

The Intendancy System in Chile: Governor Ambrosio O'Higgins
as Reformer, 1788-1796

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The study of the Bourbon Reforms and the Intendancy System is a relatively new area of study in Colonial Latin America. This is particularly true of Chile where there has been almost no study of 18th century economic conditions and developments. In this study there is an examination of several facets of economic development that were initiated by Governor Ambrosio O'Higgins in the spirit of Enlightenment thought.

O'Higgins was interested in developing mining to increase the production of specie. This was accomplished to a small degree by the relocation of people to increase the labor supply. Attempts at technological improvements and miner's cooperatives were a failure.

Agricultural innovations were started with the expansion of sugar cane plantings and the introduction of cotton and rice in the north. All of these crops failed due to the problems of an inadequate labor supply and the inhospitality of the climate in the arid north for these exotic crops.

Road construction was another project of O'Higgins and this was accomplished. However, the taxes levied for these projects alienated many influential Creoles as well as the

Cabildos of Santiago and Valparaiso. This led many people to question the power and authority of the Crown, and the more concerned Creoles actively supported the revolt of 1810 on this issue.

Public works claimed attention also and many buildings such as jails, cabildos, and the mint were constructed, as well as dikes, streets and sidewalks, and beautification projects were initiated. Again the taxation problem alienated many citizens.

Most of the economic projects could be considered failures. The actions of the Crown's representative, O'Higgins, in bringing a more thorough attempt at concerned government on the local economy and local life interfered with the Creole's feelings of predominance in Chile and increased their dislike for the rule of Spain. This slow awakening to the idea of independence in some men who later became influential in the revolution of 1810.

ECONOMIC EFFECTS OF THE INTENDANCY SYSTEM IN CHILE:
CAPTAIN-GENERAL AMBROSIO O'HIGGINS AS REFORMER

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PREFACE

Latin American History has many fertile and undeveloped areas available for study; Chile is one of these fields, especially for the 17th and 18th centuries. There are few studies of late 18th century Chile and none on Chile's Intendancy system, which made the preliminary research for this dissertation difficult. However, this lack was more than balanced by the abundance of primary material and archival resources available.

In comparison with other Latin American countries, archives of Chile are in relatively good shape. Major sources such as the Archivo de la Capitanía-General and the Archivo de la Audiencia are readily available in the National Archives for the researcher. This is due to the great efforts of José Toribio Medina in the late 19th and early 20th centuries. He had large numbers of documents relating to Chile's history copied from the Archives in Spain. These are kept in the Sala de Medina of the Biblioteca Nacional. He also compiled an index to these materials.

There are many people who have given me aid and encouragement during the past five years that this work was being prepared. Recognition is due to Señor Mario

Saquel-Montalvo, Chile's Consul-General in Dayton, Ohio, and the Right Honorable Charles J. Whalen, Third District Congressman for Ohio, who provided the aid and contacts which obtained a microfilm copy of the archival sources needed for this work.

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CHAPTER I

AMBROSIO O'HIGGINS AND THE INAUGURATION OF THE INTENDANCIES IN CHILE

Eighteenth century Latin America provides a fertile field for historical exploration in the Bourbon reform movements. One aspect of these is the effect of the development of the system of intendants upon regional and local areas in the Spanish American Colonies. There have been a few overall works such as those by Lillian E. Fisher, Luis Navarro Garcia, and Gisela Morazzani de Pérez Encisco,¹ dealing with the intendancy system in Spanish America as a whole, and within the last decade there have been studies by John Lynch, Edberto Óscar Acevedo, and John Fisher,² that attempt to analyze the impact of the system upon a particular region.

The present dissertation is designed to examine the intendancy system in Chile during the administration of

- 1 Lillian Estelle Fisher, The Intendancy System in Spanish America (Berkeley, 1929); Luis Navarro Garcia, Intendencias en Indias, (Seville, 1959); Gisela Morazzani de Pérez Encisco, La Intendencia en España y en América (Caracas, 1966).
- 2 John Lynch, Spanish Colonial Administration, 1782-1810: The Intendant System in the Viceroyalty of the Rio de la Plata (London, 1958); Edberto Oscar Acevedo, La Intendencia de Salta del Tucumán en el Virreinato del Río de la Plata (Mendoza, Argentina, 1965); John Fisher, Government and Society in Colonial Peru: The Intendant System, 1784-1814 (London, 1970).

Captain-General Ambrosio O'Higgins. The period of his rule 1788-1796, saw O'Higgins introduce a great many innovations and reforms in Chile in an attempt to improve the economy and the welfare of the people. Several broad fields of economic productivity, such as mining, agriculture, and transportation will be considered in detail in an effort to see if any long lasting results were obtained. The system of intendants was designed to stimulate the economy and the productivity of an area, and this work will discuss its impact on the Santiago intendancy and the efforts of O'Higgins to develop more fully the ideas of reform lying behind the system.

The creation of intendants in the Captaincy-General of Chile in 1787 was no easy task. Chile as a dependancy of the Viceroyalty of Peru was not immediately included in the intendant system for Peru when this system was inaugurated in 1784. A number of reasons have been given for the delay. Viceroy Teodoro de Croix was hostile to the administrative reforms of Charles III which lessened the powers and prestige of the Viceregal office. Croix's Memoria to his successor is filled with bitter denunciations and gloomy predictions of communication breakdowns and loss of respect and discipline in the viceregal bureaucracy.³ There were bureaucratic delays due to insufficient copies

³ Memorias de Los Vireys [sic] que han gobernado El Perú durante el tiempo del Coloniaje Español (6 vols., Lima, 1859), V, Passim (hereinafter cited as Memorias); Lynch, Spanish Colonial Administration, pp. 280-1.

of the ordinance and there was a general "wait and see" attitude as to what the crown would do in the special case of Chile. The special case of Chile was due to its remoteness and lack of swift and easy communication with Lima. Chile's Indian frontier and long exposed coastline had also to be taken into military consideration.⁴ Again, there was disagreement between Peru and Chile over the disposition of Chile's northern and southern extremes-- Coquimbo and Chiloé Island. Viceroy Croix stole a march on Tomás de Acevedo, regent of the Audiencia of Santiago, by creating a separate intendancy for Chiloé Island on May 10, 1784, before the Peruvian system was even formally inaugurated on July 1. This intendancy was to be part of the proposed Coquimbo intendancy and dependent on Lima and not Santiago.⁵ Croix appointed Don Francisco Hurtado the first intendant of Chiloé with instructions to stimulate and increase the island's economy. Hurtado apparently had the idea that these instructions also applied to his personal finances for he organized a monopoly of trade between Peru and Chiloé through the Consulado of Lima which raised the price of goods on the island 30% above normal. When the complaints of the population reached the ears of Viceroy Croix an alcalde del crimen, Don Pedro Cervadas, was sent to

 4 Navarro Garcia, Intendencias, p. 45; Fisher, Intendant System, p. 24.

5 Memorias, V, 72-3; Navarro Garcia, Intendencias, p. 46.

investigate. Hurtado then attempted to create dissension between the Viceroy and the Audiencia of Lima, and when this failed he declared himself independent of any control from Lima or Santiago and as intendant placed himself directly under the Crown's control. He was arrested for insubordination and malfeasance of office by Croix and on May 10, 1789, a royal order had him sent to Spain for trial.⁶

Chiloé meanwhile was incorporated into the system of Peru by a cédula or royal order, on February 6, 1787, which also decided Coquimbo was to go to Chile and approved the system of intendants for Chile which had been worked out in June and July of 1784 by Croix and Acevedo.⁷ Chile was to remain dependent on Peru in military and financial matters and duplicate copies of intendency reports and records were to be sent to Lima in addition to Spain.⁸ This was done largely as a concession to Croix's ruffled feelings since in reality the authorities in Chile had carried out a largely independent administration in the past and continued to do so in the future. Chile was divided into two intendancies, Santiago and Concepción, with the Río Maule as the boundary between them. There were no changes in personnel since Ambrosio Benavides, the Governor and Captain-General, became intendant of Santiago and Ambrosio O'Higgins became the

6 Memorias, V, 125-9.

7 Ibid., p. 72.

8 Fisher, Intendant System, p. 22.

intendant of Concepción. The old corregidores lost the right of repartimento (the right of a commercial monopoly in his district), but took over the power of the alcaldes mayores as they became subdelegados.⁹

The intendants of Santiago and Concepción were not equal. The intendant of Santiago, due to his position as Governor, President and Captain-General had vastly more power than the intendant of Concepción. Furthermore, the Concepción intendant was directed to subordinate himself to the intendant of Santiago¹⁰ who therefore had the power and opportunity to supervise the work and duties of his colleague at Concepción. In any case the supreme military command and all military matters in Chile, chiefly concerning the frontier, were in the hands of the intendant of Santiago acting as Captain-General and not in the hands of the Governor-Intendant of Concepción. It is evident that when a strong, determined person was appointed intendant of Santiago he had sources of power and influence to draw upon to initiate his programs for the guidance not only of

⁹ José Pérez García, Historia natural, militar, civil y sagrada del Reino de Chile de su descubrimiento, conquista, gobierno, población, predicación, evangélica, erección de catedrales y pacificación (2 vols., Santiago, 1900), I, 73-90; Vicente Carvallo Goyeneche, Descripción historico-geográfico del Reino de Chile (3 vols., Santiago, 1876), II, 413-4; Fisher, Intendant System, p. 23.

¹⁰ Luis Galdames, A History of Chile, trans. and ed. Issac Joslin Cox (Chapel Hill, 1941), p. 116.

the intendency of Santiago but for all of Chile.¹¹ In 1788 with the promotion of Ambrosio O'Higgins to be intendant of Santiago, a man of this caliber appeared.

Little has been written about Ambrosio O'Higgins despite the fact that he is acclaimed one of the great governors and viceroys of the eighteenth century in the Spanish colonies. Information about him in English is practically nonexistent except for some restricted references in general histories of Chile. In Spanish the situation is slightly better with a brief biographical sketch by Gustavo Opazo¹² and a good biography by Ricardo Donoso.¹³ Donoso's work is the standard authority on the life and work of Ambrosio O'Higgins, but it does not attempt to analyze O'Higgins' ideas or work in regard to Chile, the Bourbon reforms, and especially the intendency system.

Ambrosio O'Higgins, or Higgins as he was often referred to, was born in Ireland in the county of Sligo around the year 1720. His exact date of birth is not known or even if he was born in Sligo. His origins were obscure and shrouded in legend. He, himself, claimed to be born in

11 Ibid., p. 117

12 Gustavo Opazo, "Don Ambrosio O'Higgins, intimo, 1722-1801," Boletín de la Academia Chilena de la historia (hereinafter cited as BACH), IX, 22 (1942).

13 Ricardo Donoso, El Marqués de Osorno, Don Ambrosio Higgins, 1722-1801 (Santiago, 1940).

Sligo and traced his ancestry through his parents, Charles and Margaret O'Higgins to the Irish nobility of the house of Ballinary. However, there is no record of any Barony of Ballinary in Ireland.¹⁴ This claim of noble ancestry was probably fabricated by Ambrosio in order to apply for a patent of nobility from Charles IV of Spain.¹⁵ This was duly granted in 1796, and he could now officially title himself as the Baron of Ballinary and put the "O" before his last name "Higgins."

