

A Gold Ounce for Every Throat Cut: The Development of Hispano-Portuguese Peace in the Contested Banda Oriental, 1750-1801

R. GRANT KLEISER

Columbia University, Department of History, Graduate School of Arts and Sciences

rk2952@columbia.edu

<https://orcid.org/0000-0001-8208-0865>

Texto recebido em / Text submitted on: 20/06/2023

Texto aprovado em / Text approved on: 03/11/2023



Abstract. Peace in the Banda Oriental, at the borders between the Spanish and Portuguese empires in the Río de la Plata region, marks one of the major developments in the political geography of Latin America from 1777-1801, yet the subject has not been studied rigorously. This article explores how this peace came about after failing several times previously. Both Spanish and Portuguese colonial agents and policy-makers affected such peace by overcoming resistance to imperialism. A Luso-Hispanic policy of removal resulted in the Jesuits' loss of power in South America. Several successful mapping expeditions reduced Iberian dependence on native guides, limiting indigenous control over European colonization. Near extermination of cattle in the region and increased Spanish and Portuguese patrols over grazing lands curbed much of the illicit cattle hunting in the Río de la Plata. And the Spanish conquest of Colonia del Sacramento, a key contraband base, decreased smugglers' activity in the region. As the power of these non-governmental actors diminished, Iberian empires augmented their claims to sovereignty in the region and could finally affect the peace that Lisbon and Madrid so desired. This moment demonstrates a brief apogee in Iberian colonial control in the late eighteenth century.

Keywords: Banda Oriental, Río de la Plata, Borderlands, Iberian Imperialism.

Introduction

Peace in the Banda Oriental, on the frontier between the Spanish and Portuguese empires in and around the Río de la Plata region, marks one of the major developments in the political geography of Ibero-America during the Age of Revolutions. This article will explore how and why this peace developed during the latter half of the eighteenth century, from the years 1777-1801, after several previous failed attempts, most notably the Treaty of Madrid in 1750. Although English, Portuguese, and Spanish-speaking historians have addressed this subject in the past, it has not yet been analyzed in-depth or holistically and some of its most important consequences have been overlooked.

This twenty-four-year period of peace during the eighteenth century is especially noteworthy. Six major wars involving most of the major European empires occurred during this century: The War of Spanish Succession (1701-1714), the War of the Quadruple Alliance (1718-1720), the War of Jenkins' Ear and the War of Austrian Succession (1739-1748), the Seven Years War (1754-1763), the War for American Independence (1775-1783), and the French Revolutionary and Napoleonic Wars (1792-1815). This list does not include the various other conflicts between individual European powers on the continent and in imperial domains across the globe. Also significant about this twenty-four-year period of peace is the fact that the Banda Oriental was one of the most hotly disputed regions in the world at the time. Although formally closed to Atlantic commerce until Rio de la Plata became a viceroyalty in 1777, the port of Buenos Aires was of prime commercial importance for Spain's silver trade as the informal backdoor of the rich mine of Potosí (in modern-day Bolivia). Other parts of the Banda Oriental region held potential as lucrative cattle farming and gold mining areas for Portuguese settlers. Inevitably, Spanish and Portuguese colonists and troops (as well as indigenous peoples) fought over the territorial and commercial rights to the region beginning with European settlement at the end of the seventeenth century. Through conquest or treaty, the strategic port of Colonia del Sacramento on the Rio de la Plata switched Iberian hands five times from 1680-1750¹. Spanish and Portuguese diplomats struggled to negotiate some sort of lasting resolution, including the heralded Treaty of Madrid (1750), but with limited success and continued bloody conflict throughout the 1760s and '70s. Not more than a decade passed between 1680 and 1777 when Spanish and Portuguese soldiers did not fight one another in this territory. Only after the treaties of San Ildefonso (1777) and its addendum El Pardo (1778) did Spanish and Portuguese military forces refrain from combat (until 1801) over the Banda Oriental (ALDEN 1968).

This article analyzes why warfare (sanctioned or unsanctioned by Lisbon and/ or Madrid) between Spanish and Portuguese *soldiers* halted in this period. It also examines the diminishing level (but not complete refrain) of conflict between *settlers* of both empires. The so-called principal-agent phenomenon, where one person or entity (the principal) has tremendous power in making important decisions on behalf of other people (the agents), constitutes this

¹ Most of the locations referred to in this essay go by both Portuguese and Spanish names in the historical scholarship on this topic. In all cases, for consistency's sake, I have used either the Spanish or the Portuguese names for those places that are *currently* under the jurisdiction of Spanish or Portuguese-speaking countries respectively. Therefore, for example, I refer to "A Colônia do Sacramento" (Portuguese name) as the "Colonia del Sacramento" (Spanish name) because this town is now part of the Spanish-speaking country of Uruguay.

paper's theoretical framework. The agents are motivated to act in their own interests, which might be contrary to those of the principals, resulting in the agents disobeying the principals' orders if they have enough power to do so (GAILMARD 2014; EISENHARDT 1989). The following pages provide an important first step in understanding what circumstances changed from 1750 to 1777 whereby the agents (those Portuguese and Spanish subjects, soldiers, and other inhabitants of the Banda Oriental) now finally obeyed the principals' (Iberian diplomats and leaders) commands to reduce their provocative activities and conform to the inter-imperial peace now desired by both metropolises.

Specifically, this article investigates how increasingly amicable Spanish and Portuguese imperial actors overcame opposition by Jesuit missionaries, indigenous nations, cattle hunters, and smugglers to imperial authority to defuse tensions in the region. A joint Luso-Hispanic policy of violent removal of native Guaraní and Jesuit missionaries resulted in the Jesuits' complete loss of power in South America. Successful mapping expeditions post-1777 helped to clarify borders and reduced Iberian dependence on native guides, thus limiting indigenous autonomy and control over colonization. Finally, a near extermination of cattle in the region, increased Spanish and Portuguese patrols, defined borders, metropolitan reforms, and the Spanish conquest of the critical contraband base of the Colonia del Sacramento allowed the Spanish to reduce smuggling in the region and shift the center of Luso-Spanish trade to Spanish Montevideo where they could exert better control. The stabilization of colonial authority and the reduction of these agents' power diffused tensions in the frontier region and decreased the number of pretexts and flash-points for Iberian soldiers and settlers to engage in violent conflict. For these reasons, the 1777-1801 peace in the Banda Oriental may be seen, in part, as a successful reduction of resistance to Iberian imperial designs.

Such a study illuminates the important, on-the-ground contingent factors to the resolution of imperial borderlands disputes. Far from being determined solely by treaty negotiations in Europe or due to the well-studied increasingly friendly relations between Iberian monarchs in the second half of the eighteenth century, *local* control was essential to affect *de facto* peace in this region. This article thus recounts the brief apogee in the consolidation of Iberian empires. During these decades, I argue, Portuguese and Spanish finally claimed a high degree of sovereignty over such colonial possessions – before complaints of metropolitan exploitation and fissures wrought by the Napoleonic Wars would result in the independence of Brazil, Argentina, Uruguay, and Paraguay by the late 1820s.

