The resilience of the Spanish empire during the Early Modern period is currently largely ascribed to its capacity to foster and reproduce collaborative relationships between the political superstructure and a plethora of local and transnational actors across the globe. As a consequence, while the contribution of private actors – chiefly the social elites – to the viability of the empire has attracted new interest, the image of the Spanish monarchs as absolutist and omnipotent rulers has also been challenged. Cooperation and negotiation have effectively become major interpretative keys to interrogate an empire that is currently envisioned more like a constellation of multiple decisional centers, invested with a certain degree of autonomy, than as a centralized and hierarchical polity led from Madrid.

Despite the fact that the Spanish empire is currently regarded more as a collective partnership than merely a dynastic project, the agency and contribution of private actors at shaping the empire’s policies still remains in the background. Somehow, the central role traditionally attributed to the «state» in the framing imperial policies has not substantially changed. Indeed, the questions most assiduously broached in the historiography are focu-

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ased on grasping and assessing the different strategies and mechanisms that the state developed and used in order to cooperate with private actors and thus achieve its own goals. This essay turns that viewpoint on its head. Instead of prioritizing how the state established cooperative strategies with non-state actors in order to satisfy its needs, as the contractor state perspective does for instance\(^2\), the approach employed here focuses on how private agents collaborated with the state in pursuit of their own personal and private goals\(^3\). In so doing, this essay aims at casting some light on the role that private actors had, not only in the management and the reproduction of the Spanish empire, but at shaping it in an active rather than in a passive way.

The foundations on which the Crown’s monopoly over the transatlantic slave trade was managed by the Genoese company of Domenico Grillo and Ambrosio Lomellino will be the case in point (1663-1674). Although rarely studied, this period served as a laboratory in which the operational details of the slave trade in Spanish America in the next century were redefined\(^4\). By scrutinizing the bargaining processes that underpinned the association between Grillo & Lomellino and the Crown, this article aims to show how a proposal coming from the private sector could turn into a decisive private-public partnership (PPP) with a long-lasting effects on the articulation of the transatlantic slave trade circuits and the political economy of the Spanish empire.

The first part of this essay contextualizes and highlights the innovations brought by the contract between Grillo & Lomellino and the Crown, with due reference to the historical and political context of the African slave trade in the Spanish empire. Among others, the most relevant novelty was the granting of a monopoly charter to the Genoese company. The second section examines how the partnership between Grillo & Lomellino and the Crown began, shedding light on the mechanisms used by merchants and financiers to gain access to the central political institutions of the state. As was often the case, the initial proposal was presented to the Council of the Indies. The proposal was considered interesting and negotiations started. What were Grillo & Lomellino bringing to the table? The third part approaches the proposal of the Genoese company from the Crown’s standpoint and unveils how it was interpreted, according to the manifold interests and needs involved in empire management. The conditions under which the Genoese company was finally allowed to operate the slave trade was the result of different negotiations in which a wide array of tangible and intangible pay-offs was bargained among the parties involved. These terms included the exchange of shipbuilding services and the recognition of privative rights, among others. However, as the fourth section shows, the mutual obligations that ultimately bound

\(^4\) VEGA FRANCO, 1984; GARCÍA-MONTÓN, 2014.
the parties were not the result of convergent agendas. On the contrary, Grillo & Lomellino manipulated the privileges that they had been granted and also fulfilled their contractual obligations in a way that boosted their private investment in illicit markets. Therefore, it is argued that the legal order that Grillo & Lomellino contributed to create in order to hijack ultimately became the framework in which the official slave trade was practiced in the forthcoming decades. The final section presents the conclusions.

**Grillo & Lomellino’s Asiento (1663-1674) and the Politics of the African Slave Trade in the Spanish Empire**

Despite the historical relevance of the African slave trade in the Spanish empire, this field remains to be explored in depth. This situation becomes even clearer when our knowledge of the Spanish experience is compared with other cases. The bulk of the literature on the topic has focused on the merchant networks involved in the trade. Special attention has been paid to the 1595-1640 period when Portuguese merchants controlled the flows of human traffic and built an impressive and dramatic economic structure that linked both shores of the Atlantic. Other studies have focused on specific regions and how they participated in the transatlantic slave trade. In recent years, different attempts have been made to evaluate the size and the geography of the slave traffic.

As Delgado Ribas pointed out some years ago, if we want to arrive at a reasonably complete picture, it is crucial to assess the role played by the transatlantic slave trade in the political economy of the empire which, until the late eighteenth century was far from central. This inquiry into the foundations of the legal slave trade markets and their dynamics will illuminate some puzzling key questions: how was the demand for slaves from Africa framed, and how was this demand met through the interplay of official and un-official trade circuits. Although there are some important works on the politics of the African slave trade in the Spanish empire and its institutional implications, they are more effective at describing its chronological evolution than at providing an analytical perspective on its origins and evolving patterns. Indeed, the relevance of Grillo & Lomellino’s example becomes clear only in reference to its context in the complex history of the slave trade in the Spanish empire. Therefore, in order to be able to better assess the distinctive features of our case study and its significance, some general remarks about how the slave trade was organized in the Spanish empire will be made.

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7 BOWSER, 1974; PALMER, 1976.
9 DELGADO RIBAS, 2013: 13-42.
Generally, the transatlantic slave trade in the Spanish empire was a monopoly of the Crown operated by private actors. Every merchant who wished to participate in the official markets needed a royal privilege. The Crown only began retreating as an active player from 1780 onwards, from which moment transactions could be freely carried out between private actors, either vassals or foreigners. The charters that gave access to the official markets regulated in different ways and degrees the conditions under which the trade was going to be conducted. For example, they specified the quantity of slaves to be carried and their sex; established the source areas and the delivery ports in the Americas; the type of ships to be used, their tonnage and the composition of the crews. The fiscal regime applied to the trade and its jurisdictional framework was also expressed in the charters. The design and contents of these privileges was highly contingent and almost personalized. However, the charters were based on informal mercantile customs and legal precedents. Therefore, it is possible to identify major patterns and specific changes in the organization of the slave trade.

There were two ways to obtain a charter. The most basic charter was called a «licencia» – license – and granted permission to bring one slave into the Americas. Private players could benefit from gracious licenses given by the monarch. This was very common during the sixteenth century, when charters were used as a way to reward past services. The most common way to enter the market consisted in buying or negotiating a charter to trade. Different systems were used to allocate the licenses. During most of the early Modern Age, the Crown, through the Council of the Indies and/or the Casa de la Contratación – the house of transatlantic trade – was the only player with the prerogative to grant and sell licenses. During some periods, however, the marketing of licenses was outsourced to private actors (1595-1610, 1616-1640). Licenses were normally transferable, but not always, and became the center of flourishing secondary markets and the target of speculators.