Nothing is known of his early life or education in Ireland which lends credence to the belief that he was not of the nobility. He undoubtedly received a fairly good education for the time since he had a knowledge of mathematics, the physical sciences and liberal arts. Presumably his parents had money available to provide this schooling.¹⁶

¹⁴ Ibid., pp. 1-9 gives the historiography on the question and effectively demolishes the evidence of the historians who favor the nobility of O'Higgins. Stephen Clissold, Bernardo O'Higgins and the Independence of Chile (New York, 1969), pp. 12-13 gives both the legendary account of his nobility and how O'Higgins created it, as well as the more mundane lower class origins which Clissold believes is no more accurate than the other. He says the truth is probably in between the two and O'Higgins was probably of middle class parentage.

¹⁵ Clissold, Bernardo O'Higgins, p. 12.

¹⁶ Ibid., p. 13.

He may also have served in the British army for a while according to his own account in a discussion later in life with George Vancouver.¹⁷

In 1751 O'Higgins left Ireland and went to Spain. Whether he went to obtain higher education at the Irish College of the University of Salamanca, to take employment in a bank at Cadiz, to join the Spanish military, or to join an uncle who was in the Church in Spain is not certain.¹⁸ We know that several other members of his family soon followed him to Spain, so he may have met with some economic success to give encouragement to others of his family to undertake the journey. It is known that in 1756 he went to America to track down his younger brother, William, and to undertake some business for the Cadiz firm of Butler which helps support the idea of his bank employment. He found his brother in Asunción but was unable to convince him to return to Spain.¹⁹ He pursued his business ventures and again evidence is lacking as to his activities. Legend has him being an itinerant peddler in Chile and Peru without much economic success. He returned to Spain penniless

17 George Vancouver, A Voyage of Discovery to the North Pacific Ocean and Round the World (3 Vols., London, 1798), III, 426.

18 Donoso, El Marqués, p. 53, n. 5.

19 Ibid., p. 46.

but not disillusioned in June, 1760, and applied for formal naturalization papers from the Council of the Indies.²⁰

In 1761 he was appointed as an assistant to John Garland, an Irish friend, to assist him in engineering construction in Chile. To help support himself, since his 500 peso annual salary was too meager, O'Higgins negotiated several loans to purchase trade goods to dispose of in Chile. These heavy debts, one of which was for 10,186 pesos, were to cause financial hardship for O'Higgins for decades to come since he was a commercial failure and his partner John B. Powers ran out on him.

O'Higgins reached Santiago in 1763 after crossing Uspallata Pass in July during the dead of winter, and Garland followed in December.²¹ During the years 1764-1766 Garland and O'Higgins were engaged by Governor Antonio Guill y Gonzaga to build fortifications for the towns of Valdivia and Talcahuano and to improve the defenses of Concepción and San Vicente. During this time O'Higgins wrote a long letter describing the state of Chile to the Crown. In this letter O'Higgins put forth ideas and suggestions for the improvement of industry, commerce, agriculture and other services in Chile to make the country

²⁰ Clissold, Bernardo O'Higgins, p. 14.

²¹ Donoso, El Marqués, pp. 48-50.

come up to its potential. This letter is interesting as a guide to the programs O'Higgins attempted to promote in Chile when he became governor, and it also gave him recognition from the Crown for his services in Chile.²² O'Higgins took this letter to Spain in November, 1766, and was allowed to present it the following June. He received encouragement and support to return to Chile in 1769 and carry out a pet project, the construction of travellers' stations along the route from Mendoza to Chile. The casuchas, as they were called, were well-built, though they suffered from earthquakes, and of great benefit against winter storms as travellers were to discover as late as 1823.²³

After his return to Chile O'Higgins continued his work on fortifications in the south, this time along the Bío-Bío River and he now had a commission in the dragoons. He and his workers were surprised by the Pehuenches in January, 1770, but the attack was driven off without great injury to the construction party. For this and several subsequent actions he was promoted to lieutenant-colonel and stationed in Plaza de los Angeles by Governor Francisco

 22 Ambrosio O'Higgins to Charles III, Madrid, September 2, 1767, "Descripción del Reyno de Chile en 1767." Passim, (cited hereinafter as "Descripción"). Ms in the Royal Library of Copenhagen and a microfilm copy in the possession of the writer.

23 Robert Procter, Narrative of a Journey across the Cordillera of the Andes and of a Residence in Lima and other parts of Peru in the Years 1823 and 1824 (London, 1825), pp. 71-2.

Javier de Morales in July, 1770.²⁴ O'Higgins displayed a great flair for military service in the next two decades and rose rapidly in the ranks from lieutenant-colonel to brigadier-general. In 1783 when he reached the top rank in the army on the frontier and became its Commander he had the rank of Maestre de Campo.

O'Higgins always showed a talent for Indian affairs. He was one of the few officers of the time who recognized the rights, dignity, and independence of the Araucanians.²⁵ Nothing shows this more clearly than the case involving the Bishop of Concepción, Francisco José Marán, in 1786. Bishop Marán made a long visitation in his diocese and was captured by the Indians. He narrowly escaped with his life after wagering his life and those of his companions on a chueca match, a game similar to field hockey. Cries of indignation arose on all sides against the treatment of the venerable churchman, but O'Higgins refused to launch a punitive expedition. He called a meeting with several of the caciques, or chiefs, and managed to have most of the Bishop's possessions returned.²⁶ However, this strained relations

²⁴ Donoso, El Marqués, pp. 94-6.

²⁵ Vancouver, Voyage, III, 444-5.

²⁶ Tomás Alvarez Acevedo to Antonio Valdés, Santiago, January 30, 1788, "Manuscritos Originales" de José Toribio Medina (cited hereinafter as "Manuscritos"), Biblioteca Nacional, Santiago, Chile, Vol. 205, f. 13-6; Memorias, V, 85.

between O'Higgins and Bishop Marán, which were not good to begin with, even more and made people suspicious of his "softness" on the Indians.²⁷ The Indians repayed his trust in them by maintaining the peace and policing their own people. Also, negotiations for the Frontier Road, trade agreements, and the establishment of more missions, forts and settlements were greatly aided in the process.²⁸

On January 14, 1786, O'Higgins was appointed Governor-Intendant of Concepción and confirmed by the Crown a year later when the Intendancy System was starting its long process of introduction into Chile. Now in a position of civilian authority O'Higgins could start to put into effect some of his enlightened ideas for the improvement of Chile. Negotiations for the construction of the Frontier Road continued, and the Indians were encouraged to take up agriculture, trade, and commerce under Spanish guidance. O'Higgins also worked to further populate the region by resettling people in new towns both on the frontier and in the more peaceful partidos (subdistricts within the intendancy), to the north of the Bio-Bio River.

At the same time O'Higgins was eyeing the office of Captain-General of Chile for Ambrosio Benavides was ailing and not expected to live much longer. As early as

 27 Vancouver, Voyage, III, 445.

28 P. Roberto Lagos, Historia de las misiones del Colegio de Chillán (Barcelona, 1908), p. 343.

February 22, 1787, O'Higgins wrote the Minister of the Indies, José de Gálvez, putting forth his qualifications for the position.

Your Excellency:

. [Agustín de Jauregui] in all the virtues that ought to appear in a complete governor is able to inform Your Excellency of the many times he has declared his approval of my conduct, judging my governmental ideas to be of high importance for your consideration and the advancement of the Kingdom. Although you are not normally prejudiced, and I do not desire to tax you knowing your merit and influence in the viceroalties and concurring with the public notices that candidates for the Presidency should present themselves, I am not able to omit presenting to Your Excellency my court services which you have promised to lay before His Majesty should the opportunity present itself. With this confidence, and by my experience able to help, I trust in your guidance of these territories to bring me happiness. I hope Your Excellency has resolved to bring this to his attention and knows that I am faithfully and gratefully yours. I have no other support to complete my career than the protection of Your Excellency.

With this [promotion] it will be easy for me to promote the happiness of these people while at the same time continuing the interests of the monarchy and your interests in the preservation and defense of these coasts. These are rarely taken into consideration by those that erroneously seek peaceful governors for America.

I appeal to Your Excellency's infinite grace for the distinguished expressions that have always accompanied your high appreciation. I live confident that in these critical times in providing for the high posts of these domains a magnanimous stroke of your favor will be all the luck of my fortune. Your Excellency will not permit to stand unrewarded my only hope that is blindly deposited in the noble resolutions of Your Excellency for whose life I pray constantly to our Lord to grant many years of prosperity.

Concepción, Chile, February 22, 1787
 Best wishes for Your Excellency, your most
 obligated, most loving, impassioned, and true
 servant--

Ambrosio Higgins de Vallenar²⁹

On March 23, 1787, he sent a short note to Gálvez displaying concern over the succession to the post of Captain-General in light of the health of Benavides, and again on May 2nd, after Benavides' death on April 28th. This time he wrote Gálvez putting forth his candidacy in much stronger terms.

Your Excellency:

Word was received by express post from Santiago today of the death on the 28th of April of Brigadier Don Ambrosio de Benavides.

With his death there occurs a vacancy in the office of President and Captain-General, and if you could give me a good recommendation of my small merits to His Majesty for this office I would be eternally grateful.

Some letters from Madrid and others from Santiago announce some colonels are being considered for the Presidency of Chile and also consequently reiterate what all say about Señor Benavides. I have never believed it before [and] I flatter myself with the confidence that Your Excellency has not forgotten my court service, my advancement and character in the army, my performance in command during those years as Maestre de Campo, Commandant-General, Inspector of the veteran militia troops, the frontier forts, and how much I had contributed myself for its [frontier] conservation against the enemy natives, establishing better discipline and subordination of all those superior to those

29 O'Higgins to José de Gálvez, Concepción, February 22, 1787, "Manuscritos," Vol. 200, f. 19-21.

who see the good regime in those places destined for this combination; In addition I confide everything in the meantime to Your Excellency [since] you placed me (God protect you) at the front of the army and in charge of the people of America who will not continue rejecting my services.

I only hope that invariably I have at all times the favor of Your Excellency in whose shadow I hope to add to my career and merits in the performance of the command of Chile, the improvement of her prosperity with such ideas [as those] His Majesty, himself proposes in the new legislation in favor of the Royal Service, and one is capable of acquiring himself in this direction.

Your Excellency quickly satisfied all my hopes and dedication to these objects dispensing to me the orders that were of such a high degree while shouting to our Lord to preserve Your Excellency as many years as he desired.

Concepción, Chile, May 2, 1787
 Ambrosio Higgins de Vallendar
 Excellency, Marquis of Sonora³⁰

On May 9th the Audiencia (royal court) also informed the Crown of Benavides' death and of its assumption of the government under its president Tomás Alberez de Acevedo.

Four candidates presented themselves as successors to Benavides in June, 1787: Tomás Alberez de Acevedo, President of the Audiencia, José Antonio Eslava, a lieutenant-colonel with thirty-seven years of military experience, Francisco de la Mata Linares, a colonel with thirty-two years military experience, and Ambrosio O'Higgins

³⁰ Ibid., May 2, 1787, f. 86-8.

with only seventeen years of military experience. However, O'Higgins had powerful backing in court including Gálvez, and he was named to fill the vacancy on October 27, 1787. Mata Linares was named to the post of Governor of Concepción to replace O'Higgins.³¹

O'Higgins believed strongly in the power and authority of the Spanish Crown and did his best to uphold the Crown's authority. The people he governed resented this and showed their contempt for him by giving him the title "the English governor." He was thoroughly familiar with the problems before him especially Indian affairs on the Frontier. He also took very seriously his duty to prevent foreign ideas from undermining royal authority in Chile, and he campaigned vigorously to prevent the entry of North American and French revolutionary thought.³² He even went so far as to challenge Church authority when he found ecclesiastics propogating revolutionary ideas.³³

O'Higgins was an energetic, efficient, innovative, honest, and moral man. He had officials dismissed and prosecuted by

31 Charles III to O'Higgins, Madrid, October 27, 1787, Ibid., f. 92.

32 O'Higgins to the port officials of Valparaíso, Santiago, January 30, 1792. Quoted in Miguel Luis Amunátegui, Los Precusores de la Independencia de Chile (3 vols., Santiago, 1910), I, 317-8.

