

# **The Reform Projects in the Peruvian Viceroyalty at the Beginning of the 18<sup>th</sup> Century. Failures and Successes of Political, Social and Economic Proposals\***

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## ABSTRACT

Over the past several decades, historians have paid increasing attention to the changes in society, politics, and the military brought about by the Bourbon government in the early eighteenth century. Although largely unsuccessful, the reforms undertaken in the first two decades in the Iberian Peninsula, Sicily, New Spain, and Peru highlight an important initial attempt to make the monarchy's government more functional. This article analyses the reform proposals drafted by Carmine Nicola Caracciolo, Prince of Santobuono, during his tenure as Viceroy of Peru (1716-1721). Special focus will be given to proposals that did not lead to successful results, such as establishing the Viceroyalty of New Granada, reforming postal services, abolishing the mita system, and revising the responsibilities of the corregidores.

Over the past several decades, historians have paid increasing attention to the changes in society, politics, and the military brought about by the Bourbon government in the early eighteenth century. It is now recognised that reform efforts were not limited to the reigns of Charles III and Ferdinand VI; indeed, even during Philip V's rule, there were already initiatives – albeit sometimes incom-

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plete or in early stages – that impacted various administrative areas. Thus, on the one hand, in the broader context of the Spanish monarchy, from the peninsular to the colonial reality, the intention to make the administrative machinery more functional contributed to modifying the structure of government; on the other hand, it highlighted all the difficulties inherent to reform projects.

This approach, which focuses more on highlighting failures than the actual changes in political and administrative structures, is especially noteworthy because it encourages us to consider some important questions. Far from being linear and “neutral” in their design and preliminary objectives, the reforms became an expression of balances to be redefined, power games, and the need to create new hierarchies within the court or in local contexts. Analysing their failure, therefore, makes it possible to bring to light the complexity of these dynamics, the unexpected results, and the resistance raised by those actors who perceived such reforms as a potential threat to their own privileges.

To verify these assertions, this article has chosen to use, as a case study, the corpus of reforms that Carmine Nicola Caracciolo, Prince of Santobuono, presented to the *Consejo de Indias* during his years as viceroy in Peru (1716-1721). In his opinion, these reforms, driven in some cases by Cardinal Giulio Alberoni, were intended to make the management of “remote government” more efficient and to eliminate the illicit practices that affected the kingdoms of Peru. However, upon closer examination, it is clear that the way these reforms were defined was closely tied to the personal and factional interests that linked Lima’s local elites with the ministers at the Madrid court. Therefore, understanding their failure means understanding the hierarchies and fluidity of power relations, and not just the existence or absence of mature planning.

### **Carmine Nicola Caracciolo: The Man, The Politics, and the Court**

Adopting this point of view requires a brief reconstruction of the viceroy’s profile and the context in which he began and gradually

consolidated his *cursus honorum*. Outlining the political framework in which his activity took place is useful, in fact, to support the interpretation adopted: the connection between the negative opinions on Caracciolo's reforms expressed by the *Consejo de Indias* and the expulsion of Cardinal Giulio Alberoni from the court. The redefinition of the balance of power in which the Prince of Santobuono was directly involved was a decisive factor – although obviously not the only one – to sanction the failure of his attempt to make significant changes in some administrative and governmental areas.

A member of one of the most important aristocratic families in the Kingdom of Naples, Felipe's ambassador to the Holy See and the Republic of Venice during the War of the Spanish Succession,<sup>1</sup> Carmine Nicola Caracciolo was the first Italian to be appointed to the Andean viceroyalty. During the reign of Philip V, the attribution of offices and honours to members of the Italian elite, previously largely reserved for a smaller group of Castilian or Aragonese nobles, was one of the most important tools for strengthening loyalty to the sovereign and from this perspective, Caracciolo's appointment was no surprise.

During his years living in the Iberian Peninsula – especially in Madrid, but also in Cádiz and Alicante – Don Carmine Nicola forged ties – both familiar and factional – that strengthened the network of power he exploited to his advantage. Talking about the family ties, his wife, Costanza Ruffo, played an important role in her capacity of lady-in-waiting to Queen Maria Luisa Gabriela of Savoy in 1712, as well as his daughter Clara Irene, who in the same year married the Marquis of Crevacuore,<sup>2</sup> heir to the princes of Masserano, and

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<sup>1</sup> V. Favaro, "Tra Roma e Venezia. L'attività diplomatica di Carmine Nicola Caracciolo negli anni della Guerra di Successione Spagnola", in *Cheiron*, n. 1, 2018, pp. 110-133.

<sup>2</sup> In addition to Costanza Ruffo, the Princess of Atri, the Duchess of Havré – from the Lante della Rovere family – and the Princess of Robecq were also ladies-in-waiting to Maria Luisa (M.V. López-Cordón, "La evolución de las damas entre los siglos XVII y XVIII", in J.M. Millán, M.P. Marçal Lourenço (eds.), *Las relaciones discretas entre las Monarquías Hispana y Portuguesa: las Casas de las Reinas (siglos XV-XIX)*, Ediciones Polifemo, 2008, pp. 1382-1383.

one of the most important figures in the court of Philip V, capable of exerting a strong influence on the sovereign. On a broader level, Caracciolo could also rely on the large participation of the “Italian” nobility in key administrative roles, as a result of the new sovereign’s need to consolidate loyalty and avoid the risk of local elites supporting the Austrian faction. Several years later, this engagement grew stronger following key occurrences like the marriage between Philip V and Elisabetta Farnese, as well as the arrival in Madrid of Giulio Alberoni, who would later become a cardinal.

