Tolerance and Endogamy: Entrepreneurial Strategies in Eighteenth-Century Spain

Paloma Fernández Pérez

Departament d'Història i Institucions Econòmiques, Universitat de Barcelona

I. Introduction

Some historians have established a simple but often useful image of Europe in the early modern period according to which there would have been two different social and economic systems functioning at the same time, until at least the eighteenth century: on the one hand, a feudal system based on an agricultural economy and a hierarchical social organization, and on the other, a commercial system in which trade would have made socio-economic mobility and tolerance easier to experience than in the feudal system[1].

It is a very simple scheme, with multiple exceptions. It is probably not very helpful if we try to fit it to the entrepreneurial behaviour of the mass of peasants and artisans who owned the places in which they worked and their work tools, and whose activities were probably a mixture of "feudal" and "modern commercial" customs, particularly in rural areas with protoindustrial activities. Nevertheless, I think that this conceptual framework is still useful in order to classify and differentiate two types of entrepreneurial behaviour in early modern Europe: on the one hand, that of the owners of vast landholdings who managed land in order to receive prestige and social esteem and not primarily to obtain economic benefits, and, on the other hand, the behaviour of the big merchants whose business activities linked products, people and ideas

[1] E.W.Fox, *History in Geographic Perspective. The Other France* (New York, 1971), p. 66.

from different regions and countries. They shared a common cultural factor: they developed their different business strategies in societies in which the pursuit of economic profit was very often considered less important than the pursuit of other cultural values like honour, purity of blood, family prestige, and religious salvation.

In Spain many big landowners and big merchants of the early modern period have been well studied, particularly by social historians specializing in the study of the nobility and of the so-called "bourgeoisie", and also by economic historians specializing in the growth of agricultural and seigneurial revenues and in the development of trade.[2] More recently, scholars interested in the fruitful possibilities of business history have undertaken studies in which successful entrepreneurial strategies and the survival of these two groups receive more attention[3].

This study, which adopts the second type of approach, aims to analyze important characteristics of the entrepreneurial behaviour of the merchants involved in the Spanish-American colonial trade during the eighteenth century, focusing on the merchants of Cádiz. During most of the eighteenth century the southern town of Cádiz was the only official centre of the Spanish monopoly of trade with the "Indies". There are published studies about the economic results of this transoceanic trade[4]. Little is known, however, about the "visible hand"

[2] There are some relevant contributions in the three-volume collective work published as *La burguesía española en la edad moderna* (Madrid, 1996). Interesting studies in Spain are regularly published in *Noticiario de Historia Agraria, Revista de Historia Económica*, and in *Revista de Historia Industrial*.

[3] General references in F. Comín and P.Martín Aceña (eds.), *La empresa en la historia de España* (Madrid, 1996). For the particular case of the town of Cádiz, P. Fernández Pérez *El rostro familiar de la metrópoli. Redes de parentesco y lazos mercantiles en Cádiz, 1700-1812* (Madrid, 1997). Also, P. Fernández Pérez, "Bienestar y pobreza. El impacto del sistema de herencia castellano en Cádiz, el emporio del orbe, 1700-1812", *Revista de Historia Económica*, XV, 2 (1997), pp. 243-268.

[4] The classic works of reference about the volume of trade from and to the port of Cádiz are still, despite their incomplete character, A. García-Baquero, *Cádiz y el Atlántico (1717-1778)* (Cádiz, 1976); J. Fisher "Imperial Trade and the Hispanic Economy 1778-1796" in *Journal of Latin American Studies* 13 (1981), pp. 21-56. And some contributions in the collective work *El comercio libre entre España y América Latina, 1765-1824* (Madrid, 1987).

of this trade, and particularly about the entrepreneurs of Cádiz and the complex strategies they had to develop in order to trade in a very risky world full of uncertainty and imperfect flows of information[5].

Trade has historically depended upon the existence of reliable short-distance and long-distance contacts, and the most reliable human relationships have historically been cultural and family relationships. This article offers information about the Cádiz merchants and establishes that in their professional world one of the most common strategies of survival and success was to associate business and kinship. First, we identify who the merchants of Cádiz were, particularly with data about their geographical origin (birthplace), economic differentiation, and married status, for the period between 1700 and 1812. Then, the article analyzes two particular entrepreneurial strategies put into practice in order to establish and extend commercial activities in the peninsular centre of Spanish colonial trade. As M. B. Rose or R. Church have shown for Britain, cultural factors have to be considered in order to understand entrepreneurial behaviour and strategies, and this article closely follows this argument[6]. Ideological tolerance and geographical and professional endogamy were in Cádiz two cultural factors that the merchant elite transformed into entrepreneurial strategies of success. As for tolerance, the Castilian *meseta* was in the eighteenth century still dominated by inquisitorial minds and people who created serious obstacles to the growth of a cosmopolitan community of entrepreneurs in Spain. Nevertheless, commercial cities by the sea like Cádiz (and, formerly, Seville) were in comparison very tolerant urban centres that allowed the commercial

[5] The exceptions fundamentally are my own work and many of the good studies published by Manuel Bustos about the complete number of merchants in the town and their geographical origins, and also Bustos' work on a few individual cases. See M. Bustos, *Los comerciantes de la Carrera de Indias en el Cádiz del siglo XVIII (1773-1775)* (Cádiz, 1995) which is basically a study about the Cádiz 1773 census.