33 Ibid., III, 284-7.

the *audiencia* for immoral behavior³⁴ even though he, himself, had had an affair with Isabel Riquelme which resulted in the birth of his illegitimate son, Bernardo. He believed in sound, efficient public administration and expected his subordinates to live up to his ideals.³⁵ He believed that if the Chilean government could practice the highest ideals of government and diligently apply the provisions of the Bourbon reforms to Chile then great changes would take place in the country. The people, observing and experiencing this type of government, would shake off their lethargy and indolence. A spirit of industry would appear in the people, and they would actively help the administration transform their customs and uplift the overall economic and cultural level of Chile.³⁶ O'Higgins made extensive tours throughout Chile in an effort to promote these ideas among governmental and municipal officials as well as influential private citizens. His most noticeable effort was a visita or tour of inspection in the north.

O'Higgins was an eighteenth century enlightened man who tried to keep abreast of the latest scientific and

34 O'Higgins to Tomás Alvarez de Acevedo, Santiago, August 9, 1788, Archivo Nacional, Archivo de Capitanía-General (hereinafter cited as C-G), 778, f. 64-5.

35 Francisco Antonio Encina, Historia de Chile (20 vols., 2nd ed., Santiago, 1948), IV, 662.

36 Diego Barros Arana, Historia jeneral de Chile (16 vols., Santiago, 1886), VII, 25-6.

cultural developments. He was a charter subscriber to the Peruvian journal, El Peruano, edited by José Hipólito Unanue, and he was an avid reader of Jean Jacques Rousseau. O'Higgins also read other visionary philosophers though he recognized the failings of Abbé Raynal and Buffon concerning the inferiority of men and animals in the New World.³⁷

It was with these qualities and ideas that he took over the post as Governor of Chile and Intendant of Santiago determined to apply the Bourbon reforms and especially the program of the intendency system to Chile.

The following chapters will examine the work of O'Higgins in Chile with regard to mining, agriculture and fishing, transportation and communication, trade and commerce, and public works.

³⁷ John Thomas, "Los Proyectos del Virrey O'Higgins," Revista Chilena de historia y geografía (hereinafter cited as RCHG), 15 (1914), 132-3.

CHAPTER II

MINING

Mining was the major industry in the Spanish American colonies for it provided the Crown with the most visible and immediate revenue returns. The Crown encouraged mining and mine exploration by any and all individuals insisting only on its royal fifth. Sometimes this was even dispensed with when minerals were discovered in remote or dangerous areas, where, to bring such mines into production, the royal fifth was reduced to a tenth. The principal minerals sought were gold and silver, but other ores received attention also such as copper, lead, iron, sulfur, nitrates and of course precious and semi-precious gems.

In Chile there was a large number of gold and silver mines located between Santiago and Copiapó. Copper was the third major ore exploited along with mercury from the mine of Punitaqui and nitrates for gun powder. Mining was an individual effort usually requiring very little capital expenditure and was nowhere near the massive mining enterprise in other parts of the colonies such as Potosí, in upper Peru or Guanajuato, Zacatecas, and San Luis Potosí in New Spain.

Usually two people, the proprietor and habilitador,

were connected with the mine. The proprietor or mine owner lived on the hacienda near the mine. He operated the smelter on the hacienda and kept the mines supplied with meat, vegetables, and supplies from the hacienda. The habilitador was the financier of the mine operation, and he usually lived in Coquimbo, Huasco or Copiapó. He handled the commercial and financial aspects of the mine.¹

As a result of the small size of the mining ventures in Chile production was low, and methods and techniques lagged behind advances in New Spain at the end of the 18th century, such as the introduction of blasting. Mining in the colonies was a hard labor system without even winches or simple mechanical devices for ore removal from the mines.

Labor in the mines was manual, and the ore was carried out on the backs of the miners. The ore was transferred to mules at the mine entrance for transportation to the nearest trapiche or stamp mill. The gold mill at Copiapó in 1820 consisted of a horizontal shaft attached to a mill stone sunk in a water trough. The mill stone turned around with the shaft in the trough while the ore was thrown in to be crushed under water. When mercury was added the action of the water aided the amalgam. A nick in the lip of the trough allowed the water to trickle off to sluice

¹ Captain Basil Hall, Extracts from a Journal Written on the Coasts of Chile, Peru and Mexico in the Years 1820, 1821, 1822. (3rd ed., 2 vols., Edinburgh, 1824), II, 48-9.

over long wooden channels which captured the stray gold. When the gold amalgamated in the trough the water was removed, and the amalgam was heated in ovens to evaporate the mercury and leave the gold bullion.²

The smelter for copper or silver was similar to a lime-kiln and consisted of a dome open at one side for filling and an attached chimney. Broken pieces of ore were alternated with wood which was then fired, and a water-wheel powered bellows was used to produce forced draughts or air into the kiln. The melted ore was tapped at the bottom of the kiln, plunged into water, and then scraped to remove the slag. A further refining concentrated the metal, and then it was cast into bars.³ These processes observed by Hall were similar to the large scale operations located near the mines during the administration of O'Higgins and indicates the slow progress of mining development in Chile since the colonial period.

One of the most immediate problems O'Higgins faced in trying to increase production from the numerous small mines in Chile was an adequate labor supply. For a mining enterprise to be fully productive there had to be a large labor supply to draw upon not only for mining itself, but for related industries such as stamping, smelting, charcoal

2 Ibid., pp. 35-6.

3 Ibid., pp. 14-15.

production and food supply. To overcome this deficiency, Governor O'Higgins undertook a large scale population relocation near valuable mines such as Punitaqui, Petorca, Illapel and San Rafael de Rosas. One of the standard methods employed was the creation of new towns and population centers near the mines. This was accomplished by moving people from impoverished and non-productive regions to more suitable locations near the mines. The people affected by this relocation were usually Indians and mestizos from widely scattered rural areas.

There are several documents which provide detailed plans and methods used in this operation. One of them deals with Dr. Ramón Martínez de Rojas, a lawyer for the royal audiencia in 1785, who was ordered to conduct a visita of the Indian villages in the provinces of Melipilla and Santiago. The villages involved were located on barren, dry land without adequate water for cultivation or even for drinking. The Indians, mestizos, mulattos and other mixed bloods made little attempt to grow food and suffered from disease, lack of food and clothes, and even the solace of the Catholic faith. The idleness of the villagers resulted in petty thievery and even outright banditry against the neighboring estancias, towns, and passing travellers.

Martínez de Rojas viewed with great disfavor the condition of the Indians, and made the recommendation that they be relocated despite royal prohibitions against

moving Indians.⁴ The audiencia ordered him to compile a list of the people affected by this planned move and the amount of land they occupied in order to find a suitable place for relocation. Martínez de Rojas' report listed four towns in the province of Santiago (Lampa, Macul, Carrizal and Falagante), and five towns in the province of Melipilla (Llopen, El Bajo, Chiñique, Pornayre and Gallardo), comprising 95 families with about 2097 cuabras of land that would be affected by the move.⁵

The audiencia decided to resettle the people near the sea in the town of San Antonio on the estate of Esteban Carrillo. He was to provide a chapel, ayuntamiento, and homes for them, presumably at his expense. Many other surrounding haciendas also provided land for the displaced people. The report of the audiencia to the Crown mentioned that the poor Indians were quickly established in encomiendas and virtual slavery. Litigation arose between the new encomenderos and the audiencia, but the question of "virtual slavery" was quickly glossed over in the report and rationalized by the fact that the project was beneficial for the overall welfare of the Indians.⁶

⁴ Joachim Pérez de Uriondo y Martineneva to José de Gálvez, April 3, 1787, "Manuscritos," Vol. 200, f. 64-70.

⁵ Ibid., f. 70-1. (According to Manuel de Salas one cuadra in Chile equals 140 Castilian varas of 2.8 feet.)

⁶ Ibid., f. 72-3.

The cost of the relocating the villagers was covered by the sale of their old land. The new location cost 6042 pesos, transportation 700 pesos, and the total expenses involved amounted to 8042 pesos. The value placed on the land occupied by the Indians in the original settlements was given as 12,348 pesos. Creole landowners having haciendas near the old villages bought the land to add to their estates. Francisco Javier Valdés bought Carrizal for 3000 pesos; Chifñique went to José Antonio de Alcalde for 3438 pesos; and José Ignacio de la Carreza bought Llopen for 2236 pesos. All the land was sold for its estimated value.⁷

This document is valuable not only for demonstrating the method of population relocation, but it also reveals a type of large scale land grab: the Indians' land, supposedly barren, was quickly bought up by the surrounding estates. The Indians were also exploited for their labor in their new surroundings, and one wonders if this entire relocation was not a deliberate effort to capitalize on Indian land and labor.

O'Higgins utilized this method of population relocation frequently. To increase the labor supply available to the mine of La Plaza y la Plaza in the valley of La Ligua in the partido of Quillota, O'Higgins founded the town of

⁷ Ibid., f. 71 and 76.

Santo Domingo de las Rozas. He felt that this would encourage further mineral exploration of the area as well as supply the food and commerce needed for the miners.⁸ The rich gold mines of Illapel in the Cuzcuz valley were aided by the settlement of San Rafael de Rozas in 1789 by 327 vecinos or family heads. The scattered inhabitants on the estates of San Martin de la Concha near La Serena, who had lost their land due to poor titles,⁹ were gathered up and transported to Illapel. Concha did not object to this move but Valeriano Ahumada, the husband and overseer of the estates of the Marquesa de la Pica, Doña Rosa de Ahumada, on whose land the settlers were placed, put obstacles on their endeavors to build homes and ore mills. However, the industriousness of the settlers in establishing municipal laws, ordinances, public buildings and guilds impressed the Marquesa, and she began to aid the settlers. In the two years the town was established, commerce greatly increased, and law and order assured in the district.¹⁰ The mines were soon producing 100,000 pesos a year.¹¹

8 Ambrosio O'Higgins to Charles IV, September 20, 1792, Ibid., Vol. 201, f. 124-29.

9 O'Higgins to Pedro de Acuña, Santiago, October 17, 1793, Ibid., Vol. 212, f. 97.

10 O'Higgins to Charles IV, December 21, 1792, Ibid., Vol. 201, f. 130-6.

11 "Representación de D. José Antonio Becerra al M.I.S.P. Don Ambrosio O'Higgins Vallenar," RCHG, 112 (1948), 384.