Through the allocation of licenses, the Crown determined how many players could participate in slave trade markets. Generally, the Crown fostered the limited participation of multiple players by granting several charters (1513-1517, 1533-1640, 1651-1662, 1751-1764, and 1780 onwards). Some merchants managed to expel competitors by obtaining monopoly charters (1663-1750, 1765-1779) but the fact that only one player was entitled to enter the official markets does not mean that this was the case in effect, owing to the occasional possibility of selling and/or splitting the trading privileges (1518-1532). This is the case of the Flemish Lorenzo de Gauvenot, who sold to different Genoese traders the 4,000 licenses that he had been awarded in 1518. Some terminological confusion has also con-
tributed to blur the picture around the number of actors involved in the trade at any given time. Whereas the term *asiento* is nowadays frequently understood as synonym of monopoly, contemporaries used it as «agreement between parties», normally referring to large contracts. The expression *estanco* was the normal word for «monopoly»\(^{15}\). This distinction is of the utmost importance, because while some *asientos* were certainly *estancos* others were not. Equally important is to determine exactly what was placed under these monopolistic administrations. For example, the *asientos* signed by Portuguese firms between 1595 and 1640 were a concession to market licenses. Even if the *asentistas*, instead of selling the licenses at their disposal, used them to take slaves to America themselves, the Crown did not lose the right to issue as many of them as it pleased, which prevented these *asentistas* from taking advantage of any monopolistic position\(^{16}\). For example, in 1629, during the *asiento* of Rodríguez Lamego (1623-1631), Philip IV granted his brother the *cardenal-infante* Ferdinand 1,500 licenses to import slaves to the River Plate. These permissions were resold to the Genoese Nicolò Salvago\(^ {17} \).

Little is known about how the allocation of charters to trade and their different characteristics impacted on the interplay between official and private slavery circuits and also on the total volume of the slave trade. However, the porosity of the Spanish American borders, their length, and the limitations to fully enforce any kind of monopoly contributed to create two differentiated spheres of trade, the official and the unofficial one. As the available evidence suggest, illicit markets carried remarkable volumes of traffic, but we should not disregard the role played by other fraudulent practices, for example when legal circuits were manipulated to introduce slaves or other goods without paying taxes\(^ {18} \). Furthermore, and more importantly, the question would be to assess the way merchant networks penetrated these areas of interaction and how they adapted to the changing conditions of trade. This aspect takes us to the question of supply. Both legal and illegal slave markets in the Spanish Americas shared at least one key feature: Spain lacked outposts in Western Africa. This framed the traffic as an inter-imperial operation which required large and overlapping networks of collaboration, often pluri-national and inter-religious\(^ {19} \). Rivalry among potential suppliers was fierce and, in combination with other issues, was not a bad *casus belli*\(^ {20} \). We should assume, therefore, that changes in the supply side affected the flow of slaves to

\(^{15}\) *Diccionario de Autoridades*, Tomo I (1726). ASSIENTO. «Vale también contrato, ù obligación de alguna cosa: como el assiento de negros, el assiento del tabáco. Lat. Scripto contracta, seu concepta obligatio, conventio». *Diccionario de Autoridades*, Tomo III (1732). ESTANCO. «Se llama el assiento que se hace para acotar la venta de las mercancías y otros géneros vendibles, poniendo tassa y precio a que fixamente se hayan de vender, y embarazando que otros puedan tratar y contratar en los géneros que uno toma por su cuenta, y por cuyos derechos y rentas hace escritura y obligación: como sucede en el tabaco, náipes, nieve y otras especies y géneros: y así se dice del que hace semejante postura y assiento, que estanca, o hace estanco de tal o tal cosa. Latín. Mercium detentio. Monopolium.» http://web.frl.es/ [Accessed on 17-11-2014].


\(^{17}\) SCELLE, 1906: 457-460; VILA VILAR, 1977: 52, 57-58.


\(^{19}\) SILVA, 2011: 7-32.

the Americas but we should also ask ourselves if legal markets also shifted their position in response to these changes and how.

Despite the limitations of the data collected, as well as in the design of the database, the Trans-Atlantic Slave Trade Database (TSTD2) is still the best tool at our disposal to infer possible long-term effects of the changing patterns in the articulation of the official slavery circuits in the Spanish empire\textsuperscript{21}. For example, since the slave trade was progressively liberalized from 1780 onwards, it is estimated that until 1866, 821,512 slaves were transported to Spanish America. Demand played a crucial role during those years. The rise in the volume of slaves traded was to a large extent linked to the need to man the expansion of the Cuban sugar industries. During the period in which the slave trade remained legally a monopoly of the Crown (1501-1779) the number of slaves was significantly lower (458,625). During this period, the number of slaves increased whenever there was more than one actor in operation: specifically, 376,075 slaves brought by multiple actors, on an annual average of 2,186 slaves (1501-1640, 1651-1662, 1739-1748, 1751-1764, 1780-1866) compared to 82,550 brought by monopolistic actors, on an annual average of 917 (1663-1738, 1749-1750, 1765-1779). Although the database does not discriminate by default between legal and illegal cargoes, and that our approach to the numbers is therefore quite simplistic, it seems clear that the politics of African slave trade in the Spanish empire mattered\textsuperscript{22}.

Grillo & Lomellino’s \textit{asiento} was the first in the history of the Spanish empire’s slave trade to be associated to a charter of monopoly. In contrast to previous periods, the Crown agreed not to issue further privileges to trade; Grillo & Lomellino were entitled to split and alienate their trading rights. When the Genoese company asked for permission to sell part of their quota of 3,500 slaves per year to third parties, the Council of the Indies denied them such permission\textsuperscript{23}. Grillo & Lomellino’s contemporaries were aware of the institutional setting. In January 1665, members of the Casa de la Contratación and the Consulado de Mercaderes of Seville – the guild of transatlantic merchants – addressed Philip IV with a harsh complaint against the new monopolistic model of the trade or, to put it in their own words, the \textit{estanco}. Among other things, they argued that new setting eroded the liberty previously enjoyed by merchants to engage in the transatlantic slave trade by «freely acquiring» charters to trade in the licenses’ markets\textsuperscript{24}. From this moment onwards and until the mid-eighteenth century, monopolistic charters were in operation without interruption.