In fact, the presence of the new queen and the cardinal changed the factional balance and gave rise to a political line that would gradually overshadow the French party and strengthen those exponents of the Italian aristocracy who, for years, had revolved around the figure of the sovereign: from that moment on, Giulio Alberoni, the Duke of Popoli and the princes of Giovinazzo, Cellammare and Santobuono formed the most solid and cohesive group of the Italian party at court, capable of surviving the purge that began in the second decade of the 18<sup>th</sup> century.<sup>3</sup> In addition to Princess Orsini, who was immediately expelled from Spain by Elisabetta Farnese upon her arrival, other ministers close to her had to leave their posts and abandon Madrid. In February 1715, Jean Orry, who served as advisor to the Royal Treasury, was dismissed from his position. That same day, jurist Melchor Rafael de Macanaz was sent into exile, and Jesuit Daubenton took over as royal confessor, replacing Pierre Robinet.

The aim was to undermine the political weight and interference of Versailles, to which the death of King Louis XIV on 1 September 1715 would also contribute. Caracciolo became a strategic part of this Italian factional group, especially after forming a close bond

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<sup>3</sup> Restaino Cantelmo, 8<sup>th</sup> Duke of Popoli, obtained the title of Grandee of Spain in 1702 and had been appointed captain of the Italian Company of the sovereign’s new Guard of Corps; in 1713 he commanded the Bourbon troops sent to Barcelona and the following year he was awarded the Golden Fleece (F. Andújar Castillo, “Entre la corte y la guerra. Militares italianos al servicio de España en el siglo XVIII”, in P. Bianchi, D. Maffi, E. Stumpo (eds.), *Italiani al servizio straniero in età moderna, Annali di storia militare europea*, FrancoAngeli, 2008, pp. 105-134.

with Giulio Alberoni,<sup>4</sup> who soon became the main interlocutor of Queen Elisabetta Farnese.<sup>5</sup> Caracciolo's support of the Parmesan abbot's political agenda and his involvement in planning a new government – designed to boost his own influence and the Secretariat of the Universal Office of Indian Affairs at the expense of the *Consejo de Indias* – led to both his rise and swift downfall. This also had an impact on the outcome of the proposed reforms, such as the creation of the Viceroyalty of New Granada, the interventions in the mining sector and the postal system, the collection of the alcabala tax, the monopoly on tobacco and paper and, in fact, the reorganisation of the Royal Treasury.

### The Viceroyalty of New Granada

The Prince of Santobuono arrived in Cartagena de Indias in January 1716 and remained there for a few months before continuing his journey to the City of Los Reyes. His stay in Cartagena, alongside the governor and the royal officials of that province, allowed Carmine Nicola Caracciolo to gather information about the functioning of the viceroyalty and to begin to reflect on the policies to adopt in order to achieve his personal and governmental objectives.<sup>6</sup> In

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<sup>4</sup> There is an extensive bibliography on Cardinal Giulio Alberoni, which includes C. Maqueda Abreu, *Alberoni, entorno jurídico de un poder singular* (UNED, 2009); I. Martínez Navas, "Alberoni y el gobierno de la Monarquía española", in *Revista electrónica del Departamento de Derecho de la Universidad de la Rioja*, no. 8, 2010, pp. 63-110; R.M. Alabrús Iglesias, "La trayectoria política del cardenal Giulio Alberoni (1708-1720)", in *Revista de historia moderna*, no. 29, 2011, pp. 171-184; M. Barrio Gozalo, "El Cardenal Alberoni y España: política religiosa y carrera Eclesiástica", in *Hispania Sacra*, no. 127, 2011, pp. 205-234.

<sup>5</sup> On the figure of Elisabetta Farnese and her role in the international political arena, see G. Fragnito (ed.), *Elisabetta Farnese principessa di Parma e regina di Spagna*, Viella, 2009; M. Mafri, *Elisabetta Farnese. Una regina italiana nella grande politica europea*, Avagliano, 2019; G. Sodano, "L'occhio della madre. La politica internazionale di Elisabetta Farnese", in R. Cioffi, L. Mascilli Migliorini, A. Musi, A.M. Rao (eds.), *Le vite di Carlo di Borbone. Napoli, Spagna e America*, Arte'm, 2011, pp. 81-91; P. Vázquez Gestal, *Una nueva majestad. Felipe V, Isabel de Farnesio y la identidad de la monarquía (1700-1729)*, Marcial Pons Historia, 2013.

<sup>6</sup> The viceroys' stop between Panama and Cartagena was mandatory and was included

this context, Caracciolo's commitment can be interpreted as a way to implement the reforms proposed by Philip V aimed at achieving a greater efficiency of the bureaucratic machine. In fact, Santobuono's action was an expression of the sovereign's clear determination to redesign the government plan to resolve financial and administrative needs and reduce misgovernment and illicit practices. This need was felt even more acutely in the territories of the New World, where the distance from the beating heart of the monarchy encouraged its representatives to acquire greater powers.<sup>7</sup> The distance from the sovereign – and from his control – led officials to increase their powers, creating also a divergence between the political lines defended by Madrid and what was actually promoted at the local level.

