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SPANISH COLONIAL REORGANIZATION UNDER THE FAMILY COMPACT¹

The rude shock of defeat in the Seven Years' War momentarily chilled French and Spanish enthusiasm for their union under the Family Compact. But the alliance, saved at great cost in the peace, was too precious an instrument of future revenge to be neglected by its author, the Duc de Choiseul.² Equally evident was the opportunity it offered France to acquire a favored position in Spanish commerce at the expense of the common enemy England.³ Obstacles in the path of perfect concord between the two powers, such as the Placentino question and the opposition of the Spanish minister Ricardo Wall, were removed by mid-August of 1763. Spain was induced to accept a settlement of the former question and Wall was succeeded by the friendly and sympathetic Grimaldi. There ensued a golden period of French influence in Spain which lasted to the Falkland Islands fiasco and Choiseul's fall from power, on December 24, 1770. Although all efforts to secure commercial advantages for France failed to make head-

¹ Paper read at the meeting of the American Historical Association, Minneapolis, December, 1931, and based on materials secured as a Social Science Research Fellow in 1928-1929.

² Cf. Arthur S. Aiton, "The Diplomacy of the Louisiana Cession", in *American Historical Review*, XXXVI, 701-721.

³ Cf. Louis Blart, *Les rapports de la France et de l'Espagne après le Pacte de Famille* (Paris, 1915), pp. 43-71; Vera Lee Brown, "Studies in the History of Spain in the Second Half of the Eighteenth Century", in *Smith College Studies in History*, XV. (Northampton, 1929-1930), 39-63.

way against Charles III.'s determined effort to revive Spanish industries⁴ the decade saw the initiation of far-reaching reform in Spain's colonial system and trade policy along French lines and, as is generally conceded, under French direction. This paper represents an attempt to determine the extent of this influence with greater precision through a study of the diplomatic and commercial correspondence of the two countries. All the accounts of the eighteenth century, general and particular, note the influence of France and the introduction of French institutions into Spain from the time of Philip V., and single out certain French agents for special treatment; nevertheless, there exists no systematic study of the French attempt to convert Spain into a formidable military ally in the years following the Peace of Paris.⁵

Choiseul accepted defeat in the Seven Years' War in the hope that a new and more successful war might be waged after a term of repose. An offensive plan prepared by him in 1760, might, he thought, bring victory if Spain could be rejuvenated.⁶ The Bourbon alliance he had forged was the keynote of his foreign policy. By its terms, France must come to the aid of its ally in the event of a maritime conflict, so an unprepared Spain would drag his country into a useless and costly struggle and expose his policy as mistaken. For this reason, if for no other, Choiseul urged his program with indefatigable zeal, that would brook no opposition and rose superior to the disappointments occasioned by Spanish delays. The year 1765 found the plan of commercial and administrative reor-

⁴ Blart, *op. cit.*, *loc. cit.*

⁵ Blart, *op. cit.*, devotes a chapter to the diplomatic side of the preparation for revenge against England; there is a brief general discussion in H. I. Priestley, *José de Gálvez, Visitor-General of New Spain* (Berkeley, 1916), pp. 41-46; but the standard accounts of the reign of Charles III. pass over the subject lightly and such works as Francis P. Renaut, *Le Pacte de Famille et l'Amérique* (Paris, 1922) and the studies of French policy under Choiseul are satisfied with generalizations and incidental references.

⁶ Archives des Affaires Étrangères, Correspondance Politique, Espagne, Choiseul to D'Ossun, November 13, 1763, vol. 539, f. 319.

ganization formulated and launched, the reform of defenses actively under way, and a close and confidential relationship between the two powers an actuality. Three years later, the time originally set for the renewal of hostilities with England, the scheme while making splendid progress was not sufficiently realized to warrant trying the test of war. The expulsion of the Society of Jesus from his Catholic Majesty's dominions in the interim had undoubtedly distracted Spanish attention and absorbed energy needed in the more general task of colonial reorganization.⁷ Two years later, Spain was willing to accept the Falkland's Islands incident as a proper cause for conflict, but Louis XV., influenced by Madame Du Barry, dismissed and exiled his minister to avoid a war.⁸ Spain, forced by this procedure to accede to England's demands, continued to play lip service to the Family Compact, but had no great confidence in its ally until Vergennes assumed the ministry in the next reign.⁹ Even then full confidence was withheld and France was excluded from the Portuguese settlement of 1777.¹⁰ This course seemed to be fully justified when the American Revolution, predicted by Choiseul in 1765,¹¹ drew France into the war without prior consultation with Spain. Spanish entry into that struggle the following year was by Spain's own choice and at its own terms. The two decades intervening between Choiseul's fall from power and this event had witnessed a continuation of the colonial reforms he had advocated to which

⁷ Cf. François Rousseau, *Règne de Charles III d'Espagne* (2 vols., Paris, 1907), I, 109-243; Blart, *op. cit.*, pp. 95-143.

