the Indian and Pacific Oceans). Lack of communication generated

⁶⁹ *Mémoires des vaisseaux Le Chancelier*. Reports of navigation. From the Archives Départementales de Ile-et-Vilaine, Rennes. Danycan family papiers, Série 9-B, Saint-Malo; *Procés avec les directeurs de la compagnie de la Mer de Sud et Compagnie de la Chine de Saint-Malo*. Accounting from the Archives Départementales de Ile-et-Vilaine, Rennes. Danycan family papiers, Série 9-B, Saint-Malo.

⁷⁰ Marie Ménard-Jacob, *La Première Compagnie des Indes. Apprentissages, échecs et héritage, 1664-1704* (Rennes: Presses Universitaires de Rennes, 2016), 277-80.

further discomfort since the Company's vessels *Fatemourade* and *Elisabeth* were anchored in Surat waiting for further instructions to trade in China. All was disrupted by the surprising arrival of the *Amphitrite*. When Jourdan's vessel returned to Nantes in August of 1700, it brought 400,000 *livres* worth of merchandise, from which 20,000 were given to the Compagnie des Indes as compensation for their incursion. The success of Jourdan's voyage sealed the fate of the official French East India Company since the king and Pontchartrain saw more advantageous in granting licenses to more promising enterprises. Competition might be good, and thus both China companies were ultimately granted permits.⁷¹

The agreement between the merchants of Saint-Malo and the Parisian investors was signed and, shortly, arrangements were made to preparate vessels to sail to China. The companies designated two ships each to depart. The *Amphitrite*, funded by the Parisians, was the first. The directors were optimistic and estimated that this ship could bring merchandises valued between 250,000 and 300,000 *livres*. However, a year and a half later, when the *Amphitrite* returned to Port Louis, the officers from Saint-Malo that were assigned to this voyage declared that the vessel only won 12,000 *livres*. They also accused the captain and the notary of the ship of falsifying the total amount of profit obtained in the voyage to China in order to cover up the losses of the Parisian company.⁷² Although the evidence that might

⁷¹ *Procés avec les directeurs de la compagnie de la Mer de Sud et Compagnie de la Chine de Saint-Malo*. Accounting. From the Archives Départementales de Ile-et-Vilaine, Rennes. Danycan famille papiers, Série 9-B, Saint-Malo.

⁷² *Danycan and le Compagnie de la Chine, 10 janvier 1708*. Accounting and reports. From the Archives Départementales de Ile-et-Vilaine, Rennes. Danycan famille papiers, Série 9-B, Saint-Malo.

clarify this incident is incomplete, it is certain that despite the agreement between the merchants of Saint-Malo and the Paris financiers, there existed an ongoing campaign between them to undermine each other.

The source of this dispute came from Danycan's desire to trade with Peru despite the existing royal decree that forbade direct trade in the South Pacific. Initially, the vessels from Saint-Malo were bound to follow the route of the *Amphitrite*. However, Danycan and his trading partner, the Italian merchant Natal Stefanini, planned to switch course and head to Peru instead. The ships *Phelippeaux*, *Charles*, and *Royal Saint-Jacques* reached the South Pacific in early 1704. The expedition was a resounding success, bringing back to Saint-Malo 1,3 million livres' worth of silver bars. When the news reached the capital, the directors of the Parisian company were outraged and protested to Pontchartrain. They demanded that the merchants of Saint-Malo compensate the king and themselves for violating their agreement. Initially, the Saint-Malo merchants formed a coalition and denied these accusations. Even the old dynasties supported Danycan since they, too, were invested in his company. One of the representatives of the powerful old Magon family, Magon de la Chipaudiere, even called the Parisian accusations the "darkest slanders that could ever be imagined".⁷³

However, the Malouin merchants found out that the Parisian company faced critical economic problems and that the Peruvian silver they had obtained was exactly what was

⁷³ *Danycan and le Compagnie de la Chine, 10 janvier 1708*. Danycan famille papiers.

needed to stabilize the finances of the company. Martineau, the treasurer of the company in Canton, noted that the situation of the finances was alarming. In the meantime, the Parisian financiers accused Danycan of bribing two of the Parisian directors, Démons and De Montois, convincing them to advocate in favor of the Saint-Malo Company. But Danycan argued that this was a set-up created by the same Parisian directors themselves, intended to make a strong case to Pontchartrain with the goal of cancelling the Saint-Malo company. The financiers from Paris referred to Danycan's expanding ambition as "*le tour du globe*", since he aimed to link China and Peru in his trading network. It is plausible is that the Paris financiers from Paris were aware that Danycan's gamble in trading with Peru was a success from which they could benefit from. Further, some of the directors of the Parisian company like Danjean and Saint-Maurice were keen to advocate in favor of the merchants of Saint-Malo if they would receive half of the profit from their ventures in Peru.⁷⁴

The intrigues and competition between French merchants and investors also occurred within the company's operations. During the first expedition of the Company of Saint-Malo to the South Pacific, Fouquet, captain of the *Phelippeaux* and the supervisor of the squadron, behaved strangely when engaging in trade with Peruvian peers and acted suspiciously when loading silver cargo into ships. According to witnesses, it seems that Fouquet had made previous arrangements with some Peruvian merchants, and he tried to hide

⁷⁴ *Procés avec les directeurs de la compagnie de la Mer de Sud et Compagnie de la Chine de Saint-Malo.* Danycan famille papiers.

the actual number of silver bars laded for his own benefit. During the interrogation in the admiralty of Brittany, Alexis Moriz, an officer of the *Phelipeaux*, claimed that Fouquet's actions caught the attention of Mr. Fouesson, another officer close to Danycan who had threatened to denounce Fouquet. The situation escalated to the point that both men draw their pistols, but immediately they were pacified by the startled crew. According to Moriz, previous orders expedited by Danycan were simply not followed. Instead, Fouquet took executive decisions without consulting any of the officers except Charles Riviere, who seemed to be his accomplice.⁷⁵

While the order of the *Phelippeaux*, *Charles*, and *Royal Saint-Jacques* was to head for Lima after a brief stop in Concepción, Fouquet decided to anchor instead in Pisco, a city located some 400 kilometers south of the capital. Moriz added that the captain decided to transport a considerable amount of merchandise to a storage house. The ships remained in Pisco for four months, trading the offloaded products while Fouquet made arrangements with local merchants. According to Moriz, Fouquet tried to cover up this operation by claiming that the merchandises sold in Pisco was going to the wealthy merchant of Lima Bernardo Solís Bango. Fouquet aimed to strengthen his ruse by buying merchandises from the *Charles* and *Royal Saint-Jacques* to compensate the cargo sold in Pisco, then reselling the products and the remaining initial cargo to Solís Bango and his associates. Finally, Moriz declared that

⁷⁵ *Procés avec les directeurs de la compagnie de la Mer de Sud et Compagnie de la Chine de Saint-Malo.* Danycan famille papiers [n/

when they returned to France and arrived at Port Louis, Fouquet and Riviere unloaded a large chest supposedly full of gold and silver coins.⁷⁶ The exposition of this ruse exhibited divisions within the command of the Compagnie de Saint-Malo, which added up to the existing issues with the Parisian financiers.

Riviere was recommended to Fouquet by his former employer, the Malouin captain Villien Bourdas. According to witnesses, Riviere was very competent as an accountant and reliable. Riviere declared that he did not ask Fouquet to be compensated for his services, instead he served the captain “*gratuitement*”. While being interrogated by the officers of the admiralty of Brittany, Riviere’s testimony revealed several contradictions with other testimonies from witnesses that were on board the *Phelippeaux*. When asked about the four months overstay in Pisco, Riviere answered that it was because Moriz needed medical treatment for an injury that he got while resupplying in Brazil. Since his injury required rest, the captains of the expedition decided all together to unload their cargo and sell it in Pisco. There is no testimony besides Riviere’s of the existence of this injury, nor did Moriz address it in his testimony. Finally, when asked about the chest that Fouquet unloaded in France and that he helped disembark, Riviere acknowledged that it contained an unknown number of silver bars, and it was retrieved from the eastern Caribbean Island of Saint-Lucie before returning to France. He declared that he did not know many details about how Fouquet managed to amass by himself that amount of silver.⁷⁷

⁷⁶ *Procés avec les directeurs de la compagnie de la Mer de Sud et Compagnie de la Chine de Saint-Malo.*

⁷⁷ *Idem.*

The case of Danycan's "global" enterprise illustrates to layers and complexities found within French trading operations in early eighteenth-century Peru. There was a notorious division between regionally capitalized businesses and those centered in Paris. Danycan perceived that the amount of silver that could be won in Peru outweighed the risk of contravening the king's orders and failing to comply with the agreements of the financiers from Paris. All shared the ambition to connect Asian trade and Peruvian trade, as both were vitally important. This incentivized both cooperation and competition, and overall, the wealth of Peru was enough to create internal disputes and constant negotiations amid French partners in trade. The "Lure of Peru", as Peter Bradley termed it, had not disappeared.⁷⁸

Promises and Peril in the Peruvian Coasts

When the Danycan's monopoly collapsed, the Malouins seized the opportunity to flock to the ports of the South Pacific. The intertwined economic interests of French traders in Peru created a complex system of relationships shaped by loans, debts, investments, and chance opportunities. French dry goods sellers who reached Peru had to navigate an intricate system of networks that not only encompassed local merchant groups and royal officials but competing French merchants as well. Therefore, instead of analyzing French commerce as an enterprise that connected three broad groups (French, Peruvian, and Spanish merchants), all under the label of "illicit commerce". I suggest we acknowledge internal divisions in all these groups as well as change over time. The evidence shows that evolving trading

⁷⁸ Peter T. Bradley, *The Lure of Peru: Maritime Intrusion into the South Sea, 1598-1701* (New York: StMartin's Press, 1990).

connections shaped layers of businesses and merchant associations, often producing internal conflicts and unexpected alliances. Government officials also played many, and seemingly contradictory, roles.

By the beginning of the eighteenth century, the alliance between France and Spain plus the accession of Philip V to the Spanish throne convinced Louis de Pontchartrain that the moment for the French to directly access the richness of Spanish America had finally arrived. However, the path to achieve this end was disputed. Pontchartrain was keen to find a way through official mechanisms. The *Compagnie de Guinée* and the *Compagnie de la Mer Pacifique* had to the support of the French Crown and the Guinea Company had the endorsement of the Spanish king to arrive to the Indies. The grand families of Saint Malo were not content with this decision. They felt that they had been cast aside by Parisian interests, excluded from a reward they felt deserved. These families were pivotal in creating networks with Seville and Cadiz trading houses and in diverting Spanish American riches to France. However, the policy of the *asiento* or slave trade monopoly harmed Malouin commercial interests just as it benefitted Parisian investors and the financial allies of the French crown.

Despite this fact, the Malouins pushed their luck and outfitted vessels for the South Pacific run. Several had to be cunning in order to bypass local authorities. For example, Jean Vivien, captain of the *Deux Couronnes Catholiques*, managed to sell his cargo and bring returns valued at half a million *livres* despite open confrontation with the merchant guild of Lima.⁷⁹ Nonetheless, not all voyages were successful. Some vessels had to endure obstacles

⁷⁹ Moreyra Paz Soldán, *Estudios históricos. Tráfico marítimo colonial y el Tribunal del consulado de Lima*, 1:379-81.

that, in some cases, crippled their endeavors. The *Cigne*'s passage to the South Pacific in 1701 which was disaster due to logistical problems and lack of provisioning. Risks were still high. Desperation forced the *Cigne*'s captain to use violence against coastal settlements to obtain food and water, and shortly after he and his crew returned with heavy economic losses back to Saint-Malo.⁸⁰ In other situations, plans were changed at the last minute. The vessel *Saint-Francois* was initially prepared to sail to Peru in 1700, but the ship's *armateur*, Jean Gaubert, backed out at the last moment, fearing potential reprisal from the French crown. Gaubert was worried by Danycan's monopoly, and thus he ordered the ship's course switched to Cádiz.⁸¹

The French crown's enthusiasm over its alliance with Spain and long-desired participation in the Carrera de Indias did not come for free. Spain relied heavily on France for the war effort and for the aid in the safe return of the silver fleets back from the Indies. However, the disaster of Vigo Bay (1702) that brought the destruction of half the forces of the French Marine and caused bitterness in Versailles, but the Malouins were aware that they could exploit this situation. La Lande Magon sent a letter to the *Controller Général* Michel Chamillart in March of 1705 suggesting that the crown, to gain compensation for the losses at Vigo, could end Danycan's South Pacific monopoly and open trade for the rest of the Malouin families and, thus, benefit from taxation of French trade into the coasts of Rio de Janeiro, Buenos Aires, and the South Pacific. Furthermore, La Lande Magon convinced Chamillart that the Malouins could send a constant flow of vessels to the Peruvian coast cities

⁸⁰ Paul Firbas y José A. Rodríguez Garrido, eds., *Diario de noticias sobresaleintes en Lima y noticias de Europa (1700-1711)*, vol. 1 (New York: Instituto de Estudios Auriseculares (IDEA), 2017), 57.

⁸¹ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 525.

to ensure this project.⁸² The great families of Saint-Malo already possessed contacts in Cadiz that functioned as intermediaries between them and the merchant groups of the South Pacific. The connection Cádiz – Saint-Malo had benefited the old Malouin clans like the Magons, Eons, Le Fer, Grout, Picot, among other families, and this cooperation will continue to be decisive in the French incursion into Spanish South America.

The Malouin families followed, as André Lespagnol argues, a *stratégie pluraliste*. Instead of planning voyages with a fixed destination that required precise provisions and cargo, their vessels were often well-armed and outfitted, allowing them to intertwine destinations, making more flexible journeys. This means that a French vessel could be found in Veracruz one year, and the following year sighted in Buenos Aires or Lima. Further, the pattern of voyages often changed. For example, the vessels *François* and *Glorieux*, financed by the Picot, family were destined to the South Pacific in early 1707. However, instead of returning to Europe, the ships sailed to Veracruz, where they linked up with the Franco-Spanish fleet that was bringing the silver treasure to Cádiz. This type of response was due to two problems that these merchants perceived. The first was the Anglo-Dutch threat. The War of the Spanish Succession motivated an increase of enemy ships in the Atlantic that monitored common commercial routes. The French sought to be unpredictable and thus scattered themselves around from Guatemala to Cartagena de Indias or from the coast of Brazil to Chile; the idea was to keep enemy patrols guessing.⁸³

The second aim of this strategy was maximizing economic benefits. Despite the alliance between France and Spain, restrictions on French to trade in Spanish America were present.

⁸² Lespagnol, 521.

⁸³ Lespagnol, 537-40.

Yet royal decrees were often bypassed, and it was not uncommon that local authorities took decisions that contradicted their king's directives, because the king tended to change his mind as well. When in 1706 Philip V authorized French squadrons commanded by Rigaudière and Chabert to escort the Peruvian silver fleet from Callao to Panama, he expressly mandated that they were forbidden from selling merchandise while they were stationed in Peru. However, months later, the Spanish king wrote another *cédula* or decree in which he authorized both fleets to bring goods from *particulares* or private parties to be sold in Peru.⁸⁴ French vessels that were financed by Parisian investors and had the direct support of the king or Pontchartrain were assured to have a warm welcome upon their arrival in Peru.

The merchants of Saint-Malo were eager to transgress existing directives against foreign trade using the excuse of *buena correspondencia* that the king of Spain issued in 1703. In this mandate, Philip V communicated to the viceroy, count de la Monclova, that Spain and France had an “friendly” alliance, and thus, when French ships arrived in Spanish America, local authorities needed to ensure their provisioning and safety.⁸⁵ French captains were aware of these conditions and offered their services to obtain permits to trade. Some French captains ask colonial authorities to patrol the coasts, and some of them, claimed that they had fought against the English or Dutch privateers on their way to the South Pacific. In 1701, Beauchesne arrived at Callao and asked permission to sell his merchandise, which initially was rejected. However, after “persuading” local authorities with a banquet and generous

⁸⁴ Antonio Muro Orejón, ed., *Cedulario americano del siglo XVIII; colección de disposiciones legales indianas desde 1680 a 1800, contenidas en los cedulaes del Archivo General de Indias.*, [1. ed.], Publicaciones de la Escuela de Estudios Hispano-Americanos de Sevilla, 99 (Sevilla, 1956), 178-188.

⁸⁵ Muro Orejón, 180.

gifts, the viceroy allowed the French to trade.⁸⁶ In 1702, the French captain of the *Saint-Joseph*, Nermont Trublet, was allowed to sell merchandise since he claimed that he managed to drive off three English ships along the coast of Chile. A year later, a members of a great Malouin merchant family, Carman Julian Eon, arrived in Arica bringing an English flag that he claimed to have taken from an English vessel that he sank on his way to Peru. It convinced the local authorities to allow him to trade.⁸⁷

While planning and coordinating investment for their South Pacific adventures, the Malouins followed three strategies. The first was to create an association of merchants that was characterized by minor investments but that combined could muster between 40,000 livres to 100,000 livres, enough to outfit two vessels of mid-size tonnage. This type of short-term contract aimed to reduce risk as much as possible, but such associations also granted flexibility to participants investing in other enterprises. The second strategy involved a relatively new form of investment that entailed assigning costs, earnings, and losses by interests or percentages, divisions that allowed the merchants to calculate more efficiently the results of their investment and potentially increment their amount of income from each venture. The third but least common strategy was to pursue a *grosse aventure*. The key characteristic of this type of initiative was the great amount of capital invested, usually ranging from 200,000 livres to 750,000 livres. Parisian chartered companies, like the Compagnie des Indes Orientales or the Compagnie de Saint-Domingue, administered similar amounts of capital since they were backed by wealthy financiers from Paris and the French

⁸⁶ Firbas y Rodríguez Garrido, *Diario de noticias sobresaleintes en Lima y noticias de Europa (1700-1711)*, 1:50.

⁸⁷ Firbas y Rodríguez Garrido, 1:350.

crown. In the case of the Malouin merchants, this business model implied high risks, but also potentially high rewards. However, few merchants dared to invest that much. Not everyone was Noël Danycan, although we know from the previous section that the rewards from his overseas gamble were less than he expected.⁸⁸

After setting the arrangement of investments and the deciding on the logistical steps needed to undertake an overseas trading voyage, the next step was vital: how to work around laws prohibiting foreign trade. In this scenario, the decision of which destination in the South Pacific to arrive was fundamental. The port cities of the Spanish Pacific that absorbed the most attention from French merchants were Concepción (Chile), Pisco, and Callao. Of less sustained concern but still important were the Atacama Deserts ports of Arica and Coquimbo, and the desertic port of Ilo, at south of the Peruvian capital. The French chose these places because they presented emergent and thriving markets crying out for manufactured goods, especially the alluring cloth from Brittany and Rouen. For example, the captain of the French ship *Saint-Clement*, Josselin Gardin, described that it was very common for the French to meet Peruvian merchants in Ica, especially traders from Potosí. Despite the desolation and arid features of Ica, Pisco, and Paracas, the French were confident that business can always be safely pursued in those places.⁸⁹

The notorious stagnation of the Carrera de Indias in these years created and opportunity that the merchants of Saint-Malo sought to fill with their wholesale offers of clothing and other merchandise. The French were optimistic that merchants from Lima, home of the most

⁸⁸ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 558-63.

⁸⁹ Josselin Gardin, 1712, Journal d'abord de vessel Saint-Clement, Archives Nationales de France (MAR 4JJ/97).

influential and powerful guild of traders in the South Pacific, were in a desperate situation that could be readily exploited. However, during the first two decades of French “illicit trade”, Lima’s merchants changed their attitude towards their French associates.⁹⁰

For example, in February of 1710, the captain of the French vessel *Deux Couronnes Catholiques* arrived at Lima and petitioned Viceroy Ladrón de Guevara to be allowed to freely navigate the Pacific to search for French deserters along the coast, claiming that it was an order that came straight from Louis XIV. In response, Lima’s Tribunal del Consulado (or merchant guild oversight committee) pled with the viceroy to dismiss this request because guild members were convinced that this was a ruse. They claimed that “the greed of the French is insatiable, they skillfully plot new plans every day to commit fraud, leaving the prohibitions against them as mere illusions”.⁹¹

In the end, the Consulado’s imploration did not change the viceroy’s mind, and the French vessel was allowed to roam freely for several months. According to the French, the result was very profitable; back in Saint-Malo the *Deux Couronnes Catholiques* reported in gaining an estimated of 200,000 in *livres* in sales.⁹² However, despite the open repudiation from colonial merchants towards their French peers, the evidence shows otherwise. French merchants found wealthy associates from local merchant guilds that possessed an important amount of capital, owned warehouses to storage wholesale goods, and had extensive networks of contacts that it made possible to distribute the acquired merchandise to the interior of the territory. An example of the existence of this cooperation can be examined

⁹⁰ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 600.

⁹¹ Moreyra Paz Soldán, *Estudios históricos. Tráfico marítimo colonial y el Tribunal del consulado de Lima*, 1:381.

⁹² Moreyra Paz Soldán, 1:381.

from the trial against three wealthy peruleros: Joseph Tagle Bracho, Pedro Gómez de Balbuena, and Felipe de Uceda. All came under fire for trading with the French vessel *Chancelier* in 1716. The case against them reveals details about close coordination with French traders, some of whom remained in Lima to act as middlemen. We also learned about storage of the acquired goods, and their subsequent circulation inland.⁹³

While the merchants of Lima were pivotal for the success of French trade, the merchants of Santiago de Chile and Concepción also played crucial roles. Concepción became a mandatory stop to resupply, but also to initiate trade. Alongside the merchants of Lima, the merchants from Chile collaborated with the French to the extent of transforming Concepción into a French trading hub, even surpassing Callao in the total number of arrivals of French ships. The advantage that Concepción had over Callao/Lima was simple: permissive authorities. They often seemed indifferent to the rules of foreign trade.⁹⁴

It is implied that the French neutralized local authorities via contributions and “donations” so that their businesses would not be disturbed. However, in some instances, if these conditions were broken, the local officials in Chile did not hesitate to enforce their authority. For example, French captain Champloret Le Brun got into serious trouble with the authorities in Concepción after his first mate, Pierre Le Duc, tried to cut a deal with local merchants without the authorization of his captain and without paying the expected fee to the governor. The authorities did not take long in discovering the double-dealing, and the captain

⁹³ *Juicio de residencia al virrey Diego Ladrón de Guevara* (1720). From the Archivo General de la Nación, sección colonial, Lima. Real Audiencia de Lima, No. 38, 210-14.

⁹⁴ Armando Cartes Montory, *Franceses en el país del Bío-Bío, 1550-1850*, 1a. ed. (Chile: s.n., 2004), 71-73.

and his first mate soon faced charges.⁹⁵ Overall, however, Concepción's royal port authorities were "easy", giving sufficient comfort to the French that they often remained in the territory for prolonged periods, using the southern Chilean city as a base of operations to coordinate the arrival of other ships coming around Cape Horn or further commercial operations heading north from there to Arica, Pisco, Lima, and even Quito (mostly via Guayaquil). According to the captain of the French vessel *Toison d'Or*, Jean de Boislorée, the French were well treated upon their arrival to Concepción. Merchants and royal authorities collaborated with them. However, the French had to visit the mayor of the city to seek "employment", was the French had to most likely give away gifts or bribes.⁹⁶

In contrast, Lima was less predictable. The changing policies and prohibitions of the capital made permission to trade with the French was uncertain. The safest bet for the success of the Malouin merchants was having in advance a collaboration with local authorities or powerful merchants with the needed connections to ensure the success of their business. For example, the Magon family had close ties with the relatives of the viceroy Marquis de Castellosrius (1706-1709), which permitted the French to thrive in the local economy. The son and the nephew of the marquis, Félix de Sentmenat and Ramón de Tamarit, respectively, invested in trade with the representative of the Magons in Lima, François Magon. Furthermore, even years after the death of the Marquis, François Magon maintained his

⁹⁵ *Procès criminel. Affaire entre l'armateur malouin Le Brun de la Franquerie et Pierre le Duc* [...] From the Archives Départementales de Ile-et-Vilaine, Rennes. Recueil. Série 9-B, Saint-Malo.

⁹⁶ Jean de Boislorée, Journal d'abord du vessel *Toison d'Or*. Archives Nationales de France (MAR 4JJ/97).

prerogative to trade in Peru until all such trade was banned and punished by the French crown in 1715.⁹⁷

Despite the royal decrees that forbade foreign trade, viceroys varied in terms of their will to enforcement. They did this while also extending the expected *buena correspondencia* towards the subjects of Louis XIV. The viceroy count de la Monclova (1698-1705) operated according to the law, giving the arriving French the possibility to reprovision but without consenting to trade. Even so, when Beauchesne arrived at Lima in 1701 with a small squadron of ships, reaffirming that his mission was to protect the coasts against English and Dutch privateers, he also asked for a permission to trade. As we know, it was initially refused, but later was approved giving generous gifts to the local authorities.⁹⁸ The subsequent viceroy, the marquis of Castellosrius, had an opposite approach to the French concern. His deep personal involvement in French affairs due to his previous office as the Spanish ambassador in Paris and his close friendship with Louis XIV shaped his administration to be tolerant and even supportive of French trade. For example, when the French vessel *Aimable* arrived at Lima, its captain Michel Chabert was kindly hosted by the viceroy, who even gave him a horse-drawn carriage to explore the city. The captain of the *Assomption*, Alain Poreé claimed that he was surprised when he met the viceroy because he behaved more like a Frenchman than a Spaniard and did not hide his admiration for the French and their king.⁹⁹

⁹⁷ *Protocolo notarial de Juan de Avellán, 1714*. Archivo General de la Nación, sección colonial, Lima. Protocolos notariales del siglo XVIII, 589-90.

⁹⁸ Firbas y Rodríguez Garrido, *Diario de noticias sobresaleintes en Lima y noticias de Europa (1700-1711)*, 1:50.

⁹⁹ Malamud, *Cádiz y Saint Malo en el comercio colonial peruano (1698-1725)*, 256.

Moreover, Castellosrius and his entourage were responsible for facilitating French trade via the in creation of a trading hub in Pisco that allowed them to “secretly” conduct trade with the French. However, this place was hardly a secret. Even the contemporaries from this period addressed it as the “feria de Pisco”, elevating its stature to compare it with the prominent Portobello fair in Panama. Nonetheless, this arrangement was not well received by the merchants from Lima since the viceroy imposed additional taxes and conditions that were detrimental to their financial interests. The subsequent viceroy, Diego Ladrón de Guevara, justified safe passage to French vessels to trade in colonial ports by arguing that they were most needed to guard the coast against their enemies. At the same time, the viceroy decided to dissolve the naval squadron of the South Pacific because he claimed the public treasury was in a ruinous state and disbanding the fleet could ameliorate the situation. His permissiveness did not go unnoticed by the king of Spain, and after a thorough investigation from the Audiencia he was condemned to pay 20,000 pesos for allowing French trade and 40,000 pesos for actively participating in businesses with them.¹⁰⁰ These were not small sums.¹⁰¹

Other royal officials beneath the level of viceroy managed French affairs in their own way. Some of them seized the opportunity to profit from foreign trade, often at great personal cost. One was the *teniente general* of Arica, Francisco Nacarino, who was sent to jail in 1702

¹⁰⁰ Malamud, 248.

¹⁰¹ In the South Pacific, pirate raids could cause much disturbance by interrupting shipping routes, capturing merchant vessels, and pillaging undefended ports and coastal towns. For example, the (in)famous “captain Franco” (a.k.a. Franz Rools, a Zeelander), alongside a tiny band of pirates, managed to terrorize the coasts from New Spain to the Southern coast of Peru (1687-1695). If a small band of pirates caused so much damage, the threat of a larger force of Dutch and English privateers could be ruinous for the Spanish. Viceroy such as Monclova realized that the Pacific coast was too vast to patrol. Therefore, subsequent viceroys saw the French ships as an alternative against this threat. Kris E. Lane, *Pillaging the Empire: Global Piracy on the High Seas, 1500-1750*, Second edition. (New York: Routledge, 2016), 142-46.

for collaborating in French trading activities. The *corregidor* of Camaná, Juan Joseph Gallegos, was found guilty of facilitating French trade between 1717-1718, and acquiring a total of 5,000 pesos from illicit practices. Furthermore, the *alcalde de casa y corte* Joseph de Potau y Oliana, overseer of justice of the viceregal court, proved observant of the development of illicit traffic from the time of the administration of the Viceroy Ladrón de Guevara to the Prince of Santo Buono. When Potau was notified about the involvement of the wealthy merchants Joseph Tagle, Felipe de Uceda, and Juan Domingo de Orrantía in French trade, instead of opening a case against them, Potau assured the merchants that he would remain silent in exchange of 40,000 pesos. A key witness in the making of this deal was the merchant Manuel Mendez, who was a close friend of Potau. Mendez explained that negotiations with the French mostly occurred in the house of Felipe de Uceda and in the San Francisco monastery. In both places, negotiations were heated since the French complained that they were owed more money than they were paid for wholesale merchandise.¹⁰²

In all these dealings, Potau, as the authority overseeing foreign trade, called the shots. He was aware of the transactions of textiles from Rouen and Brittany and even knew that they were stored in the houses of the merchants Pedro Gómez de Balbuena and Felipe de Uceda. He knew that merchants from the French vessel *Chancelier* lived in the houses of those merchants while the merchandise was being sold. Then, Potau figured that he could gain more money if he incarcerated the involved merchants and extorted them for their freedom.

¹⁰² It is possible to track Felipe de Uceda's involvement in French trade via notarial protocols, like in *Protocolo notarial de Juan Nuñez Porras, 1718*. Archivo General de la Nación, sección colonial, Lima. Protocolos notariales del siglo XVIII. 650. The full trial of Potau can be found in the *Juicio de residencia al virrey Diego Ladrón de Guevara* (1720). Archivo General de la Nación, sección colonial, Lima. Real Audiencia de Lima. (p.220-222).