1. Historical Background

In 1493, the year after Christopher Columbus encountered several islands in the Caribbean by sailing west on the Atlantic Ocean, Pope Alexander VI attempted to settle nascent imperial disputes between the two dominant European overseas powers at the time, the Spanish and the Portuguese. The pope decreed that all newly “discovered” land west of an imaginary line (the so-called “Line of Demarcation”) would fall under Spanish jurisdiction while the Portuguese would have the right to control all non-Christian land to the east. In the 1494 Treaty of Tordesillas, the two empires amended this line, moving it slightly west, to 370 leagues west of the Cape Verde Islands. Such a practice of creating “invisible lines of demarcation” was not new. For example, the 1479 Treaty of Aláçovas (also legitimized by a papal bull) reserved the Gulf of Guinea as a Portuguese zone of influence. But the Tordesillas line was by far the longest-lasting and most impactful in instigating future Iberian territorial disputes (TUSELL et al. 1998).

Present-day Brazil was not “discovered” until 1500 by the Portuguese Admiral Pedro Álvares Cabral. After being blown off course on his way to India, Cabral soon realized that, based on the terms of the Treaty of Tordesillas, Portugal had the right to inhabit and colonize this land that he had stumbled upon. However, beginning in 1541, Portuguese settlers in Brazil slowly moved beyond the line agreed on at Tordesillas. Spanish officials initially did not pay much attention to this phenomenon, since they were more focused on consolidating their hold on modern-day Peru, Bolivia, and Chile, and because the Portuguese and Spanish Crowns were united from 1580-1640. And many Portuguese and Spanish colonists (and enslaved people) established business, family, and religious networks between each other in the southern borderland throughout seventeenth, eighteenth, and nineteenth centuries (PRADO 2015; BORUCKI 2017). But especially after 1668 (when Spain finally recognized Portugal’s status as an independent polity) until the early eighteenth century, Iberian settlers came into direct and often violent conflict with one another on the borders of Spanish and Portuguese America.

Most of these clashes occurred in an area called the “Banda Oriental”, as the Spanish moved east to settle Buenos Aires and what is now Argentina, and the Portuguese expanded south from their settlements on the eastern coast of Brazil. The Banda Oriental is the territory east of the Uruguay River and north of the Río de la Plata, which encompasses modern-day Uruguay and the Brazilian state of Rio Grande do Sul and part of Santa Catarina. The Spanish were interested in this region primarily as a buffer zone to protect Buenos

Aires and the silver shipments coming to this port from the mines of Potosí in what is now Bolivia. Many Portuguese, on the other hand, were attracted to the region's temperate grasslands that supported large herds of cattle. Some Portuguese subjects also wanted to tap into the profitable contraband trade with the Spanish Rio de la Plata region. Portuguese merchants could exchange highly-demanded African slaves and other "goods" for Spanish silver coming into Buenos Aires. In 1679, Portuguese colonial officials established the fortified outpost of the Colonia del Sacramento to counter Spanish occupation of these potentially lucrative lands. Increased Portuguese occupation of the modern-day Brazilian states of Santa Catarina and Rio Grande do Sul soon followed when Portuguese settlers discovered gold in the region (and in Minas Gerais and the Mantiqueira mountains) in the second half of the seventeenth century, launching the first gold rush in modern history (RODRÍGUEZ 1958; DE ALMEIDA 1957; MONTEIRO 1937; MAXWELL 1995: 38-40; BURKHOLDER and JOHNSON 2008: 313).

The Colonia del Sacramento was one of the most hotly contested areas of the early eighteenth century, as the Spanish feared that a strong Portuguese presence there severely threatened the important port of Buenos Aires and could serve as a base to divert Spanish silver to Portuguese coffers. Spanish forces were able to conquer the Colonia del Sacramento twice from 1680 to 1750. So brutal was the fighting generally in this region that the translator for Basílio da Gama's epic poem, *The Uruguay*, Richard F. Burton stated that "men wish they had a gold ounce for every throat that has been cut in the place" (DA GAMA 1982: 4). But each time the Spanish captured the Colonia, the port reverted to Portuguese control at the negotiating table because of Spain's relative weakness in Europe. Part of the controversy arose from the Treaty of Tordesillas itself, for in 1494 the two states failed to stipulate the precise length of a "league" and the particular island within the Cape Verde group that would serve as the original measurement point to determine where the Line of Demarcation ran. Thus, both Portugal and Spain believed that they had a legitimate legal claim to the rich and geopolitically important Banda Oriental (CAMARGO 2003).

In order to settle such a hotly-contested debate, diplomats from Spain and Portugal, most notably the Portuguese royal secretary Alexandre de Gusmão and Spanish statesman Don José de Carvajal y Lancáster agreed to the 1750 Treaty of Madrid (otherwise known as the Treaty of Limits). The Treaty of Madrid, despite its failings, was significant for several reasons. Most notably, this treaty officially repealed the Treaty of Tordesillas' boundary and the theoretical conception of arbitrarily drawn lines of imperial sovereignty. The 1750 treaty replaced Tordesillas with a conception of *uti possidetis*. Based on this

principle, Iberian diplomats formally granted the territory that either Portugal or Spain had *actually* conquered, settled, and surveyed before 1750 to that empire, regardless of where that territory lay in relation to the previously-drawn Tordesillas line. The important anomaly to this rule was that Spain would regain the Colonia del Sacramento and possess exclusive jurisdiction over both sides of the Río de la Plata river. In return, Portugal would receive a large portion of the territory on the eastern bank of the Uruguay River, including the land where Spanish Jesuits had set up several missions (the “Misiones Orientales” or “Seven Missions” region) to convert thousands of local Guaraní indigenous people. The Spanish Jesuits were to be evicted from the region, and Portuguese officials would now oversee and manage the Guaraní that decided to remain, with the goal of attracting these native peoples to support Portuguese territorial claims and weaken Spanish forces. Finally, the treaty established the “doctrine of the two spheres” whereby Iberian colonies in America would not engage in European wars in an attempt to establish a lasting peace between the colonial subjects of Portugal and Spain (SAVELLE 1974; MAXWELL 1995: 125-128; GARCIA 2009).

Spanish and Portuguese settlers in South America and those on the Iberian Peninsula did not herald the agreement universally, as the document was one of the most harshly criticized of its time. Besides the Jesuits’ obvious protests over vacating the land in which they had converted so many and lived for so long, Portuguese merchants also lamented the commercial losses that would occur with the forfeiture of the Colonia del Sacramento. The loss of this outpost made it difficult for them to smuggle various goods to Spanish colonists in the Rio de la Plata region in exchange for precious silver. But the most violent reaction came from the Guaraní natives who rebelled in 1754 over the Madrid treaty’s condition that they were to be organized into new, secular settlements under Portuguese control or settle in new areas with the Jesuits. While the Portuguese and Spanish united to crush the rebellion in 1756, this war and threat of future conflict provoked further tensions between Portuguese and Spanish soldiers and settlers. Many Portuguese mistrusted the Spanish after this event because it demonstrated Spain’s lack of control over their Guaraní and Jesuit vassals. Both sides claimed the other had violated the treaty, with the Portuguese refusing to leave the Colonia del Sacramento since the Guaraní were so intransigent about departing their missions. Beginning in the early 1760s, Spanish soldiers and settlers launched a series of proxy (but unsuccessful) skirmishes to expel the Portuguese from the Colonia and lands south of Santa Catarina (PAQUETTE 2013: 55; RODRIGUES 2014: 266-276; QUARLERI 2009).

