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The Politics of Reform in Spain's Atlantic Empire during the Late Bourbon Period: The *Visita* of José García de León y Pizarro in Quito*

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Abstract. This article examines the political imbroglios surrounding the tenure of José García de León y Pizarro (1778–84) as *visitador* and president-regent of the *Audiencia* or Kingdom of Quito, in order to demonstrate the deep political divisions that emerged in Spain's Atlantic empire over the Bourbon Reforms. García Pizarro's policies strengthened the colonial state and produced a dramatic increase in crown revenues, but they also led to a groundswell of protest from local elites and even provoked the condemnation of his successors. These political struggles in Quito reveal the many competing viewpoints about the reform and renovation of Spanish Empire. The Bourbon Reforms emerged from a series of hotly contested political struggles on both sides of the Atlantic, leading to patchy and even distinctive outcomes in different regions of the empire. This political contestation also helps to explain why no coherent, commonly accepted plan for the reform of Spain's Atlantic empire ever emerged during the century.

Keywords: Bourbon Reforms, José de Gálvez, José García de León y Pizarro, Quito, taxation, textiles, *obraje*, *visitador*

Introduction

During the reign of King Charles III (1759–88), the reforming impulse in Spain's Atlantic empire reached its apex in the years following the capture of Havana by the English in 1762. The disastrous loss of this strategic Caribbean stronghold forced the monarch and his advisors to turn their attention to shoring up colonial defences. To pay for these defence outlays, the crown tightened administrative controls, imposed new taxes, and attempted to curtail both contraband commerce and the influence of foreign merchants over legal trade within the empire. The Madrid government

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usually began this reform process by dispatching well-trained, loyal and ambitious royal inspectors (*visitadores*) to gain information and to initiate administrative, fiscal, military and commercial changes. The first of these visitadores, José de Gálvez, led an inspection to New Spain between 1764 and 1772.[1] In the Kingdom or *Audiencia* of Quito, the Madrid government entrusted the inspection to a 41-year-old protégé of Gálvez, José García de León y Pizarro. Along with other visitadores (such as José Antonio de Areche y Sornoza in Peru, Juan Francisco Gutiérrez de Piñeres in New Granada, and Tomás Alvarez de Acevedo in Chile) García Pizarro served as a catalyst for reforming the Spanish Atlantic empire. In several notable cases these inspections caused considerable political ferment, even leading to the outbreak of rebellions in New Spain, New Granada, Peru and Upper Peru.[2]

García Pizarro faced no armed opposition during his tenure as president-regent of the Kingdom of Quito (1778–84), even though he implemented a series of wide-ranging administrative and fiscal reforms in the district. The president-regent had received broad powers from the Ministry of the Indies, which he employed with a mixture of ruthlessness, political cunning and administrative skill to revitalise the colonial state and extract large amounts of revenue from modest regional economies in the kingdom. After his departure from Quito, however, García Pizarro's measures provoked a groundswell of opposition from fellow bureaucrats and prominent local elites. Indeed one successor, Juan Antonio Mon y Velarde, publicly criticised García Pizarro for imposing predatory fiscal exactions, promoting political corruption and overseeing a wasteful expansion of bureaucracy.[3] Mon y Velarde and those who succeeded him favoured policies designed to revive the declining economic fortunes of the kingdom in order to sustain treasury revenues and to foment productive commercial relations with the metropolis.

These political controversies surrounding García Pizarro provide vital insights into the many competing viewpoints about the reform and

[1] Upon his return to Spain, Charles III made Gálvez the first Marqués de la Sonora and in 1775 named him Minister of the Indies, a post he held until his death in 1787. The standard work on Gálvez remains Herbert I. Priestly, *José de Gálvez, Visitor-General of New Spain, 1765–1771* (Berkeley, 1916).

[2] On the rebellions resulting from changes brought about by the Bourbon Reforms, see Felipe Castro Gutiérrez, *Nueva ley y nuevo rey: reformas borbónicas y rebelión popular en Nueva España* (Zamora, 1996); John Leddy Phelan, *The People and the King: The Comunero Revolution in Colombia, 1781* (Madison, 1978); Ward Stavig, *The World of Túpac Amaru: Conflict, Community, and Identity in Colonial Peru* (Lincoln NE, 1999); Sinclair Thomson, *We Alone Shall Rule: Native Andean Politics in the Age of Insurgency* (Madison, 2002); Sergio Serulnikov, *Subverting Colonial Authority: Challenges to Spanish Rule in Eighteenth-Century Southern Andes* (Durham NC, 2003); and Scarlett O'Phelan Godoy, *Rebellions and Revolts in Eighteenth-Century Peru and Upper Peru* (Cologne, 1985).

[3] On Mon y Velarde's career in the Audiencia of Santa Fé, see Ann Twinam, *Miners, Merchants, and Farmers in Colonial Colombia* (Austin, 1982), *passim.*

renovation of the eighteenth-century Spanish Atlantic empire. The infighting among key interest groups with different ideas about reform frequently determined the success or failure of specific Bourbon policies. These political battles over reform often involved a broad array of social groups in the Indies, who mobilised to influence the political process and to advance their own particular goals. The outcome of such conflicts in the political arena, whether they involved elites or a broad coalition of social groups, provide the essential context for understanding social, cultural and economic change in the Spanish Atlantic world. The frequent give and take that occurred in unstable, contested political arenas in Spain and the Indies also helps to explain why no single, cohesive plan of reform ever emerged during the eighteenth century.

Historiography of the Bourbon Reforms

For decades historians of the Bourbon Reforms have debated the coherence and effectiveness of crown policies, focusing particularly on the reign of King Charles III. According to an important synthesis by John Lynch, the crown framed policies that curtailed colonial political and economic freedoms, and collectively the reforms represented nothing less than a 'second conquest of America'.[4] To this end the crown ceased selling public offices, liberalised the commercial system, reformulated administrative boundaries, increased taxes, and renovated military establishments in the Indies. David Brading has contended that such policies led to colonial opposition and 'the permanent alienation of the creole elite'.[5] Other scholars, however, have argued that Bourbon policies lacked such ideological coherence, emphasising instead the diverse and often contradictory aims of Madrid policymakers, who struggled haltingly and inconsistently to balance the crown's fiscal, commercial, administrative and military objectives. This position was stated most clearly by John Fisher in an article reviewing work on the military reforms:

> One wonders occasionally … if the Bourbon Reforms tend to bewitch all who study them. Did they really comprise the smooth, coherent, masterly program of imperial change and revival that generations of commentators, from the very imperial policymakers of eighteenth-century Spain to the researchers of today, have

[4] John Lynch, *The Spanish American Revolutions, 1808–1826* (New York, 1973), pp. 1–37. This viewpoint has also been presented very forcefully in D. A. Brading, *Miners and Merchants in Bourbon Mexico* (Cambridge, 1971), pp. 33–92, and in Brading's chapter, 'Bourbon Spain and its American Empire', in Leslie Bethell (ed.), *Cambridge History of Latin America*, vol. 1: *Colonial Spanish America* (Cambridge, 1987), pp. 112–62.

[5] Brading, 'Bourbon Spain', p. 438. For the intellectual foundations of this opposition, see D. A. Brading, *The First America: The Spanish Monarchy, Creole Patriots, and the Liberal State, 1492–1867* (Cambridge, 1991), pp. 467–91.

identified? Might they not be more realistically depicted in terms of a halting, uncertain, inconsistent desire for imperial modernization and centralization, characterized more by delay, contradiction, and obstruction than by decisiveness?[6]

Following Fisher's reasoning, Allan J. Kuethe has demonstrated that Spanish reformers sometimes promoted markedly different kinds of policies for provinces in its diverse Atlantic empire. In reforming Cuba, Kuethe documents that Madrid loosened trade regulations for Cuban tropical produce, while keeping monopoly controls over Mexican trade. Indeed, the crown even redirected large sums from Mexico's treasuries to support Cuba as a strategic Caribbean military outpost following the Seven Years War.[7] Kuethe's findings have been supported by Jacques Barbier, who examines how political and military events in Europe forced the Madrid government of Charles IV to lurch from one policy to another by the mid-1790s, in a desperate search for the resources needed to meet the exigencies of war.[8]

More recently Stanley J. and Barbara H. Stein have contributed to scholarly discussions about the Bourbon Reforms with their two-volume study of the complex and tangled web of interest groups struggling to shape crown policies.[9] In their first book, *Silver, Trade, and War: Spain and America in*

[6] John Fisher, 'Soldiers, Society, and Politics in Spanish America, 1750–1821', *Latin American Research Review*, vol. 17, no. 1 (1982), p. 217.

[7] Allan J. Kuethe, *Cuba, 1753–1815: Crown, Military, and Society* (Knoxville, 1986), and 'La desregulación comercial y la reforma imperial en la época de Carlos III: los casos de Nueva España y Cuba', *Historia Mexicana*, vol. 41, no. 2 (1991), pp. 265–92. See also Allan J. Kuethe and G. Douglas Inglis, 'Absolutism and Enlightened Reform: Charles III, The Establishment of the Alcabala, and Commercial Reorganization in Cuba', *Past and Present*, no. 109 (1985), pp. 118–43.