⁸ *Ibid.*, pp. 143-203, cf. Julius Goebel, *The Struggle for the Falkland Islands* (New Haven, 1927), pp. 271-411.

⁹ Spain and Austria had urged Vergennes in 1771 as Choiseul's successor in the French ministry and had opposed the Duc d'Aiguillon, who was, nevertheless, appointed. Archivo Histórico Nacional, Madrid, Estado, 4129, n. 719, Fuentes to Grimaldi, January 10, 1771.

¹⁰ Arch. Hist. Nac., Madrid, Estado, 4072. Contains the story of the French effort to participate in this peace, in order to secure advantageous trading terms with Portugal for France.

¹¹ Roger H. Soltau, *The Duke de Choiseul* (Oxford, 1909), pp. 87-91.

the brilliant Spanish exploits in that war are an ample evidence.¹²

In the task of setting Spain's house in order, the Duc de Choiseul used numerous agents. On the economic side he was well served by the French agent general of marine and commerce in Spain, the Abbé Béliardi. This astute Italian adventurer in French employ had been appointed to Madrid in 1757, and there with the aid of a corps of consular agents, was an invaluable source of information. Memoirs, projects, informing letters, and ideas concerning Spanish trade and colonial matters flowed from his pen in great profusion. Among these, his *Grand Mémoire sur le Commerce des Indes* of 1763, a masterly exposé of the ailments afflicting the economic life of the Spanish Indies with suggested remedies, undoubtedly played an important rôle in the determination of the character and direction of Spanish reform.¹³ The Abbé Béliardi's importance on the political side, however, was negligible and the legend, built up by two French historians, picturing him as a super-ambassador and personal agent of Choiseul's secret diplomacy, has been thoroughly demolished by another French historian.¹⁴ The channels through which the French minister's influence flowed were the ambassador, the Marquis d'Ossun, and the minister and ambassador of Spain, Grimaldi and Fuentes, with whom he maintained a direct and confi-

¹² Cf. Juan F. Yela Utrilla, *España ante la Independencia de los Estados Unidos*, 2 vols. (Lérida, 1925), and the histories of the American Revolution which treat of the war in the west.

¹³ Bibliothèque Nationale, Paris, salle des manuscrits, fonds français 10,764; 10,765; 10,766; 10,767; 10,768; 10,769; 10,770; 13,417; 13,418; 13,419. These are analysed and discussed in, Pierre Muret, "Les papiers de l'Abbé Béliardi et les relations commerciales de la France et de l'Espagne au milieu du XVIII siècle (1757-1770)", in *Revue de l'histoire moderne et contemporaine*, IV. 657-673. The influence of the *grand mémoire* on Spanish reform is indicated by the report that Grimaldi had read it *in extenso*. Arch. Aff. Etr., Espagne, 543, ff. 249-253, D'Ossun to Choiseul, July 22, 1765.

¹⁴ Blart, *op. cit.*, pp. 47-49, has applied the necessary correctives to the one-sided thesis contained in Pierre Muret, *op. cit.*

dential correspondence.¹⁵ Through these intermediaries he was able to secure the appointment and the advancement of many individuals in various branches of the Spanish government who furthered his schemes of reorganization in their posts. France, in other words, guided the work of the reform through Spanish officials who owed their places to French favor. If this can be established, France must be accorded a greater share of credit for the successes of the enlightened policy of colonial reorganization under Charles III.

The clue to the situation is offered by Herbert I. Priestley in his standard work *José de Gálvez, Visitor-General of New Spain, 1765-1771*, where he comments:

It is to the passing complaint of Francisco Carrasco, who was first chosen for the American visitation, to the effect that the French ambassador and the Abbé Béliardi accounted the triumphs of Gálvez as those of themselves and their nation, and that they lionized him ever since his marriage with a Frenchwoman, that we owe the possibility of connecting Gálvez personally with the economic designs of Choiseul for Spain and Bourbon cause.¹⁶

A search for the reasons behind this French assumption of a generous share of the praise for the labors of Gálvez in America reveals definite French intervention on his behalf at important steps in his career and brings to light a similar relationship between the official lives of such distinguished new world agents of Spain as Alejandro O'Reilly and Teodoro de Croix and the approval of the court of Versailles.