Due in part to these factors and Lisbon and Madrid’s misgivings about

the territories they had conceded, the newly-crowned Spanish King Charles III nullified the treaty (thus implicitly re-instating the Treaty of Tordesillas) in 1761, putting the Iberian powers on the path toward officially-declared war. Such warfare did come, first from 1762-1763 when the Spanish General Pedro de Cevallos (with tacit acceptance from Madrid) attacked the Colonia del Sacramento as part of the larger Seven-Years' War, thus breaking the previously held doctrine of the two spheres. Even though the Portuguese-allied British aided in the port's defense, Cevallos managed to conquer the Colonia and much of Rio Grande do Sul. The Peace of Paris (1763) nullified some of these gains though, returning the Colonia to Portugal but leaving the town of Rio Grande in the hands of the Spanish. In 1767, backed by cattle ranchers of Rio Grande de Sao Pedro, the Portuguese Colonel José Custodio de Sá e Faria, apparently without approval from Lisbon, decided to drive the remaining Spaniards out of Rio Grande do Sul, prompting the Spanish to blockade the Colonia del Sacramento in response. Tensions remained high, as Portuguese soldiers from Rio de Janeiro, Bahia, and the Azores and Spanish reinforcements from Buenos Aires engaged in a hostile, years-long standoff in Rio Grande do Sul. This period was marked by increasing instability and numerous skirmishes between troops and settlers, while Spain finally expelled all Jesuits from its empire in 1767 causing further dislocation and disruption in indigenous communities. The Portuguese finally attacked and destroyed the strategic Spanish fortifications on the Lago dos Patos in 1773. War came again in 1776-1777 while Europe was still at peace. With Madrid's blessing, Cevallos again assaulted the Colonia del Sacramento with the largest force Spain had ever sent across the Atlantic (10,000 troops and 8,500 sailors in 136 ships). Cevallos hoped to expel the Portuguese from the region before establishing the new Viceroyalty of Rio de la Plata with its capital in Buenos Aires. While this force conquered the Colonia and Santa Catarina Island, the Portuguese were able to successfully defend the newly-conquered Rio Grande do Sul region with the help of a propitious storm that destroyed much of the Spanish fleet (ALDEN 1968: 200-251).

The San Ildefonso treaty, signed in the royal palaces of the Spanish Bourbons in October of 1777, effectively ended fifteen years of such irregular and officially-sanctioned fighting. The treaty cemented Portugal's loss of the Colonia but allowed the Portuguese to retain Rio Grande do Sul and Santa Catarina. Spain also wrested back control of the Seven Missions territory and most of what is now Uruguay. In the addendum to the 1777 treaty, the Treaty of El Pardo of 1778, Portugal was granted a freer hand in the Amazon Basin. Spain received the former Portuguese islands of Anno Bon and Fernando Po' in the Gulf of Guinea in West Africa, thereby satisfying Spain's long-standing

desire to obtain a foothold in the African slave trade. This official peace in the Banda Oriental region would last a remarkable twenty-four years until 1801 when Napoleon Bonaparte forced his ally Charles IV of Spain to attack the Portuguese, allies of Great Britain and enemies of France, in the “War of the Oranges,” leading to the Portuguese conquest of the Seven Missions region (ALDEN 1968: 251-270). The twenty-four peace after the Treaty of San Ildefonso was therefore significant given this environment of constant warfare. But few historians have tried to answer systematically why the Treaty of San Ildefonso occasioned such a different result compared to that of the Treaty of Madrid².

2. The Removal and Pacification of the Jesuits and Guaraní

Many contemporaries, public writers, and even scholars have labeled Guaraní resistance to the dissolution of the Spanish Jesuit mission system as per the terms of the 1750 Treaty of Madrid as the key reason for the breakdown of this agreement. While true to some extent, Luso-Spanish disagreement during this rebellion was also crucial to the nullification of the Treaty of Madrid and the resumption of borderland conflict. Likewise, the subsequent full removal of the Jesuits from the region reduced tensions and controversy between Iberian powers that helped foster the post-1777 peace, although the Jesuits should not be blamed as the progenitors of chaos and warfare as contemporaries would posit in an era of virulent anti-Jesuit sentiments throughout Europe.

According to the eighteenth-century English observer William Burke (1757: 270), in the 1650s, Spanish Jesuits appealed to the Spanish Crown to give them the authority to establish missions in some of the unconquered regions of South America. These priests argued that such a tactic would subdue these places “to his Catholic Majesty’s obedience without expense and without force” (BURKE 1757: 270). Spain conceded and granted these Jesuits the right to establish and maintain missions with little imperial oversight in the region just south of what is now Paraguay, east of the Uruguay River. The missionaries took advantage of such autonomy and “built a superstructure of missions” where they “prevailed upon thousands of various dispersed tribes of people to embrace their religion and submit to their government” (BURKE

² For literature on the Banda Oriental conflicts that explores but falls short of rigorously and holistically comparing the different results of the Treaty of Madrid versus those of the Treaty of San Ildefonso, see SAVELLE 1974; GANSON 2003; MAXWELL 1995; GOMES 2003; MENDONÇA 1941; TORRES 2003; ALDEN 1968; SAMPONGNARO 946; and HERZOG 2015.

1757: 271). Burke (1757: 271) noted that their “subjects amounted to 300,000 families” and that these natives were “instructed in the military with the most exact discipline; and could raise 60,000 men well-armed” in militias directed by Jesuits. Besides possessing immense power over natives in the region, the Jesuits also steadily augmented their wealth. Missionaries were exempt from customs duties and taxation, and after decades of careful capital accumulation, investment, and diligence the Jesuits reportedly accrued massive profits from cattle ranches, sugar plantations, and cacao, clove, and cinnamon production (MAXWELL 1995: 58). Such enormous resources and power “brought so much envy and jealousy on their society”, according to Burke (1757: 271), that “many have represented the conduct of the Jesuits in a very bad light”. Rumors circulated throughout both Iberian empires, often by other competing religious orders, magnifying the Jesuit authority, riches, and autonomy in the region, promoting intense anti-Jesuit sentiments in both governments. Some in Madrid (including members of the rival Dominican and Augustinian monastic orders) were jealous of and concerned with such extra-governmental power, while Lisbon, fearing that the Jesuit-led Guaraní might become a threat to its colonial domains, wanted to secure its access to land in Rio Grande do Sul and the Amazon³.

As a result, during the negotiations of the Treaty of Madrid, Iberian diplomats exhibited no major qualms about dismantling this mission system. If Portugal were to surrender the coveted Colonia del Sacramento, Gusmão and other Portuguese leaders reasoned, then an easy consolation prize that the Spanish could offer would be the Seven Mission region (TORRES 2003: 399; MAXWELL 1995: 72). Portugal hoped this area could serve as a south-western zone of defense for the Rio Grande do Sul and augment the wealth of the empire. Spain was content with ceding this territory that did not contribute directly to the royal revenue under the control of an extra, potentially threatening power in the region. Thus the 1750 Treaty ceded the Seven Missions region to the Portuguese, stipulating that the Spanish Jesuits had to relocate to other Spanish-held lands and that the Guaraní could either remain as subjects of the Portuguese empire or follow their priests to a new home (MAXWELL 1995; DA GAMA 1982: 5).