[8] Barbier's reinterpretation appeared in a series of articles: see Jacques Barbier, 'The Culmination of the Bourbon Reforms, 1787–1792', *Hispanic American Historical Review*, vol. 57, no. 1 (1977), pp. 51–68; Barbier, 'Peninsular Finance and Colonial Trade: The Dilemma of Charles IV's Spain', *Journal of Latin American Studies*, vol. 12, no. 1 (1980), pp. 21–37; Barbier, 'Venezuelan Libranzas, 1788–1807: From Economic Nostrum to Fiscal Imperative', *The Americas*, vol. 37, no. 4 (1981), pp. 457–78; Jacques Barbier and Herbert S. Klein, 'Revolutionary Wars and Public Finances: The Madrid Treasury, 1784–1807', *Journal of Economic History*, vol. 41, no. 2 (1981), pp. 315–37; Barbier, 'Indies Revenues and Naval Spending: The Cost of Colonialism for the Spanish Bourbons, 1763–1805', *Jahrbuch für Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas*, vol. 21 (1984), pp. 171–88; 'Imperial Policy Toward the Port of Veracruz, 1788–1808: The Struggle Between Madrid, Cádiz, and Havana Interests', in Nils Jacobsen and Hans-Jürgen Puhle (eds.), *The Economies of Mexico and Peru During the Late Colonial Period, 1760–1810* (Berlin, 1986), pp. 240–51; 'Comercio Neutral in Bolivarian America: La Guaira, Cartagena, Callao, and Buenos Aires', in Reinhard Liehr (ed.), *América Latina en la época de Simón Bolívar* (Berlin, 1989), pp. 363–77; and 'Comercio secreto: The Economic and Political Significance of a Fiscal Expedient, 1800–1808' (unpublished paper presented at the International Congress of Americanists, Amsterdam, 1988).

[9] Both books provide empirical evidence supporting a thesis that the authors promulgated in *The Colonial Heritage of Latin America: Essays in Economic Dependence in Perspective* (Oxford,

the Making of Early Modern Europe, the Steins argue that Spain's long-term economic weaknesses allowed French, Dutch, and particularly English merchants to gain access to enormous amounts of colonial silver from contraband commerce and by providing merchandise and capital to lower-Andalusian merchants trading legally through Cádiz.[10] Spanish reformers (*proyectistas*) attempted to curb contraband commerce, regain control over the American trade, modernise state finances and promote bureaucratic controls. However, opposition from corrupt members of the bureaucracy, the entrenched merchant community (centred in the Cádiz merchant guild), and their powerful foreign merchant allies combined to thwart this first phase of reform. In their second volume, *Apogee of Empire: Spain and New Spain in the Age of Charles III, 1759–1789*, the Steins explain how King Charles III and his ministers favoured raising revenues, broadening the tax base, and liberalising trade after losing Havana in the Seven Years War.[11] Reform culminated in the extension of free trade (*comercio libre*), first to Spain's Caribbean islands in 1765 and later to the entire empire, except for New Spain and Venezuela (which were included in 1789).[12] Nonetheless, the Steins argue that these Caroline reformers never intended any large-scale structural reforms; they sought only 'calibrated adjustment' designed to 'shore up the Gothic edifice' of Spain's Atlantic empire.[13] As a result, Spain remained an underdeveloped metropolis, re-exporting British and French goods to the Indies. The Steins conclude that American silver both produced the decline of Spain and fuelled the rise of northern European capitalism.

Within the past few years scholars of the eighteenth century have broadened and deepened discussions about the Bourbon Reforms. These studies have focused on a range of topics such as the intellectual origins of reform, the spread of scientific knowledge, the Atlantic context for reform, efforts to curtail Church power, Bourbon social engineering (such as the reform of marriage, the treatment of slaves, and colonial poverty) and the success or failure of crown polices in different parts of the empire.[14] Influential studies

1970), p. 1, where they argue that from 1492 onwards Spain and Portugal were dependent on northern Europe's more developed economic powers.

[10] Stanley J. Stein and Barbara H. Stein, *Silver, Trade, and War: Spain and America in the Making of Early Modern Europe* (Baltimore and London, 2000).

[11] Stanley J. Stein and Barbara H. Stein, *Apogee of Empire: Spain and New Spain in the Age of Charles III, 1759–1789* (Baltimore and London, 2003).

[12] See Kuethe and Inglis, 'Absolutism and Enlightened Reform', pp. 118–43.

[13] Stein and Stein, *Apogee of Empire*, p. 27. The view that the reforms represented little more than 'shoring up the Gothic edifice' of empire was expressed in Stein and Stein, *Colonial Heritage*, p. 104.

[14] The recent scholarly literature on the Bourbon Reforms is voluminous, but some of the most influential book-length studies include: Jeremy Adelman, *Sovereignty and Revolution in the Iberian Atlantic* (Princeton, 2006); J. H. Elliott, *Empires of the Atlantic World: Britain and Spain in America, 1492–1830* (New Haven, 2006), pp. 292–324; Agustín Guimerá, *El reformismo*

of imperial centres, such as Mexico and Peru, have argued that Bourbon policies had lasting and sometimes detrimental consequences.[15] Other scholars, however, contend that the reforms had only limited impact in New Granada or Chile. Moreover, some Bourbon policies, such as the establishment of new merchant guilds (*consulados*) and economic aid societies, were even embraced by elites in imperial peripheries such as Cartagena, Havana and Buenos Aires.[16] All of these studies, however, view the Bourbon Reforms as important factors in shaping the political, social and economic evolution of Spain and the Indies.

In their recent revisionist articles on Spanish imperial finances, in contrast, Alejandra Irigoin and Regina Grafe downplay the importance of the Bourbon Reforms in the eighteenth-century Spanish Atlantic empire. They first take issue with Nobel laureate Douglass North's criticisms of fiscal over-centralisation within the Spanish empire, which North argues stifled entrepreneurship and impeded economic development. Irigoin and Grafe contend instead that the state in Spain and the Indies was weak, decentralised, and largely served to redistribute income from central zones, such as Mexico, to the peripheries. The Bourbon Reforms had little impact on strengthening this weak Spanish fiscal apparatus, which functioned primarily by negotiation and establishing consensus with wealthy, powerful colonial elites, a phenomenon the authors term 'bargained absolutism'. In the end, Irigoin and Grafe argue that the fiscal redistribution of wealth provided capital and an economic stimulus to poorer peripheral regions of the empire.

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borbónico: una visión interdisciplinar (Madrid, 1996); Francisco Sánchez Blanco, *El absolutismo y las luces en el reinado de Carlos III* (Madrid, 2002); Jorge Cañizares Esguerra, *How to Write the History of the New World: Historiographies, Epistemologies, and Identities in the Eighteenth-Century Atlantic World* (Stanford, 2001); Jordana Dym and Christophe Belaubre, *Politics, Economy, and Society in Bourbon Central America, 1759–1821* (Boulder, 2007); Gabriel B. Paquette, *Enlightenment, Governance, and Reform in Spain and its Empire, 1759–1808* (Basingstoke, 2008); Cynthia E. Milton, *The Many Meanings of Poverty: Colonialism, Social Compacts, and Assistance in Eighteenth-Century Ecuador* (Stanford, 2007); Ann Twinam, *Public Lives, Private Secrets: Gender, Honor, Sexuality, and Illegitimacy in Colonial Spanish America* (Stanford, 1999); and Patricia H. Marks, *Deconstructing Legitimacy: Viceroys, Merchants, and the Military in Late Colonial Peru* (University Park, 2007).

[15] See, especially, Carlos Marichal, *Bankruptcy of Empire: Mexican Silver and the Wars between Spain, Britain, and France, 1760–1810* (Cambridge, 2007), pp. 1–80, and Marks, *Deconstructing Legitimacy*, pp. 55–106.

[16] Gabriel Paquette, 'State–Civil Society Cooperation and Conflict in the Spanish Empire: The Intellectual and Political Activities of the Ultramarine *Consulados* and Economic Societies, c. 1780–1810', *Journal of Latin American Studies*, vol. 39, no. 2 (2007), pp. 263–98. Some earlier studies that minimise the long-term regional impact of the Bourbon Reforms are Jacques A. Barbier, *Reform and Politics in Bourbon Chile, 1755–1796* (Ottawa, 1980); and Anthony McFarlane, *Colombia Before Independence: Economy, Society, and Politics under Bourbon Rule* (Cambridge, 1993).

These redistributions of wealth ended with independence, contributing to economic decline and political instability in the nineteenth century.[17]

The analysis of the Kingdom of Quito undertaken in this paper exposes the deep political divisions that emerged over the Bourbon Reforms, which largely determined the long-term outcome of these policies in the district. García Pizarro governed by building a strong state apparatus, capable of extracting large amounts of tax revenue from the regional economies in the kingdom. Although successful initially, these policies eventually prompted vociferous opposition from local groups and even drew harsh criticism from later presidents of the Audiencia, who emphasised the need to promote local economic development, rather than just heightening fiscal exactions. This debate over the course of reform in the kingdom could only be resolved in volatile and unpredictable political arenas in Spain and the Indies. The success or failure of Bourbon reform policies in Quito and elsewhere in Spain's Atlantic empire resulted from just such political struggles during the reign of King Charles III. Indeed, it was the outcome of this political contestation that shaped the implementation of Bourbon Reform policies, giving them their halting, uneven, and often distinctive outcomes in different regions of the empire.