Spain and France agreed after the peace of 1763 that they must concert measures of defense and a plan of rehabilitation if they wished to emerge victorious in the next war with England. The exposed position of the Spanish Indies made it essential that these possessions be given early and careful consideration in the deliberations of the Bourbon powers.

¹⁵ An examination of the entire official correspondence of these officials in the French and Spanish archives through this period is the basis for this statement.

¹⁶ Priestley, *op. cit.*, pp. 39, 40.

Under the impatient urging of Choiseul, a secret committee was formed in Madrid consisting of the Marqués de Grimaldi, representing foreign affairs and in close touch with France, Bailio Julian de Arriaga, the minister of the Indies and marine, and the Marqués de Squillace, the minister of finance, to meet every Thursday,

to discuss matters relative to the future security of the Spanish Indies and the augmentation of His Catholic Majesty's revenues in America, and lastly the restoration of the navy.¹⁷

Early in 1764, the general outlines of the new scheme had emerged. D'Ossun wrote, on January 23,

the arrangements are already decided, above all those which concern the defense of the West Indies, and the three ministers, who meet regularly every Thursday at present are going to consider the means whereby the infinite abuses which have grown up in the interior government of the vast states Spain possesses in America may be remedied and how the revenues of His Catholic Majesty may be increased.

Already, he pointed out, a plan of defense including new fortifications and the formation of new world militia was formulated, and although no conclusions as to commerce had been arrived at, they favored free Spanish commerce to all colonies exposed to contraband trade with payment of moderate duties. Mexican trade was to be kept exclusive but with a reduction of the exorbitant duties then collected.¹⁸ Choiseul applauded the scheme of the committee but commented that it was as yet "a work in speculation and on paper which can only be made honorable and useful by a prompt and complete execution".¹⁹ The commercial reforms, the study of which was thus initiated by the secret committee of imperial defense, were more definitely recommended in a later report of a junta

¹⁷ Arch. Aff. Etr., Espagne, 539, f. 321, D'Ossun to Choiseul, November 14, 1763.

¹⁸ *Ibid.*, 540, ff. 64-68.

¹⁹ *Ibid.*, f. 98, Choiseul to D'Ossun, February 7, 1764.

of experts which reported on February 14, 1765,²⁰ and which José de Gálvez was to carry out first as visitor-general of New Spain and later as minister of the Indies.

As the program of constructing new world defenses was started immediately, money to finance the projects had to be secured. As early as March, 1764, it was determined that the magistrate Francisco Carrasco should be sent to Mexico to institute reforms as superintendent of finance. His release from the obligation and the death of a second appointee, Francisco Anselmo de Armona, opened the way for the appointment of José de Gálvez in 1765,²¹ as inspector-general of the finances of Mexico and visitor-general of New Spain clothed with ample powers to secure the results desired by Spain. A former legal counselor of the French embassy in Madrid, his selection excited the comment by D'Ossun ". . . I believe I can say that he owes this rapid and brilliant fortune to France, as M. l'Abbé Béliardi can explain to you".²² Gálvez's successful career in New Spain was followed with approval by France and held up as an example of what might be accomplished and as an incentive to increased effort.²³ News of his illness in 1766 drew condolence from the French minister and the statement that his death would be a great loss.²⁴

Gálvez's career on his return to Spain, especially as minister of the Indies, after 1775, was followed with close attention by France. His attitude on the Portuguese question in 1776, for example, was praised and he was accorded every support in the hope that a definitive settlement could be brought about.²⁵ In this same year, Gálvez was responsible for the granting of the only considerable trade concession secured by France under the Family Compact. On his favorable advice

²⁰ Priestley, *op. cit.*, pp. 25-29.

²¹ *Ibid.*, pp. 133, 134; Arch. Aff. Étr., Espagne, 540, ff. 217-219, D'Ossun to Choiseul, March 26, 1764.

²² *Ibid.*, 542, f. 134, D'Ossun to Choiseul, February 11, 1765.

²³ *Ibid.*, 545, ff. 93-98, 144; D'Ossun to Choiseul, February 10, 25, 1766.

²⁴ *Ibid.*, ff. 439, 440, May 27.