[6] M.B. Rose, "Beyond Buddenbrooks: the family firm and the management of succession in nineteenth-century Britain", in J. Brown and M.B. Rose (eds.), *Entrepreneurship, Networks and Modern Business* (Manchester and New York, 1993), pp. 127-143. Also the complete issue devoted to "family capitalism" in *Business History* (October 1993), vol. 35, No. 4.

activities of people of very diverse origins, cultures, and religions. As for endogamy, it is here considered as another significant entrepreneurial strategy that brought business success. Atlantic cities like Bordeaux, Bristol, Cádiz, and Sao Paulo, among others, were places with a strong presence of entrepreneurs from different geographical areas. Demographic studies on the socio-economic effects of immigration have provided an important conceptual framework to help us study some of the strategies used by entrepreneurs to carry on their business in early modern Europe. The first wave of immigrants usually faced difficult and uncertain conditions in order to create their own business, or to be employed by other entrepreneurs. A different language, culture, society, and above all imperfect flows of information were serious obstacles to developing a creative economic business. Establishing close ties with people of the same origin and culture was often the crucial factor for survival and success. This study shows how in the town of Cádiz Irish, French, Basque, Catalan, and Italian merchants who arrived during the first decades of the eighteenth century usually worked with merchants born in the same regions or villages, and often tried to marry women who belonged to families with the same cultural background. In this way many of them could establish successful commercial houses where their offspring could later work. As this work will show, the sons and daughers of the first immigratory wave did not have the same problems that their parents had faced. Usually second and third generations enjoyed the connections, networks, and wealth created by the first generation of immigrants. Often they shared their parents' culture, but they also belonged to Cádiz and to Andalusia more than the first generation did. Their strategies were less endogamous than their parents'.

The article will conclude by arguing that the turn of the century witnessed the end of the cultural foundations for business success that the town of Cádiz had enjoyed for nearly a century. At the same time, the upper strata of the entrepreneurial elites of the town decided that trade was no longer as profitable as it had been earlier on, and chose new careers and investments.

II. Cádiz in the eighteenth century

During the eighteenth century Cadiz was the centre for the Spanish monopoly of trade with its American colonies. Between the end of the seventeenth century and the last decades of the eighteenth century the strategic importance of Cádiz in world trade routes attracted merchants from all the different Spanish regions, and also from Italy, Ireland, France, Holland, England, and (albeit less) from other territories of Northern and Central Europe and from Spanish American possessions.

This heterogeneous professional group accounted for 15 per cent of the Cádiz population during the eighteenth century, without considering women[7]. The number of wholesale traders in Cádiz varied, between 200 and 500 throughout the century, which was higher than in any other Spanish town of the time. Of these total figures, the number of Spanish wholesale traders were: 289 between 1749 and 1752, 218 in 1762 and 422 in 1771.[8] The proportion of *matriculados,* or merchants registered in the *Consulado de Comercio* compared to the total group of wholesale traders was between 65 per cent and 68 per cent, with about one third of them pursuing their activities outside the *Consulado.* According to the 1773 *padrón* (municipal census), roughly 60 per cent of Spanish wholesale traders were born outside the actual province of Cádiz, 4 per cent in the province of Cádiz, and 34 per cent in the town of Cádiz. If we only consider *matriculados* registered between 1743 and 1778, only 29 per cent of them were born in Cádiz.

According to these figures, there was a high number of immigrants within the merchant community of Cádiz. Two thirds of the Spanish merchants involved in colonial trade (*matriculados* or not) had no roots in Cádiz, and no relatives in the area. The figures of wholesale traders for another maritime town of Spain like Barcelona show quite the opposite, because in this case more than 82 per cent of the

[7] M. Bustos, *Historia de Cádiz. Los siglos decisivos* (Madrid, 1990), pp. 54-56.

[8] These figures include nationalized individuals.

wholesale traders were born in the town where they usually worked[9]. If we now consider only foreign merchants in Cádiz, according to the *Verificación del Catastro de Ensenada* there were 153 individuals in the town in 1762, and 386 according to the 1773 *padrón*[10]. The difference between these two years must be related to different criteria used in the sources. Despite the problems, if we compare these figures with the ones above, for Spanish merchants, it is easy to observe the extraordinary weight of foreign merchants in Cádiz. In 1713 in the category of *comerciantes* 25 per cent were Spaniards and 75 per cent were foreigners, whereas in 1773 foreigners still made up 44 per cent of the group[11]. In short, the Cádiz merchants were a professional group

[9] Data for Barcelona in R. Fernández, *La burguesía comercial barcelonesa en el siglo XVIII* (Barcelona, 1987, unpublished Ph.D. diss.).

[10] The figures are approximate, and cannot be exact because they depend on the number of words referring to merchants or *comerciantes* a historian selects from the original source. The 1773 *padrón* had manifold words to qualify *comerciantes*. I have here used figures given by A. García-Baquero in his *Cádiz y el Atlántico* (p. 491). Manuel Bustos has studied the 1773 *padrón* and has chosen a different terminology, which explains differences between García-Baquero's and Bustos'figures. According to Bustos, in 1773 there were in the town 429 Spanish and 413 foreign merchants and traders, plus 16 undetermined individuals. Their birthplace was: Andalusia (256), Basque provinces (75), Galicia (35), Castile (56), Santander and the Montaña area (29), Navarre (23), Catalonia (16), La Rioja (16), Valencia (8), Asturias (7), Murcia (3), Alicante (1), Aragón (3), America (9), France (211), Italy (91), Ireland (48), Flanders (19), Holy Empire (18), England (11), Switzerland (6), Holland (3), Sweden (3), Portugal (2), Serbia (1), undetermined (16). In total, 858 merchants and traders. For the end of the century and first decade of the nineteenth century, we do have figures from another source, the *Almanak Mercantil o guía de comerciantes*. According to this eighteenth-century periodical publication, between 1795 and 1800 there were in the town between 650 and 780 wholesale merchants. These figures drastically dropped to 308 in 1803 after the yellow fever, and slowly rose to some 470 wholesale traders before the French siege, in 1808. For the figures in the *Almanak*, see P. Fernández Pérez, *Prensa económica del siglo XVIII. El Almanak Mercantil o Guía de Comerciantes (1795-1808)* (Barcelona, 1987, unpublished senior thesis, U.B.), p. 200.

[11] Spanish and foreign merchants lived mostly in the eastern and north eastern quarters of the town of Cádiz, close to the bay, in the quarters of San Antonio, La Cuna, Angustias, Rosario, Candelaria, El Pilar, and San Carlos. See P. Fernández, *El rostro familiar de la metrópoli*, chapter 4, and M. Bustos "Urbanisme et négoce à Cadix aux XVIIème et XVIIIème siècles", *Bulletin du Centre d'Histoire des Espaces Atlantiques 4 (1988)*, pp. 169-173.

in which approximately only one fifth of its members had been born in the town.