The Socio-Economic Context for Reform

After the late sixteenth century, when gold production around Zaruma began its decline, the economic core of the Kingdom of Quito was the woollen textile economy of the north-central sierra, which produced *paños, bayetas* and *jergas* for markets in Peru and New Granada. The sale of these rough woollens financed the importation of European luxuries and provided specie for domestic enterprise, regional trade, and government tax receipts. By the 1770s, however, this highland textile economy was mired in a prolonged economic recession, resulting from a combination of epidemics, natural disasters, competing textile mills in Peru, and most importantly, the influx

[17] Regina Grafe and María Alejandra Irigoin, 'The Spanish Empire and its Legacy: Fiscal Redistribution and Political Conflict in Colonial and Post-colonial Spanish America', *Journal of Global History*, vol. 1, no. 2 (2006), pp. 241–67; Alejandra Irigoin and Regina Grafe, 'Bargaining for Absolutism: A Spanish Path to Nation-State and Empire Building', *Hispanic American Historical Review*, vol. 88, no. 2 (2008), pp. 173–209. These controversial views are discussed in a forum in the same issue: see Carlos Marichal, 'Rethinking Negotiation and Coercion in an Imperial State', pp. 211–218; William R. Summerhill, 'Fiscal Bargains, Political Institutions, and Economic Performance', pp. 219–33; and Alejandra Irigoin and Regina Grafe, 'Response to Carlos Marichal and William Summerhill', pp. 235–45.

of cheap, higher-quality European cloth that began in the early eighteenth century.[18]

As recession in the north-central sierra deepened, the southern highlands entered an era of slow, steady prosperity, while the coast around Guayaquil experienced an export boom from the 1770s. Local merchants in the southern sierra provided raw cotton or wool to Amerindian villagers, who turned it into cheap, durable cloth for markets in northern Peru and the coast. Landowners prospered by supplying the demand for foodstuffs in local markets in the southern highlands, northern Peru and the coast. Other estate owners profited from selling abundant supplies of *cascarilla*, a tree bark rich in quinine.[19] By the late eighteenth century a coastal export boom had also begun, based primarily on the production of cacao that plantation owners sent to markets in the Pacific trading zone, particularly Mexico.[20] By the time that García Pizarro arrived in 1778, the Kingdom of Quito actually consisted of three separate economic regions that had only modest commercial interactions with each other. The north-central highlands traded textiles mostly to New Granada, the southern highlands sent crude cloth to northern Peru, and secondarily to the coast, while coastal plantation owners exported cacao to more distant markets in the Pacific trading zone.[21]

The uneven regional patterns of economic development in the Kingdom of Quito posed daunting problems for reformers in Spain and the Indies. The decline of the north-central sierra led to a long-term crisis in regional tax receipts, which had traditionally supported the colonial state. The economies of the coast and southern highlands were more prosperous, but the colonial state was notoriously weak in both regions, and local governments extracted

[18] Kenneth J. Andrien, *The Kingdom of Quito, 1690–1830: The State and Regional Development* (Cambridge, 1995), pp. 33–54, 80–110.

[19] On the evolution of this textile industry, see Silvia Palomeque, 'Historia económica de Cuenca y sus relaciones regionales (desde fines del siglo XVIII a principios de XIX)', *Segundo encuentro de historia y realidad económica y social del Ecuador* (3 vols., Cuenca, 1978), vol. 1, pp. 77–128, and her book, *Cuenca en el siglo XIX: la articulación de una región* (Quito, 1990), pp. 19–25, as well as Manuel Miño Grijalva, 'Capital comercial y trabajo textil: tendencias generales de la protoindustria colonial latinoamericana', *HISLA*, no. 9 (1987), pp. 59–79.

[20] The major works on the coastal export boom are Michael T. Hamerly, *Historia social y económica de la antigua provincia de Guayaquil, 1765–1842* (Guayaquil, 1973), and *El comercio de cacao de Guayaquil durante el período colonial* (Guayaquil, 1976); María Luisa Laviana Cuetos, *Guayaquil en el siglo XVIII: recursos naturales y desarrollo económico* (Seville, 1987); and Carlos Contreras C., *El sector exportador de una economía colonial: la costa del Ecuador entre 1760 y 1820* (Quito, 1990).

[21] The more profitable trade in higher-quality woollens to Lima declined, particularly after the crown ended the forced distribution of European and colonial goods to Andean communities (called the *repartimiento de mercancías*) after the Túpac Amaru rebellion. These distributions always included a considerable amount of woollens from Quito's *obrajes*: see Alfredo Moreno Cebrián, *El corregidor de indios y la economía peruana en el siglo XVIII* (Madrid, 1977), pp. 317–59.

only modest amounts of tax revenue. Somehow García Pizarro had to draw more revenues from the declining north-central highlands and tap the burgeoning economies of the southern sierra and the coast more effectively.

In the decades before García Pizarro's arrival, attempts to raise taxes significantly had provoked violent opposition in the kingdom. Local efforts to increase taxes on the Amerindian population produced several bloody rural revolts, but the most serious and damaging challenge to royal authority occurred in the city of Quito in 1765.[22] When the crown tried to assume direct control over the sales tax (*alcabala*) and the cane liquor (*aguardiente*) monopoly from local tax farmers, riots in May and June 1765 swept aside the Audiencia and established a popular government that ruled Quito for over one year. No other cities in the kingdom joined Quito's revolt against royal authority, however, so the popular government's power remained confined to the capital city and its hinterland. Over several months, however, tensions and deep divisions between members of Quito's creole aristocracy and the plebeians of the city's popular neighbourhoods (*barrios*) weakened the coalition government. As a result, when royal troops from Lima marched into the city on 1 September 1766, they quickly swept aside the rebel government and re-established the royal Audiencia in power. Nonetheless, an uneasy calm fell over Quito, and institutions of the colonial state remained dangerously weak.

The Reforms of José García de León y Pizarro

García Pizarro arrived in Guayaquil early in 1778, a well-connected, rising politician with broad political powers to carry out extensive reforms in the Kingdom of Quito.[23] Over the years he had secured the patronage of several prominent Spanish politicians, including Manuel de Roda, Gaspar Melchor de Jovellanos, Pedro Rodríguez Campomanes, Rafael Múzquiz, and finally the powerful Minister of the Indies, José de Gálvez, who became his steadfast patron.[24] García Pizarro's political ascent was aided by his wife, María Frías y Pizarro, known disparagingly in Spain as 'La Pizarro' for her ceaseless

[22] The seminal work on Amerindian rebellions in the kingdom remains Segundo E. Moreno Yánez, *Sublevaciones indígenas en la Audiencia de Quito, desde comienzos del siglo XVIII hasta finales de la colonia* (Quito, 1985). Three studies on the Quito insurrection of 1765 are Kenneth J. Andrien, 'Economic Crisis, Taxes and the Quito Insurrection of 1765', *Past and Present*, no. 129 (1990), pp. 104–31; Anthony McFarlane, 'The Rebellion of the Barrios: Urban Insurrection in Bourbon Quito', *Hispanic American Historical Review*, vol. 49, no. 2 (1989), pp. 283–330; and Martin Minchom, *The People of Quito, 1690–1810* (Boulder, 1994), pp. 210–41.

[23] José García de León y Pizarro to José de Gálvez, Guayaquil, 19 marzo 1778, Archivo General de las Indias (hereafter AGI), Quito 264.

[24] José García de León y Pizarro, *Memorias de la vida del excmo. señor d. José García de León y Pizarro* (3 vols., Madrid, 1894 edition), vol. 1, pp. 11–14; vol. 3, pp. 125–6.

scheming to advance her husband's career.[25] In 1778 García Pizarro held simultaneously the positions of visitador, president of the Audiencia, regent (the newly created post of presiding officer), *superintendente subdelegado de real hacienda* (chief fiscal officer) and supreme military commander in the district.[26] In addition, he had clear instructions from Madrid to make a thorough review of the fiscal system, with the power to dismiss derelict officials, to audit all accounts, to end or revamp tax farming contracts, to reform or establish royal monopolies and to levy any necessary new taxes. His instructions also mandated that he foment the local economy by encouraging mining, cascarilla production, and regional commerce.[27] These instructions said nothing, however, about reviving the formerly prosperous woollen textile industry of the north-central highlands.