In cases of natural disaster areas were depopulated and entirely new towns founded to repopulate and insure civil government and law to the area. In 1783 and 1789 the partidos of Cauquenes and Chillán were ravaged by smallpox and on August 9, 1789, 254 people died of the disease.¹² This depopulation made it impossible for law and order to be effective in this large area. The region north of Cauquenes for a distance of eighty or ninety miles was filled with thieves, vagabonds and rascals to the detriment of the few honest people remaining.¹³ The citizens asked for the founding of a new town in the middle of this area to help develop the region and a commission was established to look for a suitable site for the new town to be called San Ambrosio de Vallenar. On August 12, 1789, Doña Angela Vásquez provided 2000 cuadras of land for the new town on condition that government provided other land as compensation to Doña Vasquez. The citizens were to receive all the cattle on the land at government expense and if the Crown could not trade land with

 12 Miguel Ferrada Ibáñez, Historia de Linares, 1514-1820 (Santiago, n.d.), p. 68, n. 2.

13 Dr. Ramón de Rozas to O'Higgins, December 8, 1788, quoted in Ferrada Ibáñez, Historia, p. 75.

Doña Vásquez, then it would buy it outright.¹⁴ This land swap or purchase was not resolved until 1794. The Intendant of Concepción, Francisco de Mata Linares, urged O'Higgins to take some action in the matter for the sake of civil administration, and in May 1794, a new partido, Isla de Maule, was created. Its capital was to be the new town to be named San Ambrosio de Linares rather than Vallenar due to the Intendant of Concepción's efforts.¹⁵ No mention was made as to the method used to obtain the land from Doña Vásquez.

Other towns were established such as San Ambrosio de Vallenar, since it was not established in Isla de Maule, and Paitanas in the partido of Guasco; Los Andes, San Pedro Nolasco, and Curiamón in the partido of Aconcagua; and Santa Ana de Eribiesco (Petorca), San Francisco de Borja, Combarblá, and Pupio among others in Coquimbo.¹⁶

¹⁴ Ferrada Ibáñez, Historia, p. 69. The commission was composed of Lorenzo Benites, subdelegado of Cauquenes, Miguel de Ayara, maestro de campo, Pablo Lamillo, deputy magistrate of Putagán, and Francisco Cárdenas, a land surveyor.

¹⁵ Ibid., p. 70.

¹⁶ O'Higgins to Diego de Gardoqui, August 26, 1792, Ambrosio O'Higgins, "Chile en 1792," in Colección de historiadores de Chile y documentos relativos a la historia nacional (hereinafter cited as CHCN), XIV (1903), 10.

TABLE I
TOWNS FOUNDED BY GOVERNOR O'HIGGINS

<u>Date</u>	<u>Village</u>	<u>Partido</u>
November, 1788	San Rafael de Rozas (Illapel)	Cuzcuz
December, 1788	San Francisco de Borja de Combarbalá	Coquimbo
October, 1789	Coelemu	Concepción
December, 1789	San Ambrosio de Vallenar (Paitanas)	Huasco
May, 1790	Santa Domingo de Rozas de la Ligua	Quillota
July, 1791	Santa Rosa de los Andes	Aconcagua
July, 1792	San José de Maipo	Santiago
May, 1794	San Ambrosio de Linares	Isla de Maule
June, 1794	Nueva Bilbao de Gardoqui (Constitución)	Isla de Maule
February, 1795	Villa Reina Luisa del Parral	Isla de Maule
January, 1796	Osorno	Frontier
January, 1796	San José de Alcudia	Frontier

Curiamón was established on the Andean road to Buenos Aires to provide a way station for travellers and to provide labor for the newly discovered mines of the Rio Colorado. It brought law and order to the region for a garrison kept military watch on all travellers passing over the Cordillera. The new

jurisdiction made it easier to collect the taxes and the royal fifth from the new mine owners also.¹⁷

Labor conditions in the mines were extremely hard, especially in the smaller mines attached to individual haciendas. In the Putaendo Valley of Copiapó the inhabitants on the estates of José Ferrer had to perform extra labor in the mines in addition to the regular agricultural work of the hacienda. This not only caused them to lose time, money, and lives but greatly increased their work load and the suffering of their families.

O'Higgins hoped that some sort of guild and a jazzgado de minería, or mining tribunal, might be established to protect people from exploitation of this kind.¹⁸

In other cases the labor supply was voluntary and paid. Work was supervised by the majordomos or the owners themselves. The ordinary miner received about six to eight pesos a month while drillers received ten pesos. In addition all workers received their meals which usually consisted of yerba maté, meat, and a wheat gruel. Everyone lived in miserable poverty near these small mines. Women and children scrounged the mouths of old abandoned mine pits for bits of ore to trade

17 O'Higgins to Pedro de Acuña, Santiago, October 17, 1793, "Manuscritos," Vol. 212, f. 101-3.

18 O'Higgins to José Teodoro Sánchez, December 5, 1788, C-G 778, f. 105-6.

for charque (dried meat), yerba maté, and tobacco in order to supplement their husbands wages.¹⁹

The mines themselves were unattractive. They were narrow holes in the ground barely wide enough for a man to pass through. Over the mine entrance was built a wooden shack to keep the snow from filling the hole in winter and to store the ore. On cold, snowy days this caused poor ventilation and as a result the mines became overheated. During the balmy days of winter the accumulated ore was removed from the house to facilitate ventilation and ease the overcrowding. When there were heavy snowfalls a man had to be stationed near the ventilation window of the tunnel itself in order to prevent its clogging and smothering the men at work in the mine. For the duration of the mining season, from May to September, the miners lived in the mines with little or no light or outside communication.²⁰

The mine shafts were very irregular and treacherous for the miner, and the lack of strong wooden braces for the tunnels caused frequent cave-ins. In an attempt to

19 Antonio Martínez de Mata, "Noticias de las principales minas en el Reino de Chile sacados de la visita general que se hizo de ella en el año de 1788," RCHG, III (1948), 277; Becerra, "Representación," pp. 383-4.

20 Thaddaeus Peregrinus Haenke, Descripción del Reyno de Chile (Santiago, 1942), pp. 111-12; Becerra, "Representación," p. 385.

remedy this O'Higgins tried to obtain better wood from this southern frontier.²¹ However, nothing else is mentioned on this project, and it may be assumed that the cost was too high for the miners to undertake even this rudimentary safety precaution.²²

Flooding was also a constant problem in the mines, and this was a major obstacle in the continuous working of rich veins. The Chilean miners had no knowledge of the mechanics of mine drainage, and the cost of even rudimentary pumping machinery was in any case, beyond their resources.²³ Even with a multitude of partners in a rich mine sufficient capital for machinery was not available. In the mine of Bronce Viejo near Petorca a rich vein of gold was worked by eleven partners, but water in the mine plagued the miners and was the principal preoccupation of the owners.²⁴ This water problem never was solved.

Part of the problem in mining was the complete ignorance of the miners as to the nature of the ore they were working. The average miner could distinguish gold easily enough, though sometimes copper was mistaken for gold, but when it

 21 Haenke, Descripción, p. 234.

22 Martínez de Mata, "Noticias," p. 271.

23 Becerra to O'Higgins, August 5, 1790, "Manuscritos," Vol. 208, f. 97; Becerra, "Representación," p. 385; Haenke, Descripción, p. 235.

24 Martínez de Mata, "Noticias," p. 291.

came to silver he was at a loss. It was not at all unusual for a miner to send up an ore bucket filled with lead, zinc or arsenic rather than silver.²⁵ Only the richest ores were worked, and then lack of technical knowledge, investment capital, mine machinery, and flooding caused the mines to be abandoned. O'Higgins hoped that some sort of miner's organization could be found to remedy these deficiencies.

He also hoped that the Crown would send out a mining engineer from Europe who could make a survey and recommendations for improvement. He kept up a constant barrage of letters to the Crown on this subject, and when Baron von Nordenflic't's party arrived in Buenos Aires it seemed as if his pleading had been rewarded.²⁶ O'Higgins' hopes were dashed, however, when Nordenflic't went on to Potosí rather than Chile.²⁷ Perhaps the Governor felt somewhat encouraged when the Bohemian Tadeo Haenke, arrived later in 1790 with the expedition of Alexander Malaspina and made a brief survey of the country. It was also, in 1790 that Pedro Subiela, a mining engineer from the Almadén mines in Spain, was in Huancavelica, and he went to Chile to inspect the mercury

 25 Becerra, "Representación," p. 383; Haenke, Descripción, pp. 112-13; Amunátegui, Los Precusores, III, 414.

26 O'Higgins to Antonio Valdés, November 8, 1789, "Manuscritos," Vol. 205, f. 118-19.

27 O'Higgins to the Viceroy of the Río de la Plata, Marquis de Loreto, September 9, 1788, Archivo Nacional, "Tribunal de Minería," Vol. XI, f. 21; Barros Arana, Historia, VII, 28.

mine of Punitaqui.²⁸ Subiela met with Haenke and José Antonio Becerra, a treasurer from Huancavelica visiting in Chile, and they viewed the overall mining operations in Coquimbo and Copiapó.²⁹

In 1794, George Passler, a German metallurgist attached to Nordenflicht's party, came to Chile to experiment with a new and better method of refining silver ore. His idea was to utilize barrels for the amalgamation process rather than rawhide sacks. But his experiments invited fraud from the mines, and O'Higgins was forced to station guards around the site of his experiment. Nothing came of Passler's experiments, however, and he soon became ill and died in August, 1795.³⁰ All in all, O'Higgins received little outside technical help in renovating the Chilean mining industry.

Another step towards the attempted improvement of mining in Chile which was examined between 1786 and 1802 by various officials was the establishment of Bancos de Rescate or banks of exchange. The idea had first been adopted in New Spain where the Real Ordenanza de Intendentes of 1786 provided for

28 O'Higgins to Antonio Valdés, Santiago, July 14, 1790, "Manuscritos," Vol. 205, f. 171.

29 Donoso, El Marqués, pp. 182-4, n. 4; Ernesto Greve, Historia de la ingeniería en Chile (2 vols., Santiago, 1938), II, 309.

30 Ernesto Greve, "Historia de la amalgamación de la plata," RCHG, 102 (1943), 245-6.

their establishment. San Luis Potosí had first enacted Bancos de Rescate in July, 1790, and they revived the mining industry bringing new and greater production down to Independence.³¹ It was also the idea of Viceroy Croix in 1786 to establish local banks of exchange in Peru, but his successor, Gil y Lemos, abandoned the idea due to a lack of confidence by the people in the miners, and the lack of people interested in forming the banks.³² Antonio Becerra put forth this idea to O'Higgins in 1788 for possible adoption in the Chilean mining industry.

The purpose of the banks of exchange was to act as a local buyer for the miners' silver and as a source for loans to purchase supplies and machinery. They were primarily designed to aid the small independent miner compete favorably with the larger partnerships and companies. Small miners had to travel great distances to Coquimbo in order to sell their silver and purchase the mercury necessary for the ore amalgamation. The only other alternative available was the merchants who specialized in mine supply but, they jacked up their prices to ruinous levels for the supplies and cheated and defrauded the miners on the purchase of their silver and

³¹ Pilar Mariscal Romero, "Los Bancos de Rescate de Plata," Anuario de Estudios Americanos, XX (1963), 316-7.