There was an internal hierarchy within the group, if we now consider economic power and experience in colonial trade[12]. There were big *casas de comercio* or mercantile partnerships, and powerful well-established wholesale merchants. Usually linked to them, for short to medium-term deals, were the "starters" or merchants related to the powerful and more experienced merchants, who were younger or had fewer connections and fortunes. According to a 1729 document drawn up by the Cádiz *Consulado*, young or unsuccessful merchants were the ones who usually had to acquire experience and wealth and therefore they were the ones who had to travel more often to American markets. On the other hand, mature and successful merchants usually stopped going on colonial trips and stayed in Cádiz[13]

Series of the *Catastro* created for fiscal purposes in the middle of the century (1749-1753, and 1762) show that a limited number of merchants, basically foreigners, enjoyed most of the declared benefits obtained through colonial trade: 218 Spanish merchants (50 per cent of all the wholesale traders in the town) only received between 17 per cent and 18 per cent of all the declared *utilidades* or annual commercial profits of the Cádiz wholesale merchants. Within this group, a majority declared very "poor" results from their commercial activities: 70 per cent had profits valued below 1,000 *pesos* a year, and 50 per cent of them below 500 *pesos* a year. Only two had estimated annual profits of 6,000 *pesos*. However, foreign merchants showed much better results: 10 per cent of the 153 foreign merchants had yielded profits below 1,000 *pesos*, whereas more than 30 per cent had yielded more than 5,000 *pesos*

[12] See D. Ozanam, "La colonie française de Cadiz au XVIIIème siècle d'après un document inédit" (1777)", *Mélanges de la Casa de Velázquez* 6 (1968), pp. 259-348.

[13] Archivo General de Indias. Indiferente General. Legajo 2301. There were exceptions, notably that of the well-off Francisco Sánchez de Madrid, Marquis of Casa La Madrid, who died during a transoceanic trip.

a year[14]. Sources produced for fiscal purposes often show very incomplete views of the economic results of entrepreneurial activity, but in this case they seem to confirm the entrenched historiographical argument which says that foreigners took the lion's share of the profits from colonial trade in eighteenth-century Cádiz, while Spaniards were only left with the crumbs. The sources, however, have problems of transparency and reliability. Private books of account and diaries or inventories after death might solve and correct this black and white image[15]. Unfortunately, few sources of this kind are preserved in Spanish public or private archives. The situation is quite different in the case of Brazilian and English archives, where thousands of inventories and diaries are kept. In these two countries the State required that inventories be drawn up and preserved, an intervention into private affairs that the Spanish Bourbon kings did prevent[16]. Economic historians have complained about the scarce number of inventories after death available in the Cádiz notarial archives, compared to the relative abundance of such documents in Sevillian archives[17]. It is difficult to obtain a more

[14] The *Utilidades del comercio* of the 1749-1753 *Catastro* and its 1762 *Comprobación* included an estimate of the annual commercial profits of Spanish and foreign *comerciantes* alike. It was made by three specialized persons, but there was no direct declaration nor tax investigation since *comerciantes* opposed the latter inasmuch as "in such cases it would cause serious damage to many individuals, and an enormous loss of reputation. If such an investigation took place and the real resources of everybody be discovered, then public opinion might stop giving credit to those individuals whose wealth was inferior to common belief. And this would be the ruin of the commissioned agents of a *comerciante* and of the *comerciante* himself" (own translation from original source). The 1771 series was a list made up for the *Única Contribución* with an estimated value about how much Spanish *comerciantes matriculados* should contribute according to what real estate possessions they owned, and the number of people included in their professional and home service (clerks, servants, slaves). For comparisons, annual profits above 1,000 *pesos* a year in Cádiz constituted the average annual profits of the members of the Spanish group of merchants, a very low figure compared to what we know about commercial profits in Spanish America at the same time in articles and books by D. Brading.

[15] The figures were estimated data, and not trustworthy declarations from interested parties. Besides, the 1749-1753 and 1762 lists reflected static annual profits, without showing enormous changes in personal fortunes that a single year brought to merchants in Cádiz.

[16] For Brazil, see M. Nazzari, *Disappearance of the dowry: women, families and social change in Sao Paulo, Brazil (1600-1900)* (Stanford, 1991). For English context, C. Shammas, *The Pre-industrial Consumer in England and America* (Oxford, 1990).

accurate idea about economic hierarchies, though generally speaking qualitative sources like notarial records, literary writings and ecclessiastical records, tend to confirm the observations taken from fiscal sources.

These qualitative sources also reveal that despite relative differences in terms of economic success, Spanish and foreign merchants very often started their entrepreneurial activities in a similar way, either in colonial trade or in other activities (like buying and renting houses and giving loans to other merchants) by connecting entrepreneurship to kinship. Well-known successful merchants of Cádiz, foreigners and Spaniards alike, obtained capital (dowries, loans, bequests), reductions in information costs and human networks (commercial partners, clerks, commissioned agents, clients) through family bonds[18]. The practice of ideological tolerance and the establishment of endogamous networks of alliance were, in this context, two significant entrepreneurial strategies of survival and success.

II. Tolerance and Endogamy as Entrepreneurial Strategies

In the 1770s Cádiz occupied fourth place in the population of peninsular Spanish towns, with roughly 65,000 inhabitants, and an average annual growth of 0.87 between 1717 and 1773. This growth started to

[17] L. Carlos Álvarez Santaló and A. García-Baquero published a study on Sevillian fortunes at the end of the eighteenth century and early nineteenth century, using around 222 inventories after the death of *comerciantes* in that area, in their "Funcionalidad del capital andaluz en vísperas de la primera industrialización", *Revista de Estudios Regionales* 5 (1980), pp. 109-110. In his Ph.D. dissertation, A. García-Baquero pointed out that an exhaustive search through 450 *legajos* of nine notaries (out of the town's thirty two notaries in the eighteenth century) only yielded 22 inventories of *comerciantes* working in Cádiz, in his *Cádiz y el Atlántico, I, p. 507.*

[18] Some examples: the Irish Nicolas Langton obtained his initial capital to start his commercial partnership through his wife's dowry (Archivo Histórico Provincial de Cádiz, Notaría 9, protocolo 1619, folios 412-417); the Spaniards Valiente had nothing when he married, yet the 40,000 *pesos* he brought to his marriage were a loan from his uncle and father-in-law given to him to help him establish his commercial career (Archivo Histórico Provincial de Cádiz, Notaría 14, protocolo 3169, folios 151-155); José del Duque y Muñoz received after his wedding more than 45,000 *pesos* as his legitimate share of his father's and mother's inheritance (Archivo Histórico Provincial de Cádiz, Notaría 5, protocolo 1039, folios 153-182, and also Notaría 9, protocolo 1625, folios 358-368).

slow down in the 1780s and was definitely in decline in the 1790s and around 1800, mostly due to the commercial crisis and the dramatic impact of the yellow fever. In 1800 about 7,383 people died and about 14,000 persons fled from the town because of the epidemics. The siege of Cádiz by the French army reversed the trend, bringing forward a wave of immigrants from all over Spain: the town had more than 90,000 dwellers by 1810, a figure which after 1813 decreased by about twenty thousand.