The lingering political weakness of the Audiencia after the insurrection of 1765 further strengthened the position of the ruthless and determined García Pizarro. By 1778 the crown had allowed four vacancies to develop on the high court in Quito, leaving only two civil justices (*oidores*) with any real political clout in the capital. Both men, the Conde de Cumbres Altas and Nicolás Vélez de Guevara, were elderly and sick, which curbed their potential to participate actively in local politics, let alone mount any effective opposition to the able, energetic new president.[28] In addition, the ambitious young court attorney (*fiscal*), Juan Josef de Villalengua y Marfil, quickly forged a close alliance with García Pizarro by marrying the president's daughter, Josefa Pizarro.[29]

A few months after arriving in Quito, García Pizarro wrote a frank policy letter to José de Gálvez outlining the regional economic woes and proposing

[25] Stein and Stein, *Apogee of Empire*, p. 240.

[26] In most regions Gálvez hoped to separate the military, fiscal and judicial administration. According to Brading, 'His idea was to establish a troika system, with regents heading the judiciary, superintendents the exchequer and intendants, and the viceroys retaining civil administration and the military': Brading, 'Bourbon Spain and its American Empire', p. 407. García Pizarro's powers in Quito were even more extensive than those exercised by Gálvez in Mexico, Areche and later Escobedo in Peru, and Gutiérrez de Piñeres in New Granada, who all had to contend with powerful and often suspicious viceroys. Even Alvarez de Acevedo in Chile was named regent of the Audiencia, but he did not hold the presidency: see J. R. Fisher, *Government and Society in Colonial Peru: The Intendant System, 1784–1814* (London, 1970), pp. 18–19, 25, 55; Barbier, *Reform and Politics*, pp. 115–34, Phelan, *The People and the King*, pp. 7, 14–16, 22, 33; and Priestly, *José de Gálvez*, pp. 123–8.

[27] Instrucciones a la Visita de Quito, el Pardo, 4 febrero 1777; 10 marzo, 1777; Cédula, el Pardo, 17 marzo 1777, AGI, Quito 264.

[28] José García de León y Pizarro to José de Gálvez, Quito, 18 enero 1779, AGI, Quito 240. Vélez de Guevara also left Quito for Lima in 1779 to become an *alcalde del crimen* in that city's high court, which effectively removed him as a potential political threat within a year of García Pizarro's assumption of the presidency: see Mark A. Burkholder and D. S. Chandler, *Biographical Dictionary of Audiencia Ministers in the Americas, 1687–1821* (Westport, 1982), p. 349.

[29] Burkholder and Chandler, *Biographical Dictionary*, p. 358.

a number of remedies. Most had been advocated for many years by creole elites eager to invigorate the kingdom's local economy. The new president claimed that European cloth imports had driven *quiteño* woollens from important colonial markets, hindering commerce and creating shortages of specie. Even Guayaquil, with its emerging export economy, lacked an adequate labour force to develop its full agricultural and commercial potential. Moreover, while local silver or gold mines might provide some relief from these economic problems, high mercury prices and labour shortages discouraged their exploitation. García Pizarro proposed three main remedies: curtailing the importation of cheap foreign textiles (*paños de segundo*) from European mills into Lima and the rest of Peru by one-third to one-half of the current levels (along with doubling the import duties); subsidising the importation of 300–400 slaves each year to ease coastal labour shortages; and providing cheap mercury to stimulate silver mining. It was a broadly gauged (if not highly original) economic development programme.[30]

Although this letter identified the principal economic woes of the kingdom and encapsulated policies favoured by quiteño elites, it backfired politically. The fiscal of the Council of the Indies forwarded the suggestions to Jorge Escobedo, a well-connected oidor of the Lima Audiencia, who was working as a subdelegate on the Areche *visita* in Peru.[31] In a letter of 22 May 1781 Escobedo utterly dismissed García Pizarro's plan, claiming that quiteño cloth languished in Peruvian markets because it was inferior to imported goods, mercury was already in short supply for proven mines in Peru and Mexico, and slave labour was too expensive for work on Guayaquil's plantations. In short, Escobedo judged García Pizarro's recommendations utterly impractical.

When the Council concurred with this judgment, the ambitious García Pizarro abruptly changed course, dropping any plans to wring political concessions from Madrid for his subjects. He decided instead to emulate a reform programme utilised by his mentor, José de Gálvez, a decade earlier in New Spain, which emphasised fiscal and administrative reforms aimed at raising revenue rather than promoting long-term economic development. In Quito this involved implementing a far-reaching programme of fiscal, administrative and military innovations that would increase the state's ability to exploit the kingdom's diminished economic resources.

García Pizarro created a centralised fiscal bureaucracy headed by a new agency, the *Dirección General de Rentas*.[32] He removed jurisdiction over the

[30] José García de León y Pizarro to José de Gálvez, Quito, 18 junio 1779, AGI, Quito 410.

[31] Escobedo would succeed Areche as visitador in Peru in June 1782: Fisher, *Government and Society in Colonial Peru*, p. 102.

[32] The royal decree authorising this new bureaucracy was issued on 10 March 1777: see Douglas Alan Washburn, 'The Bourbon Reforms: A Social and Economic History of

collection of several lucrative taxes (Amerindian tribute and the alcabala) and royal monopolies (aguardiente, tobacco, playing cards and gunpowder) from local treasury offices (*cajas*) and tax farmers, placing them directly under the jurisdiction of the Dirección General and its network of sub-treasuries. Fiscal officers working for the Dirección General then deposited surplus income (income minus bureaucratic expenses) from these levies in treasury cajas. The local office of the *Tribunal de Cuentas* (residing in Quito since 1776) audited accounts from the various offices of the Dirección General.[33]

This expansive new network of tax offices, in addition to the various tribute agencies and outlets for royal monopolies, represented an unprecedented expansion of bureaucratic power, allowing the government to intervene in key economic sectors and to influence everyday life throughout the kingdom. After its establishment in 1778, for example, the *Administración General de las Fábricas de Tabaco, Pólvora, y Naipes* in Guayaquil employed 45 officials. The royal factory itself provided jobs for an additional 46 workers, with 61 vagrants and criminals also assigned to the operation. Moreover, all tobacco growers in the coastal region had to sell their crop to the government monopoly at established prices. This affected over 700 planters in Daule and Balsar, 93 in Baba and more than 200 in Portoviejo.[34]

Through a mixture of good fortune and skilful patronage appointments García Pizarro ensured his control over virtually every influential agency in the kingdom, filling important new bureaucratic and militia posts with kin, friends and close political allies among the creole and peninsular elites. When the strategic governorship of Guayaquil became unexpectedly vacant with the transfer of Colonel Ramón Carvajal, for example, the crown named the president's brother, Ramón García de León y Pizarro, to fill the post in 1779.[35] Juan Josef de Villalengua, the president's close ally and son-in-law, still retained a key post in the Audiencia, while his cousin, José de Carrión y Marfil, became Bishop of Cuenca in 1787.[36] Controlling the bishopric was particularly important since the governor in Cuenca, José Antonio Vallejo, frequently clashed with García Pizarro and his growing 'political family' over

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the Audiencia of Quito, 1760–1810' (PhD diss., University of Texas at Austin, 1984), p. 129.

[33] *Ibid*., pp. 129–32.

[34] Estado de Empleados en esta Administracion Gral, Factoria Gral, y Fabrica de Rl Rta del Tabaco, Polvora, y Naipes de Guayaquil y su Governacion, Abril de 1778, AGI, Quito 240.

[35] Allan J. Kuethe, *Military Reform and Society in New Granada, 1773–1808* (Gainesville, 1978), p. 119. José García de León y Pizarro's hard-ball political tactics closely resembled those used by his mentor, José de Gálvez, in his visita in New Spain: see Linda K. Salvucci, 'Costumbres viejas, "hombres nuevos": José de Gálvez y la burocracia fiscal novohispana (1754–1800)', *Historia Mexicana*, vol. 33, no. 2 (1983), pp. 224–64.

[36] Federico González Suárez, *Historia general de la República del Ecuador* (Quito, 1970 edition), vol. 2, pp. 1206, 1219, 1247.

reform policies. In addition, positions in the new fiscal bureaucracy went to allies such as the president's personal secretary, Agustín Martín de Blas, who became head of the Dirección General de Rentas. Of approximately 65 fiscal appointees serving in major administrative positions in the Audiencia district by 1783, only 10 had been appointed before García Pizarro's tenure in office; the rest were the president's own choices.[37] In a similar fashion García Pizarro gave his allies commissions in newly created disciplined militia regiments. Many of these appointments went to prominent creole elites, anxious for honours and fearful of social chaos after the Quito Insurrection of 1765 and periodic highland Amerindian revolts. The Conde de Selva Florida, for example, served as colonel of the Quito infantry, while the Marqués de Miraflores became a colonel in a local unit of dragoons.[38] Such appointments ensured that creole aristocrats and government establishment figures received military titles, securing their loyalty and cooperation with the president's efforts to tighten his political grip on the kingdom.

