

western Europe in the eighteenth century were expressed in the informal imperialism of the Münster treaty system, which remained an enduring constraint upon efforts by the Bourbon regime to modify colonial trade. The other major constraint on the Spanish state's design to manage colonial trade flows were the foreign merchants for whom the treaty system furnished security. They, in turn, exploited the treaties to the limit and inevitably, like twentieth-century multinational conglomerates, incorporated and manipulated metropolitan and colonial officials and other influential people. In our time, resource-rich but underdeveloped economies draw capital, technology, goods, and services from abroad by welcoming foreign investment. At the end of the seventeenth century, the Spanish state had to create an official ambience tolerant of participatory fraud and smuggling by foreign residents at the Lower Andalusian transfer point of colonial trade. Official corruption became an imperative of survival.

Spain's domestic and colonial economic structures required therefore total involvement in illegality, in toleration of "corruption" and "fraud" in commercial transactions.<sup>129</sup> Prohibitive legislation paralleled by pay-offs or bribes has been described recently as "pseudomercantilism," the "enrichment of legal dignitaries" by extortion applied to the "mere appendages of officialdom."<sup>130</sup> It would be more accurate to argue that the persistence of regulatory mechanisms without a developmentalist core in the seventeenth century illustrates a major facet of Spain's "decline" as stagnation deepened. In an elite consensus, Spaniards in Lower Andalusia and Madrid—merchants and clerics, bureaucrats and noblemen—adjusted to constraints of the treaty system by winking at prohibitions in order to preserve nominal dominance over the American colonies. So Spaniards and foreigners, co-equal collaborators, developed a sustained interest in illegality. The career of José de Veitia Linaje, who was born into a small-holder family of poor gentry and eventually became a member of Madrid's prestigious Consejo de Indias, illustrates the multiple facets of Sevilla's colonial bureaucracy: its recruitment, its social and religious networks, and its permeability to business interests. It shows the upward social mobility of one befriended throughout his career by well-placed clerical benefactors, and early recognition by churchmen, bureaucrats, and businessmen of the capacity and potential of obscure individuals of lower gentry background. And—certainly not least—it underscores the drawing power of colonial trade opportunities at Spain's then most important urban and commercial center, Sevilla.

Veitia Linaje, born at Burgos (1623), reached the apex of his career in state service at Madrid (1677–1688) but only after decades at Sevilla (1641–77). A succession of posts in the colonial customs service (*almojarifazgo de*

*Indias*) at Sevilla first as minor assistant to a major official and then as its *contador*, shifting to the Casa de Contratación as deputy to its *tesorero juez oficial* (1649) and later by purchase the *contador propietario de avería* and ultimately *tesorero y juez oficial*—all provided opportunities for public service and self-enrichment.<sup>131</sup> Given his evident bureaucratic endowments and apparent efficiency in handling the responsibilities of office, Veitia found time to draft a monumental compilation of statutes regulating the colonial trading system with which he had been associated over decades. Typical of the practice of the impoverished Hapsburg state, Madrid financed publication of his *Norte* by assigning him one *nao de privilegio*, a license covering one 250-ton vessel transferable to a merchant-shipper forwarding cargo to the American colonies.<sup>132</sup> This type of privilege was becoming standard practice in the Spanish patrimonial state and elsewhere in Europe in the last fifty years of the century. Posted to Madrid where he collaborated with the duque de Medina Celi, a leading political figure of the 1680s, Veitia joined the recently formed Junta de Comercio (1685) and then prominent public functionary serving on *both* the Consejo de Estado and Indias. He died at Madrid eleven years later in 1688.<sup>133</sup>

Veitia Linaje's career has meaning as more than an isolated case of poor-boy-to-prominence by sheer contingency. His success story is more a matter of structures and their relationships, of Castilian society, of the social webs of religion, state service in metropole and colonies, of public office at the colonial trade synapse that was Sevilla and of the range of possibilities of private enrichment in public service there.

A structural approach to analysis of his career is substantiated by many factors. His emigration from Burgos first to Oñate and then south to Sevilla was facilitated by the predominance of north Castilian and Basque families in both ecclesiastical and bureaucratic structures. A once prominent archbishop of Sevilla (Rodrigo de Castro) had family roots in the *montaña* of Burgos. A relative, an archdeacon of Burgos' cathedral (Bartolomé de Castro), taught young Veitia his letters and then arranged for him to accompany a wealthy family member (Juan Fernández de Castro) as servant (*paje*) to the university town of Oñate. Veitia, son of a small landowner in the Burgos area whose sole claim to distinction was Basque "noble" (*hidalgo*) ancestry (Veitia Gasteátegui), subsequently accompanied Castro to Sevilla where Castro's uncle was *administrador general del almojarifazgo*. Jerónimo de San Vitores immediately recognized young Veitia's qualities and brought him into Sevilla's customs administration, the starting point of Veitia's long career in colonial administration and trade. Working under San Vitores (godparent at his marriage) put Veitia at the heart of the Hapsburg state's

monitoring of colonial trade and silver flows: the *almojarifazgo* was the “impost on all goods in overseas trade, whatever their destination.”<sup>134</sup>