Cádiz's surface area covered barely 8.5 square kilometres, including the space within and outside the walls, and marginal lands with salt and sand. Only 107 hectares, an eighth of the total area, were within the walls containing 98 per cent of the municipal population. The densities of this peculiar Spanish town, with 8,000 inhabitants for every square kilometre in 1773 and more than 9,000 in 1791 could be justly claimed as skyrocketing[19]. Immigration, in Cádiz, was obviously a direct consequence of the town's commercial activity. We do not have many reliable figures, but we know that during the last quarter of the century there was a positive migratory balance of 25,238 persons, with a net immigration rate of 13.86 per thousand. The truth is that we know very little about the Cádiz immigrants. We know almost nothing of peninsular immigrants, and little more on foreign immigration[20]. The proportion of foreigners living as permanent residents was 12 to 14 per cent of the whole population of Cádiz between 1714 and 1787[21].

[19] Demographic details in J. Pérez Serrano, *Cádiz, la ciudad desnuda. Cambio económico y modelo demográfico en la formación de la Andalucía contemporánea* (Cádiz, 1992), pp. 70-97.

[20] Relevant studies on foreigners in Cádiz have been published by a long list of scholars specializing in the field like J. Everaert, J.J. González and Manuel Bustos (on Flemish merchants), N. Boddaert, A. Girard, H. Sée, D. Ozanam, L.M. Enciso Recio, S.J. Stein, P. Vial and A. Du Boisrouvray (on French merchants), H. Sancho de Sopranis (Genoese community), and A. Solé (Irish community).

[21] P. Collado Villalta, "El impacto americano en la Bahía: la inmigración extranjera en Cádiz, 1709-1819", *Primeras Jornadas de Andalucía y América* (Huelva, 1981), I, pp. 49-73. The exact figures of foreigners resident in Cádiz, according to Collado, were 520 individuals in 1714, 3,216 in 1791 and 2,823 in 1801. His sources mostly include heads of household, which means that a high proportion of legal minors and women have been excluded. This gender bias has been partially modified by N. Boddaert in "Presencia extranjera en el Cádiz del siglo XVIII: las mujeres", in *Cádiz en su historia. II Jornadas de Historia de Cádiz* (Cádiz, 1983), pp. 43-67.

These proportions seem to have been very high compared to other European towns of the time, though maritime towns playing a key role in international trade routes of have always attracted large numbers of foreigners. In eighteenth-century Spain the towns of Alicante, Málaga, El Puerto de la Orotava in the Canary Islands, and Barcelona, also provided shelter for large communities of foreigners, in particular Italian, French, and Irish men and women. If we consider other European Atlantic towns, French towns like Bordeaux also grew because of Irish and German immigration[22]. In the case of Cádiz, Italians and particularly Genoese individuals had historically been the group more firmly rooted in the history of the town since the thirteenth century, with families preserving their names from the sixteenth until the eighteenth century (the Marrufos, the Negróns, and the Sopranis). Genoese families belonged often to the local elite, occupied municipal offices (*regidurías permanentes*), created blood and spiritual ties with noble families established during the medieval Reconquest, and financed a Genoese chapel in the main Catholic parish of Cádiz[23]. The Flemish community was also quite important from the sixteenth and seventeenth centuries, but undoubtedly the community that could be compared to the Italian one throughout the early modern period was the French colony, which was very strong until the end of the century with well-known families like the Behics and the Macés, who displayed their power and sense of identity in a private chapel devoted to Saint Louis in the San Franciscan church of Cádiz. Irish immigrants, many coming from the Irish area of Waterford, had a minor but

[22] E. Giménez López, *Alicante en el siglo XVIII: economía de una ciudad portuaria en el Antiguo Régimen* (Valencia, 1981), A. Guimerá Ravina, *Burguesía extranjera y comercio atlántico: la empresa comercial irlandesa en Canarias (1703-1771)* (Madrid, 1985). In Málaga foreigners represented 4 to 10 per cent of the whole population, according to B. Villar García *Los extranjeros en Málaga en el siglo XVIII* (Córdoba, 1982). R. Fernández Díaz for Barcelona in *La burguesía comercial barcelonesa en el siglo XVIII* (Barcelona, 1987, unpublished Ph.D. diss.). For Bordeaux, L.M. Cullen and P. Butel (eds.), *Négoce et Industrie en France et en Irlande aux XVIIIème et XIXème siècles. Actes du Colloque Franco-Irlandais d'Histoire. Bordeaux, Mai 1978* (Paris, 1980).

[23] Above all, see H. Sancho de Sopranis *Los genoveses en Cádiz antes del año 1600* (Jerez de la Frontera, 1939).

persistent presence throughout the eighteenth century in Spain and France, mostly due to religious reasons. Málaga, the Canary Islands, Cádiz, and Bordeaux, were only some of the centres where the Irish presence was quite significant, and kinship ties very often linked families (the Molones, the Terrys, the Macnamaras, the Powers, the Whites, the Quiltys, the Walsh family, and the Valois, and the Cologans, among many others) with members living in such distant places. Other foreign communities established their roots in Cádiz, though with fewer individuals than the above-mentioned groups. These included Portuguese, German, English, Swiss, Swedish, Greek and Dutch men and women.