But many Guaraní refused to conform to such imperial designs. Most Guaraní had long been united in their animosity towards the Portuguese, who since

³ Because of such Iberian anti-Jesuit biases and hatred, I have relied on a relatively objective observer in the Englishman William Burke. His perspective tends to pity the Jesuits but does a fair job explaining why the Iberian powers came to exhibit such animosity towards them. See BURKE 1757: 276-279 and SARREAL 2014: 94-101.

the seventeenth century had sent raiding expeditions from São Paulo to capture native peoples and sell them as slaves (NEUMANN 2000; MAXWELL 1995: 72). Also particularly jarring to the Guaraní was the decision by the Marquis of Pombal, the first minister and *de facto* leader of Portugal from 1750-1777, to incorporate all those Guaraní who decided to remain into the Portuguese imperial economy and relocate many of them to the Aldeia dos Anjos in Rio Grande do Sul (PORTO 1943). Pombal's brother and governor of the Amazonian captaincies, Fransico Xavier de Mendonça Furtado, translated Pombal's desires into policies that would exploit the Guaraní as a workforce. Portuguese lay directors, named by the governor himself, would rigorously oversee and manage the new village life and intense work regime, thus destroying much of the Guaraní's previous local autonomy and prosperity and prompting violent backlash (LANGFUR 2006: 61). Many (biased) contemporaries also claimed that the Jesuits "misguided" the Guaraní into violently revolting against the terms of the Treaty of Madrid, although historians have fiercely debated this point.⁴ Whether incited by Jesuits or not, many Guaraní refused to submit to their new Portuguese rulers and several Jesuit priests lobbied for the modification of the Treaty, provoking the ire of Spanish and Portuguese officials against such "traitors" (SARREAL 2014: 102-108). Unfortunately for the Guaraní, their forces were no match against the well-armed and disciplined Hispano-Portuguese force sent to quell the rebellion. According to Burke (1757: 277), they were "easily and with considerable slaughter, defeated". In the culminating Battle of Caibaté (February 10, 1756), the Europeans massacred a reported 1,511 Guaraní and captured 154 (DA GAMA 1982: 6; SARREAL 2014: 108; NEUMANN 2015).

If the Spanish and Portuguese imperial forces were able to unify and crush this rebellion so easily and quickly, why did the Treaty of Madrid fail to eliminate Luso-Spanish conflict in the Banda Oriental?

José Basilio da Gama's epic poem about the Guaraní rebellion argued that the expulsion of the natives was necessary for "the peace of Europe" (DA GAMA 1982: 138). Yet even before the joint mission had concluded, the fou-

⁴ Particularly of note is José Basilio da Gama's epic poem written in 1769 about the Guaraní revolt which condemns the Jesuits for forcing the Guaraní to disobey colonial leaders. This source is incredibly biased though, as Da Gama was accused of being a Jesuit sympathizer the year before he wrote this poem and Pombal had threatened to exile him to Angola. Thus, Da Gama would have every reason to embellish the Jesuits' culpability in inciting this revolt to curry favor with the extremely anti-Jesuit Pombal. Additionally, Floridablanca recounted that the 1750 Madrid Treaty "had to be annulled due to the resistance and scheming of the Jesuits." But he too was a biased author, since the Spanish Crown ordered him as ambassador to Pope Clement XIV to petition the pope to suppress the Society of Jesus. When successful in 1773, King Charles III granted Floridablanca the royal title of "Count." Thus, we should be wary of blaming the Jesuits unilaterally for inciting the rebellion based on sources written by such observers. DA GAMA 1982: 95; MOÑINO y REDONDO ca. 1795 (my translation).

ndations of that potential peace had begun to crumble. A letter by one of the Spanish commanders, Raphael de Córdoba (ca. 1765: 363-365), notes that during the campaign Spanish and Portuguese troops quarreled often over the authority of various commanders and the spoils of victory. Many Portuguese were disappointed that many of the Guaraní still were not complying with the Treaty of Madrid. For instance, the Portuguese commander Gomes Freire de Andrada told General Pedro de Cevallos, the Spanish leader, that the Guaraní who had decided to leave the Seven Missions region still were living too close to their old missions. This controversy precipitated further bickering over the 1750 treaty limits around the Ibicuí river, which almost broke out into violent conflict between Spanish and Portuguese troops (JAENIKE 2008: 189; COR-TESÃO 1952).

The fact that the Seven Missions region was more difficult to conquer and much less lucrative than expected led Pombal and Portuguese commanders on the ground to refuse to abandon the Colonia del Sacramento, contrary to the terms of the Treaty of Madrid. Pombal valued commerce more than the previous King João V and his advisor, Alexandre de Gusmão, and so the new leader was less willing to relinquish such a commercially strategic port (MAXWELL 1995: 53; ALDEN 1968: 90). Thus when the Spanish King Charles III ascended to the throne in 1759 and observed continued Luso-Hispanic tensions in the Seven Missions region and that the Colonia del Sacramento remained in Portuguese hands, he officially annulled the 1750 Treaty. True, as some historians have argued, Charles III probably believed that even if the treaty had been respected, it still went against the interests of Spain (especially regarding the Seven Missions region concession). But the continuing Portuguese subterfuge over the delineated borders and reluctance to give up the Colonia stemming in part from Portuguese disappointment over the Seven Missions region at least provided the perfect pretext for the Treaty of Madrid's annulment of 1761 (ALDEN 1968: 190).

If the Guaraní rebellion had some measurable effect on the annulment of the Treaty of Madrid, did the absence of Jesuit and Guaraní resistance in 1777 then help precipitate the 1777-1801 peace? In the 1750s and 1760s, the order of the Society of Jesus faced further criticism from Portuguese and Spanish imperial officials for instigating the Guaraní revolt. To counter such attacks, many Spanish Jesuits condemned the King's actions of first abandoning and then attacking his loyal Guaraní vassals. As a result, places such as Buenos Aires were "infested with people who openly questioned the behavior of the king" (BUCARELI Y URSUA 1767, q. by HERZOG 2015: 89). In the Portuguese empire, the Jesuits possessed much wealth and influence over education, which

spurred jealousy on the part of imperial officials and other monastic orders (PAYNE 1973: 262-363). Many Portuguese and Spanish officials believed that the Guaraní could never have launched such a revolt on their own volition and that the Jesuits must have instigated the natives' violent actions. Both Iberian kingdoms were intent on removing this powerful and perceived "seditious" group from their respective empires) (SARREAL 2014: 109-114). Pombal first expelled the order from the Lusophone empire in 1759, followed by Spain doing the same in 1767. Six years later, Pope Clement XIV (with considerable Iberian lobbying) completely suppressed the Society of Jesus (MARQUES 1972: 398-399; CLEMENT XIII 1774: 286).