In his first twelve years at Sevilla (1641–53) Veitia married a niece of Sevilla’s painter Murillo (perhaps the daughter of a barber),<sup>135</sup> switched from *almojarifazgo* to Casa de Contratación as *teniente del tesorero juez oficial*, and by 1653 could afford to buy (at 60,000 *reales de plata*) the office of *contador propietario* in Contratación. By purchase he could appoint or sell his substitute’s office (*teniente*); his office was inheritable (a *juro de heredad*) and convertible into an entailment (*mayorazgo*). This and the subsequent purchase (330,000 *reales*) of *tesorero y juez oficial* also in Contratación were strategic bureaucratic (and lucrative) positions. Sevilla was still the metropole’s principal commercial and administrative center where migrants from the Basque country and Burgos figured prominently in colonial trade, administrative cadres, and the religious establishment, and where Veitia could and did cultivate business, bureaucratic and religious networks. He was a great “joiner,” associating with fellow Burgaleses and Vizcaínos in the Convento Grande de San Francisco (in 1649 he could already afford to endow there a *capellanía de misas*) and in the Hermandad de la Santa Caridad, a charity hospital. In 1652 he was secretary of the Hermandad’s Veracruz branch, an overseas hospital for seamen who went from Sevilla to Veracruz on *flotas*.<sup>136</sup> He developed even stronger links to the mining colony of New Spain: two nephews were in the colonial bureaucracy, one at Mexico City on the *tribunal de cuentas* (Juan José de Veitia Linaje), the other was superintendent of Puebla’s mint (José Fernandez de Villanueva Veitia Linaje).

In Sevilla’s *Almojarifazgo* and *Contratación* were chances to favor the business activities of Burgalés-Vizcaíno benefactors and friends, and members of the foreign business community. His favored treatment in the Sevilla customs for their outgoing merchandise and incoming silver must have often rewarded Veitia—how else account for the source of the 60,000 silver reales he paid for ownership of *Contratación*’s influential *contaduría de avería* and the 330,000 *reales* for its *tesorero y juez oficial* post—in effect, his large investment in the privileges of Hapsburg office-holding? After all, the *avería* was collected on all merchandise outgoing and incoming from the colonies in order to finance the naval forces convoying fleets to the American colonies—a form of auto-financing of state functions. As *contador* and later *tesorero y juez oficial*, Veitia had broad oversight responsibilities: certification of ships’ manifests, establishment of differential rates charged on varieties of cargo, checking on the annual balance sheet of the *Avería* administration, including supervision of unpaid duties.<sup>137</sup> Veitia was therefore a key player in the Hapsburg state exploiting overseas mining colonies; he

could provide formal toleration of fraud and corruption by Spaniards and their foreign collaborators, of favoritism and payoffs in the ongoing Spanish transatlantic system of trade, navigation and administration.

Veitia survived and prospered at Sevilla moving up the bureaucratic *cursus honorum* by playing by the rules. The patrimonial state readily incorporated those who proved competent, diligent and uncritical of political and social shortcomings. His *Norte de la Contratación* records the state's preoccupation with fiscal control over trade flows for revenue, for liquidity. There is no economic development policy discernible in the maze of statutes he catalogued, certainly no sense of the extent to which Sevilla's foreign resident merchants—French, Flemish, Genoese and others—were systematically subverting the prohibitions compiled selectively in his book.<sup>138</sup> His bureaucratic ascendance from obscurity to prominence, relations with influential segments of Sevillian society—churchmen, merchants, lesser nobility—his possible role as investment counselor to Spaniards seeking to place small funds in colonial trade opportunities,<sup>139</sup> and not least, his blindness toward foreigners' virtual mastery of the Hapsburg transatlantic trading system, underscore the banality of collusion in Lower Andalusia between Spanish bureaucrats and foreign businessmen. Veitia, we must recall, had become an influential member of Madrid's political class shoring up Hapsburg institutions. The boundaries between state and economy, between the business of government and the business of business were blurred.

Decades ago it was hypothesized that the stagnation, recession, and decline that characterized Spain in the seventeenth century was linked to the demographic collapse in the colonies. Loss of population diminished the mine labor force and affected silver production, and as a result, Europe experienced declining receipts of metals from the American colonies.<sup>140</sup> No one questions the collapse of Spain's hegemony in western Europe after Westphalia, the withering of its military and naval forces—its incapacity for further large-scale intervention in Europe. On the other hand, precisely what was the relationship between the situation in the colonies and the stagnation in the metropole? Was there a decline in mining production? Why did Spain's economy stagnate while west European economies grew and developed, and European merchants pressed their penetration into Spain's colonial trading networks? And, finally, how did Spanish interests contribute to and adapt to an economy of stagnation in order to prosper amid poverty? In short, what was the colonial dimension of the "decline" of Spain?