This \textit{asiento} also inaugurated a taxation system that was consolidated in the following decades. Two major novelties were introduced. First, whereas the previous \textit{asientos} dealt with slaves or licenses, Grillo & Lomellino’s contract negotiated \textit{piezas de Indias}.

\textsuperscript{22} \url{http://www.slavevoyages.org} [Accessed on 12-1-2015].
\textsuperscript{23} Archivo General de Indias (Seville) (henceforth AGI), Indiferente General (henceforth IG), Leg. 2834, s.f., 23-10-1668. Report of the Council of the Indies to its attorney and his answer.
\textsuperscript{24} AGI, IG, Leg. 2834, s.f., 13-1-1665. Report by the Consulado de Mercaderes of Seville and the Casa de la Contratación to the Council of the Indies about Grillo & Lomellino’s \textit{asiento}.
Besides the common use of the term *pieza de esclavos* or just *pieza* among traders and buyers to refer to one slave, *pieza de Indias* was used since the early seventeenth century in ports like Veracruz for fiscal purposes to describe slave cargoes. A regulation of this practice was issued in 1621 although it does not seem to have had a major effect. Grillo & Lomellino’s contract established one *pieza de Indias* as a healthy adult, seven *cuartas* tall and with no physical defect. Second, at request of Grillo & Lomellino, the contract merged different taxes into a single contribution of 100 *pesos* per *pieza de Indias* which was to go in its entirety to the royal treasury. Until that moment the slave trade had been taxed by different authorities on both sides of the Atlantic. For example, besides the fee due for the licenses, merchants were compelled to pay customs duties (*almajarifazgo de esclavos* in Seville), value added taxes (trans-Atlantic and inter-American trade *almajarifazgo*); sales taxes (*alcabala*); and local taxes (*sisas, agua de Turbaco* or *cimarronaje*). Unsurprisingly, this change triggered the complaints of many American *alcabala* and *sisa*’s local tax farmers, who had their expectations to collect revenues from the slave trade in their jurisdictions thwarted.

Grillo & Lomellino’s contract also introduced novelties regarding the political geography of purchase. The role assigned to the Genoese company was to act as an intermediary between the non-Spanish supplying networks and the Spanish American colonies. The contract identified as suitable suppliers for the *asiento* any provider whose country of origin was in peace with the Spanish empire at the time of purchase. Thus, the Portuguese were officially excluded until 1668 and the French between 1667 and 1668. Apart from the African coasts, Grillo & Lomellino could make the purchase anywhere, and inter-imperial trade was allowed although subject to controls. According to Vega Franco’s data, which is based on the records of official entries, we have estimated that the 17,636 *piezas de Indias* disembarked by Grillo & Lomellino amount to 21,222 individual slaves. Among the ports entitled to receive the slaves Portobello absorbed 53.3% of the total, Cartagena de Indias 22.66% and Veracruz a 9.89%. La Habana, Santo Domingo, Cumaná and the Venezuelan coast received 13.7% of the total. Precise data about the place of purchase of the slaves is available for 16,345 slaves and it is quite revealing about the decisive role played by Dutch merchants in supplying Grillo & Lomellino’s *asiento*. Almost 89.5% of the slaves came from Curaçao. The rest came from Barbados (5.5%) and Jamaica (5%) but always prior to the 1665-1667’ Anglo-Dutch war. Concerning the Genoese’s deep involvement in fraudulent activities, the Dutch also feature prominently. For instance, according to the Spanish ambassador in The Hague, Manuel de Lira, in 1669 Grillo & Lomellino illicitly imported

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27 VEGA FRANCO, 1984. While the data in *piezas de Indias* is available for all harbors, the number of individual slaves is only available in a few harbors. The coefficient used here is 1.20 and draws on the co-relation between 18,314 individuals/15,212 *piezas* disembarked in Cartagena de Indias, Portobello and Veracruz.
more than 4,000 slaves from Curaçao while the number of officially registered slaves for that year is about 2,04428.

Grillo & Lomellino’s *asiento* represents a decisive managerial turning-point within the juridical model of the Crown’s monopoly over the slave trade. As the innovations brought by the contract framed the mercantile practice of the official slave trade during the next decades – monopolistic charters, fiscal regime, and political geographies of purchase among other aspects – we should also grasp this experience as a laboratory in which new modes of organization were put in practice for the first time. However, after highlighting the historical relevance of this *asiento* the wider question remains still open: what encouraged the Crown to redefine in such drastic and unprecedented ways the configuration of trade circuits after more than one century and one-half of the transatlantic slave trade in the Spanish empire?

**A PROPOSAL THAT TURNED INTO A PRIVATE-PUBLIC PARTNERSHIP**

The origin of Grillo & Lomellino’s *asiento* dates back from early 1662 and takes the form of a pamphlet submitted by the Dominican friar Juan de Castro to Philip IV29. Castro’s initiative was far from being unusual in the political culture of the Spanish empire. Individual merchants, companies and corporations, either vassals or otherwise, constantly formulated petitions and proposals in which they presented new economic opportunities, offered to collaborate with the Crown, or suggested new ways to organize the economy30. For example, during the period in which the legal slave trade to the Americas was suspended (1640-1651), proposals addressed to the Council of the Indies to import slaves were sent from Brussels by English entrepreneurs like Guillermo Buchel and Nicolás Felipe (1642)31, by Seville-based merchants as Joseph de Andrade (1647)32, and from Amsterdam by the Dutch West India Company (1648)33. Moreover, as the case of the Portuguese Manuel Bravo de Acuña illustrates, merchants also used these submissions in order to access markets. In 1670, Bravo de Acuña made different offers to replace Grillo & Lomellino’s administration34. Conversely, the Crown also actively sought entrepreneurs ready to

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29 AGI, IG, Leg. 2834, s.f., 10-6-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
31 AGI, IG, Leg. 2834, s.f., 10-6-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
32 AGI, IG, Leg. 2834, s.f., 10-6-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
33 AGI, IG, Leg. 2834, s.f., 10-6-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
34 AGI, IG, Leg. 2834, s.f., 10-6-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
establish partnerships or to engage in the official markets. That was the case when, in 1644, Philip IV, via the Council of the Indies, instructed the *Casa de la Contratación* in Seville and the royal officers in Cartagena de Indias to seek new partners for the transatlantic slave trade. Two years before Grillo & Lomellino’s contract expired, the Crown started investing time and resources in advertising the impending opportunity to acquire the administration of the slave trade monopoly. This was advertised in major trading hubs in both shores of the Spanish Atlantic, such as Lima, Panama or Seville.