Thus by 1777, the Seven Missions region was now no longer subject to extra-governmental authority. After the Madrid Treaty's annulment and the 1767 Jesuit expulsion, Spain now held the region directly as part of its South American domains. The Spanish imperial state no longer needed to consider and negotiate with such powerful "agents," and the Seven Missions region now *directly benefited* the Spanish Crown through economic production, taxes, and customs duties paid. By the 1770s, some of the region had gained a role in the local economy as a major cattle-hide producer, accounting for fifteen percent of all cattle-hide exports from the Rio de la Plata region (SARREAL 2011: 517-518). While important for Spain, such output did not turn the jealous eye of the Portuguese as had rumors of fantastic Jesuit wealth had before, and much of the region struggled economically (SARREAL 2014: 140-143). Therefore, due to the successful incorporation of the Seven Missions region into the Spanish imperial system and Portuguese realization that this region was not as economically rich as they had hoped, negotiators easily agreed in the 1777 Treaty that Spain would retain the old missions' territory. The removal of the Jesuits as agents or a key "interest group" in the area allowed Spain to incorporate the region within a more centralized empire, which made Portugal less inclined to dispute Spain's right to such clear sovereign territory. While Jesuits probably had little direct role in instigating the Guaraní revolts, their suppression also eliminated an extra-governmental power that at least had challenged imperial decisions. Tensions diffused between the Iberian powers as negotiators had to consider fewer potentially rebellious agents when delineating borders, thus simplifying the treaty-making process. Of course, such results came at the price of massive and unjust human suffering, exploitation, death, and displacement. And unlike the anti-Jesuit Spanish chief minister, the Count of Floridablanca, claimed, these priests were not solely responsible for the annulment of the Treaty of Madrid, nor was their removal the only or main reason for the success of the 1777 San Ildefonso Treaty.

3. Native Americans and Ambiguous Borders

Another key reason many have argued for the dissolution of the Treaty of Madrid was the lack of clarity over imperial borders in the Banda Oriental. Part of the fault lies with Spanish and Portuguese treaty-makers' vague language regarding these frontiers. But these treaties were only as good as the data that informed them. Therefore, a fair portion of the blame should fall on those charged with providing geographical clarity through mapping expeditions. The Treaty of Madrid called for a joint Spanish-Portuguese expedition to survey and erect marking devices to divide the Banda Oriental. But this area was so vast that Spaniards or Portuguese had not yet encountered much of it (BURKE 1757: 198). Such unexplored lands had the potential to invite future Iberian conflict over territorial jurisdictions.

The joint mapping expedition of the 1750s ran into some serious pitfalls from the very beginning. The terrain's natural shape often did not correspond to what had previously been described in the letters that negotiators had used to divide the region, many directions and distances diverged from the treaty's statements, and the names of rivers and mountain ranges on the maps often did not conform with their local monikers (for instance, often the Spanish and the Portuguese confused the Yguréy River with the Igtimí and the Corrientes river with the Ypané) (FRAKES 1989: 491). This ambiguity and confusion led Portuguese and Spanish surveyors to disagree in their interpretation of the 1750 Treaty's claims concerning each empire's specific land rights (SAMPOGNARO 1945: 16). The surveyors engaged in heated arguments on how exactly to delineate the territorial claims spelled out in the agreement, significantly delaying their map-making project (HERZOG 2015: 30-31).

While much of the region was as of yet uninhabited by Spanish or Portuguese subjects, many native peoples had spent their entire lives here. Many of these Native Americans further inhibited the successful completion of the 1750s Iberian mapping expedition and thus impaired the possibility of a clear border delineation. First, the Guaraní revolt forced the joint Luso-Spanish commission to halt in Santa Tecla until it was safe to venture further in 1758 (SAMPOGNARO 1945: 16-17). Other native groups (tolderías) stole several hundred horses and did not let the mapping expedition pass in protest of the unjust slaughter of the Guaraní (ERBIG JR. 2016). These native communities, especially the Charrúas and Minuanes, often would play the Spanish and the Portuguese off each other, aiding whichever side gave them superior trading goods and subtly encouraging their continued conflict (which distracted the Iberian powers from systematically displacing native peoples) (GOMES 2003).

Iberian warfare also made the Iberian powers friendly to native peoples, as Spain and Portugal would try to court natives' alliances and support against the other European power through trade deals and concessions. As such, Indian guides would confuse and misdirect surveyors or would conduct strategic violent attacks to keep these borders unclear and contested (GOMES 2003; ERBIG JR. 2016; 2020). Native American efforts contributed to such a delay of this mapping expedition that King Charles III was further encouraged to annul the Treaty of Madrid in 1761.

The failure to survey accurately the frontiers of the Banda Oriental occasioned further controversy and violent conflict as both sides claimed they were rightly defending their empire's territory. The 1761 Treaty of El Pardo annulling the Madrid Treaty acknowledged that the vague 1750 agreement "has given and will give in the future many and frequent motives of controversy and contestation," particularly in terms of the confusing and inaccurate border delineations (SAMPOGNARO 1945: 17). Spain's Chief Minister at the time, the Count of Floridablanca, also noted that "the confusion and obscurity of the borders always led to the new intrusions by the Portuguese" (although undoubtedly Spaniards also violated Portuguese territorial claims) (MOÑINO y REDONDO 1899: 230). It was thus incumbent in 1777 to clarify the borders in the Banda Oriental before de-facto, on-the-ground peace could be achieved.

As a result, the 1777 Treaty of San Ildefonso was intentionally much more explicit in its descriptions concerning what parts of the Banda Oriental each Iberian power could claim sovereignty over. Not only that, but the 1777 surveying expedition enjoyed more success than the one in 1750 in terms of publishing maps to formalize these South American borderlands (LANGFUR 2006: 42). The 1777 surveying mission's relative success was due to several factors. First, the determined and adept Don Felix de Azara led the Spanish part of the mapping commission. Not only did he meticulously explore and map the Banda Oriental, but also the upper waters of the Paraguay valley (SAVELLE 1974: 21; DE AZARA 1836: 1, 67). Second, many more documents that dealt with the region had been written by Europeans who had visited or lived there since the 1750s. By the 1770s, according to historian Tamar Herzog (2015: 29-31), the writings of chroniclers and historians, travel narratives, multiple maps, and the array of administrative, judicial, economic, and diplomatic documentation on the Banda Oriental could fit into as many as twelve large boxes and dozens of books. True, all the information was hard to process and decipher, but more concrete knowledge of the region made it easier to delineate Iberian borders definitively. Third and most important, Native American nations did not interfere as intensely with the 1777 mapping expedition as they had in 1750 (although

the surveyors were still required to pay a tribute to the *tolderías*). Partially this phenomenon was due to the absence of a Guaraní rebellion or similar unrest. In addition, Native American peoples were continually dying from disease (HERZOG 2015: 131-132). Iberian militaries also grew and consolidated in the region to counter Native American subversions. Floridablanca noted that the Treaty of San Ildefonso's article calling for Spain and Portugal to help each other in times of external or internal military conflicts was due in part to subdue "Indian rebellions," and Floridablanca noted that Spain and Portugal could not succeed in this endeavor "if we did not conserve and cultivate friendship... [and] solidarity between the two courts" (MOÑINO y REDONDO 1899: 232). The two Iberian powers acting together to exert their will and authority on indigenous nations would significantly reduce native autonomy in the region and native people's ability to sabotage Iberian mapping expeditions and the construction of peace.

The 1777 joint Hispano-Portuguese surveying expedition of the Banda Oriental produced a clearer and more accurate description of the imperial borderline. Pedro de Cevallos, the first viceroy of the new Viceroyalty of Rio de la Plata, praised this mapping expedition (and the Treaty of San Ildefonso) for clearing up the inconsistencies and confusion concerning the borderlands of the Banda Oriental (DE CEVALLOS 1945: 4). Unambiguous territorial delineations gave royal officials the necessary starting point to police internal lands and preserve the security and stability to an agreed-upon and virtually unequivocal border (ERBIG JR. 2016). With less uncertainty over frontiers, perpetrators who violated the treaty's terms could be more easily identified and punished. And with more clarity, there would be fewer disputes between confused yet determined settlers.