According to the register of foreigners of 1794, almost 70 per cent of all permanent foreign residents had been living in the town for more than ten years, and 42 per cent of them for more than twenty years. Of this group, approximately 50 per cent were single, but of the remaining 50 per cent who were married, 49 per cent married a native Spanish woman[24]. Another source, forty-six *cartas de naturaleza* given to foreigners whose permanent residence was Cádiz, betweeen 1700 and 1787, significantly confirms that many immigrants married native women and founded families who left a long-lasting mark on the town's history. Of the forty-six foreigners who obtained the legal privilege to be considered Spaniards in order to trade with Spanish American markets, forty married Spanish peninsular and Spanish American women. Only seven had lived in Spanish territories for less than twenty years, which was the legal minimum time required to apply for the privilege, while thirty-two of them had been living in Spain for more than twenty years. Of these thirty-two, twenty-one had spent more than thirty years of their life in Spain, and all of them had bought real estate and were permanently settled[25].

[24] See P. Collado, "El impacto americano", p. 67-69, and P. Fernández *El rostro familiar de la metrópoli*.

[25] Archivo General de Indias. Sección Consulados. Libro 445. "Listas de las tomas de razón, o copias de Reales Cédulas de naturaleza destos Reinos para comerciar en los de Indias a varios estrangeros con las ampliaciones y limitaciones que en ella se espresan, del año de 1700 a 1787".

In such a context, integration and tolerance were needed for survival. Evidence of such tolerance was the residence in the town of non-Catholic individuals, and also the celebration of mixed wedding ceremonies. In 1791 the town had 96 Protestant, 15 Schismatic, and 5 Muslim persons[26]. On the other hand, a review of the Santa Cruz and the San Antonio parish registers, and of the Diocesan marriage records, shows the existence of public weddings between Catholic Spanish women and Protestant foreign men of diverse nationalities[27]. Tolerance was closely related to the weakness of the power of the Inquisition in Cádiz. Theoretically Cádiz was the place where heresy should have been more closely hunted down in Spain, but the High Court of Seville frequently ordered its local officers or *comisarios* to turn a blind eye and to keep silent when faced with the performance of a play by Voltaire or other forbidden authors in the French theatre of Cádiz[28]. Forbidden books were secretly available and read in the town, as the contemporary Antonio Alcalá Galiano indicated in his memoirs, and the practice of other religions was respected and even protected with the knowledge of the highest authorities in the country. In fact, international treaties and the personal intervention of the general captains of Andalusia had been safeguarding the economically profitable presence of foreigners since the seventeenth century[29]. The authorities preserved the peaceful co-existence of this melting-pot, because tolerance was above all a daily necessary practice for entrepreneurship in colonial trade centred on Cádiz. Trade could not flourish without trust, in times when personal and family capitalism

[26] P. Fernández Pérez, *Family and Marriage Around Colonial Trade. Cádiz, 1700-1812* (University of California at Berkeley, 1994, Ph.D. dissertation, p. 74).

[27] These were, however, a small proportion of all the weddings in Cádiz. A survey of all marriage books of the San Antonio parish between 1788 and 1812 shows only four religiously-mixed unions between Lutheran men and Catholic women. San Antonio was one of the town districts with the strongest presence of foreigners. Archivo Parroquia San Antonio in Cádiz, Libro 1, folio 97, 128v., 139 v and 156.

[28] D. Ozanam, "Le théâtre français de Cadix au XVIIIème siècle", *Mélanges de la Casa de Velázquez* X (1974), p. 216.

[29] A. Domínguez Ortiz, quoted in P. Fernández Pérez *Family and Marriage Around Colonial Trade...*, p. 75.

dominated economic life[30]. Religion was in this town a private affair that was respected by all so that the ethics of trade (order, trust, reputation) would be preserved in public. In such a fertile ground, something close to what we would call today freedom of thought and expression developed in the town, according to testimonies of local priests, friars, and local delegates of the Sevillian Inquisition[31]. Only seven merchants of the town were denounced to the Inquisition as being heretics, before 1750[32]. The local clergy denounced from their pulpits the liberty of opinion about religious affairs, the spirit of curiosity and the freedom with which people in Cádiz spoke about everything. Civil authorities did nothing to back the clergy's opinions until very late in the century.

Tolerance was a clear result of the integrated and diverse melting-pot of people from all over the world: 60 per cent of Spanish merchants in Cádiz, in 1773, had born outside the present territory of the Cádiz province: 50 per cent of them came from Andalusia, and the other 50 per cent from the Basque provinces, Galicia, Castile, León, Santander and Montaña area, Navarre, Catalonia, La Rioja, La Mancha, American territories, Valencia, Asturias, Murcia, Aragon, Alicante, and the Canary Islands in order of importance, according to the *padrón*. First in numerical importance were Andalusians. Northerners then followed. Among them, Basques had been working as sailors in Cádiz since at least the fifteenth and sixteenth centuries, living in the town before the 1596 English attack. The attraction of Cádiz as a major trading post, and also insufficient resources in times of demographic growth in the Basque area explain the strong migration of these northerners to Cádiz. As with the Genoese and the French community, Basques also publicly showed their collective identity and power with

[30] P. Fernández Pérez, "Leadership succession in Spanish family firms" *Proceedings of the European Business History Association Conference in Rotterdam, 1999* (Centre of Business History, Rotterdam, 2000), pp. 503-512.

[31] Archivo Municipal de Cádiz, Actas del Cabildo, 1776, folios 341v-342. Also Actas del Cabildo, 1788, folio 454v.

[32] A. Morgado "La religiosidad del comerciante gaditano dieciochesco. Posibles líneas de investigación", in A. García-Baquero (ed.), *La burguesía de negocios en la Andalucía de la Ilustración* (Cádiz, 1991), II, p. 376.

important external signs like the chapel of Biscayne *pilotos* in the old cathedral. The *cántabros* had a *cofradía* that was associated with them in the San Franciscan church in Cádiz, and the Biscaynes chose the church of San Agustín for their own *cofradía* of *Cristo de la Humildad y la Paciencia*, founded in the seventeenth century and still preserved today[33]. Catalan entrepreneurs had also been visiting Cádiz since the sixteenth century, and their presence was particularly significant from the 1680s onwards as a way of widening their participation in American colonial trade[34].