Furthermore, the presence of multiple deeply rooted powers in the Peruvian society made it even more difficult to govern effectively. In this context, in March 1716, Caracciolo proposed the creation of a third viceroyalty that would include the regions between Guiana, the isthmus of Panama and the Kingdom of Quito.<sup>8</sup> The pro-

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in one of the points of the instructions issued by the sovereign. In the case of the Prince of Santobuono, the *Instruccion que de ordende S.M. se han mandado formar para que el Signor virrey principe di Santobono la tenga presente y puntualmente la observe*, specified that "llegado el señor virrey a Portobelo visitará por su persona los castillos de la Gloria, el de Todo Fierro y el de San Gerónimo, mandando pasar muestra de todas placas de su dotaciones y por su persona a reconocimiento de sus armas, artilleria y municiones y ynformado de estar o no completo (...) con la misma reserva ynformará a S. M. y la causa en caso de no estar completo. Y pues el presidente de Panamá ha de baxar a Portovelo al recibimiento del señor virrey, combendrá mucho que S. E. con dicho presidente vean y confieran el modo de ympedir la franqueza con que ingleses y olandeses mantienen continuado el comercio en el paraje de aquella costa que llaman de Vastimentos, a mui corta distancia da la ciudad de Portobelo". ASN, Archivo privato Santobuono, vol. 39, *Madrid 20 diciembre 1711*.

<sup>7</sup> J. de la Puente Brunke, "Las estrellas solo lucen cuando el sol se pone. Los ministros de la audiencia de Lima en el siglo XVII y sus expectativas", in *Illes i imperis*, n. 14, 2012, pp. 49-68.

<sup>8</sup> The proposal was accepted by both Alberoni and Philip V, who praised "la prova di probità, di disinteresse, d'amor e di zelo del Santo Buono verso il re e la regina" and undertook to evaluate the possibility of sending "quanto prima un viceré che avrà la sua residenza a Santa Fe". ASN, Archivo privato Santobuono, vol. 40, f. 3, n.n., Giulio Alberoni al Príncipe de Santo Buono, *Madrid, 27 noviembre 1716*.

posal was justified by the necessity to address corruption and inefficiency in the political landscape of the Caribbean arc, a region within the Peruvian viceroyalty that faced administrative challenges because it was far from both Madrid and Lima.

Caracciolo, in his correspondence with the sovereign and Giulio Alberoni, presented his own assessment, which was accepted by both interlocutors without the involvement of the *Consejo de Indias*. As Francisco Eissa-Barroso points out in his volume dedicated to the founding of the viceroyalty, “there is no record of consultation produced by the Council of the Indies,” which “did not receive official notification that a new viceroyalty had been created until almost 18 months after the event.”<sup>9</sup> This centralisation continued to be a feature of the administration of the Kingdom of New Granada, as shown by the correspondence between 1717 and 1719. In addition, the selection of Antonio de la Pedrosa y Guerrero as governor and captain general, followed by Viceroy Jordi de Vilallonga (also known as Jorge de Villalonga), was influenced by the much-vaunted personal connections with Cardinal Alberoni and the Prince of Santobuono.

The adopted procedure was clearly the result of the reform promoted in 1717, whereby the *Consejo de Indias* was effectively deprived of the right to resolve issues relating to the government of

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<sup>9</sup> F.A. Eissa-Barroso, “El Abate, el Consejo y el virreinato: la política cortesana y la primera creación del virreinato de Nueva Granada (1717-1723)”, in F.F. Beltrán, L. Casajús (eds.), *España y América en el Bicentenario de las Independencias*. I Foro Editorial de Estudios Hispánicos y Americanistas, Universidad de Las Palmas de Gran Canaria, 2012, pp. 293-314. The Author also points out that “the king’s ministers advocated a program of reforms both in Spain and Spanish America that aimed at establishing a more executive, effective system of monarchical government in which the king’s main responsibility was no longer the provision of justice, mediation, or resolution of disputes, but rather the more active one of providing good economic government and the conditions necessary for development” (ivi, p. 18). Cfr. also J. Becker, J.M. Rivas Groot, *El Nuevo Reino de Granada en el Siglo XVIII*, Imp. del Asilo de Huérfanos del Sagrado Corazón de Jesús, 1921; V. Tau Anzotaegui, “Las reformas borbonicas y la creación de los nuevos virreinos”, in F. Barrios Pintado (ed.), *Congreso internacional. El gobierno de un mundo. Virreinos y audiencias en la América Hispánica*, Universidad de Castilla-La Mancha/Fundación del Pino, 2004, pp. 431-445.

the American kingdoms, as promulgated by the royal decree of 17 May 1564. Philip II had established that all general orders sent to the West Indies were “marked and [...] signed by those of our Royal Council of the Indies,”<sup>10</sup> which enjoyed the exclusive privilege of communicating with the New World. The reforms of 1717 removed this restriction by legally authorising the king and his ministers to communicate with the indigenous authorities without the intervention of the Council.

In this complex situation of redefinition of government roles and practices, the creation of the new viceroyalty was the response to local problems perceived at Court, while the timing and manner of its foundation were a direct expression of the conflict that arose between supporters of direct control by the Crown over its territories and the *Consejo de Indias*. In 1723, the viceroyalty was abolished and the pre-1717 government structure was restored. The failure to meet the objectives that had formed the basis for its creation – rationalisation of government, greater control of the coasts, elimination of smuggling – and, at the same time, the expansion of jurisdictional conflicts and administrative confusion, demonstrated the failure of the provision.