³² Reubén Vargas Ugarte, Historia general del Peru (6 vols., Barcelona, 1966), V, 116.

the sale of mercury.³³ The merchants sold shoddy goods to the miners and also acted as the local loan sharks or aviadores. The legal limit on interest rates was five per cent according to articles 1 and 6 of the Ordenanza de Minería,³⁴ but the loan sharks consistently evaded these laws in their credit dealings with the miners. Ruinous interest rates and high prices for supplies constantly kept the small independent miner in a state of low level subsistence with no incentive to improve his mine or to increase his production of silver ore.³⁵

It was the opinion and hope of Becerra, O'Higgins and Manuel de Salas that the banks of exchange would provide an acceptable alternative source of funds for the miners. They would be expected to offer supply of money to important mining regions such as Illapel and Copiapó with an unlimited source of funds for the miner to borrow from at a five per cent interest ceiling. The banks might also act as silver purchasers for the miners, giving fair prices for their bullion. Mercury could be dispensed from the banks at fair

 33 O'Higgins, "Chile en 1792," pp. 9-10; Mariscal Romero, "Los Bancos," p. 315.

34 Tomás Alvarez Acevedo to Antonio Valdés, Santiago, April 1, 1788, "Manuscritos," Vol. 205, f. 17-21.

35 Manuel de Salas to the Tribunal de Minería, February 12, 1801, June 10, 1802, Escritos de Don Manuel de Salas y documentos relativos a él y su familia (3 vols., Santiago, 1910), I, 238-9. The Ordenanza established a fund to create a loan bank attached to the Tribunal de Minería also established by this act.

prices, and they could also act as a check on ore smuggling. The tally of mercury purchases in relation to the silver bullion produced would accurately tell the Crown officials the amount of the royal fifth owed by the miner. This would cut down the tremendous losses suffered by the Crown from the smuggling and illegal purchases of bullion presently engaged in by the merchants.³⁶ It was also hoped that the banks would finance public stamp mills to allow the small independent miners to escape from the covetous clutches of the private stamp mill owners who gouged the miners for ore crushing. It was estimated that the stamp mill would be self supporting. An operator could be hired for about 400 pesos, and he would be responsible to the Mining Tribunal.³⁷

The plan to establish banks of exchange had merit and would certainly have provided an available pool of capital for the small mine operator. He could then have competed on more even terms with the large operator who received

36 C-G 778, f. 189; Mariscal Romero, "Los Bancos," p. 315; Ruggiero Romano, Una Economía colonial: Chile en el siglo XVIII (Buenos Aires, 1965), p.23; It took one libra (pound) of mercury to produce one mark of silver, but in the period 1781-1785 this ratio varied greatly among different mines.

<u>Mine</u>	<u>Mercury Received</u>	<u>Silver Produced For Assay</u>
Copiapó	57,000 lbs.	43,079 marks
San Pedro Nolasco	32,000 lbs.	11,680 marks
Coquimbo	10,600 lbs.	604 marks
Aconcagua	1,400 lbs.	no silver produced

37 Escritos de Salas, I, 239.

favorable consideration from the merchant and commercial classes in Chile. Governor O'Higgins probably was favorably impressed by Viceroy Croix's idea as well as by the instructions in the Ordenanza de Intendentes, and he mentioned the proposal to the Crown in 1792. However, no action was ever taken with this project, perhaps due to lack of funds and royal approval, for Manuel Salas was again advocating the establishment of banks of exchange in 1802.³⁸

Governor O'Higgins was especially interested in the mercury mine of Punitaqui.³⁹ There was some mercury elsewhere in Chile, near San Rafael de Rozas, Andacollo, Guasco and Copiapó, but Punitaqui was the largest and best worked desposit.⁴⁰ O'Higgins hoped that the desposit at Punitaqui would be able to supply all of Chile's needs without the necessity of imports from Spain or Huancavelica in Peru.

³⁸ Salas to the Tribunal de Minería, June 10, 1802, Ibid.

³⁹ O'Higgins to Tomás Alvarez de Acevedo, Santiago, February 9, 1790, C-G 782, f. 98; O'Higgins to Pedro de Lerena, Santiago, April 6, 1791, "Manuscritos," Vol. 210, f. 39-40. He based his request for a license and the King's permission on the report of Antonio Becerra, his own visita, and the views of Antonio Martínez de Mata; O'Higgins to the Real Hacienda of Santiago, December 13, 1790, C-G 782, f. 164-5. In this letter he justifies the drawing of 1500 pesos from the treasury for Becerra's pay.

⁴⁰ Becerra, "Representación," p. 397; O'Higgins to Pedro Subiela and José Antonio Becerra, Santiago, April 8, 1790, C-G 782, f. 110-13.

The director of the mine at the time was Miquel de Lastarria opinions differ as to his ability. Ricardo Donoso stated that the mine was in terrible condition, the miners poor and over-worked, and Lastarria a very poor administrator. This view was supported by Ernesto Greve.⁴¹ But O'Higgins had nothing but flattery and praise for Lastarria and kept commending him on production levels and the great service he was rendering to the Crown and to Chile. "One of the great highlights of my visita was to visit Punitaqui and observe your operation. Keep up the good work for your king,"⁴² O'Higgins wrote in 1788. A large number of mines in the area depended on mercury for amalgamation, and this mine was the greatest source of mercury for Chile from 1780 to 1796.⁴³ In November of that year, however, as soon as the Marquis de Áviles entered office, he ordered the mining suspended, and this was confirmed by a royal order in 1800.⁴⁴ After 1796 all mercury for Chile was

 41 José Antonio Becerra to O'Higgins, August 5, 1790, "Manuscritos," Vol. 208, f. 53. Donoso, El Marqués, pp. 182-84, n. 4; Greve, "Historia de la amalgamación," p. 190.

42 O'Higgins to Miguel de Lastarria, November 16, 18, 1788, C-G 778, f. 189-90. O'Higgins to Martínez de Mata, Santiago, October 25, 1790, C-G 782, f. 147. O'Higgins complimented Martínez de Mata on his utilization of Chilean mercury for the mining industry.

43 O'Higgins to Lastarria, November 16, 1788, C-G 778, f. 189; Greve, "Historia de la amalgamación," p. 190.

44 "Diario de viaje del capitán D. Tomás O'Higgins, de orden del virrey de Lima, el Marqués de Osorno, 1796-1797," RCHG, 103 (1943), 81; Greve, "Historia de la amalgamación," p. 190; Donoso, El Marqués, pp. 182-84, n. 4.

to come from the Almadén mines in Spain. Whether the closing of Punitaqui was due to personal spite by the Marquis de Áviles or whether it actually was poorly managed, the closing deprived many mines of readily available mercury.

Another idea presented to O'Higgins was the creation of Real Cuerpo de Minerías, or mining guilds, to reopen mines that had been abandoned and to build more stamp mills. Becerra had classified the mines of Chile into three groups -- mines that were worked sluggishly or for a few months out of the year; mines that had been deserted or abandoned; and the major mines which worked ore outcrops called estacas de corridas. The mining guilds were designed to work the first two categories on a regular basis. The major mines were to be protected and regulated by the guilds so that every miner should get his fair share of the vein.⁴⁵ The guilds were to be public stock companies open to all individuals except members of the church. Even non-resident Spaniards were to be allowed to buy stock companies. Every investor was to contribute from 100 to 300 pesos and share in the formation and establishment of the mines. The money was to be used to hire labor, buy equipment, and to pay operating expenses. Every town in Chile was to have one or more of these guilds to work the existing mines and to explore for new ore deposits.⁴⁶

⁴⁵ Becerra, "Representación," pp. 391-2.

⁴⁶ Ibid., pp. 387-8.

O'Higgins appears not to have accepted this proposal for no evidence has been uncovered which indicates the establishment of such guilds. There was a mining guild in Chile operating in Coquimbo, but this had been brought about by the adoption in 1785 of the 1771 mining code of New Spain, and this code was vigorously promoted by O'Higgins on his visita to the north.⁴⁷ This guild was to oversee all aspects of mining and provide a system of legal arbitration in case of mining disputes. It was concerned with the large scale operators of gold and copper mines rather than the silver mines which were a more local, individualized effort.⁴⁸

The governor also appeared to favor the large scale private enterprises rather than the small miner when it came to equipment. In 1788 Miguel Manuel de Echeverría of Petorca had applied for a stamp mill license from the Crown, and O'Higgins urged his assessor in Santiago, Francisco Martínez de Mata, to grant the request without delay. Martínez de Mata was to send all materials that Echeverría might request in order to get the mill built as quickly as possible. The mill would also aid in reducing the pilfering and contraband that was rampant around the Petorca mines.⁴⁹

⁴⁷ O'Higgins to Antonio Porlier, La Serena, January 27, 1789, "Manuscritos," Vol. 205, f. 76.

⁴⁸ Miguel Cruchaga, Estudio sobre la organización económica y la Hacienda Pública (3 vols., Madrid, 1929), II, 44-5.

⁴⁹ O'Higgins to Martínez de Mata, November 15, 1788, C-G 778, f. 188-9.

No mention was made of creating a public mill owned and operated by the smaller miners to reduce their refining costs.

None of the various programs and ideas presented to O'Higgins or suggested by him were put into operation. Lack of funds, an indifferent public opinion,⁵⁰ the natural opposition of the merchants and aviadores supplying the miners, and the usual Spanish inclination to put money and emphasis on existing enterprises rather than new, untested ideas worked to prevent the experimentation with these programs. The only visible success was the relocation of population and the creation of new towns to provide labor for existing mines. This helped to increase mine production, and by 1791 over half of the mines in the north were producing better grade ores in large quantities.⁵¹

50 O'Higgins to the Fiscal of the Real Audiencia, October 3, 1788, C-G 778, f. 174.

51 O'Higgins, "Chile en 1792," p. 9.

CHAPTER III
AGRICULTURE AND FISHING

Mining was not the only program Ambrosio O'Higgins had for building the Chilean economy; agriculture came in for its share of development also. The agricultural system in Chile was a very simply one, patriarchal in nature, which was only suitable for a backward and underpopulated country with no overseas interests.¹ To develop agricultural exports and in particular to develop the economy of the north, O'Higgins attempted the introduction of new crops, principally sugar and cotton around Coquimbo and Copiopó.

There had been small amounts of sugar cane grown in Chile since the 16th Century in Quillota province. The largest sugar plantation was that of the Hacienda del Ingenio owned by Nicolás de la Cerda, and it was to Cerda that O'Higgins turned for aid in sugar distribution and production.² On November 2, 1788, O'Higgins wrote Cerda a letter praising his patriotism and generosity and tried to interest him in a project of large scale sugar production. The letter was filled with flattery for Cerda with veiled hints of possible

¹ Claudio Gay, Historia, física y política del Chile (28 vols., Santiago, 1854), XXVII, 20-1.

² Encina, Historia, IV, 671.

governmental pressure if Cerda did not comply with O'Higgins' pleas for cane shoots (piezas) for planting and technical aid in the project.³ Cerda appeared to have other ideas about this project for he ignored O'Higgins' request. The cane shoots were not delivered, and Cerda refused to teach other hacienda owners the techniques of sugar culture. He seemed to want to maintain his small monopoly on sugar production in Chile and to be resentful of any attempt to interfere with it.

O'Higgins waited six weeks for an answer to his appeal to Cerda and then became impatient and wrote another letter which ordered Cerda to turn over the cane pieces to Diego Sotelier, alcalde ordinario of Petorca, whom he was sending to Cerda's estate. Cerda was not to resist or interfere in any way with Sotelier's mission since the extension of sugar culture in the north was vital to O'Higgins' plans for economic development.⁴ Sotelier obtained 6500 cane shoots from Cerda and these were distributed among several estates on the Limari River in the province of Coquimbo.