Joseph Tagle Bracho and Pedro Gomez de Balbuena were jailed and forced to pay 9,000 pesos for their release. The only person that managed to avoid capture was Manuel Mendez, who sought asylum in the Franciscan monastery and then presented his case to Francisco Arellano, the *alguacil de contrabando* (or bailiff of contraband trade). Arellano which he accused Potau of bribery and complicity in illicit trade, for which he was found guilty in 1720. Nonetheless, and without explanation, the captain of the *Chancelier* and his crew were not prosecuted. Instead, the viceroy let them leave with their whole cargo untouched.¹⁰³

Incongruity and inconsistency were recurrent features in the treatment of the colonial merchants and authorities over the French during the first two decades of the eighteenth century. Jean de Pre, who was mentioned at the beginning of this section, was years later involved in a judicial case over the administration of the Santa Rosa mine and the Yurayaco refining mill, both located in the region of Cerro de Pasco in the high Andes east of Lima. De Pre lent 25,000 pesos to Martin de Retuerto, the initial administrator of both mine and mill. However, he died without repaying what he owed. De Pre protested to the Juan de Oliba y Jofré, the regional mine magistrate or *alcalde mayor de minas*. De Pre argued that he was owed a large quantity of money and that several witnesses could testify in his favor, among them prominent merchants like Joseph Tagle Bracho. De Pre's plea was resolved in his favor, granting him the administration of both the mine and the mill, which was a strange resolution due to the current context. During these years under the viceroy Prince of Santo Buono, the colonial administration sought to enforce mining reforms and to apply aggressive tactics to

¹⁰³ *Juicio de residencia al virrey Diego Ladrón de Guevara* (1720). 225.

stop French intrusion into Peru's economic affairs.¹⁰⁴ Granting a Frenchman, associated with prominent Peruvian merchants involved in French contraband, the administration of a silver mine and its refinery did not make sense.

The decision to grant mining privileges to De Pre contravened the policies intended to regulate both maritime trade and terrestrial investment. Nicolas de Retuerto, the son of Martin, complained saying that De Pre was not fit to administer the Pasco-area mine, implying that due to his nationality and connections, silver production was in danger. The *alcalde* revisited the case and agreed with Nicolas de Retuerto that De Pre was not prepared to oversee the mineworks but said that he was bound to pay his father's debt to the French, and until then, the mine and mill would be run by the *alcalde* himself. The landscape – or “law-scape” – French merchants encountered upon reaching to Spanish South Pacific was ambivalent. Their success was determined by the tolerance or pliability of local authorities up to the level of the viceroy, and on how cooperative and interested local merchants happened to be. In this setting, the variables that help us understand how French trade came to fruition in a time of major transition derive from the intricate network of often competing and interests that shifted over time. This unstable web shaped the effectiveness or inefficacy of the execution of orders against French trade.¹⁰⁵

¹⁰⁴ *Protocolo notarial de Juan Nuñez Porras, 1728*. From the Archivo General de la Nación, sección colonial, Lima. *Protocolos notariales del siglo XVIII*. (p. 550-552).

¹⁰⁵ *Idem*.

Conclusion

The War of the Spanish Succession opened the gap that allowed French trade to prosper in the South Pacific. While negotiations took place in Madrid between Spanish ministers and French diplomats over the improvement of the old commercial system with the Indies, French traders from Saint-Malo ventured to the Spanish Pacific, exploiting the existing Franco-Spanish alliance and the colonial policy of tolerance of the French, to trade. However, the development of this trading route revealed that the formation of this business initiative was characterized by an ongoing tension between local and regional interests against the metropolitan monarchs. This chapter showed that the French did not present a unified front in their attempts to penetrate Peru. The interests of the merchants from Saint-Malo collided with the Parisian companies, first in their businesses in China, and later in Peru itself. Their conflict revealed a fear from Parisian financiers and merchants that the potential profits of the new markets in Asia and South America would be controlled by regional rather than metropolitan merchant elites. Further, the progression of French trade along the coast of Peru exposed the changing perception of merchant elites and local authorities to foreign commerce. Illicit trade brought encouraged collaboration and extortion, and thus everybody involved in trading with the French found themselves in a precarious legal position. Viceroyalties that allowed French commerce to succeed were heavily fined and powerful merchants were punished and incarcerated when found complicit. Yet the profit obtained from these semilegal to illicit practices was more than worth of the risk. These actions added up to the ongoing problems that the Spanish commercial structure was suffering since the second half

of the seventeenth century. The subsequent optimization of the Carrera de Indias and the prohibition of foreign trade (with death penalty included to any foreigner found guilty of it), brought hope to the Spanish king for a new era of commerce.

However, the overall tolerance that the Malouins experienced in Lima was because their merchandise ultimately served the interests of the Limeños. During the first two decades of the eighteenth century, several partnerships, companies, and commercial alliances were created between Peruvians and the French. Nevertheless, this connection depended on political cycles and the changing commercial environment of the Spanish overseas trade. The suspension of the Portobello fairs and the admitted tolerance towards French direct presence in Peru during the War of the Spanish Succession created a gap that the *peruleros* were more than pleased to fill with French direct trade. Lima merchants consistently advocated to make their interests prevail, even if they did not align with the Spanish crown's objectives. Despite some cases that ended up in the section of "*causas civiles*" (civil procedures) and "*causas criminales*" (criminal procedures) of the Real Audiencia, the Limeños were not unruly and defiant towards the royal authority. They acted as if political conditions were favorable to them. In this situation, the French were resourceful for the Limeños until they were not, as we will see in the next chapter.

Chapter 3: The Empire Strikes Back? Between Commercial Reforms and the French Trade Hiatus in the South Pacific Trade (1717-1731)

In Cádiz on April 12, 1726, merchant Pedro Musq expressed concern about an unpaid loan to the influential Lima merchant Pedro de Mautua. The problem was about a debt of 200.000 pesos owned by a deceased Spanish grandee, count of Castelblanco (a.k.a. Juan José de Rozas), to Antoine Crozat, main financier of the late Louis XIV, Louisiana's first property owner (1715-1717), principal director of the French Guinea Company, and overall, one of the richest persons in France in the first half of the eighteenth century. However, cancelling the debt would be complicated. Both the count and the countess of Castelblanco were deceased, and their children were still too young to make decisions about their family's wealth. Thus, Musq aimed to reach an agreement with the children's tutor, don Ángel Calderón, alongside other Lima merchants that were involved in a chain of loans that Crozat had issued during the previous decade.¹⁰⁶

The situation was dire for Pedro Musq and Laurent Brunachiny, influential merchants of the so-called "Compañía de Cádiz" appointed by Crozat to collect the debt. Further difficulty came from the fact that Castelblanco's properties, a pair of Peruvian plantations, had just been released from a 14-year royal embargo due to unpaid tariffs. In the letters Brunachiny sent to Crozat, he continuously communicated that the desired end was quite

¹⁰⁶ Letter from Pedro Musq to Pedro Mautua, 12 April 1726, TC-GR1, Box 144, Folder 10, Tribunal del Consulado, Correspondencia de mercaderes, AGN – Sección colonial, Lima, Perú, 1-4.

challenging to accomplish. There was an ongoing conflict between the viceroy Castelfuerte and the Lima's Consulado, to the degree that asking for support from the Peruvian authorities or the merchants of Lima to find a solution to the Castelblanco issue was unimaginable. Liquidation was impeded by other facts: Castelblanco's plantations that were abandoned and unproductive, and "the absence of knowledge of commerce and credit" among the people administering the Castelblanco estate led Musq and Brunachiny to believe that collecting payment in the short or even medium term was impossible.¹⁰⁷

By the end of the War of the Spanish Succession in 1713, Spanish ministers like Julio Alberoni and, later, José Patiño reflected on the need to reform overseas trade. Although it was difficult for Spanish authorities to accept, the old trading system demanded an overhaul. Between 1690 and 1715, the Carrera de Indias was dominated by foreign traders, and to a lesser degree by their Spanish and colonial merchant allies. As we saw in the previous chapter, Spain's official trading system was crippling for Peruvian commercial interests, whereas direct collaboration between with the French was highly profitable. However, by the end of the War of the Spanish Succession, France and Spain agreed, by signing of the peace treaty at Utrecht (1713), that the French will cease direct commerce with the Spanish American colonies. Nonetheless, during the following decade, French vessels continued their voyages to the South Pacific, their crews feeling confident that although Louis XIV, and the subsequent regent of France Philippe II, Duke of Orleans (1715-1725), threatened drastic sanctions on French trade to Spanish America, the harsh new rules would not be enforced.

¹⁰⁷ Letter from Laurent Brunachiny to Pedro Musq, 9 September 1726, , TC-GR1, Box 144, Folder 10, Tribunal del Consulado, Correspondencia de mercaderes, AGN – Sección colonial, Lima, Perú, 3-5.

Enforcements of the new rules did not come from the French side but rather from Spanish officials, including the viceroy of Peru, Marquis de Castelfuerte (1724-1734). Castelfuerte helped crush direct trade, but his solutions proved retrograde.

Following the collapse of French trade in the South Pacific (1724), the enforcement of the Spanish commercial reform struggled to adhere Peruvian merchants into participating from the old commercial structure, which included supporting, again, the galleon system and participating in the Panama fairs. The merchant guild of Lima was not interested in returning to Portobello to reestablish the Habsburg-era fair. In general, merchants skeptical of returning to the old tradition, doubting it would be more profitable than if they managed their business in their own way. Despite threats from Viceroy Castelfuerte, Lima's merchants refused to partake, and when they could no longer say "no", these traders often came up with excuses to delay their arrival to the Isthmus, and thus, extent negotiations with local authorities. However, Peruvian merchants sensed they were able to negotiate, albeit from a fragile stance.

This fragility can be explained by the financial weakening of Lima's merchant class. The once prosperous and powerful Consulado, now had to struggle with an authoritarian viceroy, a steep drop in silver production, merchant competition in Buenos Aires, and the Spanish crown's desire to revitalize the Portobello fairs. The virtual disappearance of French direct trade in the South Pacific after the end of the War of the Spanish Succession and during the initial commercial reforms of 1720 left an emptiness in the Consulado. Its members were trapped by the Spanish crown's push to revive the galleon system. The problematic landscape that Brunachiny described to Crozat well illustrates the nature of Peruvian trade during this

period. The future was uncertain, merchants faced intense official scrutiny, and pressure to collect on outstanding commitments came from all sides.

As we will see in this chapter, between 1717 and 1731, Peru's top merchants faced failure just as Spanish commercial reforms "succeeded." The demands, interests, and even necessities that Lima's consulado pursued were ignored by the crown, the Spanish reformists, and Viceroy Castelfuerte. In response, Peruvian merchants opposed the new commercial directives by exploiting excuses that ranged from declaring bankruptcy to being victims of circumstances brought about by the French contraband trade. I argue that the Spanish commercial reformist movement, which aimed to revive the Portobello Fairs, exposed the *peruleros*. The Lima merchant guild sought to negotiate their obligations with the crown, claiming they were in a sorry state mainly due to French direct trade. The *Limeños* used their former partners to excuse their rough financial shape.

Meanwhile, the *Malouins* moved to Cádiz to pursue their businesses. Some of them tried to continue the Peruvian trade, but the majority, like the *peruleros*, knew that the political climate was not the most beneficial for them. Thus, they decided to diversify their businesses and wait patiently for the right moment.

The Lion's Share of Spanish Trade

The aftermath of the War of the Spanish Succession made clear for the Spanish crown and its ministers that reforms were needed if they were to recuperate transatlantic trade. The swift rise of Julio Alberoni as the new *de facto* prime minister of Spain in 1715 matched the fast

decline of French influence within the Spanish court. This switch was perfectly illustrated by the meeting of Philip V's new queen, the Italian Elizabeth Farnese, with the Princess des Ursins, one of the main French advisors to the king of Spain. The demanding advisor, aiming to secure his influential role, met with Elizabeth in Jadraque, pre-empting her meeting with King Philip. Although it is unknown what the two discussed, it is known that Elizabeth sent the Princess des Ursins back to Versailles that same winter night, soon followed by a large entourage of French agents, all exiting Madrid. Elizabeth and Alberoni replaced the dominant triad that Ursins, Michel-Jean Amelot, and Jean Orry established at the Spanish court and, most importantly, the Ministry of Marine and the Indies returned to full Spanish control. This abrupt turnaround marked a clear switch from French to Italian influence.¹⁰⁸ The questions were: How far would it go, and how long would it last?

By far, the main change to commercial policy during the Alberoni administration was winning diplomatic support in exchange for trading concessions. As a key example, within two and a half years of the Treaty of Utrecht, the British negotiated commercial licenses with Spain. The English envoy, George Bubb-Dodington, petitioned to restore privileges granted by Spain in the Treaty of Münster (1648). In this agreement, the British received exemptions from intrusive customs inspections assigned to ships at anchor in Spanish ports and searches of English warehouses. Further, these protections were defended by a special judge nominated by the British and confirmed by Madrid, which ultimately gave the British broad

¹⁰⁸ Allan Kuethe y Kenneth J. Andrien, *The Spanish Atlantic World in the Eighteenth Century: War and the Bourbon Reforms, 1713-1796*, New Approaches to the Americas (New York, NY: Cambridge University Press, 2014), 45-47.

immunities from Spanish justice.¹⁰⁹ Almost seventy years later, Bubb-Dodington's mission was to restore the Münster agreements, reinstating the tariff rates established in 1667, along with special treatment of the English based on their favored-nation status.¹¹⁰

Alberoni complied with these demands, and even conceded to the English the right to mine a salt on the island of Tortuga, near the Venezuelan coast and strategically close to the Spanish Main. For the prime minister, these concessions were necessary to obtain British support for Spanish territorial aspirations in northern Italy. The new queen of Spain wanted to obtain Piedmont lands that would ensure a secured future for herself and her children and, thus, she pressured Alberoni to do everything in his power to achieve this objective. These dynastic aims pushed the new prime minister to sacrifice Spanish commercial priorities with the American colonies in exchange for English support. Moreover, Alberoni perceived this situation as an opportunity to finally end French influence over Spanish affairs, replacing them with the British.¹¹¹

Prime Minister Alberoni was aware that the French still dominated the Peruvian trade and he planned to end it. In 1716, in coordination with Madrid and Versailles, he dispatched his Italian confidant, Carmineo Nicolás Caracciolo, Prince of Santo Buono, as viceroy of Peru. Accompanying Santo Buono was a squadron of four ships led by the experienced Malouin seafarer Jean Martinet, ordered to sweep the South Pacific coasts of French ships. For the French ambassador in Madrid, Paul-Hippolyte de Beaulleviers, Duke of Saint-Aignan, Alberoni's anti-French sentiment and punitive activities were getting out of control.

¹⁰⁹ Kuethe and Andrien, 50; Adrian Finucane, *The Temptations of Trade: Britain, Spain, and the Struggle for Empire* (Philadelphia: University of Pennsylvania Press, 2016), 48-52.

¹¹⁰ Kuethe and Andrien, 50.

¹¹¹ Kuethe and Andrien, 47.

Not only was trade with Peru off limits, but French consuls in Spain lost privileges and became simply advocates. French vessels were aggressively boarded and searched while at anchor in Spanish harbors, and some French ships were confiscated in Barcelona. Meanwhile, Alberoni refused Saint-Aignan's pleas to discuss French-Spanish affairs.¹¹²

However, and against Alberoni's calculations, France and England ultimately became allies in November of 1716. England grew weary of constant aggression by Spanish authorities towards English merchants in Spanish ports. Alberoni did little to correct the conduct of his subordinates. Instead, he continued to fuel anti-foreign commercial interventions that ultimately prompted a commercial alliance (the Triple Alliance) formed by the English, the French, and the Dutch against Spain. Alberoni, rather than pursuing compromise or even dialogue with competing European powers, continued applying rigorous sanctions against foreign traders, ranging from confiscations to embargoes, all with the objective of obtaining more control of overseas trade.¹¹³

Seeking more efficient Atlantic-Mediterranean coordination within the Spanish navy and hoping to support a major military intervention in northern Italy, Alberoni mandated on May 8, 1717, the transfer of the *Casa de Contratación* and the *Consulado de Cargadores a Indias* from Seville to Cádiz. In order to facilitate this transition, Alberoni named the Cádiz-born admiral Andrés de Pez governor of the Council of the Indies and called on his confidant, José Patiño, to serve as intendant general of Marine and as president of the *Casa de Contratación*. The new allocation of the *cabecera* of Spanish maritime trade was a direct

¹¹² Malamud, *Cádiz y Saint Malo en el comercio colonial peruano (1698-1725)*, 159-60. Finucane, *The Temptations of Trade*, 34-35; Kuethe and Andrien, 52-54.

¹¹³ Kuethe and Andrien, 56-57.

response to the necessity of strengthening the response and coordination of the Spanish navy, but also served the interests of the merchant class of Cádiz (local and foreign), who, throughout the seventeenth century, rivaled Seville and had a long-lasting desire to participate directly from the spoils of Spanish American trade.¹¹⁴

Diplomatic tensions reached boiling point when Alberoni decided invade Sardinia in the spring of 1717. He was following the command of Elizabeth Farnese to fulfill her territorial claims in Italy. Members of the tripartite alliance saw this as the definitive provocation to counter Spanish aggressions with military action. A couple of months later, the Holy Roman Empire joined the allies, and thus began the War of the Quadruple Alliance (1717-1720). Unprepared, economically crippled, and isolated, Spain was in no shape to face a conflict of these proportions. Decisive losses to the French in the Basque provinces plus the British destruction of the Spanish fleet at Cape Passaro convinced the king of Spain that the war could not continue. The man held responsible for this catastrophe was, unsurprisingly, Alberoni. He was dismissed on December 5, 1719, given three weeks to leave Spain. The once-powerful minister was ordered to never appear in any place in which he might encounter the Spanish monarchs. A month later, on January 26, 1720, Philip V surrendered to the allies, pledging again to abide by the agreements signed in the Treaty of Utrecht.¹¹⁵

The most problematic effects of this defeat for Spanish interests were commercial concessions to foreign powers, especially concerning the Indies. As a result, Spain's overseas

¹¹⁴ Manuel Bustos Rodríguez, *Cádiz en el sistema atlántico: la ciudad, sus comerciantes y la actividad mercantil (1650-1830)* (Cadiz: Silex Ediciones, 2005), 53-54.

¹¹⁵ Kuethe and Andrien, 60-62.

trading structure would be entirely revamped after three decades of volatility. Infrequent fleet departures, a lack of cooperation from colonial merchants to participate in commercial fairs, especially at Portobello, and the expanding direct participation of foreign merchants, mostly the French, in the Indies, had together crippled the Spanish trading monopoly and fissured its capacity to execute its commercial goals. By the end of the War of the Quadruple Alliance and with Alberoni's removal from power, it seemed high time to pursue commercial reform.

The result was the 1720 Project, or more fully: the *Proyecto para Galeones y Flotas del Perú y Nueva España, y para navíos de registro, y avisos, que navegaren a ambos reynos*. José de Grimaldo, a survivor of Elizabeth Farnese's purge, held the position of prime minister. However, despite Grimaldo's desire to renovate and revive Spanish overseas trade. The Project of 1720 basically ratified the continuity of the old fleet system, with added adjustments on local port fees and the operations of the *avisos* or mail ships. As historians Allan Kuethe and Kenneth Andrien have demonstrated, preservation of the traditional system was not an aspiration that came from the Spanish crown, as earlier historians like Clarence Haring had argued. Instead, the 1720 Project was part of the Spanish capitulation to end the War of the Quadruple Alliance, and a return to the 1713 Utrecht agreements. Thus, rather than serving Spain, the *Proyecto para Galeones* served British interests profiting from the Spanish trading fairs in Veracruz and Portobello with the "Annual Ship".¹¹⁶

At the same time, the *Proyecto* served French interests, since the *almojarifazgo*, an ad-valorem tax on merchandise, was replaced by the *palmeo*, a tax on shipping volume. Since the law forbade customs officials from opening sealed cargo, French agents in Cádiz tended

¹¹⁶ Kuethe and Andrien, 62-64.

to disguise their merchandise as Spanish, which resulted in significant losses for the treasury. Further, since taxes were assessed by volume, luxury trade increased, which ultimately benefited wealthy French traders, that already had experience in shipping this type of goods to American markets via agents in Seville and Cádiz.¹¹⁷

After the 1715 death of Louis XIV, despite some minor conflicts between 1717-1720 and 1739, France entered to a long period of peace, ending in 1744. The architect of said peace was Cardinal Fleury, who tutored the young Louis XV (1715-1774). Fleury managed French affairs of state until his death in 1743. During this period, France advocated support for local industry, transforming small producers and local shops into nationwide manufacturers that provided wholesale merchandise for export. The flow of resources towards expansion of domestic industry, development of French colonies in the Americas, and the state support of overseas trade, transformed France into a strong and politically stable nation, surpassing Great Britain in terms of colonial exports by the 1730s.¹¹⁸

Spain's 1720 *Proyecto* did not simply benefited foreigners. It also established a complementary approach to trade with the implementation of the register (*registro*) ships. This allowed merchant ships to sail independently from the great convoys to destinations that included Buenos Aires, Honduras, Santa Marta, and Caracas. It also linked up other ports of Tierra Firme, plus Cuba and the Windward Islands. The *registro* system constituted a risky alternative for independent merchants, who felt safer sailing alongside the fleet. Nonetheless, it proved attractive for newly formed Spanish chartered companies, which could profit from

¹¹⁷ Kuethe and Andrien, 65.

¹¹⁸ K Banks, *Chasing Empire Across the Sea: Communications and the State in the French Atlantic, 1713-1763*. (Montréal: McGill-Queen's University Press, 2014), 32.

less visited destinations and even squeeze them into monopoly-like relationships.¹¹⁹ A clear example of these advantages can be seen in the development of the Basque-born enterprise known as the *Real Compañía Guipuzcoana de Caracas*, which after 1728 enjoyed the privilege of exclusive trade with ports of the Venezuelan coast until 1785.¹²⁰

For Spanish Ministers of State like Patiño (1726-1736), José de la Quintana (1739-1741), José del Campillo y Cossío (1741-1743), and the Marquis de la Ensenada (1743-1754), the *registro* came to replace the old and costly annual fleet system. Yet, despite the reformative intentions and innovative policies aimed at strengthening Spanish American trade, Spain would not be able to reclaim the lion's share of profit that derived from colonial commerce. Instead, the new Spanish Atlantic System, shaped by the commercial reforms of the first half of the eighteenth century, became an intertwined network that connected with Spain's European rivals with the riches of the New World.

The Remnants of French Trade in Peru

In April of 1724, José de Armendariz y Perurena, Marquis of Castelfuerte, and newly appointed viceroy of Peru, arrived at Portobello and soon demonstrated his strict character.

¹¹⁹ In revealing letters confiscated by British ships in the English channel in the first half of the eighteenth century, merchants of Cádiz expressed their discomfort of the register ship since they were easy prey to pirate ships and any other foreign enemy. Xabier Lamikiz, *Trade and Trust in the Eighteenth-Century Atlantic World: Spanish Merchants and Their Overseas Networks*, Royal Historical Society Studies in History. New Series (London) : Woodbridge ; Rochester, NY: Royal Historical Society ; Boydell Press, 2010).

¹²⁰ Ricardo Martinena, «La Compañía Guipuzcoana de Caracas y los vascos en Venezuela durante el siglo XVIII.», *Boletín de la Real Sociedad Bascongada de Amigos del País* 53, n.º 2 (1997): 403-17; Jesse Cromwell, *The Smugglers' World: Illicit Trade and Atlantic Communities in Eighteenth-Century Venezuela* (Williamsburg, Virginia : Chapel Hill: Omohundro Institute of Early American History and Culture ; University of North Carolina Press, 2018).

In a display of his personality, he ordered the expulsion of English, Dutch, and French vessels that were roaming the port, looking for an opportunity to trade. Castelfuerte's fleet successfully seized several ships, and even captured a British ship that claimed to possess an official permit from the governor of Panama to dock and trade. However, the new viceroy was determined to show that he was not like his predecessors and was willing to act firm and relentless in order to serve the interests of the Spanish crown. Planning to revalidate the trust that Patiño granted him, Castelfuerte's objective was to fight the enemies of Spanish trade and to ensure, by any means, the cooperation of the Peruvian merchant class with the 1720 Project.¹²¹

The fame of José de Armendariz came from a long and distinguished career in the military that took him to different theaters of war, from Flanders to Portugal, and from Gibraltar to Barcelona. In 1711, after 20 years of service and several military promotions, Armendariz was awarded the title of Marquis of Castelfuerte. Twelve years later, he held the post of governor and captain-general of the Basque province of Gipuzkoa when he received the news that Philip V, following Patiño's endorsement, had appointed him as the new viceroy of Peru. Due to his military background, Castelfuerte was known to govern with an iron fist, which, for Patiño, might be what was necessary to obtain the support of Lima's consulado. Soon, Castelfuerte proved to be very methodic and practical, whether in economic

¹²¹ Alfredo Moreno Cebrián and Núria Sala i Vila, *El «premio» de ser virrey: los intereses públicos y privados del gobierno virreinal en el Perú de Felipe V*, Biblioteca de historia de América ; no. 33 (Madrid: Consejo Superior de Investigaciones Científicas, Instituto de Historia, 2004), 151.

or religious administrative matters, he was convinced that a strong hand combined with “integrity and fidelity” were needed to put Peru on the right path.¹²²

The traditional historiography on Castelfuerte has portrayed him as an honest, trustworthy, and modest official. Rubén Vargas Ugarte characterized him as one of the most exceptional viceroys that Peru had during the entire colonial period. Still, the viceroy was not without his quirks. Vargas Ugarte described José de Armendariz as “enthusiastic, vibrant, but reckless” in pursuing what he thought it was right, which often caused animosity among the merchant class of Lima and some spheres of the Peruvian church. Likewise, in Peruvian popular culture, renowned writers like Ricardo Palma and Luis Alberto Sánchez depicted Castelfuerte as a self-righteous, honest, and pious person. This image differed significantly from the standard literary portrayal of Peruvian viceroys, exemplified by the controversial and provocative Manuel Amat y Juyent (1761-1776). In contrast, the marquis of Castelfuerte stood out as an expression of virtue. However, recent studies, including Alfredo Moreno Cebrián’s examination of Castelfuerte’s sizeable estate, have demonstrated that he was not as modest as he claimed to be. It seems that José de Armendariz managed to amass a great fortune by saving on expenses and cleverly exploiting any situation that could financially benefit him.¹²³

Nevertheless, despite Castelfuerte’s controversies, it was certain that during his administration, he was successful in bringing order to Peru’s commercial affairs, and the first step was to stop French direct trade. From the perspective of the Spanish crown, prohibiting

¹²² George Robertson Dilg, «The Collapse of the Portobelo Fairs: A Study in Spanish Commercial Reform, 1720-1740» (Ann Arbor, MI., University Microfilms, 1979), 118-19.

¹²³ Moreno Cebrián and Sala i Vila, *El «premio» de ser virrey*, 152-54.

French trade was the rigour in order to respect the agreements of the Treaty of Utrecht. The call to enforce prohibitions occurred right after the end of the War of Spanish Succession, but it has been muted. On paper, the French king forbade his subjects from sailing to the South Pacific, but in practice, Malouin traders continued their operations, although on a lesser scale after 1715. This was mostly a result of market forces, although state intervention was not absent. Heavy competition between French traders in the South Pacific made Peru a less commercially attractive destination. Further, Peruvian authorities, like the viceroy Prince of Santo Bueno, manifested intentions to combat French trade, although some of these actions remained mere intentions. When the French merchant Marchant de Chalmont arrived at Lima in March of 1717, he kindly asked the viceroy Prince of Santo Bueno for permission to sell part of his cargo. The viceroy convoked a general junta on March 29 with the Consulado of Lima and stated that the presence of this French ship represented an imminent danger. The Consulado replied that will help, although asked they also asked the viceroy for consideration since “the twelve-year prejudice of French illicit trade caused the bankruptcy of several merchant families that are in no financial shape in aiding” Santo Bueno.¹²⁴

It is unknown if the viceroy and the merchants of Lima were successful in expelling the French ship. After all, despite the guild’s nominal support of the viceroy in stopping French trade, the big traders also stated that they were in no way able to contribute monetarily, to the limit that just half of the merchant guild agreed in the aid but offering

¹²⁴“[...] a causa de tan continuados perjuicios que doce años a esta parte han padecido con el continuo desorden del ilícito comercio con cuyo dilatado tiempo han consumido la mayor parte de sus caudales en manutención de sus familias”. Robert S. Smith, «A Peruvian Donativo gracioso in 1717», *The Hispanic American Historical Review* 27, n.º 3 (1947): 497.

minimal capital.¹²⁵ Since the beginning of the eighteenth century, the Peruvian officials constantly stated that they did not have the money nor arms to combat a foreign invader. The viceroy Diego Ladrón de Guevara (1710-1716) even used this fact as an excuse to legalize French trade since the foreigner's ships arrived heavily armed, such that they could potentially expel English and Dutch vessels.¹²⁶

Well aware of the lack of ships for the defense of the South Pacific, the Spanish crown hired the experienced French captain Jean Martinet to sail alongside a Franco-Spanish expedition to capture French vessels that still roamed in the South Sea. They departed from Cádiz in June of 1717. The Martinet expedition was composed of three French vessels (*Conquerant*, *Triomphant*, and *Pelèrine*) and one Spanish ship (*León Franco*). After several encounters with French vessels and numerous captures, the final assessment was that the expedition's performance was a success. According to the record, six French vessels were captured and sold, along with their cargo, earning the crown (and the "privateers") nearly three million pesos.¹²⁷

News of serious economic losses caused by the Martinet expedition soon reached the French commercial houses back in Saint-Malo and Cádiz. Most Saint-Malo merchant clans were convinced that expeditions to the South Pacific were worthless and too risky to fund. The arrival of Castelfuerte aggravated this scenario towards French interests. In a letter written in August of 1724, Luc Magon de la Balue wrote that he was convinced that doing business in Peru was not as reliable as it had been a decade earlier. He was aware that the appointment

¹²⁵ Smith, 497.

¹²⁶ Malamud, *Cádiz y Saint Malo en el comercio colonial peruano (1698-1725)*, 248.