Both foreigners and Spaniards kept their cultural identities alive. The foreign nations located in Cádiz had diplomatic and fiscal privileges, and even those foreigners who renounced these privileges to become *vecinos* preserved particular external signs of their cultural identity like their own languages and religion, showing particular preference for commercial partnerships with people from the same cultural backgrounds. Thus, Basque merchants like Matías de Landáburu declared in their last wills that many Basque young men had to learn Castilian because they could only speak Basque languages in Cádiz. There was even a project in the 1780s to set up a pious foundation in Cádiz to finance a permanent Basque confessor able to listen to confessions from "the sons of those provinces who do not possess a language other than their own". The project was to be financed by merchants born in the Basque provinces[35]. After centuries of co-existence and integration, cultural diversity was preserved and respected to protect very different cultural identities. In this way commercial deals between European and American merchants were made possible throughout a century.

[33] J. Garmendia Arruebarrena, *Cádiz, los vascos y la Carrera de Indias* (San Sebastián, 1990), and also *Vascos en Cádiz (siglos XVII-XVIII)* (San Sebastián, 1986); M. Ravina Martín, *Vascos en Cádiz: una nueva fuente para su estudio* (San Sebastián, (1983).

[34] C. Martínez Shaw, *Cataluña en la Carrera de Indias 1680-1756* (Barcelona, 1981); J. M. Oliva Melgar "La aportación catalana a la Carrera de Indias en el siglo XVIII" in *Actas I Congreso de Historia de Andalucía* (Córdoba, 1978): II, pp. 113-131. And J.M. Delgado Ribas, "Cádiz y Málaga en el comercio catalán posterior a 1778" in *Actas I Congreso de Historia de Andalucía..., I, pp. 127-140.*

[35] Archivo Histórico Provincial de Cádiz, Notaría 9, protocolo 1662, folios 446-447.

Ideological tolerance was a cultural and political practice and the entrepreneurial repercussions were felt by the entire heterogeneous Cádiz merchant community. Endogamy, however, was an entrepreneurial strategy usually put into practice by a more restrictively defined group: the non-Andalusian upper strata of the Cádiz merchant elite. Evidence of the entrepreneurial function that endogamy exercised on this more reduced group was the frequent residing of newly-wed merchants in the mercantile house of their fathers-in-law. In at least twenty families of the merchant elite sons-in-law lived close to their fathers-in-law and often under the same roof after marriage. They lived together for at least two or three years but in several cases for decades[36]. The families shared a common cultural origin or birthplace, or a common profession. For both reasons, this was an endogamous strategy with entrepreneurial objectives: to achieve the firm's survival and continuity after the death of the founder or founders, to keep within the family firm the money that would have been lost to the family partnership in the form of dowries (after a daugher's marriage), and to increase the family firm's financial base with the capital brought to the marriage by a son-in-law associated with the firm as a new family partner.

This residential and professional practice took place in general before the 1770s. After these years, living with one's 'in laws' seemed to substantially decline, according to available records[37]. Secondly, when the practice took place, it did not usually involve more modest partnerships. Often the father-in-law in whose house the couple lived was a well-off and respected merchant. Less often, the son-in-law was a wealthy man, but frequently he was a promising young merchant who helped the family partnership. A third characteristic of this residential and entrepreneurial strategy is that it was rather a temporary, not a permanent, situation. Living in the father-in-law's house only

[36] P. Fernández Pérez, *Family and Marriage Around Colonial trade* ..., , pp. 213-214, and the Spanish version *El rostro familiar de la metrópoli. Redes de parentesco y lazos mercantiles en Cádiz, 1700-1812* (Madrid, 1997), chapters 4 and 5.

[37] Two cases, from the twenty ones mentioned in the text, corresponded to couples married in the early 1790s (Alonso Núñez de Castro's daughter, and Juan Liaño's daugher).

rarely lasted a lifetime, with very few exceptions. Usually sons-in-law lived for a maximum of eight to twelve years with their wive's kin, and more usually from one to two years right after the wedding.

Sometimes there were reasons of solidarity behind the practice of sheltering a married daughter and her husband, but in most of the twenty cases we have examined, the father-in-law had already sons living with him. In these cases the incorporation of young men within the commercial house was not a need motivated by the lack of male offspring who could take care of the commercial desk or clients. In fact, the strategy was often to incorporate sons-in-law in the family firm so in this way sons could spend time on their own education and professional training. Sons-in-law safeguarded, in these cases, the continuity of the family partnership. In the first years of marriage, the newly-acquired member of the family firm, the son-in-law, was supervised, indoctrinated, and controlled. Keeping him at home also had a more economic implication: the concentration of wealth from at least two families, preserving and often increasing the economic and social status of the groups. Dowries could be kept with the rest of the family's property for a longer time, and new fortunes and professional abilities were added to family resources. Both increased the economic and social power of the family firm in Spanish American colonial trade.

This residential practice symbolizes the "tip of the iceberg" in the development of endogamous strategies for entrepreneurial success and survival in eighteenth-century Cádiz. Merchants frequently arranged the marriages of their offspring with relatives and with families of similar geographical origin and similar professional backgrounds. Consanguineous and kinship marriages, in this context, were not a rarity and they served well the goal of unifying property and avoiding the division of family fortunes through the handing over of dowries to outsiders.

Above all endogamy was practised in the cosmopolitan commercial community of Cádiz in a broader sense which went beyond blood, as we already mentioned, to include common geographical origins and professions. Approximately 80 per cent to

90 per cent of the merchants in Cádiz who had been born in peninsular Northern regions and in France, Ireland, and Italy, married women born in Cádiz whose fathers had been born in the areas from which the merchants came. Only 10 to 20 per cent of them married into families of a different origin, with a preference for Andalusians. The proportion of immigrants from other areas of Spain and abroad who married in Cádiz during the second half of the century declined, and Andalusian merchants with Andalusian fathers and Andalusian fathers-in-law increased[38]. The reason was not only the reduction in real immigration but also the creation of a second generation born of the first wave of married migrants established in Cádiz. However, those *comerciantes* whose fathers were not from Andalusia tended to continue marrying into families whose geographical origin was the same as that of their own fathers, irrespective of the birthplace of the *comerciantes* themselves. This strong geographical endogamy of peninsular and foreign immigrants established in Cádiz, and of their descendants, can be explained by several factors: a common language, religion, customs, and traditions would have made integration easier for many entrepreneurs[39].