García Pizarro not only rewarded his allies but also used his considerable political power to punish or remove anyone who opposed his political and bureaucratic control in the kingdom. Following royal orders to maintain public order in the turbulent city of Quito, for example, the president abolished the office of city *corregidor*, removing a potential barrier to his consolidation of power in the Audiencia district.[39] A history of incompetence and scandal at the Guayaquil and Quito treasury offices allowed García Pizarro to remove several political enemies and replace them with his own appointees. When the Guayaquil treasury official José de Gazan opposed his policies, for example, the president charged that Gazan was 'demented' and summarily dismissed him. While several contemporaries agreed that Gazan was a difficult colleague, most also commented favourably on the quality of his work.[40]

[37] Razon de los empleos de Real Hacienda que hay establecidos en Quito y sus Provincias, y los sugetos Destinados enellas los quales se colocan en la devida Distincion y Separacion de Ramos y Pueblos, segun proviene la Real Orden de 12 de Marzo de este ano de 1783, Quito, 1783, AGI, Quito 240. Even those few men still serving in 1783 with fiscal appointments that predated García Pizarro's tenure were usually his partisans. Josef de Guarderas, later comptroller of the *Administración de Alcabalas* and the treasurer of the Quito treasury office, and Juan Bernardino Delgado y Guzmán had served on the visita, a common way to gain favour with the president and advance through the quiteño bureaucracy in those years: Hoja de servicio de José de Guarderas, Quito, 1797; Hoja de servicio de Juan Bernardino Delgado y Guzmán, 1795, AGI, Quito 232.

[38] Kuethe, *Military and Society*, pp. 121–2.

[39] José García de León y Pizarro to José de Gálvez, número 26, Quito, 18 septiembre 1780, AGI, Quito 240.

[40] José García de León y Pizarro to José de Gálvez, Quito, 18 enero 1779, AGI, Quito 240, número 60. García Pizarro blamed this behaviour on a painful stomach illness suffered by Gazan. While several colleagues commented on the unorthodox behaviour of the irascible Gazan, most also testified to his competence, including the chief auditor of the Quito office of the tribunal of accounts, Francisco Antonio de Asilona: see Informe del Consejo,

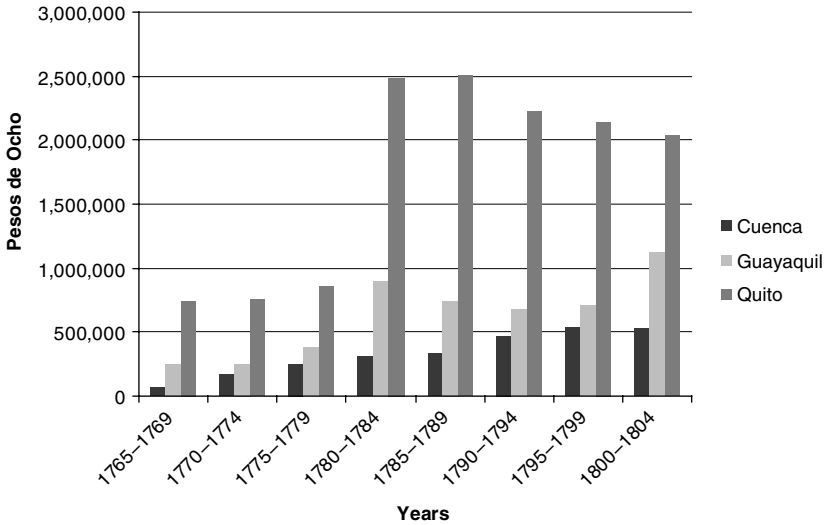

Fig. 1. Income of Cuenca, Quayaquil and Quito, 1765–1804. *Sources*: Cuentas de la Caja de Quito, 1765–1803, AGI, Quito 416–29; Cuentas de la Caja de Cuenca, 1765–1803, AGI, Quito 453–8; Cuentas de la Caja de Guayaquil, 1765–1804, AGI, Quito 469–75, 477.

The same pattern emerged in Quito, where the president removed both treasury officials, Sebastián Bermúdez Valledor and Nicolás Ignacio Talón, allegedly for failing to account for 27,000 pesos in public money.[41]

The dramatic upsurge in tax receipts in the kingdom clearly demonstrated the effectiveness of this new colonial state apparatus (see Figure 1). Treasury receipts in the Cuenca district, where the reforms had a more limited impact, grew from under 65,000 pesos in the period from 1765 to 1769 to over 526,000 pesos between 1800 and 1804. Meanwhile, income flowing into the Guayaquil treasury soared from over 249,000 pesos to over 1,100,000 pesos during the same time period. Both regions experienced substantial economic growth, which the reinvigorated state apparatus tapped with greater efficiency, draining investment capital that might have gone into entrepreneurial activities to sustain local economic prosperity. The increase in government revenues was most impressive, however, in the economically depressed north-central highlands. Income flowing into the Quito treasury (bolstered by remittances from Guayaquil and Cuenca) shot upwards from under 746,000 pesos in the aftermath of the Quito insurrection (1765–69) to

Madrid, 27 abril 1778, AGI, Quito 377; Francisco Antonio de Asilona to crown, Quito, 31 agosto 1778, AGI, Quito 411.

[41] José García de León y Pizarro to José de Gálvez, Quito, 18 marzo 1779, 18 agosto 1779, AGI, Quito 240; Fianzas de Nicolás Talon y Sebastián Valledor, Quito, 23 febrero 1785, AGI, Quito 592.

over 2,500,000 pesos in the years between 1785 and 1789.[42] Such heavy fiscal exactions on the declining north-central highlands undoubtedly exacerbated the downward economic spiral of the region.

The dramatic increase in government revenues depended largely on levies on the coastal export economy and highland Amerindians. The per capita tax burden in the Guayaquil region, for example, soared from 11 reales in 1765 to over 48 reales by 1780, nearly twice that paid by citizens in Europe's most prosperous nation, England. Between 1765 and 1769, receipts from indigenous tribute in Quito amounted to 209,532 pesos, while from 1780 to 1784 they reached nearly 530,000 pesos, nearly 30 per cent of the total revenue collected in the treasury district. In effect, this transferred wealth from the coast and the poorest highland groups to pay the salaries of elites working in non-productive bureaucratic jobs in Quito.[43]

Government salaries and this transfer of wealth from Guayaquil and Cuenca to Quito apparently allowed the quiteño elite to live above its means as the manufacturing economy of the north-central highlands continued its inexorable decline in the late colonial period. According to alcabala receipts, the north-central highlands experienced a serious imbalance between imports and exports. By the late eighteenth century the region imported between 200,000 and 400,000 pesos annually in European and colonial merchandise, yet exports never exceeded 150,000–200,000 pesos. This trade deficit was apparently offset by government salaries and other miscellaneous payments (particularly remittances from Cuenca and Guayaquil), which totalled at least 150,000 pesos annually. In short, rising public sector salaries and government transfer payments provide the most plausible explanation for how elites afforded such high levels of European imports. In effect, the reformed colonial state established by García Pizarro promoted a reallocation of resources from the coast, the southern highlands and Amerindian communities to support the consumption of highland elites.[44]

From the presidency of García Pizarro onwards the colonial state also siphoned these royal funds away from the colony. Each year the colonial treasury in Quito spent whatever was necessary to meet local bureaucratic expenses, and sent the remainder to Cartagena, either to support the port city's defences or for shipment to Spain. Remittances from Quito to the Cartagena treasury increased from under 110,000 pesos in the period 1700–04 (37 per cent of total expenditures) to nearly 1,100,000 pesos between 1800 and 1803 (over 56 per cent).[45]

[42] Andrien, *The Kingdom of Quito*, pp. 196–201.
[43] *Ibid.*, pp. 195–206.
[44] *Ibid.*, p. 155.
[45] Cuentas de la Caja de Quito, 1700–04, Archivo Nacional de Historia, Quito (hereafter ANH-Q), Real hacienda 10; Cuentas de la Caja de Quito, 1800–03, AGI, Quito 427–9.

Given the president's political and fiscal successes in Quito, it is no great wonder that García Pizarro received accolades from Madrid. The Minister of the Indies himself, José de Gálvez, wrote congratulating the president, and when he left Quito in 1784 García Pizarro received his expected promotion to the Council of the Indies.[46] The Madrid government even named the president's protégé and son-in-law, Juan Josef de Villalengua y Marfil, to succeed him as president-regent of the Audiencia. This apparently ensured that the political power structure constructed by the president and his allies would endure.[47]

The Opposition to García Pizarro

Despite these successes and his lavish use of bureaucratic patronage to quell local opposition, a few years after García Pizarro left Quito complaints arose about his blatant nepotism, corruption and tyrannical rule. The former president-regent and his 'political family' had allegedly either bought off or cowed their enemies among the creole aristocracy and government establishment. Some opponents, silenced while the president ruled in Quito, even claimed that the García Pizarro clan had extorted bribes to enrich themselves, taken kickbacks from the illegal sale of public offices and used local militia to enforce their unscrupulous plans.[48]

Although García Pizarro remained an influential member of the Council of the Indies, the death of José de Gálvez in 1787 probably left the former president more vulnerable to charges from opponents in Quito. On 9 October 1788 the crown ordered a special investigation (*pesquisa*) of specific allegations raised against García Pizarro while he ruled the Kingdom of Quito. When the viceroy of New Granada, Francisco de Gil y Lemos, received the order to begin the pesquisa, he entrusted the task to Fernando Quadrado y Valdenebro, a straitlaced justice of the Quito Audiencia renowned for his personal and professional integrity.[49] According to the Bishop of Quito, Quadrado was a very 'rare bird' because 'integrity with money and integrity with women is miraculous in these provinces'.[50]

This pesquisa faced formidable opposition from President Villalengua, the successor and political heir of García Pizarro, who had no intention of

[46] All of the regents dispatched by Gálvez were elevated to the Council of the Indies: see Mark A. Burkholder, 'The Council of the Indies in the Late Eighteenth Century: A New Perspective', *Hispanic American Historical Review*, vol. 56, no. 3 (1976), p. 417.