Castro’s pamphlet consisted of two sections. The first one referred to the shortage of slaves in the Spanish Caribbean, its causes and its impact on the local economy and public revenue. According to Castro, since the Portuguese War of Independence began (1640) American markets were critically undersupplied. Since 1560s Portuguese networks had dominated the slave imports into the Spanish Americas. The trend was reinforced in 1580 when both empires came to be ruled by Philip II. The ban of the Portuguese from the slave markets in 1640 and the lack of reliable suppliers that were also amenable to the international politics of the Spanish empire led to the closure of the markets for over a decade. According to Castro, this had in turn brought stagnation to the production of sugar, cacao, gold and coral, and also to farming and ranching activities.

Castro pointed out that Dutch merchants were meeting the local demand for slaves in the black market. As the TSTD shows, from 1648 the flow of slaves to the Spanish Caribbean recovered. While the annual average of slaves disembarked between 1641 and 1647 was of 753, in 1648 the volume rose to 1,745. And from 1648 to 1651 the average per year comprised was of 1,977 slaves. Different factors suggest that Dutch merchants were behind this development. The fierce Portuguese campaigns against the Dutch in Brazil between 1648 and 1649 forced the latter to focus on the Caribbean basin. Changes within the Dutch West India Company (WIC) also stimulated the presence of Dutch private merchants in different areas of the Atlantic; from 1638 onwards in Brazil and the Caribbean, from 1647 onwards in Angola, and from 1648 onwards in North America. The peace between Spain and the Netherlands (1648) underpinned the Dutch shift to the Caribbean. Dutch outposts were officially recognized by Madrid and Dutch ships in distress also obtained permission in 1650 to touch the Spanish American coasts. According to Castro’s description, the Spanish American local authorities and the Dutch merchants used alleged conditions of distress to undertake the untaxed sale of goods and slaves. This was a generalized practice in all Spanish America.

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35 AGI, IG, Leg. 2767, Lib. 1, ff. 312r-312v, 23-8-1644; 313r-314r, 23-8-1644.
36 AGI, IG, Leg. 2767, Lib. 2, ff. 114r-117v, 27-1-1672; ff. 119r-120r, 27-1-1672; ff. 120r-121r, 27-1-1672.
37 AGI, IG, Leg. 2834, s.f., 31-3-1662. Copy of Juan de Castro’s proposal.
The pamphlet explained that despite their preeminence, the Dutch were not the only players involved in the illegal slave trade during the 1650s and the early 1660s. The description of the friar described how local merchants from Veracruz, Caracas, Maracaibo or Santo Domingo also sailed the Caribbean loaded with silver and local goods to acquire slaves in Curaçao. Likewise, merchants from Cartagena de Indias crossed the Atlantic towards the Cape Verde islands looking for enslaved workforce, which was duly supplied by Portuguese traders. Thus, despite their ban from official markets after 1640, the Portuguese continued to supply the Spanish American markets, even if indirectly.

Smuggling and contraband were the preferred way to trade for all actors, even after the legal slave trade was reopened in 1651. During the 1650s the Casa de la Contratación started issuing licenses again but demand was very low and irregular. According to Castro, the ships, which «rarely» were furnished with the official licenses, could transport as many as a thousand slaves at a time, of which no more than two hundred were being imported legally. This portrait fits well with the few data available about the period. According to Villa Vilar, from 1651 to 1654 the licenses issued by the Casa de la Contratación accounted for a total of 910 slaves while, according to the TSTD2, the number of slaves actually disembarking in Spanish America these years was 7,22241. If we accept 910 as the figure of slaves legally entering Spanish America, this means that illicit trade was responsible for smuggling seven times as many slaves. According to TSTD2 between the reopening of the slave trade in 1651 and 1663, when the Grillo & Lomellino’s contract came into force, at least 26,948 slaves were brought into Spanish America42.

The second part of Castro’s pamphlet suggested how to organize, increase, and tax the slave trade; how to eradicate illicit practices; and how to invest the resulting revenue. The main idea was to grant a monopolistic charter for nine years, authorizing the introduction of 4,000 slaves per year. Each pieza de Indias was to be taxed by 100 pesos. According to him, the market price of each slave should be fixed on 400 pesos, which is 100 pesos less than the American buyers were paying at the time; the availability of cheaper workforce would, according to Castro, boost the local economy. The advantages were, therefore, double: to increase public revenues and to lower the prices of American products to the advantage of peninsular merchants. The first 400,000 collected pesos were to be invested in two different enterprises. 100,000 pesos would be used to buy a galleon of 1,000 tons for the navy, which was under construction in Campeche. Later, that same galleon was to be employed in transporting the remaining 300,000 pesos to Spain to be used to build other six galleons in the Basque Country. Castro also proposed to ship 500 tax-free slaves in order to build a new shipyard every three years, in La Habana, Veracruz, and the island of Hispaniola.

Castro sent his project to Philip IV. It was read by the president of the Council of the Indies and forwarded to the Junta de Negros, an ad hoc committee specialized in the slave

trade that included members of the Council of the Indies and the Council of finances. The proposal was found attractive although it was not seriously pursued. Over time Juan de Castro became one of the most active arbitristas of the period, but in 1662 he was still unknown to the political authorities of the empire. This fact and the highly sensitive issues discussed on the pamphlet did not help the project move forward. Nonetheless, the critical situation forced the Council to send Castro’s proposal to the Casa de la Contratación and the Consulado de Mercaderes of Seville asking for feedback. Both considered the proposal to be worth exploring. Juan de Castro was therefore approached by the Council of the Indies and asked for the name of an actor who was ready to carry out the plan. The company of Grillo & Lomellino was mentioned.

Whether or not Castro was acting on behalf of Grillo & Lomellino is something that we cannot determine yet. However, the reputation and credit of the Genoese company was crucial in establishing a formal dialogue on the basis of Castro’s paper. Grillo & Lomellino were already collaborating with the Crown in several important enterprises. At that time, they were among the most important financiers of the Spanish empire. More specifically, they were well-known because between 1654 and 1660 they had acted as general treasurers of the Cruzada, an ecclesiastical subsidy granted by the Pope to the Habsburgs to fund war against the infidel and which dated back to the first half of the sixteenth century. As was the case with many other fiscal resources, the Habsburgs leased out its collection and administration. In the 1620s the revenues generated by the Cruzada became crucially important for the finances of the Spanish armies in Flanders as well as for the galleys in the Mediterranean, in which several Genoese firms were involved as contractors too. Once Grillo & Lomellino came onto the scene, Juan de Castro disappeared from the formal negotiations.