While the knowledge of clear borders would not settle all controversies, a clearer demarcation of the frontier region did help prevent constant Iberian tension and conflict. And while not the only reason for the success of the 1777 mapping mission, the decrease of Native American subversions that would inhibit such a survey was a significant factor in occasioning such border clarity. Thus, the diminishing power of these agents in the Banda Oriental was critical in the development of the late eighteenth-century inter-imperial peace in the region.

4. Cattle in the Banda Oriental Borderlands

Even if imperial borders now lacked ambiguity, why didn't settlers on the border region simply violate these terms of the Treaty of San Ildefonso and

combat other settlers? Surely, there was often a discrepancy between imperial policies and the actions and reality of populations living in this borderland (ERBIG JR. 2020). Therefore, why did Portuguese and Spanish settlers (agents) obey their now more lucid instructions from the leaders (principals) in Europe rather than disrespect territorial claims to gain greater profit or create buffer regions to protect their economic interests?

Other than the heightened authority Iberian officials now possessed over their subjects with the reduction of Jesuit and native power, one of the principal reasons for this local peace was the decrease in the number of cattle and illicit cattle hunters in the region.

Portuguese settlers had violated the Tordesillas line and established the Colonia del Sacramento (1679) even before the famous gold rush of the late seventeenth century began in earnest (MAXWELL 1995: 52). This initial Portuguese settler expansion was due primarily to lucrative cattle raising in the fertile Banda Oriental plains (MARQUES 1972: 450). Not only could settlers consume and sell these cattle as meat, but cattle were also the source of expensive hides and highly-demanded leather products that settlers could export to the Iberian Peninsula (or sell as contraband to foreign empires). The Rio Grande do Sul region, routinely fought over so much during the 1760s and 1770s, was especially attractive due to its rich pastures that could support large cattle herds. Many settlers believed that wherever their cattle happened to graze also belonged to them. This belief spurred further controversies regarding “possession” of land, as unsupervised and wandering cows could serve as a claim to territorial possession (HERZOG 2015: 35-36). Controversy and violent conflict, especially before 1777, inevitably brewed between Portuguese and Spaniards over such an unstable method of border delineation (HERZOG 2015: 22).

Border tensions grew especially problematic in the early and mid-eighteenth century as the cattle population increased and more cows became feral as ranchers failed to brand and control their expanding herds. Ranchers and an amorphous collection of peasants and other people without fixed occupations (with Indian, Spanish, Portuguese, African, and mestizo backgrounds) asserted rights over cattle that did not belong to them and illegally hunted and slaughtered cows to sell their hides illicitly to the Spanish out of the Colonia del Sacramento (SARREAL 2011: 521; GELMAN 1989). These actors cared little for the imperial border delineations of the Treaties of Madrid and San Ildefonso. Portuguese settlers expanded into Spanish-claimed parts of the

Banda Oriental where livestock thrived in the temperate grasslands.⁵ In the aftermath of the 1777 Treaty and Iberian rapprochement, both Spain and Portugal wanted to curb the illegal slaughtering and smuggling of cattle in order to decrease tensions on the border (SARREAL 2011: 522).

To assume greater control over these agents and compel them to respect Spanish and Portuguese border delineations, Iberian officials (especially Spanish ones) began first to encourage land settlements of borderland farms and ranches that would protect herds and serve as a bulwark against encroaching subjects of the other Iberian empire. This policy backfired though, as the few inhabitants who traveled to the Banda Oriental frontier region continued to slaughter any cattle they could find to make a quick and easy profit. These actions only caused more disorder and controversy over who owned what cattle and who had the right to kill them (SARREAL 2011: 523-525).

In the wake of such a failure, Iberian officials decided to increase the patrols of troops in the region. At the end of the 1770s, the governor of Montevideo allowed rich citizens to pay for armed troops to prevent the Portuguese from encroaching on Spanish lands and slaughtering herds. These patrons would receive a royal license to hunt feral cattle and use the profits from the subsequent leather hide production to pay for the troops' expense (SARREAL 2011: 529-530). Soon after, in 1778, the new Viceroy of Rio de la Plata, Pedro de Cevallos, decided to populate the Spanish Banda Oriental with settlements and forts along the Spanish side of the neutral borderland to contain "theft, manslaughter, and other disorders" especially related to rogue Portuguese cattle hunters. Cevallos realized that Spanish troops needed to stop such encroachments by the Portuguese to lessen the slaughter of valuable cattle and to secure the Spanish border of the Banda Oriental (DE CEVALLOS 1945: 13). The viceroy also gave the Guaraní remaining in the old missions region the right to hunt wild cattle in the River Negro and Yí region with the concession that they also establish patrols to protect these cattle herds and halt Portuguese encroachment (SARREAL 2011: 532-537). Overall, these policies of imperial force and "civilian" patrols achieved such success that by the 1780s the contentious issue of cattle hunting had diminished significantly.

Another important, if rather simple, reason that such Portuguese incursions decreased in the 1780s was the fact that there were far fewer cattle in the Banda Oriental as compared to levels at midcentury. It seems as if Iberian settlers had almost exterminated such herds. Cevallos lamented that such overhunting

⁵ Although of course, it was not only Portuguese subjects who illegally hunted Spanish-claimed cattle. An amorphous collection of various actors who claimed no allegiance to any crown also would slaughter cattle on both Spanish and Portuguese-claimed land in the Banda Oriental.

threatened to “completely ruin” the Spanish cattle hide and leather trade in the region (DE CEVALLOS 1945: 12). Settlers had drastically diminished the cattle populations in the Spanish Banda Oriental, and so one could posit reasonably that Portuguese individuals were less willing to risk their lives facing armed patrols while trying to access a good that was increasingly difficult to obtain (SARREAL 2011: 543). Cattle population decrease coupled with the augmented policing of the borderlands dramatically altered the cost-benefit analysis to rogue, especially Portuguese, cattle hunters and limited their incursions and conflicts with other settlers.

The decline of these “agents,” cattle and cattle hunters, in population and power had a pacifying effect on the Banda Oriental. Their decrease, along with greater Iberian military and paramilitary enforcement, curbed illegal cattle robbers and constituted key reasons for a reduction in Hispano-Portuguese tension over this frontier in the late eighteenth century.

5. The Limiting and Control of Inter-Imperial Contraband

The final group contributing to Luso-Hispanic tensions in the Banda Oriental were inter-imperial smugglers. Foreign (especially British) merchants, as well as local Portuguese sailors, used the Colonia del Sacramento as a base to send contraband goods across the Rio de la Plata to ports such as Buenos Aires in exchange for Spanish silver. This section first explains the problems contraband caused especially for the Spanish empire, and after how the resulting tensions with Portugal over contraband subsided in the late eighteenth century. Not only was the Spanish conquest of the Colonia del Sacramento essential to occasion such a peace, but Spain’s 1778 decree of “free trade” and this empire’s greater control of contraband through Spanish Montevideo also eliminated smugglers as principal instigators of Luso-Hispanic conflict

Commercial relations, especially regarding illicit trade, played an important role in determining peace or war between the two Iberian powers in the eighteenth century. Both Spain and Portugal sought to increase their wealth through tightly-controlled imperial commercial programs. Such policies were predicated on the commonly-held belief, sometimes called a “neo-scholastic” vision of the economy, that the best way a state could maintain and increase its wealth and power relative to other states was to impose high tariffs on foreign goods that might compete with domestic products and ideally eliminate all exports of gold and silver. Ideally, all trade would be kept and flow within the empire, and people would only purchase goods produced by their fellow subjects.