The creation and assignment of new positions in a context strongly marked by opposition from social groups, and the difficult definition of their respective competences, complicated the exercise of power at the local level. In short, “the cédula abolishing the viceroyalty, dated 5 November 1723, noted that a president could govern the provinces as well as a viceroy; that the viceroyalty had neither increased royal revenues nor eliminated fraud; and that it brought about a great increase in the costs of government.”<sup>11</sup> Furthermore, it cannot be ruled out that the decision to abolish the viceroyalty – which would be reinstated in 1739 – was the result of “general repugnance towards initiatives associated with Alberoni

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<sup>10</sup> *Recopilación*, ley 23, título 1º, libro 2º.

<sup>11</sup> A.J. Pearce, *The Origins of Bourbon Reform in Spanish South America, 1700-1763*, Palgrave Macmillan, 2014, p. 92.

that prevailed in Madrid during the years following his downfall in December 1719.”<sup>12</sup>

Alberoni's fall meant the failure of his entire reform programme. In a brief time, all the men in his circle were purged and, as a result, his international policy lines were abandoned. Within the Bourbon monarchy, the Councils had the opportunity to restore their former functions, and the number of Secretaries of State would once again return to four. The recovery of the full functions of the *Consejo de Indias* would be more gradual, returning to assume a central role in the management of the government of the American territories.<sup>13</sup> The hypothesis of opposition to the cardinal and, consequently, to all those who were part of his entourage could be an interesting key to interpreting the hostilities that, from 1719 onwards, the *Consejo de Indias* began to show towards the Prince of Santobuono: the projects he presented were almost completely rejected and the residence proceedings against him were unusually prolonged beyond the established time limit. Obviously, this does not exclude the possibility that the rejection of the proposals was determined by its objective unsustainability. It should also be noted that the interim transfer of the viceregal office from Carmine Nicola Caracciolo to Prelate Diego Morcillo led to a new change in the political line pursued in the Peruvian viceroyalty and the definition of dynamics that moved in the opposite direction to what had been previously outlined.<sup>14</sup>

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<sup>12</sup> *Ibidem*, p. 93.

<sup>13</sup> “Para diciembre de 1720 había caído el tesorero general y en febrero de 1721 la tesorería volvió a su antigua planta. El 21 de marzo de 1721 el Consejo de Castilla logró la supresión de los intendentes que Alberoni había reintroducido en 1718, lo que representaba una enorme victoria pues con el regreso de los corregidores el Consejo recuperaba un mayor control sobre el gobierno provincial de la Península” (F.A. Eissa-Barroso, “El Abate, el Consejo y el virreinato: la política cortesana y la primera creación del virreinato de Nueva Granada (1717-1723)”, cit., Eissa-Barroso, p. 304.

<sup>14</sup> For a more comprehensive reconstruction of the political dynamics in the Viceroyalty of Peru during the first decades of the 18<sup>th</sup> century, see V. Favardò, *Pratiche negoziali e reti di potere. Carmine Nicola Caracciolo tra Europa e America (1696-1725)*, Rubbettino, 2019.

## The Corpus of Projects of 1719

The reform proposals presented by Caracciolo mainly referred to the organisation of work in the extensive Peruvian viceroyalty. First, the pro rex believed that the creation of guilds could make communications between viceroys, local officials, and miners more fluid.<sup>15</sup> The proposal arose from the positive results achieved by the creation of such corporations in Potosí, Cailloma and Huencavelica, and it was therefore hoped that the same could happen in Lipes, Aullagas, Oruño, Puno and San Antonio de Esquilache. Meanwhile, the viceroy gradually became convinced that it was necessary to change the character of the indigenous workforce, shifting it from servitude to wage-based employment. For some time, both in Spain and in the New World, there had been a lively debate about the advisability of maintaining the *mita* system or, rather, resorting to free and paid labour, supported by the work of convicts and vagrants. The particular attention that the Prince of Santobuono devoted to the issue and his clear position in favour of free labour were, without doubt, also the result of his education and the social and cultural context in which he was raised. The Neapolitan aristocrat's participation in the activities of Italian academies and intellectual circles, where the first pre-Enlightenment ideas were disseminated, as well as his knowledge of the most recent debates – fuelled by jurists – on the inefficiency of servile labour, formed the basis for the viceroy's proposals.<sup>16</sup>

In 1718, the *Consejo de Indias*, in a decree dated 4 May, expressed a favourable opinion on Carmine Nicola Caracciolo's proposal to proceed with the abolition of the *mita*, but only in relation to the

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<sup>15</sup> ASN, Archivio privato Santobuono, vol. 38, f. 11. *Relazione sullo stato delle miniere*. The report also reflects on three possible measures: increasing the value of silver, “dándole el que rende entre las naciones”; recalculating the percentage of tax paid on the value of precious metals downwards, from one-fifth to one-tenth; and limiting the cost of mercury.

<sup>16</sup> N. Meza Villalobos, “Felipe V y el problema etico politico de la provision de mano de obra a la mineria del Perú y Nuevo Reyno de Granada”, in *Estudios sobre politica indigenista española en America*, n. 2, 1976, pp. 313-343.

mines of Potosí. Only later was a positive opinion formulated for the application of the provision to the other mines in the kingdom, beginning with Huancavelica. Opposition, however, soon came from the local political elite. In the metropolis of Lima, it was Dionisio de Alcedo y Herrera, former secretary to Viceroy Diego Ladrón de Guevara and administrator of the Court of Auditors, who expressed a negative opinion, motivated by the unpopularity of the ordinance and the unrest that might have arisen.