¹²⁷ Malamud, 167-68.

of Castelfuerte as new viceroy of Peru implied “a worse treatment of interlopers” since his harshness in applying the law differed greatly from his predecessors.¹²⁸ Further, French merchants also recognized that the trading agreements between Spain and the English South Sea Company placed French commercial interest in Peru in a fragile position. These suppositions can be traced a decade earlier when Amadeé Frezier wrote, in his memoir about the defenses of the South Pacific, that the Spanish hated the French nation and looked for any excuse to blame them for their misfortunes. The War of the Quadruple Alliance (1717-1720) that pitted France against Spain, enforced the sentiment that French trade into the South Pacific was no longer profitable. Of course, there were some exceptions to this rule. For example, Joseph Girard, captain of the *Sage Salomon*, ventured to Peru in 1720 and surprisingly managed to sell his cargo.¹²⁹ Between 1721 and 1724, there was a last French push to foment direct trade to Peru, organized by the Compagnie des Indes and some Malouin merchants (see Chart 1). However, Castelfuerte’s hardline position sealed momentarily the fate of French direct when the expensive expedition of the *Saint-Louis*, *Saint-François*, and *Flessingois* (1724), financed by the Compagnie des Indes and Dutch merchants, was a mostly seized on the viceroy’s orders.¹³⁰

In early 1722, Spain’s prime minister José de Grimaldo wrote a letter to the French Minister of Foreign Affairs Cardinal Guillaume Dubois, complaining that he obtained reports of several French vessels docking at Callao and practicing illegal trade. Taking this news

¹²⁸ Léon Vignols and Henri Sée, «La fin du commerce interlope: dans l’Amérique Espagnole», *Revue d’histoire économique et sociale* 13, n.º 3 (1925): 310.

¹²⁹ Erik Wilhelm Dahlgren, «Voyages Français à destination de la mer du sud avant Bougainville (1695-1749)», en *Nouvelles archives des missions scientifiques et littéraires. Choix de rapports et instructions*, vol. XIV (Paris: Imprimerie Nationale, 1908), 541.

¹³⁰ Vignols and Sée, «La fin du commerce interlope: dans l’Amérique Espagnole», 310-13.

seriously, Dubois wrote to the diplomat and former advisor of Philip V, Michel-Jean Amelot, marquis de Gournay, asking for advice since he had a vast experience in Spanish court politics. Amelot replied that although the South Sea could provide “*trésors immenses*” for France, no matter how close the union with Spain was, the Spanish would never lift the prohibition against French direct trade. And, if in any case that would happen, the English and the Dutch would oppose it no matter what.¹³¹ In 1724, after a prolonged deliberation, and with the support of Dubois, the French government renewed its 1716 decree, which forbade French merchants from practicing direct or unauthorized trade in the Spanish colonies.¹³² A year later, in 1725, the court of Paris noted in a memoir that their members reflected and ratified their decision in renewing the prohibition by stating that trade into Peru was no longer worth it and stated that “the court of Spain and also the English, hate our nation and seem to agree in saying that all of we do is act out of jealousy and prejudice to their commerce”.¹³³

Vessel	Financier	Date	Value of sold cargo
Sage Salomon	André Levesque	1719	Unknown
Fleur-de-Lis	Compagnie des Indes	1720	102,176 livres
Thétis	Guillaume Jolif/Compagnie des Indes	1720	2,519,231 livres
Content	Laurent Battas/Compagnie des Indes	1720	369,991 livres
Joseph Royal	Compagnie Royal	1721	707,616 livres

¹³¹ Paul W. Mapp, *The Elusive West and the Contest for Empire: 1713-1763*. (Williamsburg: University of North Carolina Press, 2013), 141.

¹³² Paul W. Mapp, *The Elusive West and the Contest for Empire*, 141-42.

¹³³ Vignols and Sée, 310.

L'Achille	Jean-Baptiste Le Gobien/Compagnie des Indes	1721	395,083 livres
Neptune	Jean-Baptiste Le Gobien/Compagnie des Indes	1721	1,822,470 livres
Découverte	Compagnie des Indes	1721	118,375 livres
Centaure	Compagnie des Indes	1721-1725?	861,031 livres
Diligent	Compagnie des Indes	1722	998,281 livres
Duc-de-Chartres	Compagnie des Indes	1722	400,000 livres
Badine	Compagnie des Indes	1722	1,427,373 livres
Saint-Jean Baptiste	Compagnie des Indes	1722	Confiscated
Deux-Couronnes	Joseph-Marie Girard	1723	900,000 livres
Jean-de-Grâce	André Levesque	1724	Unknown
Providence	Unknown	1725?	Confiscated
Saint-Louis	Jolif family/Compagnie des Indes	1724	Confiscated
Saint-François	Jolif family/Compagnie des Indes	1724	Confiscated
Flessingois	Jolif family/Compagnie des Indes	1724	Unknown

Chart 1. French vessels into the South Pacific (1719-1725) via E.W. Dahlgren "Voyages Français à destination de la mer du sud avant Bougainville (1695-1749)", 541-551

In the meantime, from the Peruvian side, Castelfuerte remaking of the colonial administration changed the nature of how the French were perceived by the local merchant elite. Former allies of French direct trade like the influential merchants Joseph Tagle Bracho and Felipe de Uceda, suddenly adopted a belligerent attitude towards the French after 1724. Some years earlier, in 1721, Felipe de Uceda was caught *in fraganti*, unloading the cargo of an unknown French vessel on the coast of Mala, south of Lima. Ironically, the witness who denounced this act to the bailiff (*alguacil*) of Ica was Étienne Delacroix Noblier, a Frenchman who arrived in Peru a decade before and decided to reside in Pisco. Delacroix was fishing

with his father-in-law, Domingo Bramin, Miguel Pérez, a local blacksmith, when they saw at a distance several boats coming ashore from a large French vessel. The fishermen approached the landing party but were soon shot at by the disembarking French. Delacroix made signs with a piece of cloth and spoke to them in French to stop the aggression. After a moment, the interlopers ceased their attack and approached Delacroix with relief. They erroneously thought that Delacroix was their contact on land and asked him where to find the mules that were promised to move their cargo. Then, a furious Felipe de Uceda emerged from the interlopers' side, evidently nervous and agitated, demanding that Delacroix bring him the mules since they did not have time to waste to move their smuggled cloth inland. Delacroix, aware of the gravity of the situation in which he was now involved, responded that he needed to go back to the town to get the mules. He slipped away along with his two companions. Weeks later, Delacroix denounced this illegal act to the Alguacil Rodrigo Durán Martel, who subsequently arrested and forced Uceda to pay a heavy fine for participating in French contraband trade.¹³⁴

This punishment probably reformed Uceda, who, alongside other powerful merchants, funded in 1724 a naval squadron to combat arriving French vessels. Castelfuerte, more than pleased, accepted the merchants' proposal. Even some Frenchmen that settled in Peru participated in financing this squadron, including Luis Montorán, who even offered one of his ships, the *Nuestra Señora del Carmen*, for this task. This vessel was the responsible in expelling the three-vessel expedition (*Saint-Louis*, *Saint-François*, and *Flessingois*) financed by the *Compagnie des Indes*. Although built in the Netherlands, these ships came to Peru

¹³⁴ Causa criminal seguida contra D. Felipe Uceda, R.A. – C.R. 3, File 2, Folder 66, Real Audiencia, Causas Criminales, AGN – Sección colonia, Lima, Perú, 4-9.

sponsored by French capital.¹³⁵ There may have been ulterior motives for such enthusiastic action. Indeed, the “uninterested” cooperation of the Consulado with the newly arrived viceroy might have occurred as a way to negotiate the guild’s participation in the upcoming Portobello fair. Castelfuerte had already issued a proclamation that the Armada del Mar del Sur (or South Sea Navy) needed to set sail as soon as possible.¹³⁶ Grievances between the merchant guild and Castelfuerte would occur throughout his decade-long tenure, but the viceroy made sure that French direct trade into Peru was suppressed, at least for a time.

French direct trade was thus stopped, but there were other repercussions. Much French contraband remained in Peruvian territory between 1701 to 1724, and it circulated widely. Indeed, it is difficult to calculate the amount of cloth that the French managed to introduce during the first two decades of the eighteenth century. Nonetheless, despite the decreased numbers of French vessels touching on Peruvian coasts at this moment, their earnings were not meager, and ultimately, they saturated the South Sea market. The significance of the abundance of French clothing was that it harmed Spanish cloth imports, as well as local production. The eleven-year case (1717-1728) against the Peruvian merchant Joseph de los Tueros illustrates the impact of French contraband clothing and the importance that the viceregal administration afforded to stopping it.

Joseph de los Tueros was a Spanish-born merchant who moved to Peru in 1680, specifically to the province of Huancavelica, located in the southern highlands east of Lima. In 1717, De los Tueros was accused of acquiring and selling contraband, in particular French

¹³⁵ Malamud, *Cádiz y Saint Malo en el comercio colonial peruano (1698-1725)*, 149-50.

¹³⁶ Dilg, «The Collapse of the Portobelo Fairs», 118.

fabric from Brittany and Rouen. Other items had apparently originated in China, as testimonios revealed. The merchant argued that he was a modest entrepreneur, no partnerships or company were involved in this business. He considered his operation legitimate since he had acquired the suspect fabrics from the muleteer Ignacio de Raigada, who in turn had purchased the cargo in an auction organized by Cristobal Calderón, the royal administrator of the port of Callao, in 1715.¹³⁷

Aware that there was a proliferation of French trade in Peru and an abundance of French goods in the territory, De los Tueros indicated that he did not know that the acquired merchandise came from illicit trade, nor did he believe any French merchant was involved directly in this transaction. He affirmed that he sold his merchandise in the main square of Huancavelica, but it did not yield high profit. Such was the nature of retail sale. Several Huancavelica merchants also were detained by the authorities and their supply confiscated pending further investigation. De los Tueros pleaded innocence and further inferred that the incarceration of his fellow merchants was a mistake since they were also investors in silver and mercury mining (*aviadores*), and thus, embargoing their supplies and belongings would mean their certain bankruptcy and render them unable to sponsor local mining.¹³⁸

Jorge Cugurra oversaw the arrests as the appointed judge against contraband trade. Witnesses claimed that the arrival of Cugurra to Huancavelica brought turmoil among the population since he acted “without prudence and with precipitation”.¹³⁹ On his command,

¹³⁷ Autos y testimonios sobre comercio ilícito, ES.41091.AGI/24/LIMA,490, Archivo General de Indias, Seville, Spain, 4-10.

¹³⁸ Autos y testimonios sobre comercio ilícito, 10-11.

¹³⁹ Autos y testimonios sobre comercio ilícito, 15-20.

soldiers broke into merchants' storage houses, confiscating any suspicious merchandise without avail. However, according to Cugurra, the friars of the town, alongside the local population, supported the imprisoned merchants. Further, these same friars wrote a letter to Francisco Xavier de Salazar y Calderón, the *Alcalde del Crimen* or prosecutor of the Audiencia of Lima, complaining that Cugurra was abusing of his position to obtain economic benefits from these arrests. Meanwhile, the population turned on the controversial judge, and a mob congregated in the main square. While being chased, Cugurra said that he heard screams and insults from the people who directly threatened to kill him.

Salazar y Calderón investigated on Cugurra thoroughly, taking multiple testimonies. After interrogating one of Cugurra's soldiers it came out that the corregidor of Huanta, Alonso de Fuente, one of the many officers involved in this scheme, had made a deal with Cugurra. Fuente demanded 11,000 pesos since he gave the appointed judge the names of the implicated merchants. Cugurra defended himself by saying that he never spoke with Fuente since he "has never seen his face".¹⁴⁰ Moreover, Cugurra denied that he plotted with some of the soldiers involved in the arrests to keep embargoed Chinese goods, as well as confiscated jewelry.¹⁴¹ In the end, and after a trial that took almost a decade, Cugurra was found guilty in benefitting from his post to gather illicit merchandise. Meanwhile, De los Tueros, alongside the other incriminated merchants, were allowed to pay a fine or *indulto* of 18,500 pesos each for their freedom.¹⁴² This was a lot of money, reminder of the seriousness of the charges even if no jail time was served.

¹⁴⁰ Autos y testimonios sobre comercio ilícito, 15-20.

¹⁴¹ Autos y testimonios sobre comercio ilícito, 15-20.

¹⁴² Autos y testimonios sobre comercio ilícito, 15-20.

The case of De los Tueros hints at the ramifications of French contraband trade well beyond the coast of Peru. For starters, the documents do not provide appraisals of the confiscated merchandise. According to Salazar y Calderón, several thousand pesos' worth of French and Chinese fabric was apparently burned or hidden. Regardless of the total value, we can safely assume that the confiscated French cloth was worth enough money that judges, corregidores, and governors were influenced to participate in its exchange since they saw how profitable it was to obtain the embargoed merchandise for themselves. Moreover, the total amount of this supply was not as meager as De los Tueros claimed. Huancavelica's merchants may not have possessed the capital typical of the powerful merchants of Lima, but the goods they moved were appealing enough for a network of officials to seek to profit from it. Finally, the outrage from the local population after witnessing the confiscation of French-introduced textiles can give us a hint that these goods were very important. We know from various sources that certain fabrics were highly regarded as symbols of distinction and status. The French wholesalers, although by this time absent in Peru, still cast a long shadow.

Cádiz and the Malouin Hiatus

In 1625, the Malouin merchant Alain Magon de la Gervaisais arrived in Cádiz and began a long-lasting relationship that connected the Andalusian city with Saint-Malo. The glue that held this relationship together and made it last was blood. Throughout the seventeenth century, the descendants of Magon de la Gervaisais formed a parallel dynastic family line that remained close with their wealthy relatives from Brittany, enabling the Magons to

expand their commercial objectives. Following the nature of the Malouin family company, the bustling Atlantic port of Cádiz, also a Mediterranean trading crossroads, offered an ideal setting in which to teach younger family members the ropes of grand-scale trade. Being based in Cádiz also allowed them a preliminary recognition of their main focus in the early eighteenth century: Spanish American trade. Despite the decline of Saint-Malo as a trading enclave after the 1720s, when it lost out to other French northern port cities like Nantes or Brest, the Magons, alongside other Malouin families (the Behic, Le Fer, Bourdas, Jolif, Bonneval, Verduc, Macé, etc), continued their operations in Cádiz and, even after the French Revolution, they continued to dominate of the Andalusian commercial scene.¹⁴³

Nonetheless, difficulties arose. The terms of the Treaty of Utrecht and the subsequent Spanish commercial reforms forced the French king to ban his subjects from sailing directly to Spanish America and the South Pacific to trade. The penalty was death. However, as we previously saw, some prominent Malouin merchants still risked venturing to Peru despite the restrictions. For example, the vessel *Saint-Francois*, which was sponsored by the Le Fer family and captained by the experienced Etienne Moreau made three voyages to the South Seas between 1714 and 1717.¹⁴⁴ Likewise, in 1718, the associate of Antoine Crozat, who opened this chapter, the Andalusian merchant Pedro Musq, arranged with the Parisian merchants Guillaume Horbigant and Gil Delage to send a ship from Cádiz to China that at mid-voyage would resupply in Peru, also collecting a debt from Jean-Baptiste Magon, who

¹⁴³ Bustos Rodríguez, *Cádiz en el sistema atlántico: la ciudad, sus comerciantes y la actividad mercantil (1650-1830)*, 143-44.

¹⁴⁴ Rappports des capitaines, CH-329, Série Saint-Malo 9B 484. Archives départementales de Ile-et-Vilaine, Rennes, France, p.46.

was living in Lima at that time.¹⁴⁵ Meanwhile, Alain Poreé returned to Peru for the fifth time in 1718, although this time as the captain of the *Saint-Michel* (the four previous trips were he captained the vessel *Grand Saint Spirit* (1695)).¹⁴⁶

Some Malouin families still risked sailing to Peru, but this time with the funds and potential legal cover of the Compagnie des Indes. The Le Gobien and Jolif families convinced the directors of the company and sponsored the ships *Achille* (1720) and *Tetis* (1723), which were captained by their family members, Jean-Baptiste Le Gobien and Guillaume Jolif respectively.¹⁴⁷ As well, François Magon de la Lande, a recurrent investor in voyages to the South Pacific, who worked closely with experienced sailors like Alain Poreé and Joseph Le Gobien, dared for the first time to captain by himself the *Annonciade* to Peru in 1720.¹⁴⁸ Most of these ventures proved successful despite official prohibition of French trade.

On the Peruvian side, there was a reason for this success: the viceroy and archbishop of Lima at the time, Diego Morcillo Rubio (1720-1723), tolerated French direct trade. Be this as it may, only thirteen French vessels are known to have arrived on Peruvian shores between 1720 and 1723, a vastly reduced number compared with the more than 150 known landings recorded between 1709 and 1715. We have few details on specific voyages, but in 1721, the Le Fer and Magon families sent the vessel *Marquis de Vibraye*, captained by Julian Marion and Beltran Le Fer, from Saint-Malo to the South Pacific. According to the ship's memoir, there were no incidents upon the merchants' arrival at Callao. However, the captain

¹⁴⁵ Transacción y convenio del capitán Gil Delage y Guillermo Horbigant, Protocolo notarial de Juan Luis Vergara 1722, Number 995, Archivo Provincial de Cádiz, Cádiz, Spain, p.293.

¹⁴⁶ Vignols and Sée, 540.

¹⁴⁷ Vignols and Sée, 542-543.

¹⁴⁸ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 534-38.

mysteriously suffered theft of a precious chest that contained an unknown amount of gold and silver.¹⁴⁹

The lax attitude towards French traders in Peru changed drastically with the arrival of Viceroy Castelfuerte. He did not let up. Thus, from 1724 to the second half of the 1730s, French merchants located in Cádiz were forced to suspend participation in Spanish American trade while seeking other profitable markets. The many foreigners that flocked to this Andalusian city generated among the local merchant community. Foreign merchant houses possessed enough capital to absorb and monopolize the most profitable enterprises and businesses that came to Cádiz. When the Casa de Contratación moved from Seville to Cádiz (1717), among the Sevillian merchant guild's main concerns was the potentially predominant role of the French and Italian merchants, since they had the largest foreign colonies in Cádiz. On the other side, the foreigners' progeny that were born in Cádiz also experienced rejection from local Andalusians. Despite their technically being Spaniards, they were referred as *jenizaros*, a term used to portray a Spaniard that had mixt origin (Spanish and foreign roots). The *jenizaros* were often not considered part of the Spanish population. Locals considered them an infiltrating force that ultimately operated for the benefit of their parents' foreign nation. Between 1725 and 1726, the Spanish crown issued decrees that put an end to the ambivalent status of the *jenizaros* and revalidated them as Spanish. In legal terms, at least, this ended the discussion.¹⁵⁰

¹⁴⁹ Transacción entre Julian Marion y Beltrán Le Fer. Protocolo notarial de Juan Luis Vergara 1722, Number 995, Archivo Provincial de Cádiz, Cádiz, Spain, p.86.

¹⁵⁰ Bustos Rodríguez, *Cádiz en el sistema atlántico: la ciudad, sus comerciantes y la actividad mercantil (1650-1830)*, 166-68.

The Andalusians were right in fearing the control and power that foreign merchants could amass at Cádiz. In 1720, when the fleet commanded by Fernando Chacón Medina y Salazar was arranging the final details to depart from Cádiz to Veracruz, native merchants expressed their concern to the authorities of the Casa de Contratación and the Consejo de Indias that twenty foreign merchants and their children were granted license to embark to the Indies. Moreover, they declared that an estimate of 80% of the registered merchandise was foreign, which violated the prerogative of Andalusian merchants. When Francisco Chacón arrived at Veracruz, he received an order from the Consejo de Indias to prevent the unlicensed foreigners from trading and force them to pay a fine in order to be allowed to return back to Cádiz.¹⁵¹ However, loading prohibited cargo became a common issue. Since several of the vessels that composed the Spanish fleet were provided by foreign merchants and a royal law imposed that 25% of ships' cargo was destined to agricultural products, foreign owners of vessels often employed this storage section to bring other type of merchandise that could evade royal control. Sevillian farmers and landowners often complained to their local authorities via forma denunciaion (*memorial*), stating that "the owners of merchant ships of the fleet are ruining farms and cultivable land from Seville, and they are also harming the Indies via the introduction of harmful liquors that come from foreign kingdoms and are sold at the bay [of Cádiz]."¹⁵²

The influence and authority that foreign merchants, and especially the French, earned among local traders in Cádiz, gave them the opportunity to recover and diversify their

¹⁵¹ Bustos Rodríguez, 170-71.

¹⁵² Bustos Rodríguez, 372.

ventures when the restriction to directly access Peruvian markets was enforced. In this context, Malouin merchants took advantage of the geographical position of Cádiz to strengthen commercial ties with the Mediterranean. The Andalusian city was a key connection between northern French port cities with European commercial destinations like Marseille and Genoa, which not only performed as core markets in the Mediterranean, but also as launching pads towards further locations within this sea. For example, the Malouin Le Fer and Magon families, mostly known to be investors in South Pacific ventures, also possessed trading contacts with merchants from Marseille, Mallorca, Valencia, and Corsica.¹⁵³ The axis geographical location of Cádiz allowed wealthy merchants expand considerably their range of investments.

The branch of the Magon family at Cádiz offers another illustrative case of how French merchants that were heavily invested in Peru expanded their commercial networks. The migration of several Saint-Malo branches of the Magon clan (like de la Chipaudière, de la Balue, de l'Épinay, and de Coetizac) to Cádiz occurred after the laws that prohibited direct trade into the South Pacific were enacted. The growth of capital and assets of the Magon positioned themselves as one of the most powerful foreign merchant clans in the city. However, instead of joining forces, the Magons maintained autonomy regarding their individual family line. Thus, by the 1720s, there were at least three Magon companies operating within Cádiz. The most influential was "Magon Hermanos compañía". When Nicolas Magon de la Chipaudière died in Saint Malo in 1715, his sons Jean-Baptiste, Nicolas,

¹⁵³ There are constant transactions between the Magon family with merchants from buoyant European cities throughout the 1720s. See the notarial protocols of Juan Luis Vergara 1720-1730. Archivo Provincial de Cádiz, Cádiz, Spain.

and Guillaume moved to Cádiz looking for the mentorship of their uncle, François-Auguste Magon de la Lande. The La Lande branch was the wealthiest among the several Magon family lines, amassing around 2,5 million *livres* between 1641 and 1764.¹⁵⁴ François Magon de la Lande had a keen eye as an entrepreneur and moved to Lima during the administration of the Francophile viceroy the marquis of Castlledosrius, seizing the opportunity to engage in trade with prominent merchants and the viceroy's entourage. The relationship between François Magon, Juan de Sentmenat, and Ramón de Tamarit, the son and nephew of Castlledosrius respectively, were so close that they returned Spain together in 1716 in a Magon-financed vessel.¹⁵⁵

François Magon had vast trading experience and thus he was the most suitable Magon member to tutor Jean-Baptiste, Nicolas, and Guillaume. In 1716, these brothers formed their first company with another Malouin merchant residing in Cádiz, Pierre Le Gentil. Further, in 1719, they decided to venture out on their own and funded "Magon Hermanos y compañía".¹⁵⁶ With abundant inherited capital, "Magon Hermanos y compañía" mostly operated as credit agents, loaning money to a diversified cast of merchants that hailing from Amsterdam to Marseille, and even to overseas territories in Tierra Firme and Veracruz. For example, on the eve of the departure of the galleon fleet in 1721 to the Indies, the Magons were quite busy loaning money. The Lago Marzino clan, the brothers Gian-Bautista and Jacome, who resided in Cádiz, asked for 6,600 pesos to acquire merchandise in Tierra Firme,

¹⁵⁴ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 446.

¹⁵⁵ Transacción entre Ramón de Tamarit y Francisco Magon, Protocolos notariales de Juan de Avellán 1714, Number 109, AGN – Sección colonial, Lima, Perú.

¹⁵⁶ Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, 446.

since they obtained a permit to sail alongside Balthasar de Guevara's fleet.¹⁵⁷ Magon Hermanos also supplied 2,000 pesos to the Juan Fortic Casaubon and Company, another French enterprise based in Cádiz that had interests in selling textiles from Rouen to Veracruz in the same voyage.¹⁵⁸ It is likely that during this year, several foreign merchants that residing at Cádiz felt optimistic that they could participate again in Spanish American trade since the War of the Quadruple Alliance (1717-1720) had just ended. For example, the Marseillaise merchant Jean-Louis Chauvignot sailed from Cádiz alone in 1721 towards Veracruz in *L'Hercule* confident that he would persuade "the viceroy of Mexico to allow him to trade under reasonable jurisdictions".¹⁵⁹

However, in the subsequent years new Spanish trade policies restricted foreign participation in the Indies run. This shift forced Magon Hermanos to focus solely on lending and sponsoring intra-European trade ventures. In 1729, in order to expand their well-placed business, the Magons agreed with to combine their company with another set of Malouin siblings that also resided in Cádiz: the Le Fer de la Saudre. Together they formed "Magon-Le Fer Compañía". This enterprise would have a prominent run among other Cádiz-based merchant companies, operating until the French Revolution. However, other Magon companies, less successful than Magon-Le Fer, operated at Cádiz, and presented themselves as other options for serious loans. Alain Magon de l'Epinau, was related to prominent clan

¹⁵⁷ Transacción entre Magon compañía y los hermanos Lago Marzino. Protocolo notarial de Juan Luis Vergara 1721, Number 994, Archivo Provincial de Cádiz, Cádiz, Spain, 50.

¹⁵⁸ Transacción entre Magon compañía y Juan Fortic Casaubon y compañía. Protocolo notarial de Juan Luis de Vergara 1721, Number 994, Archivo Provincial de Cádiz, Cádiz, Spain, 74.

¹⁵⁹ "y así convencer al virrey de México de permitimos comerciar en la jurisdicción establecida." Declaración de Juan Luis Chauvignot, Protocolo notarial de Juan Luis Vergara 1721, Number 994, Archivo Provincial de Cádiz, Cádiz, Spain, 285.

of Noël Danycan l'Épinay and a member of the branch of Magon de la Fontaine-Roux, formed a company in 1723 with the French merchant Pierre-Auguste Marion: “Magon-Marion Compañía”.¹⁶⁰ A year later, François Magon de Coetizac, who was also part of the Fontaine-Roux branch, formed the modest and short-lived solo enterprise “Francisco Magon y Compañía”.¹⁶¹ Finally, in 1732, the sons of Luc Magon de la Balue, Luc and Jean-Baptiste, formed “Magon y Poreé Compañía”, with the Malouin Poreé family. The Porées had collaborated with the Magons in the past by financing expeditions and even sailing them to Peru in the early years of the eighteenth century.¹⁶²

The affluence of Cádiz as an epicenter of transatlantic and Mediterranean commercial activities safeguarded Malouin economic interests. The former protagonists of direct Peruvian trade now sought to diversify their activities via joint companies, short-term loans, and intra-European commerce while direct trade with Spanish America was blocked. Still, French merchants residing in Cádiz would patiently wait until the Indies trade conditions improved, which occurred by the end of the 1730s. In the meantime, Cádiz's many Malouin merchants and overall, the French colony in the city, continued in strengthening their influence and power for the next decade.

¹⁶⁰ Transacción de Alain Magon de l'Épinay, Protocolo notarial de Juan Luis Vergara 1724, Number 997, Archivo Provincial de Cádiz, Cádiz, Spain, 121.

¹⁶¹ Declaración de Francisco Magon de Coetizac. Protocolo notarial de Juan Luis Vergara 1724, Number 997, 175.

¹⁶² Alain Poreé captained the *Saint-Esprit* (1703-1705) and the *Notre-Dame de l'Assomption* (1708-1710) to Peru, which were ventures partially financed by the branch of La Lande Magon. See André Lespagnol, *Messieurs de Saint-Malo: une élite négociante au temps de Louis XIV*, Bretagne références (Rennes: PU Rennes, 2012), 446.s

“These people have no concern except for their own interest...”¹⁶³

In addition to blocking French traders from Peru, Viceroy Castelfuerte sought to lure members of the Lima merchant guild back to the revitalized Portobelo fairs. It was a tough sell, as old slights, and disagreements over trans-Isthmian commerce and, most importantly, taxation (and by extension, corruption) were quickly remembered. Tension between the merchants of Lima and the authorities of Panama can be traced to at least the second half of the seventeenth century. The problems were always the same. Panamá depended heavily on the annual fairs due to their lack of local production and internal trade. The arrival of Peruvian and Spanish merchants presented Panamanians with a chance to squeeze the most money out of the fairs as possible. The prices of accommodation and transportation soared in fair season, as did “additional” or extraordinary payments to royal officials. For example, Panama’s governor squeezed Peruvian merchants so much that they imagined themselves in Algiers, proverbial hotbed of extortion. In this scenario, Lima’s merchants sought for alternatives, anything to bypass the Spanish monopoly structure and thus retain some benefits from transatlantic trade.¹⁶⁴

When Viceroy Castelfuerte reached Lima in 1724, the relationship between the Consulado and the Panamanians remained sour. A decade-long, wartime pause in the Portobello fairs (1709-1718) had proved a welcome relief for the merchants of Lima. Most trading firms shifted their interests towards intercolonial trade, French trade, and even Asian

¹⁶³ This quote was stated by Viceroy Castelfuerte referring to the lack of cooperation of the peruleros in preparing the fleet to set sail to Panama, in Dilg, «The Collapse of the Portobelo Fairs», 134.