A PUBLIC-PRIVATE PARTNERSHIP OF TRANSATLANTIC SCOPE

Although the final agreement between Grillo & Lomellino and the Crown differed in many ways from Castro’s initial proposal, their internal logic was the same. The asiento of Grillo & Lomellino consisted on a large-scale operation of transatlantic scope in which the Genoese company was in charge of raising and securing funds from the African slave trade in the Americas in order to finance and implement a shipbuilding project in northern Spain. Arguably, the venture was conceived as what we currently call a PPP: both parties maintained different legal statuses, and Grillo & Lomellino put their skills and capital

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43 AGI, IG, Leg. 2834, s.f., 31-5-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
44 AGI, IG, Leg. 2834, s.f., 31-5-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.
to work in order to provide public goods, infrastructure, slaves and ships. Indeed, Grillo & Lomellino’s slave trade asiento differs from others precisely because it was not negotiated exclusively in the framework of the slave trade conceived as a way of solving financial needs. From 1595 onwards and after 1674 the Crown exchanged the asientos for lump sums of money. Instead, Grillo & Lomellino’s new arrangement involved a more intricate exchange of services and compensations.

The slave trade and the naval dimensions of the proposal were intrinsically part of the same deal but their details were settled in two different negotiation packages leading to two different contracts. The first one had to do with the conditions under which the slave trade was going to be operated and taxed. Juan de Castro’s pamphlet entered the clogs of the Spanish administration in March 1662, and the contract with Grillo & Lomellino was signed in 31 July 1662. The contract was negotiated by the Junta de Negros, with the assistance of the Casa de la Contratación and the Consulado de Mercaderes of Seville, which evaluated its clauses. The Council of the Indies assessed its final shape. Meanwhile, Philip IV was kept up-to-date about the course of the negotiations by the head of the Council of the Indies46.

The second negotiation package revolved around the shipbuilding project and it only began once the details on how to raise funds with the slave trade had been settled, that is after 31 July. The assiduous discussions held reflect the importance of the issue at stake; in contrast to the regular slave trade, the terms were negotiated hard. After Grillo & Lomellino received the measurements and specifications of the ten ships to be built on 20 December 1662, on 2 February 1663 they proposed a twenty six clause-contract47. Negotiations were led by the fleet quartermaster of the Carrera de Indias’, who was in charge of organizing and provisioning the fleets which escorted the annual merchant convoys to America, and by other members of . The of Seville assisted with expertise and final decisions were taken by the Council of the Indies. Although Grillo & Lomellino initially proposed to build four of the ten galleons for the Armada del Mar Oceano, at some point during the negotiations it was decided that Armada del Mar Océano galleons should be replaced by cutters, which would be deployed with the Armada de Barlovento. While the Armada del Mar Océano was in charge of patrolling the Atlantic coast of the Peninsula and depended of the Junta de Armadas the Council of War, the Armada de Barlovento patrolled the Caribbean Sea and depended on the Junta de Armadas of the Council of the Indies. While the negotiations about the cutters were completed on 23 July 166348, the agreement on the six galleons for the Carrera de Indias fleet was not reached until 14 December49. Overall, the whole operation including both rounds of negotiation took almost two years.

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46 AGI, IG, Leg. 2834, s.f., 11-6-1662: s.f., 12-6-1662. Reports of Joseph González Caballero to Philip IV.
47 AGI, IG, Leg. 2834, s.f., 2-2-1663. Copy of Grillo & Lomellino’s proposal annotated by the Carrera de Indias’ fleet quartermaster and the Casa de la Contratación.
48 AGI, Contaduría, Leg. 562, nº 1, ff. 1r-8r, 23-7-1663. Asiento to buy four cutters for the Armada de Barlovento.
49 AGI, IG, 2703, ff. 219r-222v, 14-12-1663.
In what follows, the report sent by the *Junta de Negros* to Philip IV in order to explain the agreement reached with Grillo & Lomellino will be examined[^50]. This report was sent on 31 May 1662, while the negotiations were about to conclude. Indeed, the contract concerning the slave trade was signed on 5 July 1662[^51]. This contract was endorsed by the king on 31 July[^52]. One of the conditions set out in this contract was the obligation to construct ten vessels. The report by the *Junta de Negros* explained the whole project, including both the operation of the slave trade and the project to build the ships. This document reveals what Grillo & Lomellino brought to the table in the eyes of members of the ruling circles of the empire. Its analysis transcends the interpretative limitations posed by formal contractual terms. The contracts represent the mutual obligations which bounded together both parties on the different aspects of the project, but they do not shed much light on what was exactly at stake overall or how the project was perceived by the parties. Furthermore, the two contracts scarcely make reference to each other; only two of the nineteen clauses of the contract concerning the slave trade vaguely refer to the shipbuilding project. This aspect obscures any appreciation of the full dimension of the project even when the contracts are read together, as they seem to be part of unrelated negotiation packages.

Three main points were put forward in the report sent by the *Junta de Negros*. They were organized in order of importance, and aimed to explain to the king the advantages that this project posed for the management of the empire. The chief advantage of entering into a partnership with Grillo & Lomellino had to do, in the eyes of the authors of the report, with the shipbuilding opportunities that they brought to the fore. Grillo & Lomellino offered to build ten vessels in Spanish shipyards. In order to ensure that enterprise was duly carried out, Grillo & Lomellino asked to manage the slave trade to the Americas through a monopolistic charter, as originally stated in Juan de Castro’s proposal. For the *Junta de Negros*, the slave trade was instrumental to cover the expenses of what was the main goal of the project: the construction of the ships. Therefore, it is possible to argue that the main concern about the slave trade was the collection of tax. This same rationale was expressed, for example, in July 1666. Owing to some delay in the delivery of the vessels, Queen Mariana of Austria and the Council of the Indies reminded Grillo & Lomellino that «the long-term enjoyment of the asiento of slaves was in exchange for the delivery of the ten vessels, especially since this was the only reason which led us to enter the partnership»[^53].