Irish, French, Italian, Flemish, and also Spaniards from Catalonia, Cantabria, Basque provinces and Navarre, and some rich Andalusians, distinguished themselves by practising a high level of geographical and professional endogamy. Among the merchants of Irish origin there was one particularly large family which had come to be deeply integrated into Cádiz since the early arrival of its patriarch in the first decade of the eighteenth century and until the first decades of the nineteenth century. The patriarch of this family was Lorenzo Lee or Ley. According to nobility records preserved in the Cádiz municipal archives, marriage contracts and marriage records, many Irish merchants like Ley himelf, but also other well-known merchants like Nicolas Langton and Nicolas Jennet, abandoned Ireland as a result of

[38] Mostly from Western Andalusia, the area around Seville and Cádiz.

[39] For a general assessment of the importance of marriage strategies as systems of social reproduction of particular groups, see P. Bourdieu, "Les stratégies matrimoniales dans le système de reproduction" in *Annales E.S.C.*, 4-5 (1972), pp. 1105-1125.

the religious troubles that had plagued Catholic families in that country since the Civil War. They came from distinguished noble Irish families, though they needed to work in Cádiz in order to survive, and they tended to start their commercial careers with their wives'dowries and inheritance. They usually married into Irish families already established in Cádiz.

The case of Lorenzo Ley is very revealing of the general practices of this group. Lorenzo Ley, son of Nicolas Ley and Ana Langton, married Catalina Germana Warnes, daughter of Diego Warnes and Catalina Margarita de Geer, in 1708. The Warnes family was well-established in American colonial trade, and Ley was able to take advantage of the family connection. Ley fathered several sons and daughters. When they grew up, Ley arranged the marriage of his daughter Margarita Patricia to the Flemish merchant Juan Van Halen (in 1730), who became his commercial partner immediately afterwards (in 1732). Ley gave to Van Halen the promised dowry of 6,000 *pesos* in 1735, the year his wife Catalina Warnes died, and Van Halen placed it all into the common fund of their commercial partnership. In the same year they renewed their association, by agreeing to live and work together in the same house. In 1743 a new partner was added to Ley, Van Halen, and Company. This was Miguel Hore, another son-in-law and a merchant of Irish origin who had married María Ana Ley in 1737 and who at that time had a commercial house in Cádiz named *Hore and Browne*. Ley married his two other daughters, Catalina Nicolasa and Ana Manuela, to two other *comerciantes* of Cádiz, the Italian Geraldo Barri and Lucas Martínez Velasco (from Madrid) in 1746 and 1747. At the same time, in 1747, two sons of Lorenzo Ley, Francisco and José Diego, were registered at the *Consulado* of Cádiz after their arranged marriages (in 1744 and 1745) to two Utrera sisters. The Utrera dowries and the money the two Ley brothers had at the time of their marriages were added to the family firm's common funds. In 1750 the two Ley brothers travelled to America to acquire first-hand knowledge of those markets and of their correspondents and commissioned agents and clients. While they were abroad their father Lorenzo Ley died, and the family partnership was dissolved to balance

the accounts. However, Lorenzo Ley's sons-in-law continued the family partnership with different names and persons. In 1763 they formed a new firm with Juan Van Halen, Miguel Hore, Van Halen's son Francisco de Paula and two other merchants of Irish origin (Pedro Langton and Esteban Fleming). Fleming was Miguel Hore's son-in-law, who had married Hore's daughter Gertrudis the year before the partnership, in 1762, Miguel Hore gave him 20,000 *pesos* as his daugher's dowry, on the condition that the sum would be added to the firm's common funds, as Gertrudis herself observed in her last will[40].

The strategy of forming alliances with sons-in-law who were also *comerciantes*, and making them commercial partners, contributed

[40] For nobility records, Archivo Municipal de Cádiz, Pruebas de Hidalguía. Lorenzo Ley, 1749, leg. 10589. Nicolás Langton, 1762, leg. 10597. Catalina Germana Warnes had two brothers, Patricio and Adrián Pedro, both living in America in the early 1740s. Patricio lived in Cartagena de Indias, where he had two sons who in 1744 and 1745 were to become *comerciantes matriculados* in the Cádiz *Consulado* (Manuel Antonio and Patricio José). Adrián Pedro lived in Santísima Trinidad, in Buenos Aires. His three other sisters were also married to merchants, two of Irish origin established in Cádiz, and one of Spanish origin (María Justa married Patricio White, Nicolasa Tomás Power, and Rosa married Sebastián García). Two of these Warnes sisters had sons who would also later become registered merchants in the Cádiz consulate of trade (Catalina had Francisco and José, Nicolasa had Juan Adrián and Juan Bautista). Sources to identify these extended networks are, basically, María Justa's last will in 1743 (A.H.P.C., Not 9, pr. 1605, fol. 458-464). Catalina's daughters were also married to merchants of Irish origin who became the commercial partners of Lorenzo Ley. José Diego Ley travelled to Veracruz in 1750, three months after the birth of his second child: A.H.P.C., Not. 19, pr. 4480, fol. 1241-2; A.H.P.C. Dowry receipt given by Lorenzo Ley to Margarita de Geer and Catalina Warnes in 1708 in Not. 1, p r. 24, fol. 71-74. Last will of Catalina Germana Warnes in Not. 5, pr. 1007, fol. 1037-39. Last will of Lorenzo Ley in Not. 5, pr. 1039, fol. 153-182. The partition of his fortune, in Not. 5, pr. 1039, fol. 302-332. Last will of José Diego Ley in Not. 19, pr. 4480, fol. 121-2. Also in Not. 3, pr. 781, fol. 687-90. Last will of María Margarita Utrera in Not. 3, pr. 773, fol. 74-5 and 394-5. Formation of the company between Ley and Van Halen in Not. 5, pr. 1007, fol. 912-5. Last will of Juan Van Halen in Not. 5, pr. 1040, fol. 679-81. Last will of Lucas Martínez de Velasco in Not. 10, pr. 1855. fol. 657-79. Last will of Ana Manuela Ley in Not. 10, p. 1853, fol. 733-5. For the company between Ley, Van Halen, and Hore, N ot. 5, pr. 1040, fol. 9-51. The company of Van Halen, Ley, Fleming, Hore, Langton, in 1763 in Not. 5, pr. 1040, fol. 663-671. Last will of Miguel Hore in Not. 5, pr. 1040, fol. 672-3. Last will of Mariana Ley in Not. 5, pr. 1041, fol. 424-7. Last will of Esteban Fleming in Not. 5, pr. 1040, fol. 647-8. Last will of Gertrudis de Hore in Not. 5, pr. 1041, fol. 37-8.