In the early decades of the twentieth century data accumulated that showed that around 1630 registered silver imports at Sevilla began to drop,

although critics quickly pointed out that the possibility of significant quantities of unregistered silver reexported to the rest of Europe and, via Manila, to East Asia should not be overlooked. In recent decades as a result of derived estimates of production based upon the relationship between quantity of registered mercury received in America and output from the patio process, it has become evident that while colonial silver production declined, it was not a lasting phenomenon. Detailed analyses of the output of Zacatecas (New Spain) and Potosí (Peru) have refined the conclusion of gradual decline and indicated that New Spain's production recovered in the closing decades of the seventeenth century. In fact, over the century, New Spain's production rose and "remained the basis of the imperial system."<sup>141</sup> Meanwhile, evidence from Dutch *gazettes* revealed that silver imports at Lower Andalusian ports surpassed official receipts by far, a conclusion confirmed as well by the records of Flemish firms at Cadiz. In sum, there is sound basis for the hypothesis that there were ever-growing amounts of colonial silver smuggled into Europe. This hypothesis is confirmed directly by the reporting of French observers and indirectly by the unrelenting pressure of English and Dutch merchants in the West Indies and at Lower Andalusian ports, by reports in Dutch gazettes, and by the anxiety of the French merchant enclave to enter the circuit of colonial silver via trading activity, licit and illicit. No longer can the importance of colonial silver and colonial consumers be overlooked as stimuli to the expansion of key growth sectors of the European economy, such as textile manufactures. As seventeenth-century commentators endlessly noted, Spain's incapacity was Europe's opportunity.

Through the cumulative, piecemeal exemptions to legislation covering colonial trade, Spanish interest groups reached a comfortable accommodation with structures of dependent stagnation. They lobbied to sustain a government-sanctioned monopoly, one of whose effects was the application of scarce resources to unproductive activities. In the first half of the seventeenth century, merchants in Spain's colonial ports obtained exemption in wartime for registry of cargo except on arrival at Sevilla's customs; after 1660 only Sevilla registry at any time was demanded.<sup>142</sup> More significant were exemptions obtained by Sevilla's silver merchants (*compradores de plata*). In 1647 new regulations provided that their silver could be sequestered only with the specific approval of the president of Contratación; examination of their business records required his approval as well. There was consistent under-registry of silver arrivals after 1645 and probably earlier; the percentage of smuggled silver for scattered years, 1670 to 1700, was probably at least 50 percent of all silver received.<sup>143</sup> The seigniorial jurisdiction exercised by

Spain's noblemen over the port of San Lúcar (Medina Sidonia) and over Puerto Santa María (Medina Celi) masked smuggling in which noblemen and their clientele of merchants and others shared.<sup>144</sup>

Furthermore, the sale of strategic public offices to interested individuals offered effective cover for smuggling and fraud in state office. Take the case of Genoa-born Horacio Levanto: after naturalization in Andalusia (as a *genízaro*) he received permission (1629) to export 25,000 *ducados* in merchandise to the American colonies; the following year he furnished naval stores and rations for outbound warships. At this time he also petitioned for exempt status (*jurisdicción exenta*) for property he owned in Sevilla and Cadiz. His petition was rejected on the ground that the properties were positioned "to defraud." But in compensation he was sold two offices, *ensayador y fundidor mayor* of the Mexico City mint and *administrador y tesorero* of the mints of Sevilla and Granada. At his death he left one of the largest personal fortunes of his time (500,000 *ducados*).<sup>145</sup> Levanto's case was symptomatic of how under the Hapsburgs the government chose to turn over to the private sector key areas of the national and colonial economies. Decades later as the scale and scope of smuggling in Lower Andalusia increased, paralleled by the frequency of *indultos*, the Castilian state was selling not only the rank of flag officers of convoys in the *carrera de Indias* but also major tax collectorships at Sevilla, San Lúcar, Puerto Santa María, and Cadiz.<sup>146</sup>

The obverse of the decline of Spain and the impoverishment of the state was the concomitant enrichment of a privileged few among aristocrats, noblemen, bureaucrats, and Spanish and foreign resident merchant groups. Maintenance of the system of fictive colonial trade monopoly kept commodities exchanged at artificially inflated prices, generated super profits, and "off-sided small traders, capable of operating only in a climate of legal commerce."<sup>147</sup> A system of prohibitions theoretically regulating colonial trade, rooted in Spain's economic stagnation, virtual toleration of bribery, and in the affluence of a privileged few and the penury of the state characterized the Spanish state and economy, which was dependent upon the profits of colonialism, upon the silver mines of Peru and New Spain. In the 1680s trade expansion between Cadiz and the colonies and the spread of smuggling with the overt participation of the nobility provided an atmosphere in which the smuggler flourished as folk hero.<sup>148</sup> The colonial dimension of Spain's seventeenth-century crisis seems not so much a sustained drop in silver production and export as its large-scale transfer to the developing economies of northwest Europe.

There was, therefore, no fundamental contradiction between colonial