²⁵ *Ibid.*, 580, ff. 324-326, Choiseul to D'Ossun, May 31.

the French West Indian Islands were given limited trading privileges to specified ports in Venezuela, Cumaná, and Guayaná, permission to navigate the Mississippi to New Orleans, and the right to trade there and in Cuba, with two French commissioners at the Louisiana port to regulate trade.²⁶ On the resignation of Grimaldi as first minister, in November, 1776, Gálvez and Floridablanca were the French candidates for the vacant post. Floridablanca's selection called forth the comment that Gálvez would be the most influential minister and that France could count on him and that Floridablanca, as one of Gálvez's pupils, would also support the Family Compact.²⁷ The Marqués de Croix, Gálvez's chief coadjutor in his North American task, and viceroy of New Spain from 1766 to 1771, was of foreign birth, a native of Lille and of Flemish extraction. He undertook the burdensome duties of his office with great reluctance. The French regarded this officer highly and there is a record in the diplomatic correspondence, which may or may not possess significance, to the effect that de Croix's nephew, Teodoro de Croix, was promised an abbey in France when his uncle went to Mexico as viceroy.²⁸

Alejandro O'Reilly is the most striking instance of a Spanish official who owed his advancement to French influence. From his days of service as Spanish military observer, attached to the French armies in Germany in 1759 and 1760, he was popular with the French. Choiseul wrote to D'Ossun concerning him, August 24, 1760,

. . . I have a far more interesting recommendation to make to you and pray you to support it with vigor to M. Wall. M. O'Reilly an officer sent to our army by the King of Spain has received encomiums

* *Ibid.*, ff. 74-76, 174-176, 188, 189; 581, ff. 53-63, D'Ossun to Choiseul, April 11, May 2, Grimaldi to Aranda, May 6, Instructions for limited free trade to Louisiana, July 8. Cf. for further information on this point *Documents relating to the Commercial Policy of Spain in the Floridas* (A. P. Whitaker, transl. and ed., DeLand, 1931), pp. xxvi, xxvii.

²⁷ *Ibid.*, 582, ff. 253-255; 583, ff. 263-267, D'Ossun to Vergennes, November 11, 1776, February 24, 1777.

²⁸ *Ibid.*, 570, ff. 348-350, D'Ossun to Aiguillon, June 10, 1773.

from our generals on his wise and moderate conduct, his intelligence, his worthiness, and his activity . . . I must admit to you on the basis of the accounts sent me, that I am enthusiastic about this meritorious man, who, if he is advanced, can render great military services to Spain, but whose talents will become useless if he is allowed to grow old in the lower ranks.²⁹

This impression was confirmed when O'Reilly visited Paris in November and was presented at court,³⁰ but, even before that time, Choiseul was informed, on September 24, that the king of Spain had made his protégé a colonel on the strength of his recommendation and that of the king of France.³¹ In December, on O'Reilly's arrival in Madrid, Charles III. accorded him an even greater recognition by an appointment as sub-inspector general of infantry.³² The following February, when Charles III. wished to send an officer to inspect the defenses in the West Indies, D'Ossun wrote:

I did not wish to propose M. O'Reilly to him, although I believe him to be well prepared to carry out the mission and in spite of his [O'Reilly's] private confidence that he greatly desired to be entrusted with the matter. He told me, moreover, that he would wager his head that he could stop all English attacks against the Spanish colonies if his Catholic Majesty would give him twelve battalions of his troops.³³

O'Reilly drew up a plan for the invasion of Portugal in 1762, but the direction of the campaign was given to others, and he was forced to play a subordinate rôle in command of the light troops. D'Ossun's disappointment found vent in the statement,

M. O'Reilly, who is without doubt the most capable of all the Spanish

²⁹ Archivo General de Simancas, Estado, legajo 1715, packet 4541, Choiseul to Masones de Lima, August 24, 1760.

³⁰ *Ibid.*, Masones de Lima to Wall, November 14, 17, 21, 1760.

³¹ *Ibid.*, Masones de Lima to Wall. Arch. Aff. Etr., Espagne, 529, ff. 220-229, D'Ossun to Choiseul, September 8, 1760.

³² *Ibid.*, 530, f. 252, December 22, 1760.