not only to concentrating and increasing wealth instead of dispersing it with departing dowries, but also to keeping an eye on the family's reputation and to attracting *comerciantes* who would continue the family business in Cádiz while sons advanced their own careers. In the case of the Ley family, two sons travelled to Spanish America, and one to Rome to seek a high ecclessiastical office. Meanwhile, the sons-in-law remained in Cádiz and kept the family company running.

Endogamy based on common geographical origins, and even religious endogamy, ensured the stability of trading houses, and made the extension of business networks both at home and abroad easier. This was a strategy developed not only in Cádiz, but in key centres of colonial trade on the Atlantic coast, as the case of Bordeaux also proves[41]. The endogamy of these groups of non-Andalusian ancestry included families of similar geographical and cultural background, but their names and the dowries and the groom's capital that were brought to marriages also show that endogamy was often the strategy of the wealthiest sectors of the mercantile community.

Through endogamous practices people with similar professional lifestyles were allied as well. The analysis of the patterns of residence presented earlier on has already revealed the importance of the son-in-law in the commercial strategy of these families. In some respects, their social reproduction was closely linked to having good sons-in-

[41] P. Butel, "Comportements familiaux dans le négoce bordelais au XVIIIème siècle", in *Annales du Midi* 88 (1976), p. 143; D. W. Sabean, "Young Bees in an Empty Hive: Relations between brothers-in-law in a South German village around 1800", in H. Medick and D.W. Sabean (eds.), *Interest and Emotion. Essays on the study of Family and Kinship* (Cambridge, 1984), pp. 171-186. See also D.W. Sabean *Property, production and family in Neckarhausen, 1700-1870* (Cambridge, 1990). For Spanish American territories, D. Brading, *Miners and Merchants in Bourbon Mexico, 1763-1810* (Cambridge, 1971); C. Lugar, "Merchants", in L.Schell Hoberman and S. M. Socolow, *Cities and Society in Colonial Latin America* (Alburquerque, 1986); and S.M. Socolow *The Merchants of Buenos Aires, 1778-1810* (Cambridge, 1978). For Portuguese America, M. Nazzari *Disappearance of the dowry: women, families and social change in Sao Paulo, Brazil (1600-1900)* (Stanford, 1991); A. C. Metcalf "Fathers and Sons: The Politics of Inheritance in a Colonial Brazilian Township" in *Hispanic American Historical Review* 66, 3 (1986), pp. 455-484; and L. Lewin *Politics and Parentela in Paraíba: A Case Study of Family-Based Oligarchy in Brazil* (Princeton, 1987).

law. One could speak, in this context, of the existence of a form of *yernocracia* or power of the son-in-law[12]. This kind of power served to ally families and preserve business continuity through generations. For its success, it was of foremost importance that women were considered not as burdens to be expelled but as important instruments to link merchants with common objectives.

III. Some final remarks

In the first half of the eighteenth century Spaniards, who then formed the largest part of the mercantile community, had exercised social, economic, and political discrimination against newcomers of foreign origin. The non-acceptance of foreigners and above all of their Spanish-born sons (the so-called *jenízaros*) as members of the Cádiz *Consulado* until the 1740s constituted a clear example of such discrimination – despite the fact that *jenízaros* enjoyed the legal right to be members of the board of trade. Another example was the fact that few foreigners occupied municipal offices. Merchants of foreign origin established in Cádiz in the first decades of the century, particularly those who had married Spanish women and had set up family in Cádiz, devised ways to protect themselves and to carry on their commercial transactions with Spanish American markets. The memory of their recent discrimination was a powerful incentive for them to practise geographical and professional endogamy, attracting sons-in-law of a similar cultural background and allowing their sons to leave home to learn the commercial skills outside the family firm. In these entrepreneurial strategies of survival foreigners were joined by well-off Spaniards from the Basque provinces, Navarre, Catalonia, and a few western Andalusians. Like the foreigners, these minority groups of Spanish merchants felt more secure and reduced transaction costs through endogamy and cultural tolerance. At the turn of the

[12] In Spain Julio Caro Baroja was perhaps the first scholar who used the word yernocracia to describe this kind of strategic alliances, in the particular case of the Navarrese group of royal financiers and big merchants of the eighteenth century. In J. Caro Baroja, *La Hora Navarra del XVIII (Personas, Familias, Negocios e Ideas)* (Pamplona, 1969), p. 366.

century the cultural and institutional environment that had favoured businesses in Cádiz collapsed. Wars against France and England, the loss of Spanish American continental markets brought hundreds of bankruptcies but above all intolerance. Royal orders expelled French, Irish, and English merchants from Cádiz at the end of the eighteenth century, and the clergy fiercely attacked unorthodox public discourses. Hundreds of people abandoned Cádiz to find safer places. Cultural diversity and ideological tolerance progressively disappeared, despite the exceptional episode of the French siege of the town and the 1812 Constitution. At the same time, the sources reveal that second and third generations of the entrepreneurial elite of Cádiz were slowly realizing that trade was not as profitable as before, and chose new careers and investments. Some of their choices meant the adoption of a relatively conservative business strategy (land, urban buildings), but some of them would mean the beginning of promising entrepreneurial options for the region that would fully develop in the nineteenth century[43].

[43] Particularly to export sherry and mineral products to European markets. On sherry, see P. Fernández Pérez "Challenging the Loss of an Empire: The González & Byass of Jerez", in *Business History*, 41: 4 (1999), pp.72-87.