¹⁶⁴ See Suárez, *Desafíos transatlánticos*.

trade. Nonetheless, the reactivation of the fairs and stern orders from Prime Minister Patiño put Peruvian merchants in an awkward position, forced to negotiate with a seemingly determined and inflexible viceroy. At the same time, Castelfuerte had the difficult task of convincing the Lima traders to see some advantages in coming back to the fairs. He not only coordinated the revival with the Lima traders, but also had to synchronize a plan with the authorities of Panama, Quito, Chile, Charcas, and Buenos Aires. Reviving the Portobello trade nexus would not be easy, and Bourbon-era geopolitics meant it would never be the same as it was in any event. The viceroy had his work cut out for him. The arrival of British and Portuguese merchants following the prerogatives of the South Sea Company, for example, coupled with the many vessels that arrived on Peruvian shores via the register ship system, endangered the Castelfuerte's plans. Why? Because the Lima Consulado undoubtedly would always choose any alternative to the Portobello fairs.¹⁶⁵

The merchant guild presented several excuses to the viceroy in October 1724, claiming that they could not sail to Panama as requested. They argued that bankruptcy caused by past participation in French contraband trading, weak sales in Upper Peru, and the poor condition of the Armada del Sur together prevented them from engaging in large-scale trade. In response, Castelfuerte ordered repairs done to the Armada's warships. He appointed Admiral Blas de Lezo, well-known for participating in the capture of French vessels in the Martinet expedition and now commander of the Armada del Sur. Lezo was to supervise the restorations.¹⁶⁶ However, ship repairs were not the only issue that Castelfuerte faced. The

¹⁶⁵ Dilg, «The Collapse of the Portobelo Fairs», 120.

¹⁶⁶ Dilg, 123.

Consulado excelled at producing distractions and minor excuses to keep delaying the date of departure, even suspending tax collection to buy more time. The viceroy soon had enough of this, accusing the merchants of deliberately trying to sabotage official trade. In order to find proof that the merchants were pretending, Castelfuerte began inspecting coastal vessels without warning and apprehended a ship coming from New Spain with 100 chests and bundles of fine Chinese silks and another vessel with 30,000 pesos of silver cash aboard. Castelfuerte now had the evidence he needed to gain momentary leverage in his struggle against the Consulado.¹⁶⁷

The viceroy went a step further. On June 13, 1724, he annulled the *asiento*, returning full responsibility for collecting taxes to royal officials. This was a major blow to Lima's merchant's interests. The *asiento* had granted them, according to the viceroy, "sovereignty and omnipotent power", as well as the ability to delay departure of the Armada del Sur, since they could always claim that tax collection was incomplete and that more time was needed. With the dissolution of this prerogative, Castelfuerte aimed to isolate the Consulado, making them dependent on royal authority. After seven months of deadlock, the Peruvian merchants, in their aim to find a common ground with the viceroy, sent him a proposal comprised of 27 separate requests on February 20, 1725. Most of their demands were centered on preventing excessive taxation and extortion by Panamanian officials. This represented the main deterrent keeping the Consulado's members away from the fair. Surprisingly, given his stubborn

¹⁶⁷ Dilg, 124.

personality, Castelfuerte accepted the Consulado's demands, even restoring their asiento privileges, hoping that with these concessions the merchants would finally depart.¹⁶⁸

It was not to be. Despite the apparent consensus between the two sides, the fleet remained docked at Callao through the second half of 1725. Stalling tactics old and new were on full display. Interruptions in the repairs of the Armada del Sur were a constant issue due to lack of cooperation of the merchants, who already made clear to the viceroy that they were in no hurry to set sail. Tax collection disputes also recurred. The Consulado asked for additional time since they petitioned for an additional supplemental tax of 1% on silver and 1/3% on gold to compensate the cost of required ship repairs. Castelfuerte realized that Lima's Consulado members were creating unnecessary deliberations to postpone the departure of the fleet, and his patience ran out. He announced that the Armada del Sur would depart on December 3, 1725, matter what. He threatened the Peruvian merchants by saying he would allow incoming Spanish merchants freedom to sell their goods in Lima while prohibiting the Peruvians from selling theirs. Castelfuerte complained that "the merchant guild joins together to ridicule power and to make proverbial the common expression that viceroys of Peru can do anything but dispatch armadas when they wished".¹⁶⁹ Consulado members were aware they were in no position to delay departure indefinitely. Moreover, the potential scenario in which the Spanish merchants at Panama were allowed to sell their goods at Lima could bring disastrous results for their own interests. On January 14, 1726, fifteen months beyond their original departure date, the merchants of Lima sailed to Panama.¹⁷⁰ The

¹⁶⁸ Dilg, 126,129.

¹⁶⁹ Dilg, 48.

¹⁷⁰ Dilg, 45-49.

members of the Consulado remained on the Isthmus over a year. But as it happened in the past, problems between the Panamanians and the Peruvians occurred again.¹⁷¹

By the end of the 1720s, Lima's once affluent and wealthy Consulado merchants were in no financial shape to fulfill the expenditure demands of the king of Spain. By 1730, Peruvian silver production had drastically decreased. Lack of investment on mining, bad administration of mercury production and distribution, a shrinking Indian workforce in the mining settlements, and onerous taxes generated a crisis that even Castelfuerte understood. It was no surprise to anybody that a considerable amount of Peruvian silver found its way to Buenos Aires and into the holds of register ships and foreign merchant vessels. Despite the efforts and measures of the viceroy to eradicate the contraband trade via the Rio de la Plata, nothing seemed to work. During the following decades, Buenos Aires would considerable independence from Lima, eventually becoming the seat of a new viceroyalty.¹⁷²

In this context, the Spanish crown pushed for another Portobello fair in 1731. This time, an exhausted Consulado lacked the energy to, once again, delay their attendance. Castelfuerte, who was still the crown's main instrument, its only means to force the Lima merchants to participate, was aware of the financial weakness of the Consulado. As Castelfuerte noted, the vast amount of private wealth was in the hands of "churchmen, monks, and other persons who by virtue of their occupations are exempt from viceregal control."¹⁷³ The average Peruvian merchant going to Portobello carried just 84,590 pesos, not an

¹⁷¹ The Lima merchants issued several complaints to their viceroy against the Panamanian authorities, accusing them of extortion. Additionally, trade was interrupted since an English squadron harassed the merchant vessels that wanted to dock in Portobelo. Testimonio de los autos de la Feria de Portobello de 1726. TC-GR1, Box 121, Folder F5. Tribunal del Consulado, Ferias de Portobello, AGN – Sección colonial, Lima, Perú.

¹⁷² Dilg, «The Collapse of the Portobello Fairs», 175-77.

¹⁷³ Dilg, 187.

inconsiderable sum, but hardly enough to match the incoming volume of wholesale merchandise meant to supply a continent. Only twenty-nine merchants carried totaling over 100,000 pesos, and just one individual brought over 300,000 pesos.¹⁷⁴ The modest capital that the Peruvians transported to Panama was not enough for the commander of the galleon fleet, Manuel López Pintado, who had the order to sell the cargo (mostly comprised of Spanish cloth) at an exorbitant price. The Marquis of Villahermosa, the newly appointed governor of Panama, tried to mediate the clash between the Consulado and López Pintado, but without success. López Pintado displayed an inflexible and hostile attitude. In the end, after several threats and even house arrest of Consulado representatives, Lima's merchants reluctantly acquired the overpriced goods. They later claimed a loss of 115,000 pesos.¹⁷⁵ The Portobello Fair, as they had long argued, was bad business.

Back in Lima, unsurprisingly, no one was eager to buying expensive Spanish cloth. As a show of solidarity and perhaps understanding in the difficult situation that Lima merchants had to face against their will, Castelfuerte bought several bales of cloth, and he encouraged royal officials to do likewise.¹⁷⁶ The aftermath of the fair of 1731 proved a milestone in Greater Peru's mercantile trajectory. The once powerful and wealthy Lima Consulado had been greatly diminished. Its members were now only slightly affluent merchants, stuck with the responsibility of nourishing official trade via the Portobello fairs when it made no sense for them to do so. As the global scale, Prime Minister Patiño was initially successful in bringing Lima's Consulado into the royal fold (thanks to the Viceroy

¹⁷⁴ Dilg, 187.

¹⁷⁵ Testimonio de las diligencias por Manuel Lopez Pintado en 1730. TC-GR. Book 28, Sheet 3. Tribunal del Consulado, Ferias de Portobello, AGN – Sección colonial, Lima, Perú.

¹⁷⁶ Dilg, «The Collapse of the Portobelo Fairs», 192-97.

Castelfuerte's incessant efforts) while expelling the remnants of French trade. The 1720 Project failed, however, by ignoring the necessities and struggles of the colonial merchant class that the Crown itself had aimed to invigorate and profit from. The rupture caused by the War of the Spanish Succession could not be easily breached, especially in a time of general economic contraction exacerbated by a pan-Andean epidemic that killed several hundred thousand people between 1717 and 1722.

Conclusion

The period of 1717-1731 saw Lima's merchants lose South Sea commercial dominance, precisely as French direct trade to Peru stalled. The post-Succession War reformist movement plus the application of the 1720 Project reflected the Spanish crown's desire to regain control of Spanish American trade and to revitalize the deteriorated galleon system. In the case of Peru, the agent of change was Viceroy Castelfuerte, who firmly dispatched remnant French vessels and, momentarily, put an end to French trade in the South Pacific. However, in Cádiz, the same French merchants that had profited from Peruvian commerce a decade earlier managed to capitalize on other enterprises and investments, most of them financial. Although forfeiting direct trade with Peru marked a significant loss, Cádiz became a suitable replacement, a hub for merchant banking. French traders were able to amplify their activities globally while keeping a permanent watch on the development of Peruvian trade, in the event that it may reopen.

In the meantime, Lima's merchants faced a drastically different situation. Their brief era of prosperity was over, and without alternatives to official trade, the old families fell prey to the ambitions of the crown's 1720 project. French trade still lingered in the minds of the Consulado members, but it was used as an excuse to display their poor financial situation to the Castelfuerte, and, ultimately, to help delay participation in the revived Portobello fairs. By 1730 if not before, the scenario for Lima's top merchants was quite adverse and the Spanish reformists, who sought to create a welcoming environment for Spanish and colonial merchants alike, failed to understand that the economic conditions of Peruvian merchants differed from those prevalent in New Spain, Tierra Firme, the Caribbean, and Buenos Aires. Peru's internal situation was a major limiting factor, complicated by demographic and other trends beyond human control. The attempted revival of the galleon system took a toll on Peru merchants that would reverberate through the late 1730s and early 1740s, when French and Peruvian commerce entered a new *paix de deux*.

Chapter 4: The Mirage of Revival: Reform and Conflict in the Franco-Spanish South Pacific Trade (1731-1749)

In 1743, Spain's Prime Minister, Zénon Somodevilla y Bengoechea, Marquis de la Ensenada, wrote a letter to King Philip V describing an offer from the directors of the French *Compagnie des Indes Orientales* (or *Compagnie de l'Orient*) to trade in Peru. Company directors demanded license to sell ten tons of merchandise (mostly Rouen and Breton cloth) in Chile and Peru, no middlemen. To boot, they were planning to continue their voyage to China, using Peruvian silver to purchase silk, porcelain, among other goods. What would the Spanish king get in return for permitting such direct trade? Pierre Duvelaer, the company's representative in charge of negotiations, reassured Ensenada that "the company will pay in abundance any interest that the crown requires in exchange for allowing our ships to traverse to the South Sea and the Oriental Indies [...]. The company will deposit directly to their treasury in Madrid as well as any payment necessary for the king of Spain".¹⁷⁷

However, negotiations were unhurried. Ensenada dragged his feet in hopes of obtaining more money from the deal. Meanwhile, Duvelaer became increasingly irritated and

¹⁷⁷ "[...] et je assure V. EX. que des que la Compagnie des Indes signera à payer à nos intéressés l'argent que nous ferons passer de la mer du sud aux Indes Orientales pour son compte et risque, elle remettra exactement à votre trésor à Madrid le montant de l'indulte qui sera dû au roy d'Espagne sur le même argent." *Carta de Pierre Duvelaer al Rey* (1743). Letters. From AGI, *Registros y licencias de embarques para el Mar del sur*. LIMA, 1521.

expressed his discomfort in a letter to Philip V, stating that the recurrent delays in the negotiations made him think that the king was not interested in letting anybody cross the Pacific in the first place. Duvelaer demanded a straight answer (“that their majesty may declare with a yes or a no”), but he also advised the king to be aware of the consequences of the decision, since the Spanish crown would be giving away tremendous financial opportunity due to “great businesses that the company will accomplish”.¹⁷⁸ Ensenada was aware that he could not delay any longer. Therefore, he recommended that Philip accept the French offer since “with this disposition we will have guaranteed money in Europe [...] as well as between 10 or 12 percent of total value of their sold merchandise”.¹⁷⁹

Although Ensenada was reticent in allowing foreigners to directly participate in Spanish American trade, he was aware that granting flexibility and openness could lead to better financial outcomes for Spain. Ensenada was one of the key players that stirred the commercial reformist period of 1730-1750. In those decades, Spanish prime ministers aimed to implement reforms to reinvigorate Spanish American transatlantic trade. It is undeniable that for the crown’s interest, revenue from transatlantic trade increased, but to what extent did the policies of revival of Spanish American trade benefited Peru’s and France’s merchant communities?

¹⁷⁸ “En esta inteligencia es preciso que vuestra majestad se declara con el sí o el no estando en la de que el proyecto no se ha de alterar respecto de que en él se conceden más ventajas que las concedidas hasta aquí a vasallos del rey, y de que no puede haber mayor prueba del grandísimo negocio que la compañía hará.” in *Carta de Duvelaer al rey de España* (1743). Letters. From AGI, *Registros y licencias de embarques para el Mar del sur*. LIMA,1521.

¹⁷⁹ “[...] porque con esta disposición tendríamos el dinero seguro en Europa y la compañía se libraría del riesgo del viaje de Francia hasta Acapulco u otro puerto de aquella costa de suerte que con un diez o doce por ciento podíamos tener aquí el dinero que subsistiese en aquellos parajes.” in *Carta del Marqués de la Ensenada al Rey* (1744). *Registros y licencias de embarques para el Mar del sur*. LIMA,1521.

The 1730s and 1740s heralded different approaches to reform. The first embodied the last hurrah of the Patiño's Project of 1720, which negatively affected Peruvian and French interests alike. Meanwhile, an about-face occurred in the 1740s, when the package of reforms inspired in mercantilist policies were issued. The spirit of this reforms was to imitate the French commercial success by empowering merchants but, at the same time, weakening the consulates. The Spanish crown aimed to take over reigns of overseas trade, centralizing commercial affairs in Madrid, while leaving the commercial elite subordinated to the crown's will. In this context, how did the implementation of reforms affect the course of South Pacific trade and the trading communities of peruleros, Malouins, and the French residing at Cádiz? This chapter examines the struggle of the Lima merchants to withstand the last hurrah of the Portobello Fairs. In this context, the peruleros had to deal with the arrival of Cádiz merchants to Lima, symbolizing another menace to their interests. Meanwhile, the Malouins had another chance to reconnect with the Peruvian trade with the imposition of the registry ship system. The 1743 French expedition to Peru symbolized a new beginning to strengthening Franco-Peruvian commercial relations. However, in the end, catastrophe loomed. I argue that the peruleros, rather than submitting themselves to the crown's interests, the Limeños brawled against Cádiz traders but with caution. As the Limeños evidenced, they once again sought any route that could provide them leverage to fulfill their interests but negotiate with the authorities to validate their claim and image. Meanwhile, the Malouins in Cádiz and Saint-Malo lost a vital opportunity to reestablish more independent connections and the credibility of the Spanish royal authorities. French trade would continue to Peru, highly subordinated to Spanish interests.

“They are more litigants than merchants”¹⁸⁰

In the early 1730s, Lima’s merchant guild was in a precarious position. The disastrous 1720s Portobello Fairs undermined Lima’s merchants’ finances and their trust in Bourbon commercial reform. As we saw in the previous chapter, conducting business on the Panamanian Isthmus usually ended in calamitous outcomes for the Peruvians. Before 1720, Lima’s merchant guild of *consulado* was so wealthy and influential through the region that they could compensate for repeated losses at Portobello. Intercolonial trade and illicit practices like *contraband* and fraud helped the *peruleros* offset the restrictions imposed by official trade. However, this time around, Lima’s merchants had lost influence. Cartagena de Indias’ and Buenos Aires’ commercial growth threatened the Limeños’ hold on intercolonial trade which also weakened their place in the spectrum of transatlantic direct trade. Whereas commerce in Cartagena often complemented the Portobello trade, Buenos Aires was a threat. Merchants redirected Potosí’s silver to the South Atlantic port, stimulating a new wave of foreign trade. In this context, the anxiety of Lima’s merchant guild percolated throughout the 1730s, driven up by seeming disinterest in *perulero* concerns in Madrid.

In the aftermath of the devastating Portobello fair of 1729, Lima’s consulate members were in a fragile situation. The bigotry from the galleon fleet commander, Manuel López Pintado, towards them fueled the already long-lasting hostile environment between Limeños and Panamanians. Even with the support of the conciliatory and newly appointed president

¹⁸⁰ Statement about the Lima merchants by Manuel López Pintado, in De Aízpuru, Ygnacio. *Testimonio de los autos seguidos en la ciudad de Portobello [...] sobre el recibo de paños [...]* (1732). Memoir. AGN, Real Tribunal del Consulado, TC-GR1, Box 144, 83.

of Panama, the Marquis of Villahermosa, the consulate of Lima felt the full blow of López Pintado's determination in forcing the Limeños to buy fleet-borne products no matter the price. Back in Spain, López Pintado constantly complained that peruleros failed to keep their word and that they "faked their loyalty" ("*fingieron fidelidad*"). The commander said they initially agreed to offset the costs of the fleet as best as they could.¹⁸¹ Ironically, the antagonizing attitude of the fleet's commander was based upon instructions granted personally by José Patiño.¹⁸² However, Patiño was likely unaware of López Pintado's vehemency and determination in prioritizing Peninsular interests at all costs, since Patiño consistently believed that merchants' participation in overseas trade needed to be willingly to obtain the best results. It is necessary to remember that the return of the Portobello fairs was organized within the Proyecto of 1720, which ultimately aimed for a natural integration of colonial and peninsular trade into a harmonic system of disinterested collaboration.

The dispute between the peruleros and López Pintado reached a boiling point. He ordered Villahermosa to have them arrested, but the president refused. López Pintado's frustration amplified, accusing the Lima delegation of behaving more like "litigants than merchants" ("*litigantes que mercaderes*").¹⁸³ Villahermosa, who was aware that the Lima delegation had already exhausted its silver reserves, saw no reason to keep the peruleros waiting in Portobello and allowed them to return to Peru and wait for a royal decision on this

¹⁸¹De Aízpuru, Ygnacio. *Testimonio de los autos seguidos en la ciudad de Portovelo [...] sobre el recibo de paños [...]* (1732). Memoir. AGN, Real Tribunal del Consulado, TC-GR1, Box 122, 8r.

¹⁸²"y es de su celo al real servicio que por aumentar ellos sus intereses soliciten la ruina de los de su majestad habiendo vuelto a repasar las ordenes que me entrego sobre este asunto el señor Joseph Patiño y deseos de que estos pannos se conviertan en dinero para que no se queden rezagados y trae solo a sacarle a su majestad. De Aízpuru, Ygnacio. *Testimonio de los autos seguidos en la ciudad de Portovelo*, 9.

¹⁸³De Aízpuru, Ygnacio. *Testimonio de los autos seguidos en la ciudad de Portovelo*, 83.

incident.¹⁸⁴ Feeling defeated, and after two years of unsuccessful negotiations, López Pintado decided to sail back to Spain, leaving in Portobello a substantial portion of the Spanish delegation ashore with 7,000,000 pesos' worth of unsold wholesale merchandise.¹⁸⁵

The fair of 1731 continued these disastrous tendencies, again harming the peruleros. According to Viceroy Castelfuerte's reports, the Lima merchants were in condition to bring 21,000,000 pesos to the fair, yet official numbers detail that they ultimately carried 13,800,000 pesos, although more funds were added that were illegally concealed. It is necessary to mention that prices in the Portobello fair of 1731 were not as different as the prices imposed by the French two decades earlier. What changed the scenario was that the introduction of contraband through Buenos Aires kept prices down, forcing the peruleros to negotiate with the galeonistas for lower prices, or to give in to their demands. Meanwhile, López Pintado took 9,866,531 pesos in gold and silver back to Spain, which frustrated Cádiz merchants and royal authorities alike, including an over-optimistic Patiño, who was incapable of understanding the real bind faced by the peruleros and how the difficult it might be bring them into the fold.¹⁸⁶

But a bigger problem was about to unfold. The stranded Spanish delegation asked Castelfuerte to allow them open trade, to compensate for the peruleros lack of cooperation. The viceroy consulted with Lima's consulate for the best course of action and finally decided to invite the peninsular wholesalers to Lima to dispose of their wares. The Limeños were aware that this decision would mostly likely harm Peruvian merchants' interests, but they

¹⁸⁴ Dilg, «The Collapse of the Portobelo Fairs», 199.

¹⁸⁵ George Robertson Dilg, «The Collapse of the Portobelo Fairs», 199.

¹⁸⁶ George Robertson Dilg, «The Collapse of the Portobelo Fairs», 200.

considered it necessary to limit price speculation, which could get worse if the Spanish were allowed to sell their merchandise freely. The peruleros felt confident that when the Spanish fleet merchants or galeonistas arrived in the capital, they would be placed under the jurisdiction of the Lima consulado.¹⁸⁷ Meanwhile, some Spanish merchants worried that trading in Peru might not be the best idea, whereas others felt themselves in a more credit-worthy position than their Peruvian peers. Thus, they could lower their prices regardless, making profit in Peru a “divine sign from God”.¹⁸⁸ Luis Lozano conducted negotiations on behalf of Spanish merchant, in which he ultimately arranged for the galeonistas to try their luck in Lima. Among Lozano’s statement regarding the agreement, he stated that this connection was necessary since God wanted to revive “trade between Spain and Peru, which was very lost and forgotten”.¹⁸⁹

However, much like the peruleros in Panama, the Spanish in Lima became more litigants than merchants. The galeonistas were aware they were in a fragile position if they had to trade in Peru since they lacked contacts, barely knew the country, and, as outsiders, it was difficult to know who to rely on. The only way to gain leverage was to convince Viceroy Castelfuerte to grant them concessions. Between February and June of 1732, negotiations occurred between the Spanish, the guild, and the viceroy. By June 14, Castelfuerte finally decided, against the consulado’s will, to open all Peru’s Pacific ports to the Spanish and to allow them to dispose of their goods as they pleased.¹⁹⁰ However, opening the ports was a

¹⁸⁷ Dilg, «The Collapse of the Portobelo Fairs», 212.

¹⁸⁸ *Los comerciantes de España sobre la exoneración del pago de alcabala* (1735). Memoir, AGN, Real Tribunal del Consulado, TC-GR1, Box 144, 20.

¹⁸⁹ *Los comerciantes de España sobre la exoneración del pago de alcabala*, 20.

¹⁹⁰ Dilg, «The Collapse of the Portobelo Fairs», 213.

clear invitation for the proliferation of contraband trade, which also benefited non-Consulado merchants, mostly from Quito and Guayaquil, who now got the chance to directly enter the Panama trade.¹⁹¹

Further, fortunately for the galeonistas, greater Peru's mining sector thus its silver production was recovering. Throughout the 1730s, Peru experienced a slow reactivation of the mining sector and a revitalization of the internal economy. Between 1700 and 1730, Peruvian silver production reached the lowest levels since the 1570s, registering between 30 and 40 million pesos as ten-year average. However, by the 1730s and gaining afterwards, mining reforms that ranged from lower taxes on silver output to new supplies of mercury from Almadén, helped in recovering the registry numbers by the 1740s, and moreover in the 1750s.¹⁹² Silver production stimulated Peru's overall economy, lifting demand for imports.

Moreover, during the galeonistas' presence in Lima, Peru's internal market showed signs of revitalization. According to Carlos Contreras, by the eighteenth century, mercantile logistics became more sophisticated. The growth of muleteers or arrieros increased the frequency of trade, developing the connections between the highlands ("*tierras de arriba*") and coastal cities. For example, muleteers from regions in nowadays northern Argentina and Huancavelica evidenced a specialization on raising mules and lamas destined for transportation of mining supplies and communication. Llama breeders or *llameros* rented their livestock to muleteers from Cerro de Pasco, which by the 1730s produced much more

¹⁹¹ Between 1731 and 1739, 133 non-Consulado merchants sailed to Panama. Dilg, 214.

¹⁹² Throughout the seventeenth century, the average productivity per decade was between 65 and 70 million pesos. John TePaske, *A New World of Gold and Silver*, Atlantic World (Leiden, Netherlands) ; v. 21 (Leiden, Netherlands ; Boston: Brill, 2010), 146.

silver than in the past years.¹⁹³ Well-connected galeonistas could gain immensely from the advantages of a more lucrative internal trade.

Moreover, if the galeonistas managed to insert themselves into the existing Lima trading networks, the whole Peruvian coast could be opened as well. The capital was also the epicenter of coastal trade. Lima was commercially linked with the northern ports like Panama, Guayaquil, Realejo, Sonsonate, Saña, and Trujillo. However, due to a critical wheat shortage beginning in the last decades of the seventeenth century, Chile became a vital commercial ally for the Lima merchants.¹⁹⁴ In this context, Valparaíso became a major destination of Peruvian ships during the first two decades of the eighteenth century, with an average of 50 ships sent per year between 1701 and 1710, 37 ships per year sent between 1711 and 1720, and 30 ships per year sailing annually between 1726 and 1731. Behind Valparaíso was Pisco, which saw a consistent average of 14 Lima-based landing ships per year between 1705 and 1727.¹⁹⁵ The high volume of Spanish Pacific commercial transit bodes well for the galeonistas, as it appeared they were in a position of moving their goods swiftly up and down the coast. However, their lack of local connections and trusted

¹⁹³ Carlos Contreras, «La minería en el Perú en la época colonial tardía, 1700-1824», en *Compendio de historia económica del Perú. Economía del periodo colonial tardío*, ed. Carlos Contreras, vol. 3 (Lima: Banco Central de Reserva del Perú, Fondo Editorial : Instituto de Estudios Peruanos, 2020), 131.

¹⁹⁴ Cristina Ana Mazzeo de Vivó, «El comercio colonial a lo largo del siglo XVIII y su transformación frente a las coyunturas del cambio», en *Compendio de historia económica del Perú. Economía del periodo colonial tardío*, vol. 3 (Lima: Banco Central de Reserva del Perú, Fondo Editorial : Instituto de Estudios Peruanos, 2020), 230.

¹⁹⁵ Jakob Schlüpmann, *Cartas edificantes sobre el comercio y la navegación entre Perú y Chile a comienzos del siglo XVIII: [correspondencia y contabilidad de una compañía comercial, 1713-1730]*, Travaux de l'Institut français d'études andines ; t. 206 (Lima: IFEA, Instituto Francés de Estudios Andinos : IEP, Instituto de Estudios Peruanos, 2006), 38-39.

companions could impede profits since several commercial companies already employed this coast-wise route.¹⁹⁶

The Lima merchants' wariness of the galeonistas was to be expected, an attitude common among merchant societies in early Spanish America. As Tamar Herzog argued, merchants protected their businesses while also demarcating their juridical status. Trade was thought to be a zero-sum game: my neighbor's gain is my loss. Thus, becoming a "merchant" or consulado member was not necessarily won by abundant capital, but rather by wielding influence over the merchant body and by claims-making according to status. This was no small feat.¹⁹⁷ The Lima consulado proved to be an enclosed group with an ambivalent attitude, changing sides and making decisions according to general benefit or profitable outcome. Even with the advantageous arrival of French traders, Lima's consulado often acted defensively, as a judicial space for denunciation and prosecution. The council seemingly sided with royal authorities to ultimately protect Spain's commercial monopoly.¹⁹⁸ In a similar vein, the galeonistas represented a parallel organism that symbolized the menace of foreign merchants. The Spanish merchants, as outsiders entering Peruvian "country" trade, were in a better financial state than their Peruvian peers, and ultimately, had the leverage in setting the most advantageous prices to sell their wares.

Thus, Lima merchants took refuge under the viceroyalty's legal apparatus. When the consulate perceived that it was not possible to keep delaying the Spanish delegation's arrival,

¹⁹⁶ The wealthy perulero Joseph Tagle Bracho and the Malouin Jean-Baptiste Fraizé formed a company that trade between Lima, Pisco, Valparaíso, and Concepción between 1714-1719. *Poder para formar compañía entre Joseph Tagle Bracho y Juan Bautista Fraize* (1714). Notorial protocol. AGN. Protocolos notariales del siglo XVIII, #797, 383r.

¹⁹⁷ Tamar Herzog, «Merchants and citizens: on the making and un-making of merchants in early modern Spain and Spanish America», *Journal of European Economic History* 42 (2013): 137.

¹⁹⁸ *Cuadernos de Juntas* (1706-1720). Minutes. AGN, Libros coloniales.

they decided to employ their jurisdictional prerogatives. They were aware that when the galeonistas reached Lima, they would not be able to compete against them. Therefore, it was necessary to impose on them every sanction that might mitigate losses. Nonetheless, on September 9, 1734, the Crown denied Lima's consulado recommendation. But royal officials in Lima were inclined to accept the proposal since exempting taxation could create a chaotic scenario and more belligerence between merchant groups. Negotiations between the Spanish, the peruleros, and the viceroy went back and forth until the end of 1734. Ultimately, the Real Acuerdo (a special junta) that conveyed representatives from the peruleros and galeonistas with members of Lima's Audiencia and the viceroy decided that the Spanish were exonerated from additional taxation, since they were already taxed in Panama, despite the objections of the Lima merchants.¹⁹⁹

But the guild did not give up. Juan de Berría, Lima's Consulado's representative in Madrid, argued to the Crown that peruleros invested tax money in projects of public and royal interest. Also, part of the guild collected taxes allowed them to pay for generous *donativos* and loans to the Crown. Berría stated that Lima merchants submitted themselves to the authority of the Cádiz consulate, paying the required taxes to trade. For Berría, this imposition was fair because it would not give uneven advantage to any side. He questioned that if the peruleros obeyed without complaint, why were the galeonistas were so reluctant to submit to Lima's jurisdiction? Finally, on April 25, 1735, the Crown agreed with Berría and decreed that the Spanish merchants should pay all legal duties collected by Lima's consulate. The Spanish merchants tried to delay the execution of the decree but soon were forced by

¹⁹⁹ Dilg, «The Collapse of the Portobelo Fairs»; Stanley J. Stein y Barbara H. Stein, *Silver, Trade, and War: Spain and America in the Making of Early Modern Europe*. (Baltimore: Johns Hopkins Univ Press, 2003).

local officials to comply or face an imminent embargo of their merchandise. The galeonistas finally bent.²⁰⁰

However, in the aftermath it's unclear who won and who lost. Between 1735 and 1737, Spanish merchants were cleared to sell their merchandise in Peru. Dilg argues that the galeonistas effectively dominated Peruvian trade during this period. This argument derives from the premise that the peruleros had no choice but to sell their goods at lower prices if they wanted to compete with the Spanish. On one hand, they were selling similar goods, yet the Spanish could maintain the same wholesale price rate established in Portobello. On the other hand, the Lima merchants had already made significant investments in Portobello. They had to rent houses both in Panama and Portobello, rent mules to transport their cargo, pay consulado duties to and from Panama, and some of them had already borrowed money at a minimum of twenty-percent interest of their sales.²⁰¹

The members of the Lima consulado were in deep, and it seemed the Spanish had the upper hand. But what the interlopers got in leverage by selling at lower prices without losses, they lacked in useful and reliable knowledge over networking and contacts within Peruvian territory. The Spanish were already aware that despite their compliance in paying the consulate's taxes, the peruleros were still untrustworthy. The galeonistas knew that Lima merchants prioritized their own interests before the Crown's, since they stated that "they [the peruleros] claim about their loyalty and servitude to the king, but ultimately are responsible

²⁰⁰ Dilg, «The Collapse of the Portobelo Fairs», 219.