³³ *Ibid.*, 531, f. 195, February 9, 1761.

officers, will not be pleased with this disposition, it is unfortunate that he is Irish and has still only the rank of colonel.³⁴

At the close of the war, O'Reilly was given an important share in the reorganization of new world defenses. He was sent to Cuba and Porto Rico to reform their defenses and to select a good harbor for fortification as a fleet base.³⁵ On his return to Spain, in 1765, he reported in full on his activities not only to his own government but also to the French government through the Abbé Béliardi.³⁶ His part in the protection of Charles III. from the Madrid mob in 1766 might, it was feared, compromise his usefulness since he was a foreigner and Spanish sensibilities were easily wounded. Fortunately, this was not the case, and when, in 1769, the French population of Louisiana revolted against Spanish rule, O'Reilly, on the point of leaving for a tour of military inspection in Porto Rico, Cuba, and Mexico, was, with full French coöperation, entrusted with the delicate task of restoring order. His rapid and successful operation elicited warmest French praise.³⁷ Shortly after his return to Spain in 1770, he was rewarded by appointment as inspector-general of Spanish infantry with wide powers, and placed in charge of a school of officers at Avila. This promotion was viewed by France as an evidence of a genuine desire on the part of Spain to improve its army.³⁸

In the ensuing years French support of O'Reilly was unwavering. Even his disastrous attempt before Algiers in 1775 failed to shake their faith in him, and public irritation against him was regarded as the unfortunate result of his foreign birth. Vergennes minimized its importance saying, "Algiers

³⁴ *Ibid.*, 534, f. 297, December 14, 1761.

³⁵ *Ibid.*, 541, ff. 122-123, copy of O'Reilly's orders.

³⁶ *Ibid.*, 543, ff. 338-342; 544, ff. 41-51, D'Ossun to Choiseul, August 12, September 9, 1765. O'Reilly had found Guantanamo Bay to be the best harbor but too difficult to fortify.

³⁷ *Ibid.*, 557, ff. 405, 422, 423, Choiseul to D'Ossun, September 5, 12, 1769.

³⁸ *Ibid.*, 559, ff. 547, 548; 560, f. 14; 573, ff. 138-141; D'Ossun to Choiseul, June 15, Choiseul to D'Ossun, July 3, 1770; D'Ossun to D'Aiguillon, February 28, 1774.

and Morocco are flies more annoying than dangerous, England is the monster against whom we must always be prepared".³⁹ O'Reilly's "ill-luck" was seen as a blow to French prestige but in nowise a proof of incompetence on his part. As a result of this attitude and of the faith of Charles III. in his officer, O'Reilly was not disgraced, despite the activities of an Aragonese anti-French cabal. He was appointed captain-general of Andalusia, left in his post as inspector general of infantry, and was spared an investigation into his conduct.⁴⁰

France, in addition to the favor thus accorded Spanish officials, transferred experts from her own services to those of Spain. The Marquis de Vallière was sent into Spain and initiated the reorganization of Spanish arsenals and siege equipment, in September, 1763. He then departed for America where he planned and carried into execution the new fortifications of Havana.⁴¹ M. Maritz was placed in charge of the casting of cannon for Spain and successfully used copper from the Indies by the introduction of new methods in 1774.⁴² M. Gautier, the presiding genius in the rebirth of Spanish naval strength designed and built ships of the line and frigates which cut the sailing time to Buenos Aires to fifty-four days for the voyage.⁴³

From this brief survey it should be evident that France exercised a more definite influence on Spanish reorganization in the years following 1763 than formerly supposed, and that Béliardi was not the sole avenue through which Choiseul reshaped the instrumentalities of Bourbon power for a new war with England. D'Ossun and Grimaldi, from a study of the diplomatic dispatches, emerge as the most powerful agents of his policy, and in addition to French experts in Spanish

³⁹ *Ibid.*, 576, f. 341, Vergennes to D'Ossun, July 28, 1775.

⁴⁰ *Ibid.*, 578, ff. 4-7, D'Ossun to Vergennes, October 2, 1775.

⁴¹ *Ibid.*, 538, ff. 103-112, 321; 539, f. 225; 543, ff. 268-276, D'Ossun to Choiseul, April 4, September 19, 1763, July 28, 1765.

⁴² *Ibid.*, 573, ff. 385-387, 448-449, D'Ossun to Choiseul, May 30, June 27, 1774.

⁴³ *Ibid.*, 543, ff. 220-230; 560, ff. 4, 74, D'Ossun to Choiseul, July 15, 1765, July 2, 1770, Choiseul to D'Ossun, July 23, 1770.

service, it would seem that some of the "key men" confided with the basic tasks of reform in the Spanish Indies, like Gálvez, Croix, and O'Reilly were, to a considerable extent indebted to France for their positions. Finally, it will be noted that the entire program of colonial reform was worked out by a secret committee of ministers under French prompting over a year in advance of the detailed report brought in by the junta of 1765, which has heretofore been regarded as the starting point of colonial reorganization in the reign of Charles III.

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