O'Higgins in his letters and reports to the Crown never mentioned Cerda's recalcitrance but praised him highly for his unselfish actions and in 1790 recommended that Cerda be

³ O'Higgins to Cerda, Copiapó, December 15, 1788, C-G 778, f. 189.

⁴ O'Higgins to Cerda, Copiapó, December 15, 1788, C-G 778, f. 201.

given the small cross of the Order of Charles III for services rendered to the country in giving the cane shoots for O'Higgins' project.⁵ This was undoubtedly a tactful move by O'Higgins to try and mollify Cerda's bruised feelings, and also a reward for Cerda continued to supply cane shoots and technical advice in the ensuing years.⁶

O'Higgins believed the climate around Coquimbo was perfect for the growing of sugar cane. The soil was fertile and with proper care, attention, and water cane would prosper.⁷ A special group of interested citizens was established to oversee the cane planting, and this group prepared a report for the Cabildo of La Serena in January, 1789, on the progress of the plantings. On the Hacienda Gallilinga of Pedro Pinarre 100 cane shoots were planted. They sprouted and grew well enough with a promise of sweet juice and good grain, but a lack of understanding of proper agricultural methods for the cane resulted in a poor harvest. The group was still optimistic about future harvests, however.⁸ The group was also hopeful about future plantings on the estate of

 5 O'Higgins to Antonio Porlier, July 14, 1790, October 6, 1790, "Manuscritos," Vol. 205, f. 172-4, 189.

6 O'Higgins to Cerda, Santiago, December 1, 1789, C-G 782, f. 272; O'Higgins to the subdelegado of Coquimbo, Santiago, July 20, 1790, C-G 782, f. 390.

7 O'Higgins to Porlier, July 14, 1790, C-G 782, f. 172.

8 Archivo Nacional, "Actas del Cabildo de La Serena," January 21, 1789, f. 20-1.

Christoval Pirarro, Pampu de los Padres de la Merced, near the coast. He had planted the cane out of curiosity, and his land was exactly like that required in the instructions handed out by O'Higgins which had been copied from a popular book of the time entitled, Diccionario de Comercio.⁹

Other plantings were made on the estates of Pedro Arenar and Capitan Don Agustin Callena on the north bank of the Limari River, Colonel José Guerrero on the south bank of the Limari, Francisco Altaburauga in the Satoqui valley, and Antonio Zepeda, who also built a sugar mill. Zepeda had good results from the planting and harvesting but experienced considerable loss due to the crude refining methods of his mill. All of these planters had observed Cerda preparing his fields in September, 1788, and had copied his methods. With the exception of Zepeda and Piarre all of them received their cane shoots from Cerda.¹⁰ This explains why they were delayed in producing a crop in time for the report sent in by the citizens group to the Cabildo of La Serena in January, 1789. Zepeda and Pirarre must have received their cane shoots from another source in time for them to have planted their crops in August-September and have harvested it by January, 1789. The area they received their cane shoots from was most likely Copiapó where some cane had been grown since the 16th century.¹¹

⁹ Agustin Edwards, Peoples of Old (London, 1929), p. 311.

¹⁰ "Actas de La Serena," January 21, 1789, f. 22.

¹¹ Barros Arana, Historia, VII, 26.

No further reports were made to the Cabildo of La Serena, and this reflects the overall failure of the project. The failure was due to a lack of proper experience or education in sugar growing and refining methods, and the loss in production resulted in an overall deficit in revenue for the growers.¹² Manuel de Salas estimated the annual revenue of the sugar to be about five pesos per 100 pounds (quintal). Ten pesos per 100 pounds were needed for the planters to break even, and the true market price of the sugar, if it was of good quality, which it was not, should have been about twenty pesos per 100 pounds. In all, about 300,000 pounds of sugar valued at 15,000 pesos were produced in the area around Quillota¹³ which is far short of the 300,000 pesos O'Higgins had predicted to the king in 1790.¹⁴ Another problem encountered by the project was lack of labor. There were only about 5,000 people in the entire north, and O'Higgins dealt a severe blow to the planters when he abolished their encomiendas in 1789. Some of these same northern landowners who planted the cane also held encomiendas. Sugar required a great deal of labor in the planting and harvesting so that the lack of labor cut down on the amount

 12 Ibid., p. 27.

13 Escritos de Salas, I, 172-3, 184.

14 O'Higgins to Charles IV, Santiago, May 19, 1791, "Manuscritos," Vol. 208, f. 108.

of sugar produced. The entire project was abandoned after four years though Nicolás Cerda continued to produce sugar on a small scale into the first years of the 19th century sending 15,900 pounds (636 arrobas) of sugar to Santiago.¹⁵

The other major agricultural crop planned by O'Higgins for the north was cotton, and this project was specifically designed for the arid region of Copiapó. O'Higgins had given a great deal of thought to the problem of alleviating poverty in the region. The only income for the people of Copiapó came from mining, and this was greatly restricted due to lack of labor and water. O'Higgins reported to the Cabildo of Copiapó that he had finally hit the "brilliant" idea of growing cotton. This crop required little labor cultivation except at harvest time and would create a bustling industry for the area. Not only would it provide employment for the poor people, funds for the community and Cabildo of Copiapó, but it would also lead to a textile industry for the area "which would keep the women's idle fingers busy and perhaps stop their idle tongues from wagging."¹⁶

O'Higgins decided to found a society to promote this crop, and the government subsidized it with 10,000 pesos paid

¹⁵ José Toribio Medina, Cosas de la colonia (Santiago, 1889), p. 238; Manuel de Salas mentioned that sugar production was prostrate by the end of the 18th century. Escritos de Salas, I, 172.

¹⁶ O'Higgins to the citizens and subdelegado of Copiapó, Copiapó, December 18, 1788, C-G 778, f. 201-3.

in twenty-five installments of 400 pesos each. The society was composed of the Vicar of Copiapó, José Tomacio Infante, the subdelegado, Francisco Javier de Ossa y Paelacias, as permanent members, and four elected members serving a two year term. Since two members were to be elected each year, two members of the board had only one year terms to begin with. O'Higgins picked General Euenaventura Mercado, General Pedro Fraga, Francisco Javier Subercaseaux, and José Gorastiago to be the first members of the society.¹⁷

The cotton produced was to be sold to a special trading company, established to aid the north, at a subsidized price of fifty pesos per 500 pounds (libras),¹⁸ The cotton was either to be used in the local cloth industry or shipped raw elsewhere. The best cloth produced in Chile came from the partido of Chillán where about 280,000 feet of blue flannel were produced each year.¹⁹

The cotton project failed because of the poor quality of the cloth produced outside of Chillán, and even the cloth of Chillán was of a poor quality compared to European cloth. Chilean cloth could not compete with the cheaper and more plentiful European cloth coming into South America in greater

 17 Ibid., f. 202-4. It is not clear whether the subsidy was paid by the Spanish or the Chilean government.

18 Ibid., f. 203.

19 Escritos de Salas, I, 330-2; Domingo Amunátegui Solar, Las Encomiendas de indigenas en Chile (2 vols., Santiago, 1910), II, 45.

quantity after 1778 despite the aid and protection of the Consulado.²⁰ The trading company failed also due to competition from Peru and Europe and lack of funds from Europe.²¹

There was also an attempt to introduce rice cultivation in the north, but it appears to have failed, for historians mention it as an apparent afterthought when discussing agriculture.²² The same is true for tobacco. O'Higgins wanted to develop a Chilean tobacco industry to eliminate dependence on imports from Peru. The new domestic tobacco industry would greatly ease Chile's balance of payments problems with Peru if imports, amounting to 56,000 pesos annually, could be reduced or eliminated altogether. However, since the tobacco industry was a Crown monopoly and subject to strict licensing the tobacco merchants of Peru were able

 20 Salas to the Consulado, Santiago, July 29, 1797, February 27, 1799, Escritos de Salas, I, 330-2; Hernán Ramírez Necochea, Antecedentes económicas de la independencia de Chile (2nd rev. ed., Santiago, 1967), pp. 63-4.

21 Don Alejandro Malaspina, Viaje Político-científico alrededor del mundo por las corbetas "Descubierta" y "Atrevida" al mando de los capitanes D. Alejandro Malaspina y D. José de Bustamente y Guerra desde 1789 á 1794 (Madrid, 1884), p. 613.

22 Pérez García, Historia, II, 421; Encina, Historia, IV, 671; Edwards, Peoples, p. 312; Bernard Moses, Spain's Declining Power in South America, 1730-1806 (Berkeley, 1919), p. 386.

to block the granting of any royal tobacco license for Chile by 1789, and Chile continued to rely on Peruvian imports.²³

To aid and encourage agriculture throughout Chile, O'Higgins promoted the establishment of a Consulado in Santiago, and it was confirmed by Charles IV on February 26, 1795. The Consulado was composed of two branches, a tribunal of justice and an economic junta. The tribunal was designed to hear and try any lawsuits which arose in commercial transactions. The first members of the tribunal were personally selected by O'Higgins and according to Manuel de Salas were all respectable and knowledgeable merchants residing in Chile. The first president was José Ramírez Saldaña who paid particular attention to every detail that involved the tribunal and provided a good precedent for his successors to follow.²⁴

The economic junta acted as a board of development involved not only in commerce but also in industry and agriculture. It was the duty of this branch to disseminate information on better methods of crop raising and on new crops such as sugar, cotton and rice in the north; help develop and introduce more labor saving machines and tools;

²³ Barros Arana, Historia, VII, 81; Moses, Spain's Declining Power, p. 387.

²⁴ Escritos de Salas, I, 65; Barros Arana, Historia, VII, 85; Cayetano Alcázar Molina, Los Virreinos en el siglo XVII (Barcelona, 1945), p. 353.

and to protect and increase the commerce and trade of Chile by improving and maintaining roads and other means of communication.²⁵

This was an ambitious program for the new Consulado, but everything depended on the initiative and the action of its members. The gadfly of the Consulado was its sindico, or recorder, Manuel de Salas. It was his official duty to act as a warden at the door of the meeting room, see that all the Consulado's laws were obeyed, and to bring to the attention of the body those laws which were not obeyed. Salas looked to the Consulado as a reforming body that would cure all the commercial and agricultural abuses present in Chile. He wrote many letters and reports to that body covering areas as varied as schools of public instruction in mathematics and drawing to reports on agriculture, and abuses among the wheat merchants.²⁶ Manuel de Salas was the principle economic theoretician in the late 18th and early 19th century in Chile.

The Consulado dealt with new ideas and proposals affecting agriculture and commerce in Chile. One such proposal was put forth in 1788 by the Director of the

 25 Escritos de Salas, I, 65; Amunátegui, Los Precusores, III, 353.

26 Salas to Charles IV, Santiago, January 12, 1796, Escritos de Salas, I, 66; Salas to the Consulado, Santiago, December 1, 1795, Ibid., p. 69; Salas to O'Higgins, Santiago, January 10, 1796, Ibid., II, 467-8.