The Crown had important reasons to focus on Grillo & Lomellino’s shipbuilding offer. In a discontinuous empire, scattered all over the globe, naval resources were of paramount importance. After the Battle of the Downs against the Dutch in 1639, in which the

[^50]: AGI, IG, Leg. 2834, s.f., 31-5-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the *Junta de Negros* to Philip IV.
[^51]: Archivo Histórico de Protocolos Notariales de Madrid, 8545, ff. 159r-168v, 5-7-1662.
[^52]: AGI, IG, Leg. 2834, s.f., 31-7-1662. Official *asiento* contract between Grillo & Lomellino and Philip IV.
[^53]: AGI, IG, Leg. 2513, Lib. 1, s.f., 29-7-1666. Letter of Queen Mariana de Austria and the Council of the Indies to Grillo & Lomellino.
**Armada del Mar Océano** was seriously weakened, the Spaniards were relegated to a secondary position vis-à-vis other European naval forces. By mid-century, the Dutch, the English and the French were clearly ahead of the Spaniards in naval capacity both in the Atlantic and the Mediterranean. Moreover, the contracts signed from 1648 onwards for the construction of galleons for the *Carrera de Indias*’ fleet in Spain and America turned out to be a complete disaster and only one of the eighteen galleons ordered was finally delivered. This led Spain to buy ships in the Netherlands. Besides being a hard blow for the pride of the political elites of the Spanish empire, the acquisition of foreign vessels posed several problems as they did not always follow the specifications set by the *Casa de la Contratación*\(^\text{54}\). At the beginning of the 1660s, one of the priorities of the Crown was to invigorate its naval power. However, the acute fiscal and financial crisis which the Spanish empire was facing during the central years of the century made things more complicated. Inflation, at any rate, made things easier. According to some contemporaries, the reason behind the Crown’s default on its bankers in 1662 was unequivocally linked to the desperate attempts that were being made to fund the construction of new ships\(^\text{55}\). That same year the Crown agreed with two private agents the construction of twenty-six galleons and two cutters at the price of 37 and 39 silver ducats per ton plus interests. However, the project was displaced by Grillo & Lomellino’s offer, which was more cost-competitive – 31 and 34 silver ducats per ton depending on the type of ship – and also included favorable payment terms\(^\text{56}\).

Besides the main goal, the ships, the report sent to Philip IV underlined two important spin-off advantages. First, it was argued that issuing a monopolistic charter to import a fixed quota of slaves was a good way to mitigate the shortage of enslaved workers in America and thus to increase tax collection. This argument was mainly tax-related, rather than primarily concerned with guaranteeing the provision of workers. As previously noted, whereas during the 1650s and the early 1660s the volume of the official slave trade was meagre, black markets were flourishing. Although the Crown could not know the exact volume of the illegal trade it was aware of its magnitude. Therefore, the main aim of the *Junta de Negros* was to increase and stabilize the flow of taxes from the slave trade. Certainly, the supply of enslaved workers was also a concern of the Crown, but probably not as much as the diversion of precious metals from the empire or foreign penetration in Spanish America. Indeed, the closure of the official transatlantic slave trade markets for more than one decade between 1640 and 1651 and the lack of state-driven initiatives to foster the official markets during the 1650s seem to be in support of this.

The second spin-off benefit underlined in the report had to do with the expectation that Grillo & Lomellino would oversee smuggling and contraband in the Caribbean. This

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\(^{54}\) SERRANO MANGAS, 1985: 135.

\(^{55}\) BARRIONUEVO, 1893: 452-453.

\(^{56}\) AGI, IG, Leg. 2834, s.f., 31-5-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the *Junta de Negros* to Philip IV.
point also reinforces the idea expressed in the previous paragraph, as it tacitly assumes that slaves were being illegally imported in a volume that concerned the Councils of the Crown. The argument of the Junta de Negros was simple and not bereft of logic. It assumed that by entitling Grillo & Lomellino as monopolist their agency would share the interest of the Crown in fighting smuggling and contraband. From this perspective, the contract was seen as a way of externalizing the costs of (a) preventing foreign penetration in the Spanish American markets, which was increasingly draining precious metals from the empire, and (b) monitoring the misbehavior of the local authorities and royal officers in allowing fraudulent economic activities. As acknowledged by the Junta de Negros but also by the Consulado de Mercaderes of Seville some years later, the lack of commitment of the latter was a crucial stimulating factor for smuggling and contraband57.

The arguments of the Junta de Negros convinced Philip IV and on 31 July 1662 the contract with Grillo & Lomellino was signed. Starting from March 1663, Grillo & Lomellino accepted to annually import a minimum of 3,500 piezas de Indias for seven years. 3,000 were to be commercialized by the Genoese company in exchange for 100 pesos per pieza. The slaves were to be disembarked in the official ports of Cartagena de Indias, Portobello and Veracruz. Nonetheless, if the number of imported slaves was lower, the Genoese company was still compelled to pay the difference to the expected sum of 300,000 pesos per year.

The first available funds were to be used for the construction, also by Grillo & Lomellino, of ten vessels in the Basque Country and Cantabria, at 31 and 34 pesos per ton, to be delivered by September 1664. The remaining 500 piezas were to be shipped tax-free by the company in order to fund a network of shipyards in the Spanish Caribbean, following the plan designed by Juan de Castro. The first 300,000 pesos paid by the Genoese company to the royal treasure were set aside for a galleon which Castro was also constructing in Campeche. Nonetheless, Grillo & Lomellino never committed to these last two points. Due to the private character of the lawsuits between Juan de Castro and the Genoese partners on this question, we can assume that Castro’s projects were of a private nature and did not actively involve the Crown, and therefore did not interfere on the agreements between the Crown and Grillo & Lomellino58. In sum, with this contract the Crown expected to collect 2,100,000 pesos in seven years and to assure that the money was used to run an ambitious shipbuilding program in Spain. However, in the end Grillo & Lomellino only paid 1,763,600 pesos.

The negotiations about the shipbuilding program took place in the following months. From the perspective of Grillo & Lomellino the core of the negotiation revolved around making sure that the funds for the construction were available and that construction was

57 AGI, IG, Leg. 2834, s.f., 31-5-1662. Report about Juan de Castro’s pamphlet and Grillo & Lomellino’s proposal by the Junta de Negros to Philip IV.; AGI, IG, Leg. 2834, s.f., 13-1-1665. Report of the Consulado de Mercaderes of Seville addressed to the Council of the Indies.
58 AGI, IG, Leg. 2835, s.f., 29-11-1670. Minute of the Council of the Indies about the petition of Manuel de Oyarbide (grantee of Juan de Castro) against Grillo & Lomellino.
as cheap as possible by obtaining different privileges; for instance, permission to ship cash from Castile to the Netherlands to buy naval equipment, or advantages to cutting and acquiring wood in the peninsula. From the Crown’s perspective, the main issue was to ensure that the ships had the expected specifications and quality and, in general, to guarantee the delivery of the vessels. Although the goal was to build the ships in domestic shipyards, in the end it was decided to buy some of them abroad. On 23 July 1663 Grillo & Lomellino signed a contract with the Crown to acquire four fully-equipped frigates in Amsterdam, to be delivered in Cadiz for the *Armada de Barlovento*59. The vessels were bought between May and July 1664 by the Florentine Francesco Feroni on behalf of Grillo & Lomellino under the supervision of the royal officer Juan Baptista Lezcano60. Regarding the six galleons, as far as it is known, only four of them were delivered61.