Additionally, all overseas trade to the colonial realm first had to pass through ports in the Iberian Peninsula. With this system, imperial rulers believed they could better regulate and tax imperial trade and prevent gold and silver from flowing out of their realms to enrich and make more powerful other states (HARVEY 2016: 12).

Distance and the lack of self-sufficiency of Spanish and Portuguese colonies made it almost impossible to abide by such rules. Avaricious Spanish merchants often would delay sending various products to Spanish America to drive up demand and fetch a better price, which often threatened to ruin colonial subjects' economies. To supply such desperate colonists, English and French merchants had established footholds in the Americas and Caribbean to sell cheap goods directly and illegally into Iberian America by the latter half of the seventeenth century. These French and English merchants circumvented tariffs and regulations which should have been placed on their merchandise (LAMIKIZ 2010: 7). Access to cheaper and often more readily available products greatly aided the development of the Spanish and Portuguese colonies, but stunted official Iberian commerce and the profits won by the metropole. Iberian courts, especially that of Spain, lamented the fact that their respective enemies, France and Britain, were becoming wealthier at their expense (WALKER 1979; GONZÁLEZ 1992; SANDERS 1977: 61). In reflecting on the implications of this smuggling, the seventeenth-century German historian, Samuel von Pufendorf, famously joked that "Spain kept the cow, and the rest of Europe drank the milk" (q. by. MAPP 2011: 119).

Beginning in the late seventeenth century, local Portuguese also began to see an opportunity to enrich themselves by providing Spain's Rio de la Plata region with contraband goods. Merchants, slavers, ranchers, and cattle hunters pushed into the Banda Oriental and used the Colonia del Sacramento as a base to trade cattle, slaves, cachaça (aguardiente), sugar, and Brazilian tobacco for Spanish silver coming from the mines of Potosí. Such Portuguese actors often acted on their own or as middlemen for other Europeans who illegally traded various manufactured goods to the Spanish (SARREAL 2011: 521-522). An especially common sight in the Rio de la Plata were British ships, which, although there illegally, were often able to bribe local officials to gain entry (BAUSS 1979: 145-172; ALDEN 1968: 403-404). Various Portuguese subjects happily and illegally traded Brazilian goods for Spanish silver and then used that silver to pay for various English wares. The English observer William Burke (1757: 269) noted that those involved in the silver contraband trade "find [the trade] far more advantageous than any other whatsoever." The French observer Abbé Raynal (1777: 120) agreed that this contraband trade

“is easy, expeditious and pleasant. In America none oppose it, because it suits every person”. Local Spanish colonists in and around Buenos Aires quickly received cheap goods and the slave labor they desperately needed, Portuguese in the region could purchase much-desired products from Britain and other empires, and these other imperial powers received precious silver (PRADO 2015: 32).

Between 1700 and 1764, Spanish officials in Buenos Aires confiscated 305,597 silver pesos’ worth of contraband goods. Along the rest of the coast of the Rio de la Plata, officials seized an additional 252,992 pesos worth of contraband (PRADO 2002: 140). Undoubtedly the actual level of smuggling was multiple times more than the amount discovered. Thus, hundreds of thousands to millions of pesos were enriching local Portuguese or British merchants rather than traveling back to Spanish coffers. The Spanish Crown bristled that money that should have been entering Peninsular Spain and paying for Spanish manufacturers instead was making their prime enemy, Britain, even more wealthy.

Spain attempted a variety of methods to curb such contraband and regulate inter-imperial trade. But the Crown adamantly refused to lower the customs duties or taxes placed on Spanish products entering Spanish America, seeing this policy as “ruinous to the monarchy” according to the French observer Raynal (1777: 121). Instead, in the 1740s and 50s, the Spanish Crown commissioned privateers to patrol the Rio de la Plata in search of smugglers. Such a policy backfired for, according to the historian Fabrício Prado (2002: 143), “more than once these ships were found to be transporting contraband from the Colonia”. Spain then tried to institute a more-regulated, official coast guard system and an expanded bureaucracy in the New World to control contraband trade and limit the influence of foreigners in Spanish-controlled ports. But such policies sometimes resulted in inter-imperial crises, such as when a *guardacosta*’s violent actions against a British ship eventually provoked the Anglo-Spanish War of Jenkin’s Ear in 1739 (KUETHE and ANDRIEN 2014: 354).

In such a frustrating state of affairs, many Spanish policy-makers accused the Portuguese Crown and Portuguese royal officials of sanctioning the illegal silver trade in the Rio de la Plata. Some Spanish leaders in Buenos Aires believed that Portuguese officials in the Colonia were responsible for directing “all the money [in silver] towards the Colonia and Lisbon, enriching that kingdom while impoverishing this one [Spain]” (Court Documents of the General Archive of the Argentinian Nation, July 16, 1749, q. by PRADO 2002: 14). While this statement is probably hyperbolized as the Portuguese Crown held acute fears of smuggling into its own empire, Pombal was reluctant to make any mutual

commitment with Spain to increased anti-contraband policies. The Portuguese leader was wary that Spain would gain relatively to Portugal through such an agreement. Thus, many Portuguese officials winked at their subjects' smuggling, believing that such an outflow of Spanish silver harmed Spain's metropole more than it did Portugal's (MAXWELL 1995: 52; LANGFUR 2006: 33-34). This Portuguese indifference and implicit consent provoked the ire of the Spanish Crown, which sent multiple expeditions to take the Colonia del Sacramento and thus eliminate the major hub of contraband activity on the Rio de la Plata.

The most effective of these assaults occurred in 1777 when Pedro de Cevallos and the largest force Spain had ever sent across the Atlantic overwhelmed the Colonia del Sacramento. The fact that this time Spain was able to conquer and keep the Colonia was crucial to the amelioration of the contraband issue. The Colonia del Sacramento was a perfect base to re-provision smugglers' ships and send their wares illicitly across the river to Buenos Aires (HARVRY 2016: 89; PRADO 2015: 140). The Spanish conquest of this port by the forces under General Cevallos thus allowed Spain to better regulate trade within its empire. No longer would Portuguese smugglers find as easy an outlet to trade contraband goods in the silver-rich Rio de la Plata region, thus eliminating a major source of Luso-Spanish tension.