Tobacco Rent, Marcos Alonso Garmero. His suggestion was to place a tax of three copper reales on each 155 pounds (fanega) of wheat, the revenue from which would be used to promote agriculture.²⁷ This scheme was not a new idea since it had been proposed to Ferdinand VI in 1749. Two Spaniards, Miguel Tavola and Martin de Lainar, had proven statistically that a plan of this kind in Spain would generate an increase in Crown revenues so that the sales tax (alcabala), the tobacco rent, customs duties and other sources of revenues would be abolished. It was estimated that the elimination of these jobs and salaries and the great revenue derived from this universal tax would increase Crown revenues 7,000 to 10,000 pesos above the existing income and would provide necessary capital for industry, trade, commerce, and the settlement of agricultural land.²⁸

Alonso Garmero suggested this idea to O'Higgins, who was greatly taken with the scheme. O'Higgins recommended the idea to Antonio Valdés i Bazan in Spain, and Garmero was awarded a medal by the Consulado in 1791 for the best agricultural suggestion for that year, but it was never

27. O'Higgins to Antonio Valdés, Santiago, July 20, 1789, "Manuscritos," Vol. 204, f. 133-4. A Castilian fanega equals 1.60 bushels but a fanega in Santiago was about 12% less or about 1.41 bushels. Escritos de Salas, I, 169.

28. O'Higgins to Valdés, Santiago, July 20, 1789, "Manuscritos," Vol. 204, f. 135-90.

put into practice.²⁹

The Consulado also launched pilot projects for new industry and agriculture around Santiago to provide employment for the poor. In 1796-98 twenty small fields were cleared to grow flax for a linen industry. The Consulado provided 12,500 pounds of seed, land, oxen, and tools to several groups of impoverished people which helped to create a small linen industry for Chile in the following years.³⁰

In conjunction with improvement in existing agriculture and the introduction of new crops, Governor O'Higgins was interested in building a commercial fishing industry. Fishing was on a local subsistence level in Chile despite the vast quantities of edible and tasty varieties of fish found off the coast as a result of the Peruvian Current. This current is a very cold stream of water which has an upward swell to its motion off the coast of Chile and Peru. The upward swell causes the waters to be extremely rich in nutrients on which plankton feed. The plankton, in turn, supply food for shoals of fish and also create the offshore whaling grounds so prized by New England whalers at the beginning of the 19th century. The species most often

 29 Gay, Historia, XXVII, 26. A medal was also struck for the best industrial ideas. The medals were a joint idea of O'Higgins and Salas.

30 Salas to the Minister of the Treasury, Santiago, March 12, 1798, Escritos de Salas, I, 200-1.

mentioned in the documents and letters of the period are haddock, smelt, tuna, mullet, whales, shell fish, and especially conger eel. Conger eel was considered a great delicacy both in Chile and in Peru, fetched the highest price in the market and provided a much desired export.³¹

On his visita to the north, O'Higgins paid special attention to stimulating the fishing industry of the ports of Coquimbo, Guasco, Paposo, Cachinal, Caldera, Morro del Obispo, and Valparaíso. He ordered the Cabildo of Copiapó and the subdelegado of the partido to promote fishing and to lend all necessary aid and encouragement to the fishermen since this industry could be very important for this area of the coast. Any disparaging remarks made about the fishing industry or the men involved in it were to be immediately suppressed and both the cabildo and the subdelegado were to help finance the construction of drying and salting racks for the fish.³²

In Copiapó O'Higgins initiated the formation of a commercial fishing company to market profitably the highly prized conger eel. This company was to construct and operate its own boats and have fishing rights along the coast from Copiapó to Valparaíso. For the strip of coast from Paposo

³¹ Haenke, Descripción, p. 246.

³² O'Higgins to the Cabildo and subdelegado of Copiapó, Copiapó, December 13, 1788, C-G. 778, f. 198-9.

to Obispo all the fishermen were formed into loose societies totaling 251 people. Tomás Shee and the Bishop of Paposo were placed in overall charge of the operations, and the industry was financed by 18 individuals from Coquimbo whom O'Higgins persuaded to contribute 100 pesos apiece. Both the societies and the Copiapó fishing company were designed to compete with the English fishing boats³³ which would soon be legally allowed to catch and dry their fish in Chilean waters, which they had been doing anyway, as a result of the Spanish-English settlement of the Nootka Sound controversy in October, 1790. This gave English ships the right to temporarily land on the uninhabited Pacific shores of the Spanish empire to procure supplies.

The inhabitants of the coastal ports had old and out of date equipment to work with which hampered the efficiency of the industry. The balsa and wolf hide boats the fishermen used drew the most complaints. These fragile, tiny craft limited the range of the fishermen due to their general unseaworthiness.³⁴ If long-range fishing expeditions were to be undertaken more seaworthy craft would have to be built.

33 O'Higgins to Valdés, Santiago, June 6, 1790, "Manuscritos," Vol. 205, f. 161-3; Ambrosio O'Higgins, "La visita de las provincias del norte," RCHG, 67 (1922), 128; Alcázar Molina, Los Virreinos, p. 411.

34 O'Higgins, "La visita," p. 124; Encina, Historia, IV, 672.

This was not accomplished until carpenters from Alejandro Malaspina's ships, Descubierta and Atrevida built the first ones in 1790.³⁵

To avoid confrontation with the local landowners over shore rights O'Higgins declared the beaches for a distance of 280 feet (100 varas) inland from the high tide mark were for public use and urged the subdelegados of Copiapó, Coquimbo and Quillota to defend this right rigidly from encroachments by their former owners. In La Serena O'Higgins donated 100 pesos out of his own pocket to secure a landing place for the boats and to set up salting and drying racks.³⁶

It was planned by O'Higgins that this revised fishing industry would create a mariner class in Chile and promote long-range fishing and whaling all along Chile's coast, and as far west as the Juan Fernandez Islands. The fish were to be sold in Lima and elsewhere to promote the economy and living standards of the people

35 O'Higgins to Valdés, Santiago, June 6, 1790,
"Manuscritos," Vol. 205, f. 162.

36 O'Higgins to the subdelegado of Quillota, Santiago,
March 28, 1791. Quoted in Donoso, El Marqués,
p. 215; Barros Arana, Historia, VII, 28.

in the north and all of Chile.³⁷ In 1796 Manuel de Salas estimated the value of the conger eel catch of Coquimbo to be 4000 pesos, and the value of the catch of Valparaíso to be 20,000 pesos a year.³⁸

Despite these figures on the annual yield of the industry, fishing seems not to have measured up to O'Higgins' expectations. In 1799 the Presbyter and later Bishop of Paposo, Rafael Andreu y Guerra, was begging the government and the Consulado for aid for the fishing industry around Paposo. He reiterated the same hopes and arguments that O'Higgins had used to create the industry ten years earlier. Salas took his side and wrote to the Consulado urging that aid be given for this project.³⁹

 37 Haenke, Descripción, p. 246; José Antonio Becerra to Pedro Serena, Santiago, March 26, 1791, "Manuscritos," Vol. 208, f. 90-1. Becerra had tremendous hopes for a wholesale relandscaping of Coquimbo and La Serena which he described to Serena. He envisioned vast groves of citrus trees, large cotton and sugar plantations, extensive vineyards, and fields of waving wheat. Everything depended on water which was available from the Limari and Coquimbo Rivers. He cited the personal estate of the Conde de Pilla Señor where he saw all the above and was very enthusiastic for a complete repopulation of the area if water was made widely available for the use of all. (f. 89-90).

38 Escritos de Salas, I, 230; Amunátegui, Los Precusores, III, 417.

39 Salas to the Consulado, Santiago, August 27, 1799, Escritos de Salas, I, 229-31.

Maria Graham Callcott, writing in 1821, complained of the people's indifference to the fishing industry despite the excellent fish available for market. She blamed this indifference on the indolence of the population, and modern historians such as Ricardo Donoso also consider that the ignorance and laziness of the people in the north were the worst enemies of the fishing industry. Donoso further claims that the lack of trained seamen as well as the hostility of the local landowners kept the industry from developing.⁴⁰ The landowners resented the high-handed actions of O'Higgins for meddling in their local affairs and seizing part of their land for public use as well as bringing about changes in the life style and economy of the north. The cause for the resentment of governmental interference was due to O'Higgins' settling of water disputes in Copiapó during his visita. There were deep divisions and dissensions among the leading citizens of the area, and these were reflected in various feuds over water rights in that parched land. O'Higgins' settlement of the water rights pleased no one and severely alienated some so that they opposed as a matter of principle any of

⁴⁰ Maria Graham Callcott, Journal of a Residence in Chile during the Year 1822 (London, 1824), p. 131; Donoso, El Marqués, p. 179.

his projects.⁴¹

The major project that O'Higgins undertook which alienated the rich and powerful landed creoles in Chile was the elimination of the last vestiges of the Indian encomiendas. The population of the encomiendas was rapidly diminished in the 17th century due to pestilence, hard labor, and the lack of large Indian wars to replenish the supply of Indian captives. The few captives taken in frontier skirmishes were augmented by the sale of Indian children to merchants and traders doing business with the Araucanians.⁴²

A royal cédula of July 12, 1720, declared that all vacant and unconfirmed encomiendas in the Indies were to revert to the Crown.⁴³ However, Chile was exempted from the order even in cases of encomiendas for personal services. This exemption on Chile was corrected in a later cédula of December 4, 1720, but the Chilean encomiendas were nonetheless allowed to continue in existence.⁴⁴ The Cabildo of Santiago and the Governor Gabriel Cano de Aponte launched an immediate

 41 O'Higgins to the Cabildo and subdelegado of Copiapó, Copiapó, December 14, 1788, C-G 778, f. 200; O'Higgins, "La visita," p. 124.

42 Amunátegui, Los Precusores, II, 412, 433.

43 Amunátegui Solar, Las Encomiendas, II, 228. The principle reason for this action was the need for money by the crown which would come from Indian tribute.

44 Ibid., pp. 232-3.

protest at the taking over of the Chilean encomiendas by the Crown. The Audiencia of Santiago refused to become involved in the problem and in 1723 Governor Cano de Aponte wrote the king forecasting dire consequences if the cédula was carried out. On July 4, 1724, King Luis I declared the Chilean encomiendas were not subject to the royal cédula and were not incorporated into the Crown. This exemption was affirmed by Charles III in 1781 and lasted for ten years more until the reign of Charles IV.⁴⁵

TABLE II

"Encomiendas in 1759" by Francisco de la Cruz and Joseph de Campino to Governor Manuel de Amat y Junient, March 2, 1759.

<u>Name</u>	<u>City or Province</u>	<u>Number Of Indians</u>
Don Felipe Pizarro	Mendoza	7
Don Apolinar Barroso	San Luis de Loyola	9
Don José Cisternas and Doña Maria de Fuica	Copiapó	13
Don Fernando de Aguirre i Cisternas	"	13
Don Francisco Cisternas or Don Alonso Cisternas (son)	Guasco	13
Doña Manuela de Fuica	Paitanas	11
Don Francisco de Rojas	Coquimbo	98
Don Cristoból Pizarro	"	30

⁴⁵ Ibid., pp. 234-6, 250, 256; Silvio A. Zavala, La Encomienda Indiana (Madrid, 1935), p. 345.