The same position was adopted in 1720 by the judge of Lima and former governor-general of Chile, José de Santiago Concha, Marquis of Casa Concha, who had been invited to visit the mines of the kingdom to assess, together with the Prince of Santobuono, the possibility of suspending all forms of forced labour.<sup>18</sup> The issue, which remained unresolved in many of the kingdom's mines,<sup>19</sup> was taken up again later when, through a decree issued on 22 May 1732, it was established that where it was still present, the *mita* would not be abolished. The only concession was an increase in the *mitayos'* wages to four reales per day.<sup>19</sup> Although the complex process of re-regulating the labour force did not achieve the desired objective, it constitutes an important reform experiment that should be analysed in a broader context. Far from being the only area in which the Prince of Santobuono attempted to develop concrete proposals for the Indian administrative apparatus, the proposal to abolish the *mita* is one piece of a puzzle that can be reconstructed through the analysis of projects implemented by the *Consejo de Indias* in December 1719. The

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<sup>17</sup> AGI, Audiencia Lima, legajo 469. *Relación del estado que ha tenido, y tiene la Real Mina de Guanacavelica*, 1726.

<sup>18</sup> Two years after the end of the viceregal mandate, Pedro Ambrosio de Bilbao, ex-corregidor of the province of Pacajes, asked the Prince of Santobuono to continue supporting the project to abolish the *mita*. ASN, Archivo privado Santobuono, vol. 35, f. 1, *Pedro Ambrosio de Bilbao al príncipe di Santo Buono*, La Paz, 25 mayo 1722.

<sup>19</sup> A.J. Pearce, *The Origins of Bourbon Reform in Spanish South America, 1700-1763*, cit., p. 108: "Abolition of the *mita*, meanwhile, was simply ignored in Huancavelica, the superintendent writing five years later to explain his motives for not bringing it into effect. The Crown made no attempt to pursue the matter, and a royal decree of 1733 then officially "restored" the Huancavelica labor draft".

heterogeneity of the problems addressed and the effort to identify acceptable solutions for both the sovereign and the local elites offer another tool for understanding the interaction between the personal dimension of the viceregal experience, the political and social context of the kingdom, and the interests of the Crown.

Therefore, the analysis of the projects is not useful for highlighting the effective implementation of reforms in the Peruvian context, but rather for understanding what knowledge the viceroy had acquired and in which areas he believed it was more important to intervene in order to respond to personal interests and support the Crown's desire to identify valid instruments for increasing the Royal Treasury.<sup>20</sup> It is in this perspective, therefore, that the relevance of the analysis of all his proposals lies.

It is not surprising that one of the most detailed reform proposals refers to the supply of mercury and that, in fact, it complements the proposal to abolish the *mita*. Faced with the difficulties encountered in reorganising the mines of Huencavelica – where the corruption of the *corregidores* and the abuses perpetrated against the indigenous people compromised their operation – the Prince of Santobuono proposed their closure summarising in four fundamental points the advantages that could be achieved by importing mercury from the metropolis: halting the demographic decline linked to the high mortality rate of the indigenous people employed in the mines of Huancavelica; the reduction in the price of mercury; the increase in the *Quinto Real* (tax levied on the extraction of precious metals, equal to 20 per cent of their value) and the income from Indian taxes.<sup>21</sup>

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<sup>20</sup> Regarding the unapproved bills related to the tobacco and paper monopoly, see AGI, Audiencia de Lima, legajo 410. *Decreto de Felipe V al consejo de Indias, Madrid 6 diciembre 1719*. The royal order was as follows: “Remito al Consejo de Indias el proyecto adjunto que ha embiado el virrey príncipe de Santo Buono sobre extablecer estancos del tabaco, y papel blanco en el Perú, para que en su vista me consulte le que se le ofreciere y pareciere”.

<sup>21</sup> AGI, Audiencia de Lima, vol. 410. *Extracto de el proyecto embiado por el príncipe de Santo Bono sobre el transporte de los Azogues de España y la prohibición del trabajo de la mina en Guancavelica. Remitido por S. M. al Consejo con decreto de 2 de diciembre 1719*.

While the first aspect did not require any specific analysis, the other three required the preparation of a detailed report. After re-working some of the information sent by Cardinal Alberoni, Caracciolo had calculated that the use in Peru of 10,000 quintals of mercury coming from Spain would cost 132,000 *pesos*: 50,000 for extraction, 20,000 for transport from Cádiz to Portobelo, 17,000 for crossing the Chagre River to Cruces and from there, by land to Panama, and finally 45,000 to reach Lima and Arica, “where it must be stored in the main warehouse for the distribution of minerals.”<sup>22</sup> Respecting the current sale price of 58 *pesos* and 6 *reales* per quintal, the Royal Treasury would have obtained a net income of 455,500 *pesos* per year. Furthermore, if the projects to open the new Gorgona route for the transport of cocoa from Guayaquil had been completed, travel expenses would have been reduced to only 15,000 *pesos* and income would have increased to 485,500 *pesos*.<sup>23</sup> As for the increase in the *Quinto Real*, which had never normally exceeded 70,000 *pesos*, Caracciolo based his calculations on the experience of the royal officials of New Spain, where the use of mercury from the Iberian Peninsula had resulted in an increase of 200,000 *pesos*. Finally, lifting the indigenous people’s obligation to work in the mines of Huancavelica could guarantee better living conditions and contribute to initiating a demographic recovery with a consequent increase in tax revenue.<sup>24</sup>

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<sup>22</sup> *Ibidem*.