²⁰¹ Dilg, 220-22.

of the prejudice that harm commerce.”²⁰² If they were not loyal to their own King, why would they be trustworthy to their own competitors? Further, the lack of information on the returns of galeonistas in Peru made us question up to what extent they managed to dominate trade. What is certain is that the wealthiest members of Lima’s consulate were not affected. Their wealth allowed them to buy bulks merchandise at low cost at the beginning of the fairs, which ultimately saved them money. Also, these merchants had the important role of granting loans and credit to less wealthy peruleros that also participated in the fairs. Credit income was essential to diversifying their portfolios, which made a difference when the galeonistas crammed the markets with their merchandise.²⁰³

Consulado discomfort was evident, and tempers flared when, in November 1735, news came to Lima that a small fleet of register ships was arranging preparations to sail from Cádiz to Portobello. This venture was organized by a collective of merchants from Cádiz who learned that the renown Basque sailor, General Blas de Lezo, was returning to the Caribbean in a small detachment of warships. Eight merchant ships were added to Lezo’s detail as register ships to trade in the Indies. Six of them were bound to trade in Cartagena and Portobello. The absence of *aviso* (mail) ships coming from Peru during the previous five years meant that Cádiz merchants were not aware of the magnitude of the dispute playing out between Lima’s consulado and the galeonistas from the fair of 1731. The merchants of Cádiz thought that five years was enough time to wait to trade again with the Peruvians. Also, the

²⁰² “[...] no es nada para un comercio que tanto habla de fiel y servidor del rey cuando se lleva para resarcir todos los perjuicios que abultan este negocio.” In De Aízpuru, Ygnacio. *Testimonio de los autos seguidos en la ciudad de Portobello*, 9r.

²⁰³ Jesús Turiso Sebastián does an extensive study of the wealth of Joseph Tagle Bracho and Antonio de Querejazu which detail that their success came from diversifying their sources of income in *Comerciantes españoles en la Lima borbónica: anatomía de una élite de poder, 1701-1761*, Serie Historia y sociedad (Valladolid, Spain); no. 92 (Valladolid]: Universidad de Valladolid, 2002).

opportunity to be escorted as register ships constituted a one-of-a-kind chance to arrive safely in Portobello. The combined fleet departed from Cádiz on February 4, 1737.²⁰⁴

By this time there was also a significant change in Peru's colonial administration. The long era of the Marquis of Castelfuerte came to an end. Responsible for bringing the peruleros into the royal fold with the Project of 1720, he left his post after eleven years in office. Castelfuerte's replacement was José Antonio de Mendoza Caamaño y Sotomayor, Marquis of Villagarcía. He arrived in Lima in 1735 alongside two young Spanish officers, Jorge Juan and Antonio de Ulloa. Their names would ultimately be better remembered than the viceroy's. Before leaving, Castelfuerte was notified of Lezo's impending departure and thus informed the peruleros to make the necessary arrangements. They were to gather their money and prepare the Armada del Sur to sail in the following year.²⁰⁵

To no one's surprise, Lima's merchant guild was less than eager to comply. The newly appointed viceroy faced the immense task of persuading an already worn-out and fed-up consulado into participating in a trading scheme that, for the last decade, had financially harmed them. Initially, Villagarcía tried to reason with the peruleros but to no avail. Lima's merchants applied similar tactics to what they used against Castelfuerte. The consulate presented excuses over and over to delay the Cádiz merchants' departure. Moreover, the peruleros were also concerned about the news of increasing hostilities between England and Spain, which reminded them of the catastrophic aftermath of the English blockade of Portobello in 1729. After almost four years of negotiations between Villagarcía and the

²⁰⁴ Geoffrey J Walker, *Política española y comercio colonial: 1700-1789* (Barcelona: Ariel, 1979), 205.

²⁰⁵ Walker, 206.

merchants of Lima, the peruleros agreed to depart for the Panamanian Isthmus. They set sail on the June 28, 1739, bearing 11,734,192 pesos.²⁰⁶

Fate, or global politics, intervened. In October of that same year, war was formally declared between England and Spain. The sudden flee of all the members and agents of the South Sea Company at Portobello as well as the withdrawal of English smuggling ships in the Panamanian coast convinced the Spanish that something bad was about to happen. In the meantime, the peruleros rested in Panama City, waiting for new instructions, while Blas de Lezo organized the defenses of what was most likely an English invasion to Portobello. Finally, on December 2, 1739, Admiral Edward Vernon reached the Isthmus with six warships. The Spanish garrisons could do little to resist the barrage of cannon fire that quickly shattered coastal fortifications. The defenders were soon forced to surrender. Vernon occupied Portobello for two months, while Blas de Lezo and the president of Panama retreated to Panama City. Lezo was not in any advantageous position to request anything, thus negotiations did not prosper. Vernon aimed to complete his mission. In the Spring of 1740, he commanded the destruction of every fortification protecting Portobello plus the entrance to the River Chagre, the only viable alternative. Although during the next decades, the Portobello would maintain its position as a trading connection between Cartagena de Indias, Veracruz, and the Spanish Caribbean, it did not host another fair. The implementation of the registry system and its success convinced the crown that Portobello fairs were no longer needed as the base of Spanish overseas commerce with the Americas.²⁰⁷ After more than 130 years of operation, the Portobello fairs decisively ended.

²⁰⁶ Dilg, «The Collapse of the Portobelo Fairs», 235-36.

²⁰⁷ Walker, *Política española y comercio colonial*, 207-8.

Pacte de Compagnie

The robust work of the Jansenist writer and priest Noël-Antoine Pluche (1688-1761), *Spectacle de la nature* (1732-1742), became in France one of the most popular essays regarding natural history, with aspects that also included economic materials and social reality.²⁰⁸ Concerning how the Portobello Fairs worked, Pluche explains that Spanish profit was ultimately shared with other European nations with “remarkable fidelity”. The exports of cloth, hats, and any other type of merchandise that came directly from Spanish European neighbors was ultimately for the benefit of the Spanish American colonies.²⁰⁹ Pluche’s conception of Spain’s intentions were not far from the truth. Since the beginning of the eighteenth century, Spanish trade tolerance with France and the subsequent privileges granted by the Spanish crown to the English South Sea Company can be interpreted as signs of transnational cooperation, albeit not without coercion. For Pluche, the most important component to increase international collaboration and continental and national economic progress was by opening trade.²¹⁰

In this scenario, the true *négociant* (merchant) was a key element for a country’s growth. While the origin of the nobility “justified conviction that they are born for the public good”, for Pluche, the enlightened trader was also measured by his ability to contribute to society. Thus, the merchant was not distinguished by the pursuit of wealth, but by “the

²⁰⁸ Antoine Pluche, *Le Spectacle de la nature, ou Entretiens sur les particularités de l’Histoire naturelle qui ont paru les plus propres à rendre les jeunes gens curieux et à leur former l’esprit [par l’abbé Pluche]...* Tome 3, 1764, <https://gallica.bnf.fr/ark:/12148/bpt6k1510404p>.

²⁰⁹ Pluche, 207.

²¹⁰ Pluche, 100.

passion to procure for his *patrie*, the enjoyment of what it desires”. Pluche argues that the merchant has an active role in the public sphere, since he supports his fellow countryman when adversity occurs: “At the approach of famine, [the merchant] sails the seas with one or several vessels and brings back from distant ports... a first provision of wheat which he wisely arranges”. Therefore, merchants functioned as the “compass of society”.²¹¹ However, if we center on the French merchant colony at Cádiz, which society did they serve? Spain’s? France’s? Perhaps it was even more localized, focused on the wellbeing of where they came from (Saint-Malo) and where they lived currently (Cádiz). As we will see in this section, the diversity of the French merchant community living at Cádiz was its main strength.

By the 1730s, French-Andalusian merchants consolidated a firm position of influence and wealth among Cádiz’s foreign merchant communities and within its guild. Saint-Malo merchants participated avidly in Cádiz public life. They invested in the city’s safeguarding and extended loans to royal officers to build up their image in the community. Above all, they placed French merchants in a privileged position. Wealth was a symbol of power and influence. The French merchant Guillaume Massé (or Macé) had the most magnificent palace among the foreign merchant community, boasting a large garden, a small vineyard, fountains, and marble statues on display. Since Cádiz’s had a cramped urban layout, wealthy merchants distinguished themselves by any sort of outdoors ornaments. Massé’s wealth was so notorious, along with his influence within Cádiz elite circles, that when King Philip V visited Cádiz in 1729, Massé hosted him at his palace.²¹²

²¹¹ Henry C. Clark, *Compass of Society: Commerce and Absolutism in Old-Regime France* (Lanham: Lexington Books, 2007).

²¹² Bustos Rodríguez, *Cádiz en el sistema atlántico: la ciudad, sus comerciantes y la actividad mercantil (1650-1830)*, 326.

As we saw in the previous chapter, it was in the first decades of the eighteenth century that French commercial migration to Cádiz grew steadily. Members of renown commercial houses like Causabon-Béhic, Magon-Le Fer, Masson, Lenormand, Massé, Jolif, among others, were reaping consistent income via loans and mercantile investments. By 1736, the French established eight major merchant houses, funded by at least one hundred thousand *piastres* (equal to the Spanish pesos) in capital, and twelve middling houses, working with between ten thousand and forty thousand *piastres*. Added to the growing wealth of French merchants in the city, their expansion also came from the 1733 *pacte de famille* (the Bourbon family pact).²¹³ This was an agreement signed between Spain and France to win France's collaboration in Spain's dynastical claims in Italy and parts of France. In return, Spain granted commercial concessions to France and the opportunity to allow French merchants to establish themselves at Cádiz. More liberty for French merchants meant more possibilities for profitable endeavors. In this context, what were the trading trajectories of the French merchants that moved to Cádiz, especially those formerly involved in the Peruvian trade?

As we saw in the previous chapter, Jean Casaubon and Jean Béhic partnered and established a company at Cádiz that was involved in the Veracruz and Portobello fairs during the 1720s. However, as with most of French merchants at Cádiz through this period, they learned their lesson and were not fully committed to investing in direct trade in Spanish American. Between 1731 and 1733, Casaubon-Béhic continued what had worked for his and many other French companies at Cádiz in the previous decade: diversifying their sources of income. Casaubon-Béhic managed to establish trading networks that also included a system

²¹³ Bustos Rodríguez, 144.

of loans and credit towards their associates. The strategic location of Cádiz allowed the Casaubon-Béhic Company to function as a nexus from which to establish a network linking Mediterranean and Atlantic operations. Ultimately, combining assets in both trading spheres, the company worked for French merchants and Cádiz merchants alike.

Unsurprisingly, the wealthy *Compagnie des Indes Orientales* saw the Casaubon-Béhic Company as a natural strategic partner. The Paris-based *Compagnie des Indes* organized a wide arrange of businesses that connected far destinations in the Levant with northern Europe. Since Casaubon-Béhic was known as being well connected in the Cádiz merchant community, merchant companies from Nantes, Amsterdam, Marseille, London, and other cities, reached out to them to participate in the grid of the *Compagnie des Indes*. For example, buyers from the English Channel that were interested in merchandise from the Levant often reached out to French traders at Cádiz. Casaubon-Béhic negotiated with the *Compagnie des Indes* to acquire merchandise from them. The Company dispatched ships from Marseille to the Levant and then to the Port of Santa María in the Bay of Cádiz. Then, Casaubon-Béhic shipped it again, for example, towards Nantes in 1731, when merchants Stephane Rollot, Claudio Heusch, and Agustin de Lyne offered Casaubon-Béhic 24,000 pesos' worth of merchandise from the Levant, including silk tapestries, camel wool, brocades, and earthenware.²¹⁴

Colbert made arrangements to support France's incursion into the Levant via chartered companies. The first *Compagnie des Indes Orientales* at Le Havre and Lorient (1664) spearheaded the initiatives. Then, Colbert attempted to back the *Compagnie du Levant*

²¹⁴ *Protecto de Juan Béhic y compañía contra sí mismo*. (1731). Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1003, 1.

in Marseille (1670), but Marseille's chamber of commerce ultimately refused to cooperate since they sensed that the state's intervention in Mediterranean trade would harm their profit. The proximity of Marseille to the Levant and the acquired knowledge Marseille's merchants had of the Levant's markets and industries evidenced that the French crown was in dire need of their collaboration and not the other way around.²¹⁵ Despite Colbert's failures, Louis XIV signed the first Franco-Persian commercial treaty in 1708, in which French merchants and missionaries were granted privileges. A second treaty *d'amitié* was signed in 1715, encouraging Persians and Armenians to settle at Marseille to close the gap of commercial relations. However, through the end of France's Old Regime, and despite the Compagnie des Indes' intervention, Marseille continued a fierce resistance against company trade and royal centralized governance of their commercial affairs, to even keeping a parallel network of trade with the Levant that predated Bourbon state-interests.²¹⁶

To what extent the French merchants at Cádiz were involved in the "official" trading network of the Compagnie des Indes versus the "illicit" grid of Marseille's merchants and the Levant is, ultimately, hard to determine. However, Cádiz's notarial records grant us the hint that French merchants in the city were playing both sides. For example, Gil Pain, a Parisian merchant living in Cádiz and connected with the Compagnie des Indes, was strongly associated with the French Cádiz companies like Casaubon-Béhic and Magon-Le Fer. Gil had a son, Joseph Pain, who was established as a merchant at Marseille. Gil expanded his influence through his son, reaching associations with merchants like Honoré Denas or Jean

²¹⁵ Junko Thérèse Takeda, *Iran and a French Empire of Trade, 1700-1808: The Other Persian Letters*, Oxford University Studies in the Enlightenment, 2020:12 (Liverpool: Published by Liverpool University Press, on behalf of Voltaire Foundation, University of Oxford, 2020), 48.

²¹⁶ Takeda, 128.

Boissier, who were among several Marseillaise merchants that were eager traders with Berber countries and the Levant outside the grid of the Compagnie des Indes.²¹⁷ At the same time, Casaubon-Béhic managed contacts that traded Breton clothes from Nantes to Marseille, involving Marseillaise merchants living in Cádiz like Antoine Delaye, Philippe Garnier, Miguel Malibrán, and Jean Lamarçq who also participated with Gil Pain in the Levant trade.²¹⁸

Malouin merchants's connections with the Compagnie des Indes had ups and downs. As we saw in chapter 2, the Noël Danycan's trial with the directors of the Compagnie des Indes for trading privileges, represented a constant struggle between Paris and Saint-Malo during the first two decades of the eighteenth century. However, by the early 1720s, the Compagnie des Indes became a key ally of the Malouin merchants. Examples, although with unsuccessful results, included the combined expeditions funded by the Compagnie des Indes and the Malouin Le Gobien family to Peru between 1721 and 1726. Since the Compagnie operated as a credit agent, merchant, and supplier, Malouin merchants, who were already constricted by prohibitions in trading in Spanish American trade, perceived the company as an ideal partner. Moreover, the reputation of Antoine Crozat as financier of the company was essential to the eager Malouin merchants. Thus, through the decade of 1720s, Malouin

²¹⁷ *Poder para cobrar de Gil Pain e hijo a Pedro Joseph Pain (1733)*. Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 535.

²¹⁸ *Protexito de Juan Béhic y compañía contra Juan Lamarçq (1733)*. Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 330; *Protexito de Juan Béhic y compañía contra Joseph Musq hixo (1733)*. Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 344; *Protexito de Juan Béhic y compañía contra Miguel Malibrán (1733)*. Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 364; *Carta de pago y cesión de Phelipe Garnier contra Juan Béhic y compañía (1733)*. Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 365.

merchants solicited and transferred money through the Compagnie ranging from 150.000 to 250.000 *livres* (or 1.200.000 to 2.000.000 pesos) per year.²¹⁹

Maintaining diverse businesses interests throughout Europe was an essential element of the fluidity that characterized Malouin merchants at Cádiz. However, this did not mean that they had lost interest in trading in Spanish America. Casaubon-Béhic, Magon-Le Fer, Jolif and Sons, among other French companies at Cádiz still maintained investments, although they avoided committing too much since they were aware that trading in Tierra Firme was risky. In 1732, news of the disaster of the Portobello Fair of 1731 reached Cádiz. Several merchants suffered liquidation. Among the casualties was the Blanchenoe and Legrand Company, and Anglo-French firm that operated in Cádiz and London. However, this meant great news for François Magon l'Épinay and Alain Marie Magon l'Épinay, who were eager to finally acquire Blanchenoe and Legrand. They merged it with their enterprise.²²⁰ Meanwhile, investors of the liquidated company like Gil Pain, the Bordeaux merchant Raphael Da Costa, and the Malouin Pierre Eon, tried to salvage anything they could get their hands on. Pedro de Santistevan, the company's agent at Veracruz and captain of the company's vessel *Nuestra Señora del Rosario*, returned to Cádiz with just 12,085 pesos *mexicanos*.²²¹ For merchants of this ilk, 12.000 pesos of any kind was small change.

²¹⁹ *Journal de la Compagnie des Indes* (1715-1727). Journal. Archives Départementales d'Ille-et-Vilaine, Série 9B Saint-Malo, 1F 1914.

²²⁰ *Fianza de los acreedores de Blanchenoe y Legrand contra Alonso María Magon L'Épinay* (1732). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales. Juan Luis Vergara, #1004, 126-127; *Compromiso entre Juan Miguel Kint, Alonso María Magon y Pedro Bosrouseau* (1733). Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Juan Luis Vergara, #1005, 182-184.

²²¹ *Fianza de los acreedores de Blanchenoe y Legrand contra Gil Pain* (1732). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales. Juan Luis Vergara, #1004, 529-530.

In the meantime, the bankruptcy of the Blanchenoe and Legrand Company also affected the wealthy Magon-Le Fer Company. Magon-Le Fer supplied Blanchenoe and Legrand with cloth from Brittany through associates in Nantes to Cádiz. Then, a shipment of 200 pieces of *bretañas* was subsequently dispatched to Tierra Firme in the López Pintado fleet to sell at the Portobello Fair. However, another company's ship assigned to Panama, the *San Francisco Xavier*, returned to Cádiz with almost all its initial cargo. Jean-Baptiste Magon did not waste any time, joining efforts with other French merchants to see how much money they could recover. Fortunately, for Magon-Le Fer, they managed to regain their entire investment of 200 pieces of Breton cloth.²²²

As we saw in the previous section, the Portobello Fair of 1731 caused several inconveniences for both galeonistas or Spanish fleet investors and peruleros. However, within this mess, the Casaubon-Béhic assets were safeguarded. Jean Béhic learned that Gregorio de Espinosa, a galeonista who was also an associate of Casaubon-Béhic, was soon to sail from Lima to Tierra Firme, and then to Cádiz. Espinosa was one of the many Spanish merchants authorized by Castelfuerte to sell their wares in Lima. In contrast with the mass of galeonistas that arrived in Peru without trustworthy contacts, Espinosa was guided by the Chilean merchant Manuel Díaz Fernández, who was associated with Jean Béhic. Despite the delays caused by the situation at Portobello, Casaubon-Béhic's 500 golden doubloons (or 16.000 pesos) were returned.²²³

²²² *Fianza de los acreedores de Blanchenoe y Legrand contra Juan Baptista Magon* (1732). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales. Juan Luis Vergara, #1004, 209-210.

²²³ *Carta de pago y cesión de Juan Béhic y compañía contra Alonso de Robles* (1734). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales. Juan Luis Vergara, #1006, 686.

Overall, the uncertainty surrounding Spanish American transatlantic trade in the late 1720s and throughout the 1730s was not a big concern for most French enterprises at Cádiz. Some of them experienced financial strain and even bankruptcy like Blanchenoe and Legrand experienced. However, associations like Magon-Le Fer, Casaubon-Béhic, and merchants like Gil Pain, Athanase Jolif, and Carman Eon were skilled in developing diversified continental networks that ultimately allowed them to spread risk and minimize loss. They were quite aware that since the 1720s, trading in Spanish America, especially in Tierra Firme, was a huge gamble. Merchants like Jean-Baptiste Magon and Jean Béhic still backed the brave, but speculatively. The golden age of French domination of the Peruvian trade was long gone, although some spoils still could be reaped. Moreover, the tensions between Spain and England reached a boiling point as their war became inevitable. This meant that most likely France would turn once again become Spain's ally. Such a situation could come to resemble the first decade of the eighteenth century, in which Spain desperately needed France's support. This, in turn, might signal the comeback of the French to the South Pacific.

Friends and Foes

“We had no need of this war to enervate us, when all may shortly be at stake, I mean our welfare as well as that of other nations. For if we have not shackles put on us, I cannot see what prevents it but the *beneplácito* [approval] of our neighbors [...].”²²⁴

²²⁴ Benjamin Keene, *The Private Correspondence of Sir Benjamin Keene*, ed. Richard Lodge (Cambridge: Cambridge University Press, 2015), 49-50.

The above extracted from a letter written in 1740 by Benjamin Keene, member of the Parliament of Essex, to his friend and fellow British diplomat Abraham Castres. Keene, who served as Great Britain's ambassador to Spain between 1729 and 1739, loathed the idea of involving Great Britain in unnecessary conflict. Keene was one of the main negotiators of the Treaty of Seville (1729), which put an end to The Anglo-Spanish War (1727-1729). Alongside British Prime Minister Robert Walpole (1721-1742), Keene tried to deescalate the heated relationship with Spain throughout the 1730s. However, his efforts finally failed with the outbreak of The War of Jenkins' Ear in 1739.

The War of Jenkins' Ear, which lasted nearly a decade, was named after an older incident from 1731 in which a Spanish *guardacosta* allegedly captured the English vessel *Rebecca* and its captain, Robert Jenkins, as punishment for contraband trading. Jenkins got his ear cut, and England's restless Whigs used this allegedly outrageous affront as an excuse to declare their long-desired war against Spain. The focus was most almost entirely occurred on Spain's American colonies, source of metallic treasure. Tempers had periodically flared over the slave trade monopoly or *asiento*, and Britain's growing navy now served the purpose of the Patriotic Whigs' aspiration in getting more advantages in trade with Spanish America. Thus, it was no surprise that one of the first English military targets was Portobello, captured and destroyed in 1739.

French reaction was almost immediate. In August 1740, Louis XV dispatched part of the royal fleet to the Western Atlantic under Admiral d'Antin, with the order of engaging British enemy if the numbers were in their favor. Meanwhile, tensions in Europe continued rising due to the death of Holy Roman Emperor Charles VI and the rise of his daughter, Maria

Theresa, as empress. France allied with the Prussian contenders against Great Britain, which backed the Habsburgs, eventually leading to the commencement of the War of Austrian Succession (1740-1748). An overwhelmed Benjamin Keene wrote to Castres in November 1740, after the formalization of the conflict in Germany and knowing that his efforts during the 1730s to avoid English participation was ultimately just delaying the inevitable. He stated that “France does not yet seem to take notice of the affairs of the empire [...], thus have we our own and the welfare of all Europe at stake for the sake of some prizes the nature of which you know as well as anybody. This melancholy reflection is constantly in my mind [...]”²²⁵

The return of large-scale of conflict in Europe and the Americas also raised tension to a fever pitch in Spain. By the end of the 1730s, the *Casa de Contratación*, the Cádiz *Consulado*, and the Spanish crown clashed due to another package of commercial reforms. José Patiño’s successors as Prime Ministers expedited new commercial reforms to retake of the reins of colonial trade from Andalusian hands. In this scenario, new policies emerged that differed from the benevolent attitude of Patiño towards Spanish and Spanish American merchants. Mateo Pablo Díaz de Lavandero, Marquis of Torrenueva (1736-1739), accused the Consulate of Cádiz of defrauding the crown of four million pesos in unregistered goods and specie. He demanded twenty percent of that specie on the spot. Torrenueva’s successor, José de Quintana (1739-1741), launched another investigation to the Consulate’s accounts, also exposing several illicit practices dating to 1729. Finally, José Campillo y Cosío (1741-

²²⁵ Keene, 51.

1743) imposed strict regulations on the Cádiz guild's expenses and ordered rigorous inspections of ships carrying cargoes to America.²²⁶

Campillo was, among his peers, the most open-minded Prime Minister. Or so his writings suggest. He called for a package of reforms in his famous work *Nuevo Sistema de gobierno económico para la América* (1743), published right after his death. Campillo believed that the key to modernizing Spanish American transatlantic trade was by implementing a mercantilist vision of commerce. So far, the Spanish Empire controlled every aspect of transoceanic trade, with the galleon system and the monopoly structure as core control mechanism. Campillo, wanting to imitate the success of the English, the Dutch, and the French, proposed to open up several aspects of maritime commerce. For starters, the Andalusian monopoly on American trade needed to be broken up, a process that was certain to meet stiff resistance from the Sevillian and Cádiz merchants alike.²²⁷

The Cádiz consulado was forced to allow the descendants of foreign merchants living in the city to participate actively again in transatlantic trade. Not only this, but they were to be offered membership in the exclusive guild. Further, Campillo sought to abolish export taxation by weight and volume and to lower levies on Spanish merchandise sent to the Americas. Campillo was also aware that American mining needed to be reformed if Spain's mercantilist aspirations were to succeed, and thus, he suggested lowering production taxes on precious metals and called for modernization of mining practices by adopting Saxon and Swedish techniques. Finally, since Campillo had spent four years in America and was a first-

²²⁶ Allan Kuethe and Kenneth J. Andrien, *The Spanish Atlantic World in the Eighteenth Century: War and the Bourbon Reforms, 1713-1796*, New Approaches to the Americas (New York, NY: Cambridge University Press, 2014), 130-31.

²²⁷ Kuethe y Andrien, 134-35.

hand witness of the colonial administration in action (or inaction), he was convinced that bureaucracy in the Indies needed to be closely monitored by way of high-powered *visitas*. In addition, he sought to transfer the intendant system borrowed from France to the colonies to eradicate the culture of corruption.²²⁸

Unfortunately, Campillo suffered a fatal seizure before seeing any of his plans come to fruition. Campillo's successor, Zenón de Somodevilla, Marquis de la Ensenada (1743-1754), was wise enough to fulfill and expand on his predecessor's reformist agenda. The state's firm support for the *Real Compañía de La Habana* and the *Compañía Guipuzcoana de Caracas* constituted clear signs of the continuation of Campillo's mercantilist agenda. It would long outlive him. Further, Ensenada continued debilitating the Seville's merchant guild by prosecuting fraud and contraband trading practices. Ensenada did not hesitate in confiscating and selling properties belonging to high-ranking merchants and members of the Andalusian elite. Moreover, Ensenada finished Alberoni's transfer the long-lasting power from Seville to Cádiz by imposing a system to appoint electors which reduced Seville's delegates from twenty to ten, ending Seville's supremacy once and for all. Cádiz's "reformed" or reconstituted elite was what Ensenada wanted: a merchant guild submissive to the monarchy.²²⁹

Regarding the functioning of Spanish American trade, the war against England motivated Ensenada to resort in flexibility or rather, agility, in order to maintain the flow of goods. Individual register ships fulfilled this aim, since they offered less of a target than convoys; they were a vivid experiment, proving that granting freedom of navigation worked.

²²⁸ Kuethe y Andrien, 134-35.

²²⁹ Kuethe and Andrien, 147.

Moreover, Ensenada channeled licensing for registered ships through Madrid instead of the Casa de Contratación, as was customary, following the logic of the crown in regaining the control of transatlantic trade. During the War of Jenkins' Ear, 120 register ships sailed to Spanish America, keeping the markets open and stabilizing the flow of merchandise. Callao, Cartagena de Indias, and Buenos Aires experienced a consistent rise in exports throughout the 1740s and continuing into the 1750s. By the 1760s, the value worth of merchandise exported doubled, and by 1770 it was triple what had been shipped decades before.²³⁰

For French merchants, Campillo-Ensenada's policies granted them more options to trade with their already large repertoire of commercial networks. Wartime needs also enabled them to go back to Peru. The return of French vessels to the South Pacific under Spanish approval occurred in 1743. Two years earlier, British Admiral George Anson commanded a large privateering expedition to the Spanish South Sea with the intention of attacking strategic outposts and capturing any ship with valued cargo. Anson's adventure turned disastrous when he lost five of his eight ships passing around Cape Horn. One of these was the famous *Wager*, wrecked along Chile's extreme southern coast. Also sacrificed were two thirds of the total crew, many of them victims of scurvy. However, Anson managed to pillage the small port of Paita in northern Peru, which yielded an unexpected amount of money, most likely linked with contraband trade. Then, Anson sailed to China, intercepting and capturing an inbound Manila galleon, the *Nuestra Señora de Covadonga*, off the Philippine coast.²³¹

The losses the British could cause to Spain's Pacific possessions of Spain, combined with

²³⁰ Kuethe and Andrien, 155.