### THE COST OF THE ASIÉNTO, THE PRIVILEGES OF GRILLO & LOMELLINO

Not everyone in the political circles of the empire shared the enthusiasm showed by the Junta de Negros and the final decision taken by Philip IV. For example, once the slave trade *asiénto* started to operate on March 1663, the duke of Alba was openly skeptical at the Council of State about the wisdom of using Grillo & Lomellino as monopolist players in the transatlantic slavery market62. He argued that it was a matter of time before Grillo & Lomellino took advantage of their position and ran massive smuggling operations in slaves and other goods. In addition, Alba had little doubt that the Genoese company and the Amsterdam merchants would be quick to start working together. Given the context in which Alba’s words were proffered, it seems that they were more concerned about the increasing Dutch penetration of Spanish America than with the contents of Grillo & Lomellino’s *asiénto*. Nonetheless, his position poses a question which, although difficult to answer, needs to be addressed: what price did the Crown pay for Grillo & Lomellino’s services? Indeed, as Alba’s words suggest, we can hypothesize that the main advantage to the Genoese company were the previously noted privileges.

Indeed, it seems likely that these privileges were what Grillo & Lomellino had aimed to achieve from the start. The joint slave trade and shipbuilding project was an extremely expensive endeavor, and the expected returns meagre and uncertain. Even if the Crown shouldered many of the risks, a side of the negotiation in which Grillo & Lomellino were particularly careful63, the investments to be made by the Genoese firm to run the slave trade

59 AGI, Contaduría, Leg. 562, nº 1, ff. 1r-8r, 23-7-1663. *Asiento* with Grillo & Lomellino to buy four cutters for the *Armada de Barlovento*.
60 AGI, Contaduría, Leg. 562, nº 4, s.f. 15-9-1666. Final payment to Grillo & Lomellino for the four cutters bought for the *Armada de Barlovento*.
62 Archivo General de Simancas (henceforth AGS), Estado, Leg. 2202, s.f., 31-3-1663. Minute of the Council of State.
63 For instance: Grillo & Lomellino made sure that any damage happened during the construction process of the ships or once they were launched would be assumed by the Crown. AGI, IG, Leg. 2834, s.f., 2-2-1663. Copy of Grillo & Lomellino’s proposal annotated by the
and to initiate the construction of the ships were not minor. For example, Grillo & Lomellino advanced the money to pay the frigates purchased in Amsterdam. They also started cutting wood for the galleons to be built in the Basque Country before the final agreement on the quality of the ships was even reached. The vessels to ship the slaves to Spanish America and the freight-related expenses were also completely assumed by them as well as taking care of the cargoes. As it is well known, the slave trade was a demanding investment, and returns were anything but guaranteed. Furthermore, as previously noted, bypassing official markets in the Spanish Caribbean during the 1650s and early 1660s was not that difficult. What sense did it make then for Grillo & Lomellino to pay such a big price in order to deal with slaves or to engage with the ruinous Spanish shipbuilding sector?

If meeting the formal goals expressed in the contracts in full was not among the priorities of Grillo & Lomellino, trying to maximize their privileges was. One of the main arguments posed by the Genoese company to justify the delays in the construction of the vessels had to do with the lack of funds. However, to a large extent, they were themselves responsible for that situation as they frequently eluded the payment of duties. Grillo & Lomellino’s lack of commitment led to different lawsuits being filed against them by the Council of the Indies attorneys and their properties were seized in Spain and the Americas in 1666. In 1668 the contracts were renegotiated and the partnership extended until 1674. The delay in the delivery of the galleons and the arrears on the annual payment of 300,000 pesos were compensated with loans in Flanders; a much cheaper operation from the company’s perspective but also useful for the Crown due to the War of Devolution with France (1667-1668). Seemingly, the game for the Genoese company was to avoid obligations as much as possible and maintain costs low while keeping and strengthening its privileges as much as possible.

After the first contract was signed in July 1662 the Genoese company constantly badgered the Council of the Indies to have its privileges implemented and enlarged. These privileges included some that had already featured in previous asientos, but others were being now granted for the first time. For example, sailing outside the annual convoy system which linked the Americas to Spain, having privative judges to safeguard the privileges of the company vis-à-vis other jurisdictions and authorities, and settling a multinational network of agents in American soil, were rights already conferred by the so-called Portuguese...
asientos (1595-1640). New rights and conditions were the monopolistic charter, the application of a specific fiscal system, and the lack of geographical limitations for the transactions, among others. The arguments used by Grillo & Lomellino to request new privileges were always based on their need to fulfill the obligations of the contract, i.e. the goals of the Crown. The Council of the Indies prosecutors were opposed to most requests, especially those ones concerning the enlargement of privileges or the concession of new ones. For instance, the harbor of Buenos Aires was never open to the company\(^69\). To maintain Buenos Aires isolated from the main Atlantic trade circuits was a cornerstone in the global geo-strategy of the Spanish empire, which aimed to avoid the drain of Peruvian silver through that route. Still, the Genoese partners achieved other goals vis-à-vis the Council of the Indies. Indeed, some of those achievements were explicitly invoked three decades later in 1696 in the contract between Charles II and Manuel Ferreira de Carvalho, agent of the Portuguese Companhia do Cacheu e Cabo Verde\(^70\). Ferreira asked to enjoy, not only some of the conditions already contained in the July 1662 contract, but also in six charters issued in October 1662, January 1664, and November 1668. Five of these charters included the Crown’s commitment to observe and enforce the privative jurisdiction which, according to the asentistas, was necessary for an appropriate development of the business.