[47] González Suárez, *Historia general del Ecuador*, vol. 2, p. 1215.

[48] Francisco de Gil y Lemos to Fernando Quadrado, Santa Fe, 26 enero 1789, AGI, Quito 272.

[49] *Ibid.*

[50] Mark A. Burkholder, 'Honest Judges Leave Destitute Heirs: The Price of Integrity in Eighteenth-Century Spain', in Richard K. Matthews (ed.), *Virtue, Corruption, and Self-Interest: Political Values in the Eighteenth Century* (Bethlehem PA, 1994), p. 257.

allowing the policies of his father-in-law to become discredited. Indeed, Villalengua and his allies had allegedly continued the bullying, despotic antics of García Pizarro. The president attacked Quadrado for partisanship, claiming that he solicited testimony only from malcontents opposed to local political leaders. Quadrado struck back at Villalengua and his allies, charging that they were 'a powerful family, no less for their riches than for … their authority at court'.[51] As the investigation proceeded, however, evidence against García Pizarro mounted. The former president had allegedly extorted over 230,000 pesos in bribes, even taking 20,000 pesos from the bishop of Quito.[52] In addition, Quadrado charged that the president's fiscal reforms had produced very little, claiming that much of the money from administering former Jesuit properties came from selling the order's lands, not from skilful management of its assets. Quadrado also alleged that corruption was rampant in various agencies of the Dirección General de Rentas, and he recommended a special investigation.[53] News of a confiscated load of contraband goods on the *Guayaquileña*, a ship allegedly operated for Ramón García Pizarro, implicated the former president's brother in extortion and contraband commerce.[54]

By 1790 the pesquisa had degenerated into a series of charges and countercharges, leaving the entire kingdom embroiled in political factionalism. Indeed, it was apparent that only the Madrid government's intervention could resolve the political deadlock in Quito, and after a careful review of the evidence, members of the Council of the Indies decided not to mete out any punishments. Instead, the Council transferred Juan Josef de Villalengua to Guatemala as president-regent of the Audiencia and sent Ramón García Pizarro to Salta as governor. This removed both controversial figures from the scene. As for Fernando Quadrado, the Council commended his efforts to uncover the truth about corruption in Quito and Guayaquil, but they also acknowledged that he had far exceeded his instructions. His commission had been merely to investigate certain allegations of abuse, not to probe into every aspect of the García Pizarro clan's activities in Quito. In the end, the Council ordered the new president, Juan Antonio Mon y Velarde, to complete the investigation quietly and to promote harmony in the Kingdom of Quito.[55]

[51] Fernando Quadrado to Francisco de Gil y Lemos, Quito, 18 junio 1789, AGI, Quito 267; Fernando Quadrado to Francisco de Gil y Lemos, Quito, 21 marzo 1789, carta reservada, AGI, Quito 267.

[52] Resumen del dinero, plata labrada, y alajas de oro, piedras y perlas que resultan del información averse regalado a la señora Pizarro, Quito, no date, AGI, Quito 267.

[53] Fernando Quadrado to Francisco de Gil y Lemos, Quito, 18 mayo 1789, AGI, Quito 267.

[54] Crown to Viceroy of New Granada, Madrid, 29 enero 1790, AGI, Quito 271; Fernando Quadrado to crown, 3 febrero 1790, AGI, Quito 267. Informe del fiscal, Madrid, 18 octubre 1790; Consulta, Madrid, 18 octubre 1790, AGI, Quito 271.

[55] *Ibid.*

Conflicting Views about Imperial Reform

While most local opposition to the reforms of García Pizarro revolved around his alleged dishonesty, nepotism and high-handed governing methods, other important officials in the Indies disputed his strategy about how to reform the colonial state. One critic, Viceroy Francisco de Gil y Lemos, claimed that García Pizarro had created a large, unwieldy bureaucracy that inevitably led to problems with dishonesty and nepotism. Villalengua's successor, Juan Antonio Mon y Velarde, agreed about the need to curb bureaucratic waste and corruption in Quito. At the same time he argued that economic development policies must precede efforts to raise taxes: a vibrant colonial economy was the only long-term way to produce steady tax receipts. Without economic vitality, Mon y Velarde believed, tax receipts would decline and profits would be swallowed up by the now bloated bureaucracy in the kingdom.

Before his posting in Quito Mon y Velarde had served as oidor in New Granada and visitador in Antioquia (1785–88), where he imposed programmes to develop a vigorous local economy. Building on recommendations from the governor of Antioquia, Francisco Silvestre, the visitador had improved local administration, promoted public order, called for the creation of a bishopric and, most importantly, encouraged mining, commerce and agriculture.[56] This involved writing a new mining code, introducing silver currency to replace gold dust in commercial transactions, promoting land reform, and founding new mining towns and agrarian settlements to stimulate mining, facilitate commerce and increase food production. In Quito Mon y Velarde would advocate a similar 'development' strategy, dictated by the specific problems of the kingdom: first, by creating a leaner, more efficient bureaucracy, and second, by devising state-sponsored programmes to promote economic growth.

Mon y Velarde's policies represented a clear alternative to the more obviously exploitative fiscal reforms favoured by García Pizarro and his patron, José de Gálvez. This was hardly surprising, given Mon y Velarde's actions in Antioquia and his own family's contentious political history with Gálvez. His uncle, Juan Antonio Velarde y Cienfuegos, had vigorously opposed the reform policies of Gálvez in New Spain, while serving as fiscal of the Audiencia of Mexico. Along with his principal ally, Francisco Xavier de Gamboa, the elder Velarde had promoted economic reforms and opposed what he perceived as the high-handed fiscal policies of Gálvez. This opposition contributed to an unwanted 'promotion' for Velarde y Cienfuegos to

[56] Twinam, *Miners, Merchants, and Farmers in Colonial Colombia*, pp. 32–3, 50–60, 124–8, 106–8; Burkholder and Chandler, *Biographical Dictionary of Audiencia Ministers*, p. 219; and McFarlane, *Colombia Before Independence*, pp. 137–40.

the Audiencia of Granada in 1768.[57] Whether or not Mon y Velarde's future policies in Antioquia, and later in Quito, were influenced by his uncle's experience in New Spain, they clearly represented a very different imperial reform agenda.[58] It was also a reform programme more in keeping with the long-standing wishes of elites in the Kingdom of Quito, now anxious to undo the heavy-handed and increasingly expensive bureaucratic and fiscal reforms of García Pizarro.

Shortly after arriving in Quito, Mon y Velarde wrote to Madrid attacking administrative problems in the kingdom's fiscal bureaucracy. He charged that accounts from virtually every agency were in arrears, making it impossible to audit their honesty and efficiency. Moreover, two large hacendados supplied virtually all of the aguardiente monopoly's bottled liquor, which produced precisely the sort of inefficiency and cronyism that Mon y Velarde found appalling. As he remarked in exasperation, 'My silence would appear delinquent in a matter of such seriousness; much more so when the remedy for these ills is so very difficult.'[59] To deal with these abuses, Mon y Velarde proposed a complete revamping of the fiscal bureaucracy, by cutting waste, lowering salaries, eliminating superfluous jobs and demanding more efficient record keeping. As he stated, 'On first glance one notices the many employees in the various agencies, the excessive salaries that some enjoy and the uselessness of others; and finally the unwarranted burdens that all this imposes on the treasury.'[60] Without such drastic reforms, the president claimed, this top-heavy fiscal bureaucracy would ruin the economy and society of the Kingdom of Quito. As result, he proposed annual budget cuts of nearly 36,000 pesos in various agencies of the Dirección General de Rentas.[61]

Apart from administrative changes, Mon y Velarde also advocated an ambitious development programme for the kingdom to reverse the appalling, century-long decline of woollen textile production. In his view the province of Riobamba, a former centre of cloth production, was mired in complete decay. The region had once boasted 22 large *obrajes*, but by 1790 that number had fallen to only five. The local indigenous population could not find employment to pay their tribute, and large numbers fled their villages, 'victims of tribute collectors'.[62] Even working on Spanish estates was not an option, since the local hacendados lacked cash to pay the tribute

[57] Brading, *Miners and Merchants*, pp. 34–9.

[58] *Ibid.*, p. 70.

[59] Juan Antonio Mon y Velarde to Antonio Porlier, Quito, 18 enero 1791, AGI, Quito 249.

[60] *Ibid.*

[61] The president also found the militia system equally wasteful and warranting drastic cutbacks: see Juan Antonio Mon y Velarde to Pedro de Lerena, Quito, 3 marzo 1791, AGI, Quito, 249.