<sup>23</sup> Thanks to the opening of the Gorgona road, mercury could be transported more easily by cart. As for the cocoa project, it was specified that the cost of transport from Panama to Lima could be contracted out: “respecto de que a la buelta de los navios vacíos de Acapulco podrían pasar a Panamá a cargar los azogues, y solo con la demora de tres meses más de viaje de ida y buelta desde Lima a Arica se lograría el transporte sin más gasto que el de 15 000 pesos” (*ibidem*).

<sup>24</sup> The Prince of Santobuono also specified that no attention should be paid to “la objeción que alguno pudiera poner a esta deliberación diciendo que poniéndose en práctica perderá S. M. el beneficio de los quintos del azogue que se sacan de la referida Mina de Guencavelica, porque se consideran los grandes gastos que hace la Real Hacienda de su manutención la de los sueldos de ministros y los grandes rezagos que los mineros quedan debiendo en cada un año de el dinero efectivo que se les anticipa por la Real Hacienda para el trabajo de la mina (sin el cual no se lograría saca alguna de metal) cuios rezagos o débitos de mineros llegan ya a cerca de un millón y medio” (*ibidem*).

The proposal made by the viceroy, according to the calculations made for each point, would benefit the Royal Treasury with 700,000 *pesos* and “this on top of the main achievement of the great Christian and pious importance of thereby alleviating the suffering of the poor Indians and preventing their total destruction.”<sup>25</sup> However, if implemented, the project would impact primarily the *corregidores*, who would no longer be able to profit from the illicit trade in mercury, but also other ministers responsible for its control. The Council noted that the Court of Auditors of Lima, in a document dated 29 October 1718, had highlighted a credit of 1,424,587 *pesos* that was to be collected from the miners and *azogueros* (copper miners) of Huenacavelica.

The extinction of the debt could be compromised by the execution of the project and, in consideration of the size of the sum, it was believed that the viceroy and the prosecutor of the Audiencia should, in the first instance, work to ensure that the Royal Treasury could collect the payment first. Alongside these reformist ideas of the Prince of Santobuono, a novel project to overhaul the postal system, which was discussed in the *Consejo de Indias* on 6 December 1719, was not considered necessary.<sup>26</sup> In fact, it was Bernardo Tinajero de la Escalera who expressed a negative opinion, arguing that the reasons given by the viceroy for drafting the proposal were unfounded.<sup>27</sup> Caracciolo assumed that the delay in communications between Madrid and Lima, that sometimes required up to three years, was the main cause:

“de los mayores desórdenes que allá se experimentan, así en lo que mira a los intereses de S.M. y buena administración de justicia a aquellos vasallos, como en los intereses privados de los mismos vasallos tocante a las cosas de comercio, siendo tal dilación la

<sup>25</sup> *Ibidem*.

<sup>26</sup> RB, ms. II/2875, ff. 251r-269v, *Proyecto del príncipe de Santo Buono sobre establecer un comercio más frecuente de cartas entre la corte y aquella provincia, 6 diciembre 1719*.

<sup>27</sup> R. Hill, *Hierarchy, Commerce, and fraud in Bourbon Spanish America: A postal Inspector's exposé*, Vanderbilt University Press, 2005.

causa más propia de todas las faltas de los poder havientes y de los encomenderos que no cumplen con la puntualidad que deven con sus principales.”<sup>28</sup>

The Neapolitan believed that the expansion of the powers of the viceroy and of the royal ministers had been the result of a lack of letters from the Court which allowed for greater freedom and arbitrariness in the exercise of Peruvian government. In formulating his project for the reform of the postal system, Santobuono considered three fundamental points: its sustainability in economic terms; its feasibility, without incurring excessive logistical difficulties; and compliance with Article 75 of the instructions, which required viceroys to send a dispatch once a year with information on the state of the kingdom.<sup>29</sup>

Regarding the analysis of the annual expenses, Caracciolo calculated the following: 3,000 silver *escudos* for the purchase of a packet boat, plus another 1,000 for the repairs to be carried out after a year of sailing; 4,284 *escudos* for the salaries of the officers on board;<sup>30</sup> 2,430 *escudos* for supplies. The expenses, thus calculated, amounted to 10,714 *escudos* per year, but considering the use of two vessels, the total reached 21,428 *escudos*, of which 6,000 would be allocated to the purchase of the ships and the remaining 16,428 *escudos* to their maintenance. If it had been deemed appropriate to exempt

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<sup>28</sup> RB, ms. II/2875. *Proyecto del príncipe de Santo Buono sobre establecer un comercio más frecuente de cartas entre la corte y aquella provincia*, cit.

<sup>29</sup> “Por lo que conviene a mi servicio y bien de la causa pública de estos mis reynos y los de las Indias, tener noticias frecuentes del estado de aquellas provincias y de lo que necesitan para su conservación y defensa os encargo y mando despachéis cada año un aviso a estos reynos dándome cuenta del estado en que se hallaren aquéllos y su dependencias y negocios, estando advertido que en caso de no ejecutarlo cada año vos y vuestros sucesores mandaré despachar aviso solicitando estas noticias y que el coste y gastos que causare se descontará del sueldo que gozaren” (*ibidem*).