The commercial and jurisdictional privileges given to Grillo & Lomellino were extremely useful for merchants operating in transatlantic markets and especially for those who, like Grillo & Lomellino, lacked the support of their own state in their overseas ventures\(^71\). These privileges not only opened markets in conditions and regions unreachable by illicit means but also gave security to the private investments undertaken by the firm under the cover of the asiento. First of all, the contract gave direct access to the American silver, dyestuffs, and local goods such as cacao and tobacco. For instance, in 1663 the WIC unsuccessfully made a proposal to the Crown to administrate the cochineal and dyewood trades from Spanish Americas\(^72\). In any case, having access to the transatlantic economy, either indirectly, by channeling merchandises through the Spanish Carrera de Indias\(^73\), or directly, as Grillo & Lomellino did, was a priority for the Genoese merchants because of their decline in the European circuits of exchange. Indeed, during the second half of the seventeenth century the Genoese commercial communities in Cadiz and Lisbon expanded and became increasingly influential\(^74\). Since the 1630s, the rise of crypto-Jewish competitors in the finances of the Spanish empire obliged the Genoese networks to share the silver

\(^69\) AGI, IG, Leg. 2834, s.f., 12-3-1669. Minute of the Council of the Indies about Grillo & Lomellino’s request to trade in Buenos Aires and resolution by the fiscal attorney.

\(^70\) A copy of the contract in: CALVO, 1862: 5-42.

\(^71\) SUBRAHMANYAM, 1988: 559-582; COSTA, 2011: 915-932.

\(^72\) AGS, Estado, Leg. 4010, s.f., 8-4-1663. Minute of the Council of State drawing on information provided by Esteban de Gamarra, Spanish ambassador in The Hague.

\(^73\) OLIVA MELGAR, 2004.

\(^74\) CARRASCO GONZÁLEZ, 1997; ALESSANDRINI & VIOLA, 2013: 295-322.
pie which traditionally had under control75. Furthermore, from 1654 onwards the Crown ceased to automatically back its loans with American precious metals76. Although the flow of American silver to the peninsula rose during the second half of the seventeenth century, only a small share ended in the royal treasure77.

The possible private interests that Grillo & Lomellino would have had on the shipbuilding side of their asiento are less obvious at first glance but they can be partially understood in relation to the slave trade business and the position of their firm in European markets. Spanish shipyards were dependent on northern European markets for the supply of certain goods such as timber, hemp, ship apparels, sails or lead78. Although we do not know if the commercial privileges given to the Genoese company concerning the making of the galleons were used to conduct illegal activities, it is clear that Grillo & Lomellino depended on northern European markets for supplies. However, as Grillo & Lomellino were former importers of Castilian wool in the region, this was an opportunity to deepen their position there. For sure, they enhanced their own relational capital by making use of the same Amsterdam-based networks which were instrumental in the operation of the slave trade, either official or fraudulent, and the illegal importation of goods to America. The Florentine Francesco Feroni which we have encountered before, brokering the acquisition of the four frigates for the Crown, was also in charge of mediating in these transactions with slaves with the WIC79. Additionally, it is not surprising to find a Genoese company firmly involved in the shipbuilding industry and probably Grillo & Lomellino had the necessary expertise, organizational skills, and contacts to do so. From the 1630s onwards naval policies became one of the priorities of the Republic of Genoa. The Republic’s attempts to reinvigorate its naval power were limited in practice, but several private agents benefited as contractors of these rearmament policies. Genoese ship-builders also equipped the Genoese-commanded galleys at the service of the Spanish Empire and the Pope, as well as the Republic of Venice which was among their best clients80.

However, the privileges granted to Grillo & Lomellino were only potentially useful. It was on the hands of the company and its ability to make a profitable use of them. Thanks to these privileges, the Genoese company not only controlled the official slavery markets but engaged in major smuggling and fraudulent operations which linked America, Atlantic Europe and the Mediterranean. If we believe the words of the Consulado de Mercaderes of Seville, «the Grillos turned into the Lords of the Indies»81.

75 BOYAJIAN, 1983.
76 ÁLVAREZ NOGAL, 1997.
CONCLUSIONS

This essay has demonstrated how private actors actively influenced the politics of the Spanish empire in pursuit of their own goals. More crucially, it has shown how the changes they promoted could have long-lasting effects on the organization of the empire’s political and economic frameworks. The contract in which Philip V of Spain granted Queen Anne of England and her vassals permission to operate the slavery markets in the Spanish empire, signed in 1713, incorporated in its thirty-ninth clause «all the concessions» given to «Don Domingo Grillo». Certainly, the privileges enjoyed by the English South Sea Company included a monopolistic position. The first such position in the history of the African slave trade in the Spanish empire had been awarded forty years earlier with Grillo & Lomellino.

Managing the official slavery circuits through a monopolistic charter was an initiative alien to the Council of the Indies and the Crown. It originated in the private sphere. Its implementation by the Crown was not the result of a decision-making process primarily concerned with regulating the slave trade markets. The goal that the Crown intended to achieve was very different, namely the construction of war ships. The Genoese company presented itself as capable of materializing an intangible asset scattered in the geographies of Spanish America – the right to tax the slave trade by securing the official trade through a monopolistic charter – into a tangible one in the form of a public good which would facilitate the management of the empire – the collective security that would be provided by the ships included in the agreement.

Collaboration between Grillo & Lomellino and the Crown was negotiated and framed as a PPP. In so doing, the Crown did not incur in any borrowing from private capital markets: the cost of the ships was, theoretically, zero. However, the services provided by Grillo & Lomellino had to be paid at a high price. For example, the suppression of the local duties on the slave trade at the request of the Genoese company meant breaking part of the social contract which bound the Crown to the Spanish American tax farmers in charge of the alcabala and the sisa. This was not a minor political cost in an empire that was based on multilateral pacts involving the local elites, corporations, and political authorities. These were, also, not the only costs. The exclusive commercial and jurisdictional rights granted to Grillo & Lomellino were manipulated by the Genoese firm in order to subvert the Crown’s rights in the American trade. They did so by incurring in large fraudulent and illicit activities. Therefore, it may be said that Grillo & Lomellino promoted renovated legal structure of the slave trade so they could hijack it. It seems clear that it was not only Early Modern rulers who manipulated private networks as tools for empire management. Private networks collaborated with the empires in pursuit of their own interests. These joint ventures shaped the empires in ways initially unexpected by the rulers.

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82 This contract in: Coleccion de los tratados de paz, alianza, comercio &c. ajustados por la corona de España con las potencias extrangeras desde el reynado del Senor Don Felipe Quinto hasta el presente, vol. 1 (Madrid: Imprenta real, 1796), 120.

83 THOMPSON, 2012: 317-351.
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