[62] Juan Antonio Mon y Velarde to Antonio Valdés, Quito, 18 junio 1790, AGI, Quito, 248.

of their workers (*conciertos*). Natural disasters, such as periodic earthquakes, only worsened the dismal economic situation. Without concrete plans to revive the local economy, taxes would continue to fall, despite any bureaucratic reforms.[63]

The president recognised that regional economic decline stemmed from the introduction of cheap European cloth from the early eighteenth century. While Mon y Velarde commended the crown for limiting imports of cheap European paños de segundo into Lima, he also recognised that this policy was insufficient to promote the kingdom's economic recovery. The influx of inexpensive European cloth had changed consumer tastes over time. According to Mon y Velarde poor people in Peru would rather go naked than wear quiteño cloth, when previous generations had greatly esteemed paños from the kingdom's obrajes. To ameliorate this dismal state of affairs, he argued for stricter prohibitions on European cloth imports to South American markets, investment in roads and other infrastructure, loosening monopoly controls (primarily over cascarilla production), tax incentives to free up investment capital, and technical assistance to rejuvenate the moribund mining industry. Without such state-sponsored assistance, Mon y Velarde predicted, the economy would languish, tax revenues would decline (especially those levied on the oppressed Amerindian population), and overseas commerce would slowly wither.[64]

The president never served in Quito long enough to mobilise sufficient political support to implement these plans. After less than one year in power he was promoted to the Council of the Indies and left the kingdom for Spain.[65] He died en route in Cádiz, and thus he did not even get an opportunity to argue his views on reform as a member of the Council.

After Mon y Velarde left Quito various successors echoed his assessment of the kingdom's economic ills and proposed similar remedies. President Luis Guzmán y Muñoz (1791–7) sought ways to foment mining, to increase textile production, to promote commerce, particularly in cascarilla, and to ease specie shortages. The crown responded only to the last point, suggesting the introduction of copper currency, a palliative wisely resisted by Guzmán. A terrible earthquake that rocked much of the north-central highlands in 1797, however, only added to the economic woes in the kingdom and stifled any further state action to promote development while Guzmán was president.[66]

With the power of the García Pizarro clan broken, quiteño elites also lobbied openly for reforms to aid the depressed economy of the

[63] *Ibid.*
[64] *Ibid.* These plans are also summarised in Washburn, 'The Bourbon Reforms', pp. 157–9.
[65] Burkholder and Chandler, *Biographical Dictionary of Audiencia Ministers*, p. 219.
[66] Washburn, 'The Bourbon Reforms', pp. 158–60.

north-central highlands. Initially, government transfer payments from highland Amerindian communities, the coast and the southern highlands had benefited elite consumers in Quito, but by the 1790s high taxes, shrinking profits from textile mills, and high transportation costs, which impeded the sale of agro-pastoral products in New Granada's mining towns, had eroded any benefits of reform. Even apparent economic opportunities proved to be disappointments in the long run. After the expulsion of the Jesuits in 1767, for example, many quiteños eagerly bought up the order's lands, usually at bargain prices, to gain lucrative new assets, but few were able to duplicate the economic success of the Society. Instead, even members of the local aristocracy fell further into debt. Some nobles could not pay the taxes that the crown required to assume their titles. Juan Pío de Montúfar y Larrea, for example, the second Marqués de Selva Alegre, was the son of a former president of the Audiencia, but when he inherited his title Montúfar struggled to pay the crown over 16,700 pesos in taxes so that he could assume the noble title.[67] In 1786 the viceroy withheld the recognition of his title until Montúfar sold some properties to settle his debt.[68] Many other members of the titled nobility suffered similar pressures from debts and also from liens and loans (*censos*) on rural properties. Salaries from holding public offices provided one of the few secure means to gain access to capital for many elites, but too often the most lucrative, powerful posts still went to outsiders, especially *peninsulares*.

Economic malaise and rising tax burdens also had dire consequences for the urban middle and lower classes in Quito. According to Cynthia Milton, the number of citizens petitioning for state relief to ease their poverty rose dramatically from the 1780s. From 1770 to 1779, for example, only 53 quiteños submitted declarations of poverty, while in the 1780s that number rose to 234, and in the following decade 238 citizens did so.[69] Not only did higher taxes and diminished economic opportunities affect the very poor, but over time small shopkeepers, textile workers, servants, pedlars and day workers also began to suffer. Moreover, worsening economic conditions had eroded social boundaries, as creoles slipped into poverty and became indistinguishable from people of mixed racial ancestry (*castas*) in Quito. At the same time castas used the declining position of so many creoles to claim the status of whites in official government censuses.[70]

Elites in the north-central highlands gained a willing ally in Guzmán's successor as president, Francisco Luis Hector, Barón de Carondelet. When

[67] Michael T. Hamerly, 'Selva Alegre, President of the Quiteña Junta of 1809: Traitor or Patriot?', *Hispanic American Historical Review*, vol. 48, no. 4 (1968), p. 643.

[68] Demetrio Ramos Pérez, *Entre el Plata y Bogotá: cuatro claves de la emancipación ecuatoriana* (Madrid, 1978), p. 141.

[69] Milton, *The Many Meanings of Poverty*, p. 218.

[70] *Ibid.*, pp. 219–20.

Carondelet took office in 1799, he quickly cultivated close ties with creole aristocrats in Quito, especially with the Marqués de Selva Alegre, who became his closest friend in the city. Members of the president's inner circle also included most of the quiteño aristocracy: the Marqués de Solanda, the Marqués de Villa Orellana, the Conde de Casa Guerrero, the Marqués de Miraflores, and the Conde de Puñonrostro, whose son married a daughter of Carondelet.

The reform plan presented by Carondelet to the Madrid government clearly reflected the influence of his creole friends and counsellors. The president proposed offering to pay the remittance to Cartagena in local goods, not specie, in order to ease local currency shortages. Carondelet recommended placing limits on European textile imports into Peru, in order to increase the demand for woollens produced by Quito's obrajes. He also favoured constructing new roads to diminish the cost of transporting agricultural produce from Quito's rural estates to mining districts in New Granada, especially the Chocó. Carondelet further suggested constructing a road from the highlands to the Pacific coast of Esmeraldas to promote commerce with New Granada and Panamá. Finally, he recommended elevating the Kingdom of Quito to a Captaincy General, making it politically independent of Bogotá. Taken together, these reforms would have incorporated the north-central highlands with Popayán, the Pacific littoral of New Granada, and Panamá into an integrated commercial zone. None of these suggestions impressed officials in either Bogotá or Madrid, however, and all were summarily rejected.[71] Efforts to revive the economy of a colonial cloth-producing centre simply did not resonate with officials in the metropolis, who wanted textiles and other manufactured commodities sold in the Indies to be supplied by Spanish, not colonial, enterprises.

Conclusion

The Bourbon Reforms evolved in contested and often unpredictable political arenas in both Spain and the Indies during the reign of King Charles III. The King's ministers merged Enlightenment ideas from Europe with a variety of reformist discourses from the Indies to fashion pragmatic imperial policies designed to renovate Spain's Atlantic empire. In a recent study of the

[71] Ramos Pérez, *Entre la Plata y Bogotá*, p. 141; Thomas Marc Feihrer, 'The Baron de Carondelet as Agent of the Bourbon Reforms: A Study of Spanish Colonial Administration in the Years of the French Revolution' (2 vols., PhD diss., Tulane University, 1977), vol. 2, p. 756; Carlos Landázuri Camacho, 'Las primeras juntas quiteñas', in Organización de Estados Iberoamericanos para la Educación, la Ciencia y la Cultura, *La Independencia en los países andinos: nuevas perspectivas* (Memorias del Primer Módulo Itinerante de la Cátedra de Historia de Iberoamérica, Quito, Diciembre 9 al 12 de 2003), p. 98.

intellectual foundations of the Caroline reforms, Gabriel Paquette has argued convincingly that 'the idiosyncratic and uneven nature of policy resulted from the diversity, not the paucity of competing ideas which the crown sought to implement, often simultaneously in various colonies'.[72] This circumstance resulted in what Paquette has termed the 'intellectual hybridity' of crown reform policies.[73] Policymakers in Madrid and the Indies differed, often sharply, about the direction of reform and the need to adapt crown policies to meet local exigencies. The reform process was not merely an effort to 'shore up the Gothic edifice' of the empire (as Stein and Stein contend); it was a pragmatic attempt to fashion reforms using the most up-to-date ideas available and to implement these policies in a very diverse Atlantic empire.[74] As a result, the Bourbon Reforms evolved from a political process that was never shaped by a consistent, coherent ideological vision.