²³¹ Walter, R., Anson, G. Anson. (1911). *A voyage round the world in the years 1740-4*. London: J. M. Dent, 323-339.

the lack of ships that were in shape to defend against an enemy military fleet, convinced the Spanish crown that a French return to the South Pacific was not the worst idea. However, if it was going to occur, it needed to be on the Spanish Crown's terms.

The 1743 French expedition to the South Pacific proved paradoxical. What started as an open invitation turned to quick closure. In 1742, the Cádiz merchants Joseph de Guizasola, Vicente Raymundo de Eguía, Pedro de Arriaga, and the perulero Juan de Olave wrote a letter to the king of Spain. They solicited patents or permissions to dispatch four French vessels to Peru. They tried to convince the crown of the wisdom and justice of this adventure by saying that since the end of the War of the Spanish Succession, and especially in the aborted Portobello Fair of 1737, they contributed with "singular love and extraordinary care" to the Carrera de Indias.²³² Further, the *fletadores* reasoned that contraband trade was already widespread in and around Cartagena de Indias and Buenos Aires. Foreigners dominated the internal markets of Tierra Firme and Peru, and the only way to challenge them was by introducing new competitors. In this context, the alliance of Spanish and French merchants represented an attractive alternative; the voyagers claimed they would eradicate illicit trade by underselling their competitors, thus regaining control of greater Peruvian markets for the king.

Throughout the 1730s, the French Causabon-Béhic Company maintained a streamline of businesses within Spanish America, concentrated mostly in the Caribbean in a triangle that connected Havana, Veracruz, and Cartagena de Indias. By 1741, the Campillo-Ensenada's

²³² "Compañía de Ropas de Permiso" Juan Clemente de Olave y Joseph de Guizasola directores y cargamento de 600 toneladas de ropa (1745). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest (1747-1752)*, LIMA, 508.

policies plus financial support from Spanish fletadores motivated Casaubon-Béhic to reorient its businesses towards Peru. The firm was soon joined by Magon-Le Fer, as well as many other French companies at Cádiz. All joined forces with Andalusian merchants in their registry petition, which was soon approved. Casaubon-Béhic alongside French merchants at Cádiz like Guillaume Massé, and Spanish merchants like Diego Joseph Miranda, were charged with arming the Malouin vessel *Le Lys*.²³³ Meanwhile, Magon-Le Fer and merchants Joseph Girard and Feliciano Bárbara Garzán together funded the French vessel *Marquise d'Antin*.²³⁴ These ships were soon joined by two other French vessels, the *Louis Erasme* and the *Deliverance*, which were also backed by Franco-Spanish capital from Cádiz. Further, since all these ships came from Saint-Malo, some capital from Malouin merchants was involved as well.²³⁵

The merchant fleet arrived at Callao in late 1743 without any major complications. The *Le Lys*, the *Deliverance*, and the *Louis Erasme* arrived first, and the *Marquise d'Antin* joined them a couple of months later. Adding to these four vessels, in early 1744, two other French ships docked at Callao: the *Hector* and the *Henry*, both holding register permits as well. As soon as the news spread that these French vessels were resupplying in Chile, the price of cloth being sold via contraband trade on the Peruvian coasts plummeted. According to local witnesses, this was most likely a desperate response from merchants involved in

²³³ *Poder general de Juan y Jacobo Duguen a María Margaria Hervó y otros* (1742-1743). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales, Nicolás de Albuquerque, #5335, 135.

²³⁴ *Poder para testar del capitán Pedro Francisco Le Fer a Guillermo Le Fer y otros* (1742). Notarial protocol. Archivo Provincial de Cádiz. Protocolos notariales. Juan Luis Vergara, #1016, 696.

²³⁵ *Compañía de Ropas de Permiso* "Juan Clemente de Olave y Joseph de Guisasola directores y cargamento de 600 toneladas de ropa" (1745). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest* (1747-1752), LIMA, 508.

illicit trade. The arrival of the well-stocked French merchant fleet apparently forced contrabandists to get rid of their cloth at any cost.²³⁶

Further, with the arrival of the *Marquise d'Antin*, *Hector*, and *Henry*, Franco-Spanish trade regained a strong position in Lima. The illicit traders, who mostly came from Panama, were aware that they were in no position to monopolize trade or to even challenge the French. They were destined to spend more on transportation and contributions, lifting their expenses to a point that it was not worth it to pursue trading in Lima.²³⁷ Moreover, the arrival of the French fleet was bad news for the wealthiest merchants of Lima. Their register ships brought retail merchandise that bypassed their wholesale bodegas and went straight to consignment merchants working in the interior. Merchants of the interior had little leverage in the form of capital, but they immediately realized that they could save money by acquiring merchandise directly, even if that meant that they had to cover the expenses of storage and transportation. Ultimately, the French fleet harmed top-level peruleros' interests, and they would not fail to react and cry "foul".

First-hand witnesses of these exchanges included two young, ambitious, loyal, and painstakingly observant Spanish officers Jorge Juan and Antonio de Ulloa. They were former students at the Real Academia de Guardamarinas, a royal institution created by Patiño to train modern naval officers instructed in advanced techniques of navigation but also geography, astronomy, cartography, and hydrography. Juan and Ulloa's scientific background singled them out to be selected by Philip V to integrate a Franco-Spanish scientific expedition to the

²³⁶ Jorge Juan y Antonio de Ulloa, *Noticias secretas de America*, Ed. facsimilar., Biblioteca Banco Popular ; v. 113-114 (Bogota, Colombia: Editorial Carrera 7a., 1983), 174.

²³⁷ Juan y Ulloa, 175.

Equator to perform measurements to determine the circumference of the earth. This project was funded by the France's Académie Royale des Sciences, under the orders of French explorer and geographer Charles Marie de La Condamine and the astronomer Louis Godin.²³⁸

The participation of Jorge Juan and Antonio de Ulloa in the French Geodesic Mission (1735-1743) was also an opportunity for observations of the political economic sort, as desired by the Marquis de la Ensenada. Under Campillo's commercial reform plans, the eradication of corruption in the colonial bureaucracy was essential. However, to accomplish this task, it was necessary to assess the flaws of the system, to put them under a proverbial microscope. Thus, Jorge Juan and Antonio de Ulloa were asked to deliver a secret report that detailed the weaknesses and defects of individual local authorities and of the overall Peruvian commercial structure. Right away, Juan and Ulloa witnessed the transactions of the French ships at Callao and in Lima, noting the success that the register ship obtained in a short amount of time. However, the men also observed that despite the advantages of the new system, it could not eliminate other channels of commerce like the transpacific or Asian trade. According to the testimony of a merchant coming from New Spain to Lima, now on board of the *Deliverance* heading to Cádiz, merchants involved in the luxurious Asian trade were aware that the chances of embargo of their cargoes were high. However, the temptation to continue introducing Asian silk, linen, and porcelain was still very high; it was simply too rewarding.²³⁹

²³⁸ More on to the famous journey of La Condamine in Neil Safier, *Measuring the New World Enlightenment Science and South America* (Chicago: University of Chicago Press, 2008).

²³⁹ Juan y Ulloa, *Noticias secretas de America*, 176.

Although at first glance the 1743 French expedition seemed successful due to a welcome reception in Lima and high demand for their wares, problems also started to appear. After fulfilling their obligation to sell all their wares at Lima, half of the merchant fleet was then tasked to acquire cacao from Guayaquil. The agreement with suppliers was already fixed and all that it was needed was to sail to Guayaquil and load the cargo in the hulls of the ships. Nonetheless, the *Deliverance* responded with a prolonged delay and did not depart with the rest of the squadron. Their captain, Pierre Litant, communicated to Lima's authorities that he was having problems with his crew. According to the captain, some *Deliverance* crewmembers convinced the rest to refuse sailing north. Litant said that since the majority of the crew were Bretons, they were easily swayed to think that the warm temperature of the Equator would lead to their demise. They claimed that for "the people that arrive there, death was very natural".²⁴⁰

In order to avoid a potential mutiny, Litant delayed the departure of the *Deliverance*, negotiating with his crew. In the meantime, the *Le Lys*, captained by Jacob Duguen, remained at Callao, ready to support Litant in case things went sideways. However, after a while, Litant's statement changed. Most likely now siding with his crew, Litant said that although the general plan involved collecting cacao from Guayaquil, the contract that he signed with the fleet masters and the merchants involved in arming the *Deliverance* did not include the statement that obligation. Litant wrote to Francisco Dávila y Torres, one of the fletistas, that the contract required him "to travel from Callao to Lima and then to any other port of Peru where his license was valid". Litant excused himself by saying that Callao was the only

²⁴⁰ *Memoria traducida del marqués de Puyzieulx* (1746). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest (1747-1752)*, LIMA, 508.

destination that was literally mentioned as part of the register and any additional destination was subject to interpretation. Thus, for Litant, he was not breaking the agreement stipulated by his sponsors.²⁴¹

After some arrangements between Litant and Duguen, they decided that it was best to exchange parts of their crews, splitting them evenly between Spaniards and Frenchmen. The point was to counter any new chance of uprising. On October 22nd, 1744, the *Deliverance* and the *Le Lys* departed from Callao to Concepción, in southern Chile, making their final preparations to return to Cádiz. Jorge Juan boarded the *Le Lys*, while Antonio de Ulloa joined the *Deliverance*. While resupplying in Concepción, the young Spanish officer-scientists waited two additional months for the *Louis Erasme* and the *Marquise d'Antin*, which were still in Callao for maintenance. Finally, on January 27th, 1745, the four vessels continued their voyage back to Spain. Unfortunately, all was not well; nine days in, the *Le Lys* started to take on water, forcing Duguen to return to Valparaíso for repairs. Meanwhile, the rest of the squadron continued their voyage.²⁴²

The true disaster of the expedition followed shortly, or rather, at the other end of the line. The delay of the *Louis Erasme* and the *Marquise d'Antin* postponed their arrival in the bay of Cádiz just enough to make them coincide with a squadron of English warships. Captured, the French vessels' cargo and crew were sent to England to await ransom. Meanwhile, Jacob Duguen, unaware of what happened to the other French ships, changed

²⁴¹ Litant stated that the language used in the contract was “torpe” (clumsy) and thus, it was expected to give different interpretations. In *Memoria traducida del marqués de Puyzieulx* (1746). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest (1747-1752)*, LIMA, 508.

²⁴² *Memoria traducida del marqués de Puyzieulx* (1746). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest (1747-1752)*, LIMA, 508.

course and stopped at Martinique to gather further provisions before setting sail for Cádiz. It was there when he got news of the capture of the *Deliverance*, the *Louis Erasme*, and the *Marquise d'Antin*. Duguen waited in Martinique and weighed options with the ship's Spanish officers. What was certain is that continuing their course to Cádiz could put them in danger, as they were sailing without support. However, by luck, the eighteen-warship fleet of Admiral Letanduere was close by, and it was preparing to head back across the Atlantic. Duguen sent letters asking to join the convoy. Letanduere gave authorization but replied that he had orders to return to France, making impossible to escort the *Le Lys* to Cádiz. After a lot of deliberation with the Spanish officers, including Jorge Juan, Duguen decided the safest option was tagging along with Letanduere's fleet. He would dock at Brest, the French port closest Spain that also was heavily fortified. The *Le Lys* arrived safely at Brest in early October 1745.²⁴³

Two versions of what happened with the Franco-Spanish Peruvian expedition reached the Marquis de la Ensenada between October and November of 1745. The biggest controversy was Duguen's decision to anchor at Brest instead of Spanish port. There was a consensus among the officials of the *Le Lys* that trying to make an attempt to dock at Cádiz represented unnecessary risk. By contrast, some Spanish officers argued that docking near La Coruña (Galicia) would have been as safe as Brest. The main critic of Duguen's final decision was the notary of the ship, the Spanish Nicolás Fernández de Luco, who personally sent a letter to Ensenada claiming that Duguen acted with "malice" to fulfill his own desires and those of his nation. Moreover, Fernández de Luco claimed that Duguen was responsible

²⁴³ *Memoria traducida del marqués de Puyzieulx* (1746). Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest (1747-1752)*, LIMA, 508.

for sabotaging the *Le Lys*, forcing anchor in Martinique and, ultimately using pretexts of bad weather and the poor state of the vessel to convince the Spanish officers to go to Brest.²⁴⁴

Never one to be silent, Jorge Juan also sent a letter to Ensenada. He defended Duguen by saying that he made the right call in prioritizing the wellbeing of the ship and crew by going to Brest. Also, Juan stated that the ship was indeed in a poor state and any accidents that could have harmed the vessel were “not caused by strange actions or mediations of the captain”. Nonetheless, Jorge Juan did claim that when the ship anchored at Guarico (in the Venezuelan coast) waiting for Letanduere’s fleet, the crew, officials, and the captain hosted expensive feasts that “included coffee, punch, and chocolate and that had they instead saved that money, they would have had enough” for provisions and most needed repairs.²⁴⁵

In the meantime, merchants at Cádiz and Saint-Malo were in total distress from the news of the capture of the *Deliverance*, *Louis Erasme*, and *Marquise d’Antin*. And things got even worse when it was revealed that *Le Lys* had arrived in Brest. With a half-dozen captains and officers from the other ships held hostage in England, Cádiz merchants blamed Duguen for the whole disaster. They demanded reparations of 100,000 pesos plus an additional 75,000 due to the embargo of the merchandise to their Malouin peers. They understood that the silver cargo of the *Le Lys* would solely benefit the Bretons. Further, Spanish fleet masters (fletadores) Juan de Olave and Vicente de Eguía complained to the king of Spain that they learned that Litant purposely did not bring back cacao, contradicting signed agreements.

²⁴⁴ *Resolución del Consejo de Indias* (1746) Proceedings. AGI. In *Arribada del navío francés "El Lis" a Guarico y Brest* (1747-1752), LIMA, 508.

²⁴⁵ *Resolución del Consejo de Indias* (1746).

Meanwhile, the royal authorities of Saint-Malo claimed that they were being accused of malfeasance by their Cádiz peers without proof. The governor of Saint-Malo protested that they were as preoccupied as the Andalusians since their commercial activities were experiencing “unrest”. Further, they declared that, although the *Le Lys* arrived safely, several Malouin families were financially ruined by the capture of the other French ships, to the point that “you could hear their miserable cries throughout the city”. This situation also affected the French crew of the *Le Lys*, and the French families of the other ships’ crewmembers, which were majority Malouin. They not only had to endure the loss of their relatives, but also were forced to pay a lot of money for something they were confident they did not cause. In the end, for the Malouin royal authorities, those families just “exposed their blood and life in exchange for one price or the other”.²⁴⁶ The whole 1743 expedition had gone from success to debacle, spoiled like so many things by British predators.

In 1747, the Council of the Indies, backed by the king of Spain, ordered confiscation of 65,000 pesos from Duguen, plus another 100,000 pesos from the merchants of Saint-Malo. Moreover, the Duke of Huéscar solicited prison for Duguen, as well as a general embargo of his properties and possessions until his massive fine was paid. The dispute led to a diplomatic impasse between Spain and France, generating extensive correspondence between top officials: the Marquis de la Ensenada; Carlo Reggio y Gravina, Prince of Campoflorido, General Lieutenant of the Spanish Navy; Jean-Frédéric Phélypeaux, Count of Maurepas, France’s Prime Minister; and Louis Philogène Brûlart, Marquis de Puyzieulx, France’s Minister of Foreign Affairs. Everybody of note seemed to be involved.

²⁴⁶ *Memoria traducida del marqués de Puyzieulx* (1746).

Duguen's most important advocate was the Marquis de Puysieulx, who did not trust the judicial procedure of the Consejo de Indias. Puysieulx was convinced that the testimonies in favor of Duguen were convincing enough to exonerate him. Further, the Marquis found it unfair that the embargo also affected the crew of the *Le Lys*. Urged on by suffering members of the Malouin community, he asserted that the "absence of remunerations to the mariners that died through such a long journey caused harmed also to their families".²⁴⁷ Puysieulx was aware that French merchants found a niche in Cádiz, which ultimately signified that French and Spanish trading interests were intertwined. This only convinced him that the rushed and harsh sentence against Duguen would damage the trust between French merchants and fletadores. He claimed the sentence was "destroying the good will of trade and also it will harm the [Spanish] subjects of the king", since they benefited tremendously from French merchants' capital.²⁴⁸ The Consejo de Indias held firm, however, and French royal authorities ultimately accepted the ruling. Finally, after several years of tension and slow payments, in 1749, the Consejo released a statement declaring that the full payment had been made. They lifted the embargo on Duguen's and his crew's goods, followed by the release of the captain himself from prison.²⁴⁹

Resolution of the Duguen-*Le Lys* affair came a year after the resolution of the War of Jenkin's Ear. The end of the conflict and the absence of privateering along the Peruvian coasts seemed to also signify an end of Spanish need for French navigation in the South Pacific. At least, independent French navigation. Furthermore, the complications of the

²⁴⁷ *Memoria traducida del marqués de Puyzieulx* (1746).

²⁴⁸ *Resolución del Consejo de Indias* (1746).

²⁴⁹ *Idem*.

Deliverance, the capture of the French vessels by English ships, the controversial decision by Jacob Duguen to land in Brest, and the following accusation and sentence against Duguen and Malouin traders ultimately led to further decrees to limit the involvement of registry to the Indies of French vessels, French captains, and French crews, even if they were part of the Spanish fletistas businesses.

On July 15th, 1749, the Marquis de la Ensenada issued a decree to forbade French entrance into Spanish American territories, with one exception: highly experienced French captains and crew. Even so, their ships had to be of Spanish origin and necessarily had to have Spanish officers and Spanish crew outnumbering the foreigners. The curious exception was necessary since some prominent Spanish fletistas still relied on French navigational experience to sail their ships. In 1750, the Cádiz merchants Francisco de Arteaga and Ysidoro de Comín hired Jean-Louis Marin, a French veteran of the War of Jenkin's Ear, to captain their vessel, *Nuestra Señora de la Concepción*, to Lima. In the same year, the naturalized Corsican Santos Antón Mathey, obtained a license to sail his ship, the *Juan Bautista*, to Lima. However, after his return to Cádiz, Antón was forced to pay an enormous fine since he hid the fact that most of his crew and most of his officers were foreigners.²⁵⁰

²⁵⁰ *Poder y convenio entre Pedro Pérez y Santos Antón Mathey* (1748). Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Nicolás de Alcalá Guerrero, #766, 394-395; *Composición de tripulantes del Juan Bautista* (1750). Memorial. AGI, Registros y licencias de embarques para el mar del sur, LIMA, 1521.

Name	Occupation	Place of Origin/Nationality
Santos Anton Mathey	Captain	Corse/Italian
Louis Lurizon	Pilot	Saint-Malo/French
Gil Osubillan	Second Pilot	Conte/Ireland
Joseph Berdeguer	<i>Pilotin</i>	Corse/Italian
Joseph Lurizon	Second <i>pilotín</i>	Saint-Malo/French
Esteban Manuel de Peña	Master	Cádiz/Spainiard
Francisco Coghen	Chaplain	Cádiz/Spainiard
Domingo Luquen	Quatermaster	Corse/Italian
Andrés Jacome	Guardian	Marseille/French
Joseph Bautista Forteu	Carpenter	Senne/French
Nicolas Agredo	Claurk	Constantinople/Ottoman
Jacome Bicatuitimi	Constable	Venece/Italian
Lerio Samanache	Second Constable	Corse/Italian
Nicolas Cuber	Cooper	Saint-Malo/French

Chart 2. Officials and mariners with occupations of the Juan Bautista. From Notarial protocol. Archivo Provincial de Cádiz, Protocolos notariales, Nicolás de Alcalá Guerrero, #766, 394-395; Composición de tripulantes del Juan Bautista (1750). Memorial. AGI, Registros y licencias de embarques para el mar del sur, LIMA, 1521.

Conclusion

Between 1731 and 1749, the Spanish Empire applied consecutive reforms with the objective of revitalizing transatlantic trade. From 1731 to 1739, Patiño's 1720 Project experienced its last hurrah, aiming to recover the worn-out galleon system and the old Spanish monopoly via concessions and prerogatives to incentivize Spanish and colonial merchants. Meanwhile, from 1740 to 1749 Campillo and Ensenada's reforms aimed to abandon the rigidity of the old trading structure. Their reforms were designed to allow more liberties in trade, making way for French reinsertion. Mercantilism became the new trading philosophy of the Spanish

crown, giving some flexibility to its subjects while centralizing how long-distance commerce was to be pursued.

However, despite the Spanish crown's wish to revive transatlantic trade and "lift all boats", the peruleros were not part of it, or they felt excluded and abandoned. Amid renewed war and the second French wave, Lima's consulado continued along the path of financial decline and progressive loss of influence within the region. The Spanish crown failed consistently to acknowledge the peruleros' demands, which they framed as hard-won privileges. The deck seemed to be stacked against them at every turn. Patiño's grand Project and Campillo's and Ensenada's registry scheme empowered merchants from Cartagena de Indias, Buenos Aires, and Peru's interior but it did nothing for the Lima merchants. Throughout the 1730s, the fixation of Patiño and López Pintado tried to revive the Portobello Fairs to benefit the crown at all costs. However, the seeming triumph of the Project of 1720 mostly benefited Peninsular merchants and Spanish manufacturers. The peruleros were left stranded and abandoned. And even with Patiño's realization of the unintended consequences of his actions, the situation was already problematic due to the Spanish galeonistas' direct trade to Peru and the proliferation of contraband trade that came afterwards.

By the 1740s, the only positive result of the new reforms for the peruleros was that it finally cut loose the albatross of the Portobello Fairs. Unfortunately, the flexibility of trade that the registry system offered worsened two problems the Lima merchants were already facing. First was the growing competition with merchants in Cartagena de Indias and Buenos Aires. It was true that the rising rate of trade via the register ships allowed more open navigation in the South Pacific, but the new system also increased the flow of trade towards

Cartagena and Buenos Aires. Inter-colonial exchanges had existed for a long time, but Lima had always been the epicenter, and its powerful merchant guild was the institution, aided by allies in the Audiencia and sometimes the current viceroy, that set the rules. By the 1740s, growing peripheral competition seriously harmed Lima's merchants' interests.

The registry system also reconfigured older bulk trade patterns, switching from wholesale to retail, or rather, favoring direct consignment. This change affected mostly the wealthiest *peruleros*, who were accustomed to acquiring and monopolizing merchandise, then parceling it out into interior markets to keep up prices. Large-volume trade was not appealing for merchants under the registry system since they needed to diversify their cargo in order to run lower risks and sell their goods quickly, returning home with much-wanted silver. This ultimately benefited small-scale and provincial merchants who did not need that much capital to acquire retail goods.

Although Malouin and French merchants at Cádiz had to adapt to Patiño's reforms through the 1720s, by the 1730s they were undisturbed. The wealthy French commercial houses at Cádiz switched objectives and kept their business with Spanish America active but peripheral. Instead, they prioritized their strategic position at Cádiz to strengthen commercial networks that connected Europe with the Mediterranean and the North Atlantic. The successes of the Magon-Le Fer and Casaubon-Béhic firms clearly revealed that, despite their diversified commercial businesses, they maintained a close tie with the Indies. From time to time, they invested capital in Portobello, but mostly in Veracruz, which was less volatile and arguably less dangerous than trading on the Isthmus. It helped that Mexico's silver mines were taking off.

By the 1740s, and with the start of the War of Jenkins' Ear and the War of the Austrian Succession, Spain and France came together once again, much as they had in the first decade of the eighteenth century. The newly dominant register ships allowed French capital to be employed directly in trading with Spanish America (albeit with Spanish *fletadores* as *de rigueur* intermediaries). This opportunity also allowed the return of French navigation in the South Pacific as the Spanish crown desperately sought to deter English incursion on Peruvian shores. The scenario seemed favorable to everybody. French and Peninsular merchants worked together toward the same goal, the Spanish crown would benefit from taxation, and the *peruleros* would be able to buy European merchandise directly, breaking up the generalized smuggling practices that had proliferated since the 1730s.

But all these great hopes were dashed when the 1743 French squadron fell into British hands upon its return to Cádiz in 1745. In the fallout, the Marquis de la Ensenada buried direct French trade to the coast of Peru once and for all. For investors, the last official French incursion into the South Pacific yielded split results. For the Malouin merchants, the capture of the French squadron was a heavy blow since Saint-Malo was not as wealthy as it had been forty years earlier. Its predominance in the English Channel trade was overshadowed by Nantes, and the cost of recovering from the 1743-1749 debacle would take decades. Meanwhile, French merchants at Cádiz were soon back on solid ground, as they had wisely diversified their incomes in previous decades.

Despite the ruling forbidding French direct trade in the South Pacific, the paths of the *peruleros* and the French merchants at Cádiz would cross again during the 1750s and the early 1760s. The expansion of the registry system forbade independent foreign trade to the

Indies; however, the naturalized merchants and their descendants found a niche to continue enabling the relationship between these two merchant communities, as we will see in the next chapter.

Chapter 5: Hiding in Plain Sight: Jenízaros, Naturales, and Foreigners in the South Pacific (1750-1764)

“There has been no other news than the sense of loneliness and natural sadness resulting from the miserable notice of the disappearance of so many friends that were aboard the *San Martín* and the lack of hope of finding them again”²⁵¹. Thus wrote a disconsolate Juan Cranisbro from Lima to his friend and fellow merchant Ambrosio O’Higgins in Valparaíso in March of 1759. The loss of this ship during its voyage to the Strait of Magellan from Concepción, as well as of its crew, was a severe shock to Cranisbro’s finances as well as a moral blow to him and the merchant network that he established in the South Pacific during the 1750s. The *San Martín*, following the Spanish registry system, was part of a small fleet that traveled from Cádiz to the South Pacific. The registry system completely changed how commerce was conducted between Spain and the Americas. Individual ships or modest merchant fleets were used instead of large convoys. However, this made the ships more vulnerable to attacks at sea. Despite this, merchants from Cádiz tried to mitigate the risks of this system by establishing a more robust communication network. They also physically settled in Spanish America to better understand customer demands, distribute imported goods, and plan new voyages.

²⁵¹ “Amigo y señor, deseo haya vuestra merced tenido feliz viaje y que el éxito de sus existentes dependencias en este reino sea más favorable que las de este en el que desde la ausencia de vuestra merced no ha ocurrido más novedad que la soledad y natural tristeza en que nos ha dejado la falta de tantos amigos de que nos ha privado el San Martín, sin otra esperanza de recuperarlos que la de su seguimiento.” Cranisbro, Juan. *Juan Canisbro to Ambrosio Higgins, March 10, 1759*. Letter. Archivo General de la Nación, Tribunal del Consulado, Correspondencia de Mercaderes (1758) (TC-GR1, Box 119, Doc 644), p.61 r.

Juan Cranisbro [originally Gainsborough?] was a *jenízaro* under Spanish law due to his Irish heritage and birth in Spain. He was among the Cádiz merchants who left for Lima after 1750. During this period, Cranisbro was the leading representative in Lima of the Butler Company, an Irish family business based in Cádiz. The Butler Company and other foreign firms in Cádiz took advantage of the development of the registry system to launch vessels to the South Pacific. From 1750 to 1764, a more diverse group of individuals, including *jenízaros*, foreigners, *naturalizados*, and foreigners, arrived en masse in Peru. This influx configured new patterns of commerce in the Spanish Pacific. However, their insertion into Peruvian affairs also produced clashes with wealthy local merchants and allied authorities who sought to prohibit their expansion. This chapter focuses on two cases of merchants who that arrived in Peru between 1750 and 1764: Juan Cranisbro and the French officer Pedro [Pierre] Siochan. Each case, available to us thanks to ample documentation, illuminates overarching themes. The correspondence between Juan Cranisbro during his residence in Lima during the 1750s and Pedro Siochan's trial as an officer of the Spanish vessel *El Diamante* will be analyzed.

Both merchants documented how foreigners attempted to adapt to Peru during the expansion of the registry system. In Lima, Cranisbro and Siochan found an initially favorable and inclusive environment. However, as more foreigners settled in the capital of Peru, wealthy merchants became an obstacle. Prohibition laws were reissued during the 1750s, and their strict enforcement continued through the 1760s. Despite this, I argue that a combination of the expansion of the registry system and the amalgamation that originated in Cádiz between foreign merchants and Spanish traders made it impossible to separate foreign

interests from formally Spanish or “royal” Carrera de Indias. In contrast of opposition from wealthy Peruleros; chronic harassment of foreigners, *jenízaros*, and naturalized outsiders by local authorities; and repeated prohibition decrees, foreign commerce continued to thrive in Peru. With the expansion of the registry system and the growth of foreign merchant houses in Cádiz, the formerly distinguishable French trade merged with other foreign merchant houses, which ultimately created a diverse, even “cosmopolitan,” Peruvian merchant community.

Émigrées

From 1742 onwards, the introduction of the registry system and, more consistently in the 1750s, foreign merchant communities in Cádiz began integrating with the Consulado or merchant guild, with non-guild Spanish merchants. By the early eighteenth century, European merchants at Cádiz grouped into their respective nations, maintaining strong links with parent firms in their cities of origin. Kinship connections were essential to form trust among merchants, especially if they were established abroad. Merchants from Saint-Malo, Paris, Rouen, Lyon, and Marseille formed the joint-stock companies and associations examined in chapters 3 and 4. However, as time went on and mercantile operations expanded, integrating the different elements of Cádiz’s cosmopolitan mercantile society, smaller companies or merchant associations also imitated this pattern. French, Italian, English, Irish, and Dutch outfits operated together progressively. Native Spaniards also integrated these operations as they served as strategic partners and provided the needed façade for overseas businesses. Furthermore, the rise of the *jenízaros* and the subsequent laws to allow their

participation in Spanish-American trade strengthened the position of Cádiz's foreign communities.