<sup>30</sup> “Un capitán con 30 escudos al mes, 360; un piloto con 25 escudos al mes, 300; un ayudante de piloto con 20 escudos al mes, 240; un contra maestre ydem, 240; un escribano con 16 escudos, 192; un carpintero con el mismo sueldo, 192; un calafate, 192; un despensero, 192; doce marineros que algunos entiendan el manejo de artillería a 8 escudos al mes, 1152; un condestable con 12 escudos, 144; 15 grumetes a 6 escudos, 1080” (*ibidem*).

the Royal Treasury from payment of the aforementioned expenses, an agreement could have been stipulated – for ten or twelve years – with “a person from Andalusia or another part of Spain”<sup>31</sup> who would have benefited from the possibility of using ships for the transport of goods.

Once the analysis of the expenses was completed, the Prince of Santobuono presented the logistics of the voyage: a ship would leave Cadiz on 1 January to arrive in Portobelo on 14 February and would depart for Havana on 2 March. From the Cuban port, it would resume sailing on the 20 of the same month to disembark in Cadiz on 8 May, thus completing the circular voyage in 128 days. In contrast, the departure of the second ship from Cádiz was scheduled for 24 March and, following the route and schedule of the previous one, it would return on 28 June.<sup>32</sup> The proposal, so detailed in its description of places, days and times, would have brought, according to Caracciolo, an undoubted advantage:

“demás del alivio que se tendrá de que cada 92 días pueda haver cartas de Lima en Madrid y en el mismo tiempo, con corta diferencia, cartas de Madrid en Lima, se podrá lograr otra más grande conveniencia de abrir un comercio regular de cartas con los mismos dos pacatebotes quatro veces al año con la Nueva España; pues al tiempo que dichos pacatebotes deven llegar a La Habana (...) se podrán hallar en aquella isla las cartas de México dando órdenes S. M. a quel virrey para que tenga prevenido embarcaciones en La Habana en los referidos tiempos para que reciva las cartas.”<sup>33</sup>

Bernardo Tinajero did not agree on this point: such a precise sailing schedule did not consider that “in accidents at sea, there is no

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<sup>31</sup> *Ibidem.*

<sup>32</sup> Ambos buques realizarían dos viajes al año. Los despachos entregados a los oficiales de Portobelo serían, a continuación, enviados a Lima, siguiendo una ruta terrestre de Portobelo a Panamá y otra marítima de Panamá a Lima, con “una embarcación ligera capaz solo para los víveres del correo y marineros”. Las comunicaciones de Cádiz llegaban a Madrid por una ruta extraordinaria (*ibidem*).

<sup>33</sup> *Ibidem.*

human judgement” and that any forecast could be easily contradicted by adverse weather conditions, by delays in navigation due to attacks by privateers. Furthermore, the idea of allowing assignees to use boats for the transport of goods contravened royal provisions, according to which no postal vessel could carry private goods. The minister therefore did not hesitate to express a decidedly opposing opinion:

“Por todo lo cual, mi sentir es que se debe despreciar la proposición absolutamente, previniéndole al príncipe no entra S. M. en ella, y explicándole que el punto de la instrucción que cita mira a que su celo y cuidado se aplique a remitir continuadamente todos los pliegos del real servicio y de particulares que trafican de Paita y El Callao a Panamá, a cuyo presidente y audiencia encargará los remitan prontamente a Portovelo para que desde allí los dirijan a estos reynos o ya en los navíos de nuevo asiento de negros o en los navíos de aviso de España.”<sup>34</sup>

For the Prince of Santobuono, the reworking of the provisions contained in the decrees or ordinances could be perceived as an attempt to integrate, also through practice, a body of laws that would otherwise have remained insensitive to the social, political and economic changes in the kingdom. Respecting royal authority and its heritage, the viceroy therefore considered it possible to make proposals that would change the regulatory framework. This belief also emerged in the project relating to the *alcabala* tax.<sup>35</sup> Here too, the objectives set and the paths to be followed to achieve them were set out in detail and in a timely manner.

The collection of the Peruvian *alcabala* was assigned to individuals through a public auction. Although the participation of *corregi-*

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<sup>34</sup> *Ibidem.*

<sup>35</sup> AGI, Audiencia de Lima, legajo 410. “Remito al Consejo de Indias el proyecto adjunto que ha embiado el virrey príncipe de Santobuono sobre el aumento del ramo de alcabalas sin perjuicio de mis vasallos, para que en vista de su contenido me consulte lo que se le ofreciere y pareciere” (*Decreto de Felipe V al Consejo de Indias, Madrid, 2 diciembre 1719*). The *alcabala* was a tax established by Alfonso XI in the mid-14th century, calculated as a percentage of the value of goods sold or exchanged.

*dores* was prohibited for activities related to collection and trade, they often operated under the cover of front men. Faced with the impossibility of dealing with this phenomenon, deeply rooted in the territories of the Andean viceroyalty, and convinced that it could increase annual revenues by 50,000 *pesos*, Prince Santobuono proposed abolishing both the use of public auctions to entrust third parties with collection and the prohibition imposed on *corregidores* to carry out commercial practices. On the first point, the reform included the drafting of a list containing the names of all those who would have to pay the *alcabala* tax and the provision regarding the amount to be collected. Having calculated the hypothetical sum to be paid to the Royal Treasury, the magistrates would have paid one third of the sum to acquire the right to sell and exchange goods in the provinces under their government. In fact, the Prince of Santobuono proposed the normalisation of a practice considered illegal in the belief that this measure would benefit both the Royal Treasury – which was guaranteed a secured and punctual income – and resolve the tensions and abuses between the *corregidores* and the Indians.