At the same time, Madrid attempted a new method of curbing its contraband problem with the 1778 royal "Decree of Free Trade" and other reforms of Spain's imperial commercial system. Since 1503, the *Casa de Contratación*, based first in Seville and then moved to Cadiz in 1717, regulated all commerce and migration to the Indies. Legally, all colonial trade from South America had to either enter and exit from the port of Cadiz, or the *Casa de Contratación* needed to officially approve other "registered" ships that would supply the colonies. By the early eighteenth century though, enforcement of these policies had plummeted and inter-imperial contraband remained high. In the middle of the century, Spaniards such as Bernardo de Ulloa, José de Campillo, and Bernardo Ward called for Spain to modernize this system of commerce to help curb smuggling (LAMKIZ 2010: 8, 14). The new Spanish Bourbon Monarchy eventually heeded such pleas and began focusing on strategically developing its commerce and manufacturing. In the 1760s and 1770s, Madrid increased the number of privileged companies outside of the *Casa de Contratación* that were allowed to trade with marginal areas (such as Cuba, Venezuela, and the Philippines), and augmented its merchant fleet. In 1761, King Charles III decreed that whenever a foreign, especially a Dutch, English, or French, vessel entered a Spanish harbor, "the precautions of placing guards on board shall be observed," the captain would have to submit a manifest to the port's

custom house reporting all the goods on board, and the ship would “be searched to the bottom” to ensure that the crew had not hidden any contraband merchandise.⁶ Two years later, Charles III ordered his customs officials to collect records on all “merchants and traders of every foreign nation” who were engaging in commerce in the Spanish empire to monitor their activity and prevent smuggling (CARLOS III 1764). Madrid also opened seven ports in 1765 (Barcelona, Alicante, Cartagena, Seville, Malaga, Gijon y la Coruña, and Cadiz) in Spain that could trade with the Spanish Caribbean. Finally, in 1778 Charles III instituted the “Decree of Free Trade,” in which the number of ports now opened to intra-imperial trade increased to include twenty-two Spanish American ports and thirteen Spanish Iberian ones (TUSELL et al. 1998: 481, 510). Spanish American ports could now trade *directly* with one another as well as with the open ports in Spain⁷. Such a reduction of restrictions granted Spanish Americans much greater access to and decreased the cost of trade goods from the metropole and other Spanish colonies, enriching their pockets and lessening the demand for foreign smuggled merchandise.

While it is hard to determine the decline of illicit contraband in exact numbers after 1778, at least we know how much recorded *legal* commerce increased at this time. According to the historian John Fisher (1981), between 1782 and 1796 the average annual value of exports from Spain to America was 400 percent higher than in the base year of 1778. Additionally, Spanish America’s share of total Spanish overseas exports rose from 38 percent in 1778 to an average of 52 percent from 1782-1796. Foreign merchants (especially Portuguese ones) were less threatening to the Spanish imperial system since its colonists were trading more now with the Mother Country than with foreign smugglers⁸.

The last measure that Spain made to eliminate the contraband problem after 1777 was to improve commercial control of the Spanish port now closest to the border of Portuguese America, Montevideo. In his memoirs, Don Juan José de Vertiz y Salcedo (1945: 76-79), the second Viceroy of Rio de la Plata

⁶ Such a decree negated earlier agreements between Spain and Britain, Holland, and France that prevented armed Spanish guards from boarding foreign ships. Now Spain would send soldiers to inspect any foreign ship for contraband goods. Clearly, Spain was now more willing to enact strong policies to stop the smuggling problem (BAÑUELOS 1761 and CARLOS III 1760).

⁷ Interestingly, the Royal Decree mentions the Colonia del Sacramento as a primary reason for this new policy, as the port supposedly could not survive without expanded intra-imperial commerce (“Real Decreto” 1778: 4).

⁸ One could argue too that the Treaty of El Pardo (1778) between Portugal and Spain, which granted the former Portuguese islands of Anno Bon and Fernando Po’ in the Gulf of Guinea to Spain, gave this empire a much-desired foothold into the lucrative slave trade. Thus, Spanish Rio de la Plata did not have to depend on slaves sold via other European powers, often illegally. However, Spain experienced a great deal of trouble preserving these islands and sending large numbers of African slaves to South America due to resistance by these islands’ inhabitants (KUETHE and ANDRIEN 2014: 300).

(1778-1784) praised how quickly Spain had fortified Montevideo to ward off enemies and threaten potential contrabandists. Madrid dispatched many more customs officers to regulate trade in this port. Spanish officials increased financial and military resources to police the city and surrounding area and prosecute all those who imported contraband goods. Local officials created patrols, naval guards, and forts along the border to arrest smugglers. Sometimes officials would even hire former contrabandists to help combat these offenders. While many Portuguese from the Colonia migrated to Montevideo after 1777 and continued to operate their trans-imperial trading networks, with such measures Spanish officials were able to control such trade, dictating more effectively who could and could not engage in commerce and under what circumstances. By all accounts, Luso-Hispanic contraband, especially the perturbing outflow of Spanish silver, decreased because of these measures (PRADO 2015: 33, 108, 147, 184).

These phenomena combined to decrease the influence of smugglers in the region. With less unwanted contraband entering the Spanish Rio de la Plata, Spanish officials had fewer reasons to combat the Portuguese here (LANGFUR 2006: 31-32; PRADO 2015: 32-33). Smugglers were no longer very powerful actors, supporting the argument that the diminishing power of certain agents brought less tension and conflict to the region. It should be noted though that this decrease in smuggling *limited* mutually-beneficial and informal interactions between local Spanish and Portuguese settlers who knew and did business with one another. The downturn in smuggling did not necessarily improve *local* Iberian relations or eliminate local settler conflict, but it certainly reduced the causes of *imperial* warfare. This decline of what Spain particularly considered such an economically harmful activity eliminated a major point of contention between the Spanish and Portuguese Crowns, helping to occasion Iberian peace in the Banda Oriental region from 1777-1801.

Conclusion

For a variety of reasons, certain “agents” had lost most of their influence in the Banda Oriental frontier region, which decreased conflict between Spain and Portugal, and were thus less of a threat to Iberian peace after 1777. Jesuits had been expelled from the empire and could not complicate the treaty-making process and the Guaraní were incorporated into the Spanish imperial system and were no longer semi-autonomous actors that could easily rebel. Other indigenous nations experienced diminished populations and were subdued by greater Iberian forces and could not hinder critical mapping expeditions

that would clarify contentious borders. Settlers had fewer reasons to fight their Iberian neighbors as patrols increased to prevent the illegal hunting of cattle in the Banda Oriental, and as the cattle population decreased due to over-hunting criminals conducted fewer illicit raids to slaughter them. Finally, as commerce within the Spanish empire increased after Spain conquered the Colonia, Madrid established the wider “Decree of Free Trade” in 1778, and officers limited and controlled smuggling through Montevideo, fewer smugglers sold their wares to Spanish subjects and extracted Spanish silver, thus eliminating another key source of Hispano-Portuguese tension and warfare. While improved relations and treaty negotiations between Madrid and Lisbon provided a greater impetus for peace in the second half of the eighteenth century, imperial consolidation of power *on the ground* was critical to the *de facto* decrease in violent conflict.

It was not that the Iberian empires were necessarily able to placate all the remaining agents in the Banda Oriental or that all of these “subversive” actors disappeared. But these principals eliminated much of the *power* of the agents and their ability to precipitate Luso-Hispanic tensions. Iberian powers had significantly reduced resistance to their designs. As agents began having less influence in the region, the principals’ goal of Iberian rapprochement and peace could come to fruition following the 1777 Treaty of San Ildefonso. But of course, such peace came with the price of increased imperial exploitation, sometimes fewer commercial and social connections between subjects of different empires, and often the displacement and death of many people in the region. And resistance to imperial designs, of course, would continue to foment. These empires had won, for now, but their death knell would ring after they resumed fighting in the context of the cataclysmic Napoleonic Wars.

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