Such political conflicts also influenced the direction and outcome of reform in late-Bourbon Quito. The fiscal policies of José García de León y Pizarro represented one dominant view of colonial reform, particularly when the powerful José de Gálvez served as Minister of the Indies. After a brief flirtation with promoting reforms that fostered economic development in the Kingdom of Quito, García Pizarro emphasised a completely different set of policies, expanding the bureaucracy, staffing it with political allies, and using this new administrative apparatus to raise tax revenue. These policies proved enormously successful in siphoning money from local economies for the state in the short run, but at a high economic cost for the kingdom and its people. They did not produce 'bargained absolutism' and a weak state apparatus in Quito, but one that imposed a regressive series of taxes, which drained resources from regional economies, inhibited market expansion, and exacerbated traditional communications and geographical barriers. As a result, after García Pizarro left Quito for Spain, strong local opposition emerged to his heavy-handed fiscal reforms. When the crown authorised an investigation led by Fernando Quadrado in 1788, opponents in Quito united to denounce García Pizarro and his allies for nepotism, corruption, intimidation and attempting to monopolise key economic sectors, particularly the production and sale of cacao. Although the crown imposed minimal sanctions on the former president and his cronies, their power had been broken in the Kingdom of Quito.

[72] Paquette, *Enlightenment, Governance, and Reform*, p. 153.
[73] *Ibid.*, p. 152.
[74] *Ibid.*, p. 153; Stein and Stein, *The Colonial Heritage of Latin America*, p. 104. For an overview of the political struggles over the end of the commercial monopoly of the Cádiz *consulado*, see Allan J. Kuethe, 'El fin del monopolio: los Borbones y el consulado andaluz', in Enriqueta Vila Vilar and Allan J. Kuethe (eds.), *Relaciones de poder y comercio colonial* (Seville, 1999), pp. 35–66.

Juan Antonio Mon y Velarde arrived in Quito in 1790 with a different reform plan, which emphasised promoting regional economic development. Mon y Velarde also advocated a partial dismantling of the large and increasingly costly administrative state established by García Pizarro. Nonetheless, the president's short tenure in Quito, the outbreak of war with Britain in 1796, and the massive earthquake of 1797 all impeded efforts to undertake any serious economic development programmes promoted by Mon y Velarde and his successors.

The diverse political climate in Spain could accommodate both the fiscal reforms promulgated by García Pizarro and the sort of state-sponsored economic development programmes favoured by Mon y Velarde in a mining zone such as Antioquia. At the same time, there was no enthusiasm in Madrid for resuscitating colonial woollen manufacturing in Quito. Plans by Mon y Velarde and his successors ran counter to the Madrid government's efforts to discourage colonial industries and promote peninsular manufacturing to stimulate overseas trade between Spain and the Indies. Indeed, the various tariff provisions of comercio libre (strongly supported by Gálvez as Minister of the Indies) attempted to protect Spanish manufactured goods from foreign competition in order to regain control over Atlantic commerce with the Indies. The economic nationalism represented in these tariff provisions of comercio libre, however, did not extend to protecting colonial manufacturing centres.[75] As Archbishop Antonio Caballero y Góngora, the viceroy of New Granada (1782–9), observed, the decline of Quito's textile industry was fitting and just, because agriculture and mining were the 'appropriate function of the colonies', while manufactured goods such as cloth 'ought to be imported from Spain'.[76] It is hardly surprising that when later presidents of the kingdom, particularly the Barón de Carondelet, and members of the Quito aristocracy recommended policies designed to revitalise manufacturing and agro-pastoral economies in the north-central highlands, the crown steadfastly refused to support them.

The formulation and implementation of Bourbon reform policies in Quito apparently differed significantly from what took place in some other provinces of the Indies. After the suppression of the Comunero Revolt in New Granada, Anthony McFarlane has argued, later Bourbon economic policies had little impact on promoting export-led growth and crown fiscal policies did little harm to local economies.[77] In Chile Jacques Barbier found that

[75] Stein and Stein, *Apogee of Empire*, pp. 162–85.

[76] Quoted in John Lynch, 'The Origins of Spanish American Independence', in Leslie Bethell (ed.), *The Independence of Latin America* (Cambridge, 1987), p. 16.

[77] These arguments are summarised in Anthony McFarlane, 'The State and the Economy in Late Colonial and Early Republican Colombia', *Ibero-Amerikanisches Archiv*, vol. 23, nos. 1–2 (1997), pp. 61–70.

Alvarez de Acevedo's reforms became subsumed in local politics and produced few substantive changes in the province's political and economic development.[78] Indeed, according to Gabriel Paquette, in some peripheral provinces of the empire, local elites embraced economic societies and mercantile reforms, which promoted a high level of state–civil society cooperation.[79] The bitter controversies and detrimental socio-economic impact of the reforms in Quito more closely resembled the situation in the Viceroyalty of Peru. Here the crown removed the prosperous mining zones in Upper Peru from the viceroyalty (including them after 1776 in the Viceroyalty of the Río de la Plata), levied higher taxes, and tightened administrative controls by imposing the intendancy system. According to Patricia Marks, the Bourbon commercial innovations restricted the ability of *limeño* merchants to compete in the Pacific trade, overland trade routes and transatlantic commerce. As a result, Marks argues, resentment over the reforms promoted acrimonious political disputes lasting through the independence era.[80]

As the political struggles in late eighteenth-century Quito and elsewhere indicate, the Bourbon Reforms emerged from a long and complicated political process in which interest groups with very different visions about the future of the empire and very diverse political agendas contested for power. The Spanish Enlightenment represented a fusion of ideas from Europe along with a variety of political currents from the Indies, which often emphasised the political, social and economic ills of the colonial order. Reformist tracts written by peninsular intellectuals (such as the proyectistas), colonial clergymen, Amerindian ethnic leaders, creole elites and colonial bureaucrats all entered into the public debate about the reform and renovation of the empire.[81] Policymakers in Madrid drew on all this information to fashion imperial reforms, but the process always involved considerable give and take. Although José de Gálvez dominated this political process by the 1780s and formulated a near-'hegemonic' governing ideology for the empire, his policies always had powerful opponents in Spain and the Indies.[82] As the case of late-Bourbon Quito demonstrates, reform in the Indies also emerged from highly contested political arenas which established the context for political, social, economic and cultural changes. It is hardly surprising that the Bourbon Reforms appear a diverse and even contradictory patchwork of

[78] Barbier, *Reform and Politics in Bourbon Chile*, pp. 113–34.
[79] Paquette, 'State-Civil Society Cooperation and Conflict', pp. 296–8.
[80] Marks, *Deconstructing Legitimacy*, pp. 55–106.
[81] See Kenneth J. Andrien, 'The *Noticias secretas de América* and the Construction of a Governing Ideology for the Spanish American Empire', *Colonial Latin American Review*, vol. 7, no. 2 (1998), pp. 175–92.
[82] For a summary of the early political ideas about reforming the empire by José de Gálvez see Luis Navarro García, *La política Americana de José de Gálvez* (Málaga, 1998).

policies that sometimes differed markedly in various regions of the Indies. The reforms emerged from an intensely political process, which represented different ideas and political agenda in various areas of the complex and diverse Spanish Atlantic Empire.

Spanish and Portuguese abstracts

Spanish abstract. Este artículo examina los embrollos políticos alrededor del cargo de José García de León y Pizarro (1778–84) como visitador y regente de la Audiencia o Reino de Quito, para mostrar las profundas divisiones políticas que emergieron en el imperio atlántico de España alrededor de las Reformas Borbónicas. Las políticas de García Pizarro fortalecieron al Estado colonial y resultaron en un incremento sustancial en los ingresos de la corona, aunque también condujeron a movimientos de protesta por parte de las élites locales que incluso provocaron críticas de parte de sus sucesores. Tales luchas políticas en Quito revelan los muchos y encontrados puntos de vista acerca de las reformas y la renovación del imperio español. Las Reformas Borbónicas emergieron de una serie de luchas políticas muy enfrentadas en ambos lados del Atlántico, desembocando en resultados disparejos y hasta distintos en diferentes regiones del imperio. Tales diferencias políticas también ayudan a entender por qué nunca emergió un plan coherente y ampliamente aceptado para las reformas del imperio español en el Atlántico.

Spanish keywords: Reformas Borbónicas, José de Gálvez, José García de León y Pizarro, Quito, impuestos, textiles, *obraje*, *visitador*

Portuguese abstract. Para demonstrar as profundas divisões políticas surgidas no império atlântico espanhol resultantes das reformas bourbons, este artigo examina os imbróglios políticos em torno da gestão de José García de León y Pizarro (1778–84), *visitador* e presidente-regente da Real Audiência ou Reino de Quito. O programa de García Pizarro fortaleceu o estado colonial e gerou um aumento substancioso em receitas para a coroa, mas também levou as elites locais a um movimento de protesto, chegando a levar seus sucessores a condená-lo. Os conflitos políticos em Quito revelam diversas perspectivas em disputa acerca da reforma e renovação do império espanhol. As reformas bourbons resultaram de uma série de conflitos políticos altamente contestados nos dois lados do Atlântico e consequências distintas em diferentes regiões do império. Essa contestação política também ajuda a explicar por que não houve um plano coerente e universalmente aceito para a reforma do império espanhol atlântico durante aquele século.

Portuguese keywords: Reformas bourbons, José de Gálvez, José García de León y Pizarro, Quito, impostos, tecidos, *obraje*, *visitador*