As more ships were registered to sail to the colonies and overseas trade became more profitable, permanent emigration to Spanish America became the next logical step for these foreign communities. Although from 1757 to 1767, only eighty-three merchants traveled to Peru aboard registry ships, in contrast with the approximately 300 merchants who went to New Spain in the fleet of 1776,²⁵² it is safe to assume that most merchants that ventured into Peru ultimately resided there for an indefinite period of time. In other words, they put down roots – which made logistical sense. In contrast to the voyage from Cádiz to the Isthmus of Panama in the old Galleon System, sailing from Spain to the South Pacific was a considerably longer, harsher trip. As a result, staying in Peru or maintaining a factor there, reduced the exposure of Cádiz merchants to the dangers of the voyage. During the first two decades of the eighteenth century, French interlopers in Peru reported high rates of desertion and high number of casualties. There was much evidence to demonstrate the perilous and even terrifying aspects of this trip.²⁵³ The length of South Sea voyages, combined with a lack of rest and resupply points, often caused illnesses like scurvy to spread among crews.

Furthermore, Cadiz merchants also realized that trading with Peru was taking longer than expected due to limited connection with peruleros. At the beginning of the registry system, the first wave of ships from Spain mostly brought merchandise blindly, ignorant of Peruvian demands; the default was assorted cargo. When the *Henrique* arrived at Concepción

²⁵² Stanley J. Stein, *Apogee of Empire: Spain and New Spain in the Age of Charles III, 1759-1789* (Baltimore, Md: Johns Hopkins University Press, 2003), 378.

²⁵³ *Rapports des capitaines* (1717-1718). Registry. Archives Départementales d'Ile-et-Vilaine, Série 9 B – Saint-Malo, Doc 480-484.

in April 1744, the merchant Pedro Hernández Dávila reported that local merchants ignored them and were unwilling to talk about business as a group or individually. Chilean distrust was in part the result of disinformation. Locals mainly feared competition from Buenos Aires merchants who might have access to a similar array of merchandise. It was also unclear what merchandise would become available in Concepción, brought by registry ships. It was typically more expensive and, therefore, more difficult to sell.²⁵⁴ All this serves as a reminder that effective communication and knowledge sharing were crucial in building trust among interregional as well as transnational merchants. Cool receptions such as this one in southern Chile led merchants from Cádiz to devise a plan to establish contacts in the South Pacific region through their partners and relatives residing in Peru. Additionally, the dominance of retail sales, as recorded in the registry, compelled non-Spanish merchants to evaluate the needs and demands of the local population more accurately.

With the growing number of foreigners in Peru after 1750, the Spanish crown and the *peruleros* became increasingly worried. French traders were given special passports during the 1739-48 War of Jenkins' Ear to trade in the colonies. However, after the war ended, the House of Trade and the Cádiz consulado were alarmed about allowing French direct trade again. Meanwhile, the *peruleros* repeatedly complained about these foreign competitors between 1761 and 1776. As a result, the crown occasionally issued orders to expel foreigners from the colonies. However, two factors hindered the process: (1) the need for permission ships and (2) the circumstances surrounding each ordered expulsion. In the first place, despite the constant decrees prohibiting foreign trade, Cádiz's Spanish merchants were at a stage in

²⁵⁴ Lamikiz, *Trade and Trust in the Eighteenth-Century Atlantic World*, 93.

which foreigners were strategic partners and were already deeply involved in the most intimate of mercantile affairs. It made no sense to try and divide Spanish and foreign trade in the city after war's end. Thus, mechanisms like the merchants' oath to assure that merchandise shipped to the Americas was Spanish were constantly bypassed via lies and subtle dissimulation.²⁵⁵

Correspondence among the captain and crew of the ship *La Perla* suggests other ways merchants circumvented the law. For example, in the *La Perla's* letters, Lima merchant Domingo de Larrea noted to his French partners in Cádiz (representing the Lecture and Gastambide Company) that he did not mention their name in the transaction. Instead, he registered trade under a fictive collaborator named Jiménez. According to Larrea, things needed to go that "way because your name (the French) cannot stand, and it is understood that in reality [the silver will go] on your account and risk."²⁵⁶

Also impending the identification and halting of foreign commercial agents in the Spanish American colonies was the growing presence of *jenízaros*, the locally born children of foreign traders. Complications caused by the War of Jenkins' Ear had forced the Spanish crown to seek monetary aid from naturalized foreigners and their sons. As more Cádiz merchants entered the Americas, excluding the *jenízaros* from transatlantic trade proved impossible. Thus, decrees issued in 1743 and 1747 legalized their participation in the Carrera de Indias.²⁵⁷ In this scenario, the laws of prohibition and expulsion did not target this "mixed

²⁵⁵ For example, the French merchant Leon Brethous told the Spaniard Francisco Ortiz to take a false oath since it was the customary practice, in Lamikiz, 135-36.

²⁵⁶ Lamikiz, 136.

²⁵⁷ Bustos Rodríguez, *Cádiz en el sistema atlántico: la ciudad, sus comerciantes y la actividad mercantil (1650-1830)*, 171.

merchant” population. For example, in 1750, the governor of Cartagena de Indias received a decree from the viceroy of New Granada, José Alfonso Pizarro, asking him to round up every foreigner in the city's *plaza mayor*. The aim was to expel all said foreigners settled illegally in Cartagena's jurisdiction. The decree read as follows: "As it was informed [in the Casas de la Contratación] about foreign flags that are visible in ports and within the city, and that in every port you can barely hear the Spanish language, which demonstrates a terrible invasion of our enemies...."²⁵⁸

By 1751, Cartagena's royal notary counted 55 foreigners living in town illegally. Was this all? Probably not. According to Carmen Gómez Pérez, the total number of resident foreigners was most likely higher since several declarations of naturalization were found among them. It would not be surprising to find that *jenízaros* also traveled with them.²⁵⁹ It is safe to assume the employment of factors that were *jenízaros* and naturalized foreigners was essential to bypass prohibition laws and made as question to what extent prohibition decrees against foreigners in in Lima, between 1761 and 1776, were effective.

Since the beginning of the eighteenth century, Lima merchants had disliked trading with the French, arguing that they brought them financial misery. However, by 1750, the global commercial landscape was very different. Foreign commerce was prohibited unless allowed by extraordinary permits. Laws to combat illicit trade were constant but did not address the issue that foreign commerce was intimately linked with the *jenízaros*' trade. Lima

²⁵⁸ “Habiéndose informado de las banderas extranjeras que hay tanto en puertos como en tierra adentro y que en dichos puertos apenas se oye el idioma español, lo cual es terrible en caso de invasión de enemigos...”. Carmen Gómez Pérez, «Los extranjeros en la América colonial: su expulsión de Cartagena de Indias en 1750», *Anuario de estudios americanos* 37 (1980): 7.

²⁵⁹ Gómez Pérez, 17.

merchants realized they needed to cooperate with their Cádiz peers, but a considerable volume of imports was of foreign origin. The line differentiating which type of foreigner was trusted grew thin. The letters of Juan Cranisbro, manager of the Butler Company in Lima during the 1750s, provide insight into foreign merchant experiences in Lima. In the next section, we will see how Cranisbro's business acumen and self-sufficiency as a manager and entrepreneur eventually met with resistance from local wealthy merchants and colonial authorities.

Cranisbro's Letters

In the Spring of 1754, 32-year-old Juan Cranisbro arrived in Panama from Cádiz. As a well-known merchant of the Port of Santa María, he was one of the principal agents of the Butler Company. The "Butler Compañía" was the leading Irish business in Cádiz, administered by Antonio Butler, Cranisbro's cousin. In contrast with the powerful French businesses in Cádiz, Irish companies were the city's second most prosperous foreign outfits. Cranisbro's job was to oversee the Butler Company's investment in the Cádiz – South Pacific trade. Due to his connections in Madrid, Cranisbro quickly managed to get a license to travel to the Indies. In the records of the Casa de la Contratación, he is described as a person of medium-sized body, robust, and with "an honest look in his eyes."²⁶⁰ However, as influential as Cranisbro was, he also had several enemies on both sides of the Atlantic. Upon his arrival in Panama, and

²⁶⁰ "[...] y con ojos tiernos" in Xabier Lamikiz, «Commerce transatlantique et commerçants étrangers dans le Pérou colonial (1740-1780)», in *Identités et territoires dans les mondes hispaniques* (Rennes: Presses Universitaires de Rennes, 2015), 111.

despite having all his paperwork in order, 134 Spanish merchants demanded that the President of the Audiencia expel him. This of course did not happen, but the magnitude of the perceived threat is clear.

We do not know what triggered this response, but Cranisbro's correspondence throughout 1758 and 1759 indicates that he exploited his status as a *jenízaro* to benefit from illegal foreign trade and connections with official commercial channels. Cranisbro's rising influence, reaching even high-ranked colonial authorities, made him a noticeable target among merchant rivals from Cádiz and Lima. The Irish Gaditano gave them reason to be concerned despite his "honest appearance". Cranisbro's vast network of influence stretched from contacts in Cádiz and Madrid across the Atlantic, then up and down the entire Pacific American coastline from Acapulco to Valparaíso, then inland to up-country destinations like La Paz and Arequipa. Further, Cranisbro's closeness with foreign circles, primarily Irish and French, allowed him to access a large assortment of goods. This was his ace card in this period of burgeoning retail trade. During Peru's consolidation of the registry system and the growing number of *jenízaros* interlopers, joined by legal and illegal foreigners, disputes arose between rival merchant communities. As a result, they were constantly reshaping their connections and reconfiguring their interests. Cranisbro's letters give us a sense of how these relationships unfolded.

Cranisbro resided in Lima in a house on the famous "Calle de los Mercaderes" or Merchants' Street (now known as "Jirón de la Unión"). The street was one block away from the viceroy's palace and the main square of Lima. The street was home to the city's most prestigious commercial houses, giving its residents a high social status. From this location,

Cranisbro managed his business network, which primarily focused on managing retail sales across the South Pacific and exporting local goods predominantly cacao, but alpaca and lama wool. The bulk of imported merchandise was cloth, sorted according to type and fineness. Raw fabrics like *bretañas*, *ruanes*, and *ropa de castilla* were separated in bales, while luxury textiles belonged to brands were stored in crates for distinguishment and more protection. For example, Cranisbro reported to his partner in Cádiz, Thomas Wailsh, that the vessel *San Raphael* arrived safely in Valparaíso, and due to high demand, he authorized that the crate of silk cloths under the brand *W.S.* to be opened and traded with the merchants of the city.²⁶¹ Velvet also found a significant demand in Chile. Cranisbro notified his friend Juan Joseph Darroche, a resident in the capital, Santiago, that he was about to receive two crates containing in total 273 velvet shirts under the *N.I.C.* brand. Cranisbro asked his associate to sell them “at the best time possible.”²⁶²

Along with bulk clothing, small amounts of luxurious items were also imported. Cranisbro's network was patient in selling these items, as they knew they were targeted to a specific customer base. Cranisbro reported to Wailsh that three golden watches and one diamond ring, which belonged to a past haul of merchandise that the vessels *San Martin* and *San Borja* brought a couple of years earlier, were sold. He wrote that these items belonged to the *MWP* brand and told Wailsh that he was overall in “conformity” with this trademark,²⁶³ hinting that *MWP* was demanded enough to keep importing their products to

²⁶¹ Cranisbro, Juan. *Juan Canisbro to Thomas Wailsh, September 13, 1758*. Letter. Archivo General de la Nación, Tribunal del Consulado, Correspondencia de Mercaderes (1758) (TC-GR1, Box 119, Doc 644), 10r.

²⁶² “[...] solicitar su venta en esa lo mejor que el tiempo ofreciere [...]” in Cranisbro, Juan. *Juan Cranisbro to Juan Joseph Darroche, September 3, 1758*. Letter. 14r.

²⁶³ Cranisbro, Juan. *Juan Cranisbro to Thomas Wailsh, March 1, 1759*. Letter., 43 a.

Peru. Nonetheless, not all luxury products found the same demand. Cranisbro expressed his frustration to his brother Nicolás about products like “cat eye rings” and cotton tassels and gloves that “there is no way to get them sold,” or some gold ornaments of the *Woodlock* brand which were “impossible to sell” and “despite the many attempts, I do not have any hope in selling them nor wish to pursue this task,” but at least it was a lesson learned to understand what the customer wanted because Cranisbro “could realize how bad a sale was when he got no offers of anything.”²⁶⁴

Scholars have written extensively about the eighteenth-century global consumer revolution, which was partly enabled by advances in shipping but vastly expanded by relaxed trade policies. The registry system could meet consumers' demands worldwide, which led to an increase in retail trade and the opening of new shops. The Calle de los Mercaderes, like Cranisbro, stocked a wide range of luxury and semi-luxury goods. Additionally, European shopkeepers were busy redesigning shops and using different tactics to attract wealthy customers. It seems likely that these strategies were also adopted in Lima and other parts of the Spanish South Pacific. Cranisbro's leading suppliers in Cádiz, his brother Nicolas and Thomas Wailsh, were also deeply connected with markets in the largest European cities, including London, Amsterdam, Madrid, and Paris. Further, Cranisbro's network replicated the global trend in which the flow of information between retailers and customers grew exponentially. The exchange of information accelerated the dialogue and created feedback

²⁶⁴ “[...] es imposible vender los picos de oro Woodlock pues después de sus varias instancias no lo he conseguido ni tengo esperanzas pero no deseo de hacer todas las diligencias [...]”; “[...] este me previene la venta por lo que diere mal puedo verificarlo cuando no me ofrecen cosa alguna.” In Cranisbro, Juan. *Juan Cranisbro to Nicolas Cranisbro September 13, 1758*. Letter., 9r.

between producers and merchants, ultimately stimulating supply and demand.²⁶⁵ Thus, Cranisbro's network of associates illustrates how global mercantile tendencies were also applied in Peru.

The system of Cranisbro's contacts and agents shows the range of foreign trade operations in Peru. In Cádiz, Thomas Wailsh coordinated the cargo that would be eventually shipped to the South Pacific. Cranisbro communicated closely with him via mail from Acapulco to Veracruz and then back to Spain. In this letter, as we have previously seen, Cranisbro communicated the reception of the goods that were sent, giving Wailsh instructions on how to proceed regarding purchasing certain items. Alongside Wailsh, the merchant Thomas Nuñez coordinated the reception of American imports. During this period, cacao was the main commodity that Cranisbro shipped out. The leading supplier of cacao was none other than the president of the Audiencia of Quito, Juan Pío de Montúfar y Frasso, Marquis of Selva Alegre. At the same time, Cranisbro also maintained frequent communication with Antonio Butler, head of the Cádiz-based company. Butler oversaw the firm's accounts but also provided Cranisbro with advice about commercial strategies and told him whom to trust. Since Cranisbro's job demanded him to meet regularly with *peruleros* and other Cádiz merchants, and it seems that Butler also had insights on how to deal with them.

For example, Cranisbro thanked Butler for the "warning against dealing with Joseph Matheus" because although he was a well-connected merchant, Cranisbro was not comfortable in trusting him since Butler told him that Matheus was surrounded by

²⁶⁵ Michael Kwass, *The Consumer Revolution, 1650-1800*, New Approaches to European History (Cambridge: University Press, 2022), 95.

inexperienced people."²⁶⁶ Also, Cranisbro wrote Butler regarding the difficulty of extending loans and insurance to merchants that were about to ship merchandise to Europe, as it was customary to do from Spain: "Despite the many efforts, the negotiation of granting 20.000 pesos in insurance had no effect [...], it seems that here they do not want to understand the implications of paying coverage."²⁶⁷ Moreover, since Cranisbro trusted Butler's intuition, he also shared news about the political turmoil that could affect their business, like when "the president of Chile, his advisor, and some of his ministers of this city [Santiago] [...] wanted to rigorously apply against us the decree that forbade foreigners, but everything cooled down when we sent the respective paperwork to the Superior Gobierno."²⁶⁸ Cranisbro's letter to Butler shows that despite living in Peru for only four years, he well understood the country's commercial landscape well. It also highlights the importance of having well-connected and shrewd business associates.

In the Andalusian port of Santa María, Nicolás Cranisbro managed the inventories of departing and arriving vessels. Juan Cranisbro kept Nicolás posted on how sales were going and what he should expect in receiving. When the *San Raphael* arrived at Valparaíso in 1758, Juan informed Nicolás that sales were going better than expected. The most demanded items were silk cloth from England and *bretañas*. The optimism that trade was going well was also complemented by the news that Anselmo de Paule, captain of the *San Raphael*, was getting

²⁶⁶ "está bien lo que me previenes sobre Joseph Matheus a quien estrechase aunque con desconfianza del éxito pues tengo noticias esta ordenado de menores [...]" in Cranisbro, *Juan Cranisbro to Antonio Butler*, September 13, 1758., 8r.

²⁶⁷ "Ya habrá visto no tuvo efecto la negociación de los 20,000 pesos que asegurastes sobre el primer navío [...], pues aquí no quieren entender esa gramática de pagar seguros" in Cranisbro, *Juan Cranisbro to Antonio Butler*., 8r.

²⁶⁸ "el señor presidente y varios ministros de esta capital [...] estaban siguiendo con rigor la causa contra los extranjeros pero al cabo coronó la fiesta con presentar varios escritos al superior gobierno." in Cranisbro, *Juan Cranisbro to Antonio Butler*., 8a.

along well with the governor of Valparaíso.²⁶⁹ Due to a relatively efficient communication network and also as a way to track the evolution of shopping trends in Peru, Cranisbro regularly updated Nicolás on how sales were developing. When the *San Martín* unloaded its merchandise in 1759, Cranisbro reported that he had a good feeling about gauze and thread sales since he sold this merchandise relatively fast. Further, he also stated that Nicolás should expect all the cloth to sell, accounts for which would be attached to the letter.²⁷⁰ As for American exports, Cranisbro noted that there was going to be a necessary readjustment on 100 purchased crates of quinine bark (*cascarilla*) since providers had oversold their merchandise.²⁷¹

Cranisbro had a strong network all along South America's Pacific coast. Most of his associates were in Valparaíso and Santiago, making him especially well-connected in Chile, vital since this was the first stop of incoming vessels. When Anselmo de Paule arrived at Valparaíso, Cranisbro told him not to worry about finding a residence because he "will not lack housing options."²⁷² Since the start of French direct trade in Peru in the early 1700s, Chile became a desirable destination as well as a necessary stopover for resupply and a starting point to sell cargo. Whereas Concepción was the privileged site of French trade at the beginning of the eighteenth century, Cranisbro found it more suitable to focus his company's interests on Valparaíso. The port was more advantageous given its nearness to the capital, Santiago.

²⁶⁹ Cranisbro, Juan. *Juan Cranisbro to Nicolas Cranisbro, November 13, 1758.*, 20r.

²⁷⁰ Cranisbro, Juan. *Juan Cranisbro to Nicolas Cranisbro, March 1, 1759.*, 31a.

²⁷¹ Cranisbro, Juan. *Juan Cranisbro to Nicolas Cranisbro, November 13, 1758.*, 20r.

²⁷² Cranisbro, Juan. *Juan Cranisbro to Anselmo de Paule, September 16, 1758.*, 12r.

Further, Cranisbro's reach allowed him to get in contact and befriend Manuel Amatt y Junyent, President of the Audiencia of Chile and future viceroy of Peru (1761-1776). In one letter he states: "I am shipping in the vessel *Fenix* one flask of liquor that I hope it will bring you happiness. [...] I will celebrate your participation in the next caravan towards frontier regions."²⁷³ Having high-ranked officials under his wing was essential for Cranisbro to see his operations grow. However, despite Cranisbro's proficiency in networking, he also acknowledged occasional blunders. In a letter to Joseph Denis, Cranisbro regretted recommending Andresito Graz, son of his associate Bartholomé Graz, to assist Cranisbro's people in Santiago. Graz's "few years of experience" led to a severe accusation of stealing merchandise from a storage facility, which forced Cranisbro to admit that he was "mortified to have been responsible for creating this whole mess."²⁷⁴ Nonetheless, despite minor setbacks and complications, the network that Cranisbro managed in Chile was impressive. It was mirrored by another network extending up along South America's northern coast.

Cranisbro's contacts were scattered all along Peru's coast from Piura to Lunauaná. He also had ties to Chinchá and the inland wine-producing valley of Moquegua. Information traveled fast in the South Pacific, alerting business associates all along the coast of how business was developing. This level of communication tended to be smaller in scale and importance than the transatlantic or "global" trading tips handled by Cranisbro and the Butler Company in Cádiz. Instead, coastal contacts advised on how to mobilize resources or people

²⁷³"he tenido la libertad de remitirle en este navío el Fénix con su capitán y maestre señor Juan Malo, una flasquerita de licores la que deseo llegue con felicidad y merezca su aprobación [...]. Celebraré le haya ido bien en su próxima caravana de visita a las fronteras." in Cranisbro, Juan. *Juan Cranisbro to Manuel Amatt*, December 20, 1758., 25a.

²⁷⁴ Cranisbro, Juan. *Juan Cranisbro to Juan Darroch*, September 16, 1758., 13r.

when needed and to notify inland associates. For example, Cranisbro notified Francisco de Paule, who was residing in La Paz, that his brother Anselmo, captain of the *San Raphael*, was preparing an overland merchandise shipment that was going to Arequipa, Cuzco, and La Paz.²⁷⁵

The *San Raphael's* promising start in selling off its their cargo changed in response to news from factor Manuel Gallegos, who was stationed in Lunauaná. Cranisbro felt that "the sale was initially going well, but I daily realize that there is a looming threat of a major financial ruin." He received reports that the ship's transactions had decreased dramatically. It was almost "wild" that silk from Calabria garnered so little interest from the population, contrasting with the first days of sales in which silk shirts were one the most sold products. Cranisbro feared that the whole cargo of cloth would deteriorate, which would of course cause it to lose its valued price. Therefore, he asked Gallegos if he would hold onto a dozen shirts. Then Cranisbro also added that he understood if Gallegos did not want to "accept this proposition."²⁷⁶ Cranisbro was not always so empathetic. If the whole business was in peril due to someone's mistake, he had no issue making severe threats. When an audiencia-led investigation regarding irregularities in mining in the province of Lurín came about, Gallegos was notified that he had been ordered to testify. Cranisbro sent him an intimidating letter that he was going to pay special attention on Gallego's statement in which he swore by the "five

²⁷⁵ Cranisbro, Juan. *Juan Cranisbro to Francisco de Paule*, November 30, 1758., 23 a.

²⁷⁶ "yo soy de sentir que la venta era buena según el presente y que diariamente amenaza mayor ruina" in Cranisbro, Juan. *Juan Cranisbro to Manuel Gallegos*, December 5, 1758., 24r-25a.

apostles that I have at home" that if "I see your testimony and find out that you snitched, you know that I do not fool around... be careful if I get you."²⁷⁷

Cranisbro was quick to adapt to changing trading practices in Peru. However, records suggests that he became overconfident and used illicit methods like fraud and merchandise concealment to maximize profits. His correspondence suggests that he did not panic when viceregal authorities launched investigations of his dealings. Instead, he maintained his composure and assured his associates that everything was under control. He believed that if everyone followed his guidelines, things would continue normally. On September 13, 1758, Cranisbro sent a letter to his brother Nicolás. Cranisbro reported that he was aware that laws against foreign trade were being applied rigorously. However, he believed his friendship with the president of the Audiencia of Chile would most likely help him in this situation. Also, he tried to divert Superior Gobierno officers' attention by pursuing a case against retail tax (*alcabala*) collectors, alleging devious practices. Cranisbro felt confident that revealing proscribed practices from his rivals would sidetrack the authorities and led them to ignore his reputation as an "*alcahuete*" (concealer).²⁷⁸

Overall, Cranisbro proved very skilled in managing illegal trade affairs, and he knew how to push the limits without getting caught. He knew what to reveal and what to hide, and he has accomplices who played the exact role needed to get the job done. Cranisbro was in effect hiding in plain sight. Even the arrests of close associates did not seem to affect him. Such drama seemed almost to bore him.

²⁷⁷ "y por los 5 apóstoles que tengo en casa [...] te prevengo que yo he de ir a la revalidación de las declaraciones. Si me haces algún pastel ya sabes que yo no me bufoneo así que guárdate a que te coja..." in Cranisbro, Juan. *Juan Cranisbro to Manuel Gallegos*, October 4, 1758., 16r.

²⁷⁸ Cranisbro, Juan. *Juan Cranisbro to Nicolas Cranisbro*, September 13, 1758., 8a.

Upon the arrival of the San Martín and San Raphael vessels at Callao on March 1758, port authorities immediately demanded a meeting the captains, the Frenchmen Juan Lacomba and Anselmo de Paule. Lima's consulado received information that the ships had illegally registered some goods that are still present in their holds, as their coastwise sales had been disappointing. Cranisbro, the keystone merchant, hoped he would have a better chance of selling the remaining merchandise in Lima. However, the consulado had information that part of the merchandise of these ships was heading to illegal foreigners, who in turn were going to send these goods inland at cheaper prices. Port officials demanded that Lacomba and Paule give details about their cargo and open their account books. Both captains refused, and both were placed under house arrest. After several weeks in confinement, Paule was the first to surrender his books, which turned out to be in rough shape, almost illegible. He claimed the ledger had been in a perfect state and had since most likely been "mishandled by the clerk in charge of making the delivery." In his own correspondence, Cranisbro clarifies that Paule was lying, but it did not matter if the consulate believed because "every (foreign) person had already deleted their signature by the time the book was delivered."²⁷⁹

Cranisbro was convinced that the consulado was not behind the investigation, as they were known to be "clueless." Instead, the former consul Sebastián de Valdivieso and several other wealthy merchants secretly directed it. Cranisbro demanded that the captains be released, and their accounting books returned since the detention process was unjust and had suffered several irregularities from the beginning. Paule and Lacomba were soon let go, and

²⁷⁹ "[...] luego esta feneció como papel inútil en que cada interesado había borrado su firma al tiempo de entregar los conocimientos. [...]" in Cranisbro, Juan. *Juan Cranisbro to Francisco Joseph de Rivero, March 1, 1759.*, 51a.

Cranisbro ordered them to lie low and wait until things calmed down, not to attract more "*diligencias en este asunto*." By 1759, the situation between foreigners and Lima's consulado was dangerously tense. Cranisbro knew that despite his initial confidence in sorting out and blending his business with foreign trade, "every day is getting worse."²⁸⁰ However, for Cranisbro, the issue was that Lima merchants were in a position where they regulated trade. The only thing that stopped them in the past was the viceroy and the *audiencia*. However, since laws against foreigners were constantly issued through the 1750s, *peruleros* felt confident in making false accusations without repercussions for blaming the "innocent" or trying to incarcerate anyone without sufficient proof of malfeasance. To counter this situation, Cranisbro recommended that the Spanish crown should assign more inspectors to control the *perulero's* impulse to make vague allegations; otherwise, "residing here will be insufferable". Cranisbro said his rivals were consumed with "tiring the Europeans, making them run away, and finally ending their navigation through Cape (Horn)."²⁸¹

By mid-1759, Cranisbro's confidence was crumbling. The once self-assured merchant felt that the situation was shifting from bad to worse. Estimating or predicting retail prices was becoming "every day more difficult."²⁸² Local authorities became increasingly restless towards him. He noted: "I wanted to say goodbye to my friends that were departing from Callao, but the *audiencia judge* Tagle was insisting very much in meeting me in his

²⁸⁰ Cranisbro, Juan. *Juan Cranisbro to Francisco Joseph de Rivero*, March 1, 1759., 51a.

²⁸¹ "[...] ha de ser insufrible la residencia aquí. Supongo que esta es una de las máximas de aburrir a los Europeos para que por este medio huyendo estos se acabe la navegación por el cabo." in Cranisbro, Juan. *Juan Cranisbro to Francisco Joseph de Rivero*, March 1, 1759., 51a.

²⁸² Cranisbro, Juan. *Juan Cranisbro to Francisco Joseph de Rivero.*, 51a.

office even though I made clear my bad disposition to it.”²⁸³ From the perspective of the crown, Cranisbro embodied the figure of many foreigners and *jenízaros* that traveled to Peru during the 1750s. He was menace to the success of the registry system. The freedom of individual shipping added to the admission of *jenízaro* participation in the Spanish American trade raised the alarms of potential infiltration by foreign elements. Thus, the tension between local authorities and Cranisbro and most likely any other foreign community in Peru grew considerably throughout the 1750s, creating a landscape potentially to unstable for foreigners to prosper. Even *jenízaros* with royal permits and considered legally Spaniards were still intimidated by the local authorities, especially if they seemed to be doing well.

Wealthy peruleros like Tagle and Sebastián de Valdivieso grew suspicious of growing prosperity among *jenízaros* and “true foreigners” alike. Jealous of their longstanding privileges, Lima’s wealthy merchants had not been enthusiastic when the registry system was officialized. Further, representatives of Lima’s consulado in Madrid tried to press to return to the old system without success. Cranisbro’s expanding trade networks and visible affluence between 1754 and 1758 could be seen as evidence that the peruleros gave him room to grow, but this was probably because they also gained from this trade. However, when Cranisbro’s network extended to high-ranking officers and established agents across the South Pacific coast and inland provinces, the peruleros drew the line. The successful *jenízaro* had overstepped, and thus could no longer “hide in plain sight.”

²⁸³ “Me hubiera gustado pasar abordo y despedirme de usted [Pedro Furlong] y demás amigos porque me embarazó el oidor Tagle para que lo acompañe de vuelta esto junto a mi mala disposición.” In Cranisbro, Juan. *Juan Cranisbro to Pedro Furlong*, March 10, 1759., 60a.

Cranisbro's correspondence shows that he was confident that he would never get caught, most likely due to having on his side residential legality as a *jenízaro*, something regular foreigners did not possess. For Cranisbro, the proper response to intimidation by colonial authorities and Lima's merchant guild was not to alter contraband and fraud strategies or to make new arrangements and follow one's rivals. Instead, Cranisbro's mentality that he was operating within the margins of the law, such that he convinced himself that the ones acting illegally were the *peruleros*. Though soon to be proved wrong, he was sure that his competitive actions under a fair system would go unpunished. Despite his optimism and intimate knowledge of Peru's intricate commercial system, Cranisbro was in the end vulnerable as any other foreigner who aimed to trade in Peru during this period. Indeed, we have copies of Cranisbro's letters because they were seized by the *Consulado*. They are currently held at the *Archivo General de la Nación* in Lima. By the 1760s, reports indicate that Cranisbro moved to Santiago, most likely to feel less threatened and pressured by the members of Lima's merchant guild and royal officers. Between 1700 and 1760, foreign merchants residing in Peru faced numerous challenges if they wished to succeed. Cranisbro's story exemplifies how foreign merchants had to adjust to unpredictable cycles of opening and closing colonial markets.