Firstly, Caracciolo considered that the violation of the law by the magistrates was inevitable: the salaries they received were insufficient to guarantee their livelihood and, therefore, they were forced to resort to illegal tricks to obtain greater profits. Furthermore, the inadequacy of the salary paid had made the position unattractive, “so that if there were no people to fill such positions as *corregidores*, the course of justice would cease entirely and the disorder would be disproportionately greater than what is supposed to result from the trade of the *corregidores*.”<sup>36</sup> Secondly, the possibility for officials to trade in their respective provinces would have helped to improve the conditions of the Indians, who could more easily buy what they needed to clothe themselves and carry out their work activities.<sup>37</sup>

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<sup>36</sup> *Ibidem*.

<sup>37</sup> Caracciolo uses an archetypal description of Indians as lazy and inactive: “Pues siendo el natural de indio tan torpe y perezoso como se save, que sin la fuerza ni travaxará, ni se vestirá ni pagará lo que deve, ni aun tomará un medicamento para beneficio de su salud si no se le obliga con violencia, no repartiendo y fiando entre ellos

In light of the above, Caracciolo's proposal was outlined schematically around the following points: revoke the law that forced magistrates to renounce on commercial practices; allow them a "moderate and justified trade" in basic necessities for the natives – such as "cloth, local clothing, linen, wax, tools, mules" – but prohibiting the sale of products considered as "harmful, such as spirits, and those that are useless to them, such as luxury goods, silks, lace, fabrics and others that only serve to adorn people and not to meet their needs;"<sup>38</sup> and, finally, to assign the *corregidores* the payment of one third of the value of the *alcabala* required in the provinces under their command, in order to guarantee the Royal Treasury a secure income.

While the previous projects included reforms aimed at increasing revenue for the Royal Treasury, the new structure of the *alcabala* in Peru focused instead on revising the administrative system by eliminating the problems arising from delays in tax collection and debt payment.<sup>39</sup> The main element of the reform consisted of a redistribution of functions among the ministers of the Royal Treasury and the appointment, within the Royal Audience, of a third prosecutor to join the two already present for civil and criminal powers, with exclusive jurisdiction within the Court of Auditors.

The opinion formulated by the *Consejo de Indias* seems to foreshadow the accusations that would converge shortly thereafter in the trial against Santobuono. Thus, the prince was accused of having presented a project "so bare that it is based solely on his judgement, when in order to make his correct decision it should have been ac-

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los corregidores los géneros de que necessitan para vestirse y para travaxar, como son mulas y herramientas, se quedaran desnudos y en ozio todo el día y, por consecuencia, incapaces de pagar los reales tributos" (*ibidem*).

<sup>38</sup> *Ibidem*.

<sup>39</sup> AGI, Audiencia de Lima, legajo 410. *Proyecto para la puntual y exacta revisión de las quantas de las caxas del reyno y para la buena administración de sus rentas y de las del tribunal de Cruzada con notable aumento de 100 000 pesos cada año en beneficio de la Real Hacienda*. Sobre los intentos de reformar la hacienda peruana en la época borbónica, see G. Céspedes del Castillo, "Reorganización de la Hacienda virreinal peruana en el siglo XVIII", in *Anuario de historia del derecho español*, no. 23, 1953, pp. 329-370.

accompanied by proceedings and instruments that would qualify the disorders that needed to be amended,"<sup>40</sup> as well as having ignored those royal provisions that would have allowed the restoration of the correct financial administration of the viceroyalty. The members of the Court of Madrid questioned the viceroy about the actions he had taken up to that point and what resistance he had encountered among the governmental and economic elites of Peru. They also invited the viceroy to consult once again the response he had given to a royal dispatch sent to him in September 1716: in this way, he could trace all the remedies that would curb the malfunctioning of the administrative machine and govern without having to resort to "remedies as strange as those contained in his project."<sup>41</sup> In short, the management problems of the Royal Treasury could be solved through a more careful observance of the rules and ordinances by the ministers, without necessarily resorting to the implementation of a new reform.

### Concluding Note

The attention that should be paid to the reformist processes supported by Viceroy Santobuono, and not only to their positive results, allows us to reconstruct processes that are less linear but, precisely for this reason, more complex and profound. The failure of Carmine Nicola Caracciolo's models in extremely broad and diverse areas does not detract from the importance of the paths taken and the actions undertaken by the pro rex, both at the local level and in relations with Madrid. It is clear that different personal, corporate, and institutional interests converged in each of these proposals. Defining the balance between multiple competing powers was one of the key factors in ensuring the successful outcome of the reforms. However, it should be borne in mind that many of the proposals put forward

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<sup>40</sup> *Proyecto para la puntual exacta revisión de las quantas de las caxas del reyno*, cit.

<sup>41</sup> *Ibidem*.

in the early decades of the 18<sup>th</sup> century were a first attempt to change an administrative organisation considered as inadequate, a kind of laboratory and trial that only after extensive review and experimentation saw more lasting results in the middle of the century.

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