Uncut Gems

“If foreigners are considered enemies and transgressors of the law of these kingdoms, even if they defended their majesty's interests, exposing themselves to bloody battle against

Spain's enemies, to even get badly injured, to lose their ships [...], and face financial ruin forever [...], what do you have to do to be considered a friend of Spain [...]?"²⁸⁴

This quote by French merchant Pedro Siochan [possibly St. Jean?] expresses a common frustration of foreigners who felt they were loyal servants of the king of Spain, contributed to Spain's prosperity, but who inevitably faced expulsion from Peru. Siochan was a seasoned sailor who made four trips from Cádiz to Peru between 1742 and 1763. He was the captain and owner of the *Deliverance*, one of the ships that partook in the catastrophic French expedition captured by English corsairs on their way back to Cádiz from Peru in 1743. According to Siochan's statement, when he was released from captivity, he was financially ruined: he lost his ship, which was his family heirloom, as well as almost all his. For the next two decades, he was bound to work as a ship's pilot instead of becoming a *négociant* himself, as many other Malouin sailors who had hit the jackpot in a trading venture did.²⁸⁵

In 1762, Siochan was part of the crew of the Spanish ship *San Miguel*, a.k.a. *El Diamante*. From Cádiz to Peru and back, their route was unhappily familiar to Siochan. When the vessel arrived at Callao in 1763, port authorities quickly entered the ship and inspected the crew's papers, locating several foreigners, including Siochan, on board. Through the

²⁸⁴ “[...] Si se tiene por extranjero enemigo y transgresor de las leyes de estos reynos al que por defender intereses de ellos y de su majestad expone su persona en sangrienta contienda con los enemigos de la corona de España hasta salir gravemente herido por fortuna, cuando pudo haber quedado muerto, pierde un navío y un caudal que de su viaje había aprovechado y queda para siempre pobre y sujeto para mantenerse a los trabajos de la navegación a quien se tendrá por amigo de la corona de España leal vasallo de la majestad católica y veneraron de sus armas y sus leyes.” In *Causa del navío El Diamante* (1763). Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721, 39r.

²⁸⁵ “If I had not served the interests of the Spanish crown [...] today I will be resting, enjoying the comfort of honor, industry, and work that my father gave to me.” *Causa del navío El Diamante* (1763). Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721, 39r.

1760s, Spanish laws forbidding foreign presence in overseas territories became stricter as the registry system grew. The foreigners of *El Diamante* included three Frenchmen identified as Pedro Siochan, Juan Ducerr, and Luyz Gramezon. Also aboard were two Irishmen, Ricardo Higuenz (Higgins) and Diego Blanco. Both were relatives and business associates of Lima residents (and *jenízaros*) Baughan Strange and Juan Cranisbro. Finally, there was one Genoese, Antonio Terri, who was associated with the peruleros José de la Llana and Manuel Fernández de la Reguera.²⁸⁶

El Diamante was a ship owned by Gonzalo Morales, a merchant from Cádiz who was also on board. The ship carried mostly textiles and clothing, divided into portions for the Butler Company, Juan Lacomba, and the peruleros Fernández de la Reguera, De la Llana, and Gonzalo Morales. Hoping to get off easy, the foreigners argued they had no personal investments in the merchandise they brought. Their connection with their associates was simply to represent them as subcontractors, not as partners of the traded goods. When the accounting books were confiscated, no foreign signatures were added to the registry of the reported merchandise. However, as Cranisbro showed, deleting signatures was a common practice to avoid detecting which persons were involved in the transaction. After the foreigners were caught, they and their perulero associates were interrogated. Pedro Siochan's testimony proved especially noteworthy since he vigorously defended himself. He challenged his assigned status as a foreigner in the Spanish Empire, and he questioned the contradictions of the prohibition laws. Siochan's statement, along with subsequent interrogations and the final verdict in the case, provides a glimpse into how the Spanish

²⁸⁶ *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 124, Doc 714, 1r.

crown dealt with foreigners during the tail end of what might be called the “Franco-Peruvian” period and how they attempted to avoid its consequences.

When Lima’s Superior Gobierno made it official that the foreigners of *El Diamante* were accused of illegal trade, Siochan defended himself on a letter he sent to Lima’s consulado. He began by stating that as an experienced sailor and pilot, he had devoted his long seafaring career to serving the interests of Spain and the Spanish crown. At the age eighteen, Siochan was the pilot of the *Deliverance*, claiming that without his skill and proficiency in guiding the ship, the 1743 French expedition would not have been able to reopen the route to the South Pacific via Cape Horn. His feat of “having overcome (the navigation around the Cape) that voyages through it are more frequent and less feared [...] and that its majesty cannot deny that my service was most beneficial to the growth of the national treasury.”²⁸⁷

His second voyage to Peru was onboard the Spanish warship *El León* in 1753. The Spanish officer and captain of Spain’s Royal Navy, Francisco González del Postigo, recruited Siochan as his second pilot.²⁸⁸ Due to the known sailing experience of French officers and the demands of the war effort against England during the War of Jenkins’ Ear, Spanish captains often required French expertise. Even after the war ended, Spanish vessels continued hiring French officers.²⁸⁹ According to reports sent to the French King Louis XV, the successful voyage of *El León* brought back to Cádiz more than 3,000,000 piastres worth of

²⁸⁷ *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721, 32a.

²⁸⁸ *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721, 33r.

²⁸⁹ The Malouin Ducloz Guyot also integrated the crew of *El León* as second captain. *Extrait de journal de navigation dans le vaisseau Le Lyon (1753)*. Journal. Archives Nationales de Paris. MAR 4JJ 48.

silver, 40,000 pounds of cacao, as well as a quantity of copper, vicuña wool, and quinquina (also known as Jesuit's bark).²⁹⁰ This trip helped improve Siochan's reputation as a reliable pilot. Moreover, with the expansion of the registry ship system and the revival of the Cape Horn route, officers like Siochan were in high demand. Thus, in 1758, the Butler Company hired Siochan to be the pilot of the *San Raphael*, captained by Juan Lacomba, to the South Pacific.²⁹¹ The *San Raphael* was a ship that Juan Cranisbro monitored and documented; its crew apparently struggled to sell their merchandise.

Siochan argued that he was never accused in all his travels to Peru of transgressing the laws even though the "same members of the consulado and the same prosecutor from my past two voyages" were still in office. When Siochan arrived in Lima, he indicated that he was always warmly welcomed and deeply enjoyed "the sociability and kindness" of its people. Thus, "how could this supplicant not expect to encounter such a generous welcome since I had experienced it in my former journeys [...] to even receive several proposals to be hosted in merchants' houses as well as from people that were not merchants themselves."²⁹²

Siochan further questioned why if foreigners were prohibited to travel to the Americas did the Casa de Contratación still issued permits and licenses, because "far from granting the supplicant license to travel as a pilot, the [Casa de la Contratación] would have forbidden me

²⁹⁰ *Extrait de journal de navigation dans le vaisseau Le Lyon (1753)*. Journal. Archives Nationales de Paris. MAR 4JJ 48, 3.

²⁹¹ *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721, 41 a.

²⁹² "¿Cómo esperaba el suplicante encontrar igual si no mejor acogida que la que había experimentado en sus anteriores viajes debiendo creer adelantada su aceptación a proporción de lo que era más extendido el conocimiento de su persona y había sido notariado correspondencia al honor que había recibido de sus habitaciones del comercio y fuera de él?" In *Causa del navío El Diamante (1763)*, 43a.

from even embarking, knowing that I am not a Spaniard.”²⁹³ Moreover, for Siochan, there was a clear distinction between foreigners that entered to Peru incognito, since they were aware of the prohibition laws against them. By contrast, Siochan had gone through the official travel procedures, and if the law would have been correctly communicated and applied, Siochan would not been able to travel in the first place.²⁹⁴

Along the long list of accusations that the Lima’s consulado was pursuing, one specified that Siochan and the foreigners of *El Diamante* were conspiring to take over the Lima-Oruro trading route. Their associates in Lima had well-established inland connections and moving the merchandise to the interior would made it almost impossible to track for the royal authorities. Siochan responded that he found this accusation absurd because the members of this alleged company lacked the resources, expertise, and financial means to undertake such an enterprise. Some of the people involved in this plan were not even foreigners. Manuel Riesch, who was detained in *El Diamante* alongside Siochan, was considered by the local authorities a foreigner, but his papers demonstrate that he was a *natural* from Cádiz, so he was released. It is unknown what was Riesch next move, but it would not be surprising for him to seek for refuge on Irish factors of the Butler Company, since *El Diamante* was also financed by it.²⁹⁵

Similarly, Luyz Gramezon, *natural* of Seville, was also detained, but, according to Siochan, he was no merchant at all but rather the butler of Antonio de Ulloa, the newly

²⁹³ “Si realmente de su majestad hubiera sido comprender a los que venían en los navíos de oficiales hubiera expedido las correspondiente a la Real Casa de la Contratación de Cádiz para que por ellas y en su cumplimiento no permitiesen embarcar en los navíos marineros y oficiales alguno que no fuese español en cuya consecuencia lejos de conceder al suplicante licencia para venir de piloto se le hubiera prohibido el embarcarse no siendo natural de España.” In *Causa del navío El Diamante (1763)*, 45a.

²⁹⁴ *Causa del navío El Diamante (1763)*, 49 a.

²⁹⁵ *Causa del navío El Diamante (1763)*, 62r-63

appointed governor of Huancavelica. Gramezon was known to be modest and disinterested, not having "a single thread of clothing that was not his own." Moreover, Gramezon had previously served with distinction Peru's former viceroy, José Antonio Manso de Velasco, Count of Superunda (1745-1761).²⁹⁶ As for another fellow Frenchman, Siochan added that Juan Ducerr was an officer as well, with no experience as a trader. Siochan wanted to convince Lima's consulado that his companions had no skill or capital to carry on such an enterprise as taking goods to the highland mining city of Oruro. Thus, he said: "the fantastic fabrication of this company fades away, as well as the idea that we are going to embrace the commerce of this kingdom."²⁹⁷

At the same time, Siochan complained that he and the others did not receive the same treatment as Spanish officers on board ship. The Spaniards of *El Diamante* was immediately released without the necessity of providing proof of their condition as Spaniards, taken on nothing more than "the faith of their word."²⁹⁸ Additionally, the Lima's consulado inflated the number of foreigners on board, including crucial positions such as officers. For the Peruleros, foreigners "multiply by hundreds," giving them the authority to say that for every Spaniard that arrives, a hundred foreigners follow. Moreover, if no foreigners are on a ship, the Consulate accuses the officials of being brokers of foreigners at Cádiz.

²⁹⁶ Curiously, this was the second time that Antonio de Ulloa and Pedro Siochan have shared the same ship. In the first time, both were captured by the English while returning to Cádiz in the *Deliverance*. *Causa del navío El Diamante (1763)*., 62r-63 a.

²⁹⁷ "Vea vuestra excelencia desvanecida la fantástica fábrica de la compañía y proyecto de abrazar el comercio del reino que tan libre como sabiamente se expuso a su majestad en la carta del tribunal." In *Causa del navío El Diamante (1763)*.,63 a.

²⁹⁸ *Causa del navío El Diamante (1763)*.,58r.

Either way, for Siochan, foreigners were regularly blamed for all ills. He argued instead that the real “damage against the consulate was not that foreigners arrived via the registry (system), but that the registry [system] itself” harmed them.²⁹⁹ Siochan suggested that foreigners were scapegoats for a system that wealthy Lima merchants had decided not to tolerate any longer. What the peruleros wanted to achieve was to sabotage the registry and force the return of the defunct galleon system. Ultimately, for Siochan, he and others like him were becoming scapegoats for a local cause that was out of sync with official Spanish royal policy.

Siochan’s testimony offers an instructive view of how foreigners understood colonial Peru’s commercial milieu, particularly how they perceived their perulero counterparts and their assessment of the current commercial system. To defend himself from the Consulate’s accusations, presumably hoping to convince the officers of the Superior Gobierno. For example, he takes way more credit than he probably deserves when stating that his feat as pilot of the *Deliverance* essentially opened the Cape Horn route. He purposely failed to acknowledge that the *Deliverance* was sailing by itself but was part of a squadron, and his ship was not even the lead vessel or flagship; that was the *Marquise d’Antin*. Another example of exaggeration or truth-bending is when Siochan tried to persuade Spanish officials that foreign officers were bound solely to their duty as crewmembers, that they were not merchants. He sought to leave no room to think foreigners could benefit from the *El Diamante* trade, that men like him were mere messengers. Nonetheless, the proliferation

²⁹⁹ “Con que el daño para el Tribunal [del Consulado] no está en que vengan en los registros extranjeros, sino en que vengan registros, pues aun viniendo sin aquellos son perjudiciales para el Tribunal.” In *Causa del navío El Diamante (1763)*, 54r.

of *testa fierros* (figureheads or false covers) during the heyday of the registry system and the long tradition of ship's officers participating in trade made Siochan's claims hard to believe.

At the same time, Siochan's perception of the Consulate's actions resembles what Juan Cranisbro experienced six years earlier. The same members of the Consulate (Prior and Consuls) and the Superior Gobierno's prosecutor faced constant pressure over foreign presence after 1758. As a partial result, Cranisbro endured their harassment, eventually moving to Santiago de Chile in 1764. Even so, Lima's consulado did not leave him be, as he was soon entangled in the Diamante case. Indeed, when interrogating Diego Blanco and learning that Cranisbro was his uncle and suspected *testa fierro*, Lima officials asked him if he had an investment in the ship's cargo. Blanco replied that he did "not have news that Juan Cranisbro was involved in any consignment nor any other foreigner."³⁰⁰ However, as we saw in Cranisbro's correspondence, Blanco most likely was lying. Butler Company assets were on the ship.

To return to Siochan, he was clearly perceptive enough to understand how Lima's consulado operated and he could plumb its top officials' intentions. When harsher interrogation procedures were used, Siochan did his best to deny that he was implicated in having assets in the ship's merchandise. However, since they were transported to an actual prison and separated for personal interrogation, some of Siochan's associates started to confess. Still, Siochan continued to claim his innocence, but he was running out of arguments. He tried to appeal that his generosity was tied to his image in Cádiz, where he

³⁰⁰ “[...] y que siendo el declarante apoderado de Juan Cranisbro, residente en Chile, no tiene noticia de que dicho Juan Cranisbro sea comprendido en ninguna consignación ni fianza y dicho Diego Blanco ni otro extranjero lo que consta por haber viendo todas las cartas de Juan Cranisbro.” In *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 124, Doc 714, 12a.

was perceived “as a Christian and with so much honor [...] that everybody from that trading community and city has high regard for me.”³⁰¹ Lima’s consulado verified this information. Pedro Siochan was a well-respected figure in Cádiz. However, his direct participation in trade was also proved to be true.

Ultimately, the Consulado intervened and suggested the Superior Gobierno pursue a “benign” treatment of the accused foreigners after realizing that some of them were showing health deterioration due to imprisonment. Moreover, the Consulado reminded the authorities that their crime was not severe to be physically punishable. The guild suggested to take advantage of their weakened health to negotiate their confession with the promise of continuing their case under house arrest, which was an upgrade to the harsher of conditions of imprisonment. In this case, “if they accept their guilt, they would be forced to get their merchandise confiscated and sold, and also required to be returned to Spain for our majesty’s will.”³⁰²

Lima’s consulado was fully that the foreigners that they were dealing with were no strangers. People like Pedro Siochan and Juan Cranisbro, independently of their condition or legal status of foreigner, *jenízaro*, or native, were deeply rooted in Cádiz’s South Sea trading affairs. Despite associating with their own nation and cooperating with foreigners, their investments and businesses were essential in driving the registry system to Peru. Thus, the wealthy Peruleros were in no position to entirely cut ties. Most likely, they went after the

³⁰¹ “[...] y siempre ha oído decir que siempre ha procedido con mucho honor y muy cristianamente porque en Cádiz lo ha visto estimar de todas las personas del comercio y ciudad.” *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 721., 247a.

³⁰² “[...] si confiesan su culpabilidad serían condenados al remate de sus ropas y remisión de su producto con sus personas a España a disposición de su majestad.” *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 125, Doc 723, 147a-r.

crew of *El Diamante* to set an example of what they were capable of doing. When the list of people expelled from the Viceroyalty of Peru for being a foreigner was released in 1768, one would imagine that the Superior Gobierno would act as severely as it did with the foreigners of *El Diamante*. However, in a registry of vessels that arrived in Peru between 1758 and 1768, from the total of 160 recorded foreigners, 110 were allowed to stay.³⁰³ Perhaps the prohibition laws against foreigners were, once again, part of a political theater, a mercantile masquerade.

Conclusion

Juan Cranisbro and Pedro Siochan belonged to a new class of foreign merchant communities operating in Peru. Both represented the realization that foreign trade was deeply embedded in Spanish-American commerce. Therefore, despite ever harsher prohibition laws, foreign capital and the direct presence of foreign merchants were already in place and in play. As the registry system flourished and trading with Peru recovered its confidence after the War of Jenkins' Ear and its associated catastrophes, combining Cádiz enterprises with foreign mediation enforced the strengthening of navigation frequency to the South Pacific. In this context, most prominent merchant openly received jenízaros, *naturales*, and foreigners. But not so the wealthiest family firms and heads of the Consulado.

As foreign trade progressed throughout the 1750s, merchants like Juan Cranisbro felt that this situation was becoming consistently more troublesome. Even though he was a

³⁰³ *Causa del navío El Diamante (1763)*. Archivo General de la Nación, Tribunal del Consulado, TC-GR2, Box 127, Doc 7232., 8a – 10 a.

jenízaro, harassment and provocation from the authorities and the elite groups of Lima forced Cranisbro to eventually seek solace in Santiago de Chile, where he could still run his business without fear of prosecution or expulsion. During his time in Peru, Cranisbro demonstrated high levels of cunning, skill, and adaptability, making him almost untouchable throughout the ten years he resided in Lima, primarily due to the financial support of the Butler Company.

Meanwhile, Pedro Siochan was an officer and pilot with vast experience sailing in and out of the South Pacific. He had also previously worked for the Butler Company. Siochan's reputation granted him opportunities to participate in commercial operations that he tried to navigate without disguise. As was customary with Cranisbro, Siochan may have been used not to employ elusive tactics to accomplish his objectives. Instead, as Cranisbro operated "above board" or at least "in plain sight," Siochan also participated in trade without secrecy, erasing evidence and coordinating with his associates to not provide further declarations. However, Siochan's ruse did not pan out, but still, his testimony and subsequent sentence provide us with a clearer picture of the aftermath of foreign persecution as the great era of Franco-Peruvian traded faded into the sunset.

Conclusion

Between 1698 and 1764, the merchants of Lima and Saint-Malo converged to create a trading system based on mutual interests. The relationship between these two merchant communities was characterized by constant negotiation and maneuvering amid a changing geopolitical landscape. The Bourbon connection between Spain and France allowed both monarchies to grow closer during the first half of the eighteenth century, but even this was a dangerous liaison. As early as 1700, Spain's inability to protect its colonies from European rivals and its pressing need to revive Spanish-American trade forced the Spanish monarch into his neighbor's arms. The French king Louis XIV was more than willing to assist his grandson, King Philip V, but not merely as a demonstration of kin caring. The French king saw a once-in-a-lifetime opportunity to finally access, without obstacles, the riches of the Americas.

Wartime allowance of French direct trade to Peru marked the beginning of a dicey relationship between Limeños and Malouins. Throughout this dissertation, I have argued that Peruvian and French merchants did not often see themselves as willing friends and partners. But neither were they fierce rivals. Instead, both mercantile communities prioritized fulfilling their group and family (and almost never "national") interests. Lima merchants were eager to acquire French goods and thus they collaborated with French merchants. However, at the same time, they did not hesitate to blame their French suppliers for the "ruinous" financial state of the viceroyalty of Peru. The French were a valuable ally when it served them, but

also an alibi that the Limeños deployed to explain the tribulations of Peruvian trade while portraying themselves to the Crown as faithful and incorruptible servants.

Meanwhile, the Malouin merchants seized the opportunity to benefit from the silver made available by direct trade to the South Pacific. However, despite the high profits on offer when things went as planned, the Malouins still needed to commit to the full implications of this ultra-long distance trade. Instead, they diversified their business, seeking opportunities to develop new profit channels. In this scenario, Peruvian trade became a situational risk that often enticed French investors and négociants, but eventually, their decisions were aligned when favorable conditions between Spain and France occurred. Ultimately, Lima and Saint-Malo merchants were opportunists who used each other to reap the benefits of Franco-Peruvian trade.

Between 1700 and 1717, French direct trade was ideal for the Lima merchant guild. The galleon system and the Portobello Fairs had worn out the peruleros by the end of the seventeenth century. Thus, the massive arrival of French traders at the beginning of the eighteenth century symbolized a sea change in the development of the Carrera de Indias. The prices of European manufactures, predominantly cloth, dropped considerably, granting the Lima merchants a different perspective on how things might work by going outside official Spanish trade channels. Collaboration between the peruleros and the French was extensive. It included top members of the Lima consulado like Joseph Tagle Bracho and high-ranking royal officers like the viceroy Marquis of Castellosrius. However, “officially,” the Lima consulado never supported French intromission. Despite the notorious participation of its members in French direct trade, Lima’s merchant guild denounced foreign commerce as the

bane that continued the financial ruin of the viceroyalty. At its core, and throughout the eighteenth century, the Lima consulado acted conservatively, ultimately performing as if stuck in a zero-sum game: I win, you lose. Lima's merchant elite was only concerned with their gain, leaving behind less wealthy Lima merchants, Spanish traders, and foreigners alike.

Meanwhile, for the Malouin traders, accessing Peruvian trade was a golden opportunity. Despite the initial clash between traditional trading families and newer ones, and the contest against Parisian interests, Saint-Malo trade benefited tremendously from South Pacific ventures. Between 1700 and 1715, the Malouin mainly experienced welcoming treatment from Peru's colonial authorities and merchant community. Favorable Spanish royal policies towards the French reassured the Malouins that despite the risks of voyaging to the South Sea, the reward was worth it. However, when the War of Spanish Succession ended, the landscape changed dramatically for the French. They had to reap any spoils they could get their hands on and leave Peru immediately to avoid Spanish retaliation. In this context, most of the Malouin traders were aware by then that the "Peru honeymoon" was over.

By the next decade, between 1718 and 1730, Limeños and Malouins endured the aftermath of the Franco-Peruvian trade split. The consulado had to deal with the relentless Peruvian viceroy Marquis de Castelfuerte. Through the first two decades of the eighteenth century, Limeños struggled with the first attempts at commercial reform outlined in Patiño's Project of 1720 and the revitalization of the Portobello Fairs. The consulado aimed to win Castelfuerte over by, among other things, blaming the French for the Limeños' financially ruinous state. They even supported Castelfuerte by financing an expedition to deal with the

remnants of Malouin direct trade in 1725. Nonetheless, their actions were ultimately futile, and the Limeños were forced to, once again, trade on the Panamanian Isthmus.

In the meantime, some Malouins associated with the directors of the *Compagnie des Indes Orientales* pushed their luck in sailing to Peru despite the prohibitions. The French were quickly expelled, marking the beginning of the hiatus of French navigation to the Spanish South Pacific. However, the connection between the Malouin and Spain persisted. Since the beginning of the eighteenth century and the prospect of tolerance to participate in Spanish American trade, French merchants started to build an extensive community in Cádiz. By the 1720s, the French in Cádiz made up the most influential foreign colony in the city, where its most wealthy and influential merchants were Malouin. In this context, Cádiz became a strategic location for the French to thrive, benefiting by diversifying their businesses and investments. This place was essential to overcome the loss of direct Peruvian trade.

Between 1730 and 1750, the *peruleros* experienced, again, another “invasion”. The Spanish *fletistas* or old-style fleet supporters tried to impose direct trade on the coast of Peru after the disaster of the fair of 1732. Their presence on Peruvian soil finally marked the end of the Portobello Fairs and the dreadful system that colonial merchants had been forced to endure over the previous two centuries. With the commencement of the War of Jenkins’ Ear in 1739, France returned to the orbit of Spain. In an era of commercial reformism, Spain again sought French commercial participation in Peru. But this time, the Spanish were calling the shots—there was to be no more French direct trade sponsored solely by French capital. Registry ships followed a different path. French capital fueled the registry system but was

directed by the Spanish. The Franco-Spanish expedition to Peru in 1743 tried to set the stage and launch a new, mutually profitable relationship. However, when the disaster occurred, and miscommunication followed, the chance of allowing French direct trade to Peru was again restricted.

Nonetheless, the change to the registry system was a hard blow for Lima's consulado, which, despite the problems of commerce in Portobello, still monopolized South Sea trade. With the proliferation of registry ships arriving on the coasts of Peru, controlling this trade became more complicated since less wealthy merchants and traders from the interior now had the chance to access European products directly. Concerns about the registry model were so high that the Limeños even pleaded for the return of the Portobello Fairs. However, it was too late. The Spanish crown was pleased with the flow of trade in Spanish America and the newly centralized organization of this trade.

Meanwhile, the French who suffered most from the events of the 1740s were the Malouins back home, those living at Saint-Malo. They financed part of the calamitous expedition of 1743 and were blamed and condemned to eat the costs of the disaster of the Franco-Spanish squadron. However, the Malouin that lived at Cádiz escaped mostly unscathed. They suffered losses as well, but their ties with Spanish merchants and the diversification of their businesses allowed them to overcome this situation. Moreover, by the 1750s, the French and foreign houses in Cádiz started shipping directly to Peru using naturalized and *jenízaro* or mixed-heritage agents to pursue trade. In order to increase trade frequency, the Spanish crown granted privileges to sail directly to Spanish America to the

descendants of foreigners born in Spain. The French perceived that the Spanish legal system backed them, and other nations living in Cádiz sent their agents to Peru.

As had happened since the beginning of the eighteenth century, the French were cautious enough to not fully flaunt Spanish law. They constantly exploited legal loopholes that could ensure the success of their enterprise. As skillful businessmen, the French knew that sailing to Peru represented a significant risk when compared to other short-distance ventures. The South Sea trade was unpredictable in nearly every sense. Thus, Peru was worth the gamble only if political conditions between Spain and France allowed it.

The Limeños were also cautious. The arrival of naturalized foreigners and jenízaros added to the threat the registry system had already imposed on them. Consulado members used every strategy they could think of to create obstacles for the foreigners. Ultimately, despite the materialization of the Limeños' threats against foreigners, the documentation on judicial procedures against the officers and crew of *El Diamante* reveals that the expulsion of foreigners from Peru was not as thorough as the consulado threatened it would be. Instead, evidence suggests that local elites were more likely trying to demonstrate to the Cádiz merchants that they were in charge. However, the Spanish Crown had the last word, and foreign proxy trade contributed to the registry system's growth. The peruleros, as they had done throughout the first half of the eighteenth century, were cautiously pushing the limits of what they could get away with. After several decades of dangerous and strained liaisons, Limeños and Malouins remained connected in a certain regard: both were opportunists seeking a chance to prosper and thrive in stormy as well as placid seas.

This dissertation significantly advances our understanding of the "French moment" in colonial Peru, a period traditionally bracketed between 1698 and 1720. Through meticulous research and analysis built upon the foundational works of Carlos Malamud and André Lespagnol, this dissertation posits that rather than dissipating, the Franco-Peruvian connection morphed and adapted, initiating a prolonged and cyclic relationship characterized by new dynamics of engagement and cooperation.

One of this dissertation's critical contributions is the illumination of the strategic adaptations made by the Lima merchant class in response to the evolving geopolitical landscape. By adopting a stance of cautious anticipation of Spanish royal favor, these merchants navigated the complexities of colonial trade regulations and international rivalries, highlighting their agency and resilience. This perspective enriches our understanding of colonial economic systems and the intricate web of personal and political alliances underpinning them.

Furthermore, this research sheds light on the significant shift in the French presence from Lima to Cádiz, marking a pivotal realignment in Franco-Spanish relations. The mass migration of French merchants from Saint-Malo to Cádiz and their establishment of new partnerships underscore the pragmatism and adaptability of the French mercantile community. By detailing how trade with Peru, despite its risks, was never entirely abandoned but rather recalibrated, this dissertation contributes to a more nuanced comprehension of the risks and rewards that shaped colonial trade networks.

An essential contribution of this work lies in its revelation of the Lima merchants' willingness to adapt and strategize in response to shifting geopolitical and economic

landscapes. While acknowledging their conservative tendencies, this research demonstrates that these merchants were not resistant to change but rather pragmatic. By prioritizing legitimacy and legality, mainly through securing Spanish royal approval, the Lima merchant guild exhibited remarkable flexibility in adjusting its strategies, even if it meant departing from traditional practices. This insight challenges previous characterizations of Peruvian merchants as rigidly conservative, offering a more nuanced understanding of their agency and adaptability within the colonial economic system. This thesis has significantly expanded existing scholarship, notably addressing the lacunae highlighted by scholars such as Xabier Lamikiz and Tamar Herzog.

This work emphasizes the central importance of Spanish royal approval in shaping merchant actions. It underscores the symbiotic relationship between colonial economic actors and the overarching structures of imperial governance. This nuanced analysis enriches our understanding of colonial commerce and highlights the multifaceted strategies that early modern merchant communities employed to navigate the complexities of global trade. Moreover, the diversification of French interests in Spanish America, evidenced by the broadening of commercial endeavors beyond Peru, marks an essential expansion of the historiographical narrative. This shift demonstrates colonial trade's dynamic and multifaceted nature, where economic interests were continually reassessed and reoriented in response to changing political, economic, and social currents. This dissertation expands the historiographical understanding of the "French moment" in colonial Peru by tracing a series of overlapping and ever-shifting "dangerous liaisons" and treating them from both sides,

always with an eye on royal matchmakers and spoilers. My hope is that it offers valuable insights into the early modern global world's broader economic and diplomatic patterns.

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Biography

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