<u>Name</u>	<u>City or Province</u>	<u>Number Of Indians</u>
Doña Maria de la Carrera	Coquimbo	90
Don Juan de Olivares	"	10
Don Agustín de Rojas	"	6
Don Ventura Marin	"	32
Don Pedro Gallegiullas	"	20
Don José Marin de Povedo (Marqués de Cañada Hermasa)	Quillota	7
Don Manuel de Carvajal	"	19
Don Ventura de Escobar	"	8
Don José de Montes	"	9
Don Pedro de Iturgóyen i Amosa	"	25
Don Bernardo de Echeverría	"	12
Marqués de la Pica	La Ligua	120
Don Nicolás de la Cerda	"	52
Don Juan Antonio Roca	"	20
Don Francisco de Avaria	Melipilla	12
Don Juan Gallardo	"	16
Don Pedro Ustáriz	"(Chinigüe)	11
Don Alonso de Covarrúbias	"	6
Don Alonso de Prado	Aconcagua	8
3 encomiendas not specified	"	20
Don Ignacio de Vargas	Santiago (Lampa)	numbers not given
Don Mateo Matedeluna	"(Carrizal)	numbers not given
Don Nicolás Lisperguer (2)	"	numbers not given
Don Juan Manuel Nuñez	Calchagua	numbers not given
Don José Guzman Coronado (Marqués de Corpa)	"	numbers not given
Don Juan Francisco Larrain	"	numbers not given
Don Pedro Delso	"	numbers not given
Don Baltazar Bravo de Naveda	"	numbers not given
Don Pedro de Echeñique	"(Almahue)	3
Don Antonio de la Aguila	Maule (Charco, Reloca, Loango)	33
Don Andres de Escudero	"(Lora)	83
Don Juan Gallardo	"(Cauquenes)	20
Don Miguel Jofré	"	descimated by epidemics, numbers not given

Domingo Amunátegui Solar, Las Encomiendas de indijenas en Chile (3 vols., Santiago, 1910), II, 239-44.

TABLE III

"Encomiendas in 1788" by Agustin de Saloman Santiago,

June 3, 1788.

The numbers of Indians in the encomiendas are not given.

<u>Name</u>	<u>Partido and Village</u>
Don Pedro Donoso	Maule (Ranquen)
" " "	" (Guenchulami)
" " "	" (Vichuquen)
" " "	" (Lora)
Don Manuel de Valdivieso	Colchagua (Apottas)
Marques de Corpa	" (Rapel)
Don Pedro de Elso	" (Taguataguas)
"Unknown"	Rancagua (Perumo)
Marqués de Villapolma	" (Codau)
"Unknown"	" (Codegua)
"Unknown"	" (Choda)
Don Nicolás Gonzalez	" (Chocalan)
Don Javier Valdés	Santiago (Carrizal)
Don Ramon Rozas	" (Talagante)
Don José Antonio Alcalde	" (Chinigue)
" " " "	" (Llopeu)
Dr. Don José de Ureta	" (Macul)
Don Pedro Nolasco Cereceda	" (Lampa)
Don Alonso de Covarrúbias	Melipilla (Pomaire)
Don Juan Francisco Cavareda	" (Bajo de Melipilla)
Don Diego Gallardo	" (San Antonio)
Don Juan Antonio Caldera	Aconcagua (Panquegüe)
Don Juan de la Morandé	" (Llaillai)
Don Francisco de Ovalle	Quillota (Quebrada)
Dofia Contanza Poveda	" (Palma)
Don José Tomas de Azúa	" (Purutun)
Marqués de la Pica	" (La Ligua)
Don Nicolás de la Cerda	" (La Ligua)
Dofia Matilde Salamanca	" (Choapa)
Marqués de la Pica	" (Illapel)
Don Manuel Varas	Coquimbo (Combarbalá)
Don José Guerrero	" (Limari)
Marqués de Guanilla	" (Satoqui)
Don Luis Varas	" (Guana)
Don Fermin Marin	" (Guamalata)

<u>Name</u>	<u>Partido and Village</u>
Don Fernando Gavino y Rojas	Coquimbo (Cutum)
Don Miguel de Aguirre	" (Marquesa Baja)
Don José Guerrero	" (Tambo)
Don José Javier Aguirre	" (Marquesa de Alta)
"Unknown"	Copiapó (Guasco Bajo)
Don Alonso Cisternas	" (Guasco Alta)
"Unknown"	" (Paítanas)
Don José Javier Aguirre	" (Copiapó)
Don Ventura Mercade	" (unlisted)
"Unknown"	Cuyo (Sachal)
"	" (Vallefértil)
"	" (Corocorto)
"	" (Uca)
"	" (Las Lagunas de Guanacachi)

Amunátegui Solar, Las Encomiendas, II, 244-49.

The encomienda Indians were greatly abused and lived in miserable conditions. For their labor they received 112 feet of flannel a year in addition to twenty-five pounds of dried goats meat and 2 dry measures (1.6 liters) of barley a month to sustain themselves and their families. For voluntary labor they were paid five pesos a month in winter and six pesos a month in the summer plus their daily food which consisted of one pound of charqui (dried meat), a handful of wheat, and a small amount of milk to make porridge.⁴⁶

In 1789 O'Higgins complained to the Crown on the

⁴⁶ Domingo Amunátegui Solar, Historia de Chile (2 vols., Santiago, 1933), I, 151-2.

conditions of the encomienda Indians. "What were called encomiendas in this region (Coquimbo, Copiapó, and Guasco)," he wrote to Charles IV,

were certainly not villages whose tribute the king had conceded to those citizens in return for services rendered by their ancestors but rather a number of unhappy individuals who, generally attached to the houses and establishments that form the haciendas of the encomenderos, work all year without relief in mines, labor in the country and in sweat shops and in anything that contributes toward the comfort and advantage of those whom they call their masters. What are called human beings do not lack anything of slavery and they work against the express tenor of the king's laws in regard to personal service. Unhappily no one has an obligation to them, and they are treated as prisoners, kicked, beaten and receive other inventions of abominable tyranny.⁴⁷

O'Higgins made his complaints on the local level also, to those individuals who were responsible for the Indians' welfare such as the subdelegados and the Fiscal protector of the Indians, Joaquin Pérez de Uriondo; about the lack of payment to the Indians for work done and the need for the royal officials in Chile to look out for the Indians' welfare.⁴⁸ On the same date as the above memorandum, September 11, 1788, O'Higgins wrote the Minister of Real

⁴⁷ O'Higgins to Charles IV, Quillota, April 3, 1789. Quoted in Amunátegui, Los Precusores, II, 485-81 and George McCutchen McBride, Chile: Land and Society (New York, 1936), p. 118.

⁴⁸ O'Higgins to Pérez de Uriondo, Santiago, September 11, 1788, C-G 778, f. 77.

Hacienda that he was going to personally observe the conditions and abuses of the encomiendas in the north on his visita.⁴⁹ In November at San Rafael de Rosas O'Higgins found several encomenderos abusing their Indians. He ordered oidor Plácido Gonzales, an audiencia official, to look after the welfare and to insure justice for the Indians of Tambo and Chalingue on the Chuapa encomienda belonging to José de Abaria. The Indians' lands had been seized, and they had not been paid for their voluntary labor. José de Abaria was also ordered to send his books for auditing by O'Higgins, which he did.⁵⁰ O'Higgins after perusing the accounts ordered the majordomo, Nicolás Soto, to pay the Indians their back wages and to continue to pay them punctually in the future for the services they rendered to the estate of Don José. O'Higgins then left the details in the hands of the subdelegado of Quillota and thanked him for bringing the abuses to his attention.⁵¹ O'Higgins also examined the accounts and records of Don Miguel de Aguirre for abuses mentioned by the subdelegado of Coquimbo

 49 Ibid., f. 77-8.

50 O'Higgins to Gonzalez, San Rafael de Rozas, November 11, 1788, C-G 778, f. 187. O'Higgins to José de Abaria, San Rafael de Rozas, November 11, 1788, Ibid.

51 O'Higgins to Abaria, San Rafael de Rozas, November 12, 1788, C-G 778, f. 188; O'Higgins to the subdelegado of Quillota, San Rafael de Rozas, November 12, 1788, Ibid.

with the same result.⁵²

O'Higgins summarized for the Crown the actual conditions he found in Copiapó in a long letter in April, 1789. He stated in it that he found frequent punishments being meted out in the form of blows, whippings, and imprisonment in an effort to force the Indians to work the mines and the fields. For this labor they received cloth, a small amount of land, and the charqui and porridge which barely fed the Indian's family. The land was barren, and the Indians lived in poverty and slavery which could only be remedied by the complete abolition of the hated encomiendas and the resettling of the Indians on their own land. This freed labor would then be of benefit to commerce, industry and mining. It would also show the mercy of the law to the rebellious Indians in the south. With these ideas in mind O'Higgins issued the decree in La Serena on February 7, 1789.⁵³

O'Higgins decided that abolition of the encomiendas was the only way to correct the abuse since reform would be only for a short time, and the old corruption would creep back in. Abolition would end the evil once and for all, and O'Higgins was supported in this endeavor by Charles IV who confirmed the decree by royal cédulas on April 3 and

52 O'Higgins to the subdelegado of Coquimbo, Copiapó, December 12, 1788, C-G 778, f. 220.

53 O'Higgins to Charles IV, Quillota, April 3, 1789, "Manuscritos," Vol. 201, f. 29-38.

June 10, 1791.⁵⁴ By this move fifteen encomiendas were taken over by the Crown at one stroke. The Crown also granted the Indians the right to engage in trade which had been denied them since 1706. The royal Audiencia in Lima had at that time decreed that no Negro, zambo, mulatto or Indian could engage in trade, "in view of the fact that these peoples are not trustworthy and sincere in their dealings and it is not fitting that they should associate equally with those who carry on such business, and every one of them should busy himself in manual labor, because they are only suitable for such employment."⁵⁵ It was the responsibility of the audiencia to see to the liquidation of the encomiendas and the subsequent distribution of the land to the Indians as ejidos.⁵⁶ In the La Ligua Valley 600 persons on the encomiendas Pullally and Illapel belonging to Santiago Irarrázabal, Marquis de la Pica, were freed even though the Marquis was an old friend of O'Higgins.⁵⁷ This was one of the largest encomiendas affected by the decree. The Marquis de Piedra Blanca de Huana lost 131 Indians, and

⁵⁴ O'Higgins, "Chile en 1792," pp. 15-6; McBride, Chile, p. 120; Amunátegui, Los Precusores, II, 487-9.

⁵⁵ Edwards, Peoples, pp. 24-5.

⁵⁶ Amunátegui, Los Precusores, II, 493-4.

⁵⁷ Benjamin Vicuña Mackenna, Historia crítica y social de la ciudad de Santiago, 1514-1868 (2 vols., 2nd ed., Santiago, 1926), II, 315-6.

the Marquis de Villapalma de Encalda lost 200 Indians from the encomienda Codao. The encomienderos protested to the Crown but to no avail.⁵⁸

O'Higgins wanted to give the Indians land from the haciendas they had been freed from, and he was supported in this by Manuel de Salas. Both men felt that large estates retarded agricultural development and should be broken up and the land redistributed.⁵⁹ The Indians of the Marquis de Piedra Blanca formed the new town of Huana (Sotaqui). The Indians of encomienda Pullally received about 200 square miles of land (800 cuadras), 3000 head of cattle and other livestock. All the Indians received some parcels of land though these were begrudgingly granted to them by the encomenderos under pressure from O'Higgins and the Crown.⁶⁰

The biggest reaction to O'Higgins' decree came from the 2nd Marquis de Villapalma, Martín Calvo de Encalada i Recabárrén. He complained to the Crown that he had obeyed

 58 Domingo Amunátegui Solar, La Sociedad Chilena del siglo XVII: Mayorazgos i títulos de Castilla (3 vols., Santiago, 1904), III, 132, 380.

59 O'Higgins, "Chile en 1792," p. 16; O'Higgins to Charles IV, Santiago, August 15, 1790, "Manuscritos," Vol. 201, f. 61; Gay, Historia, XXVII, 86-7.

60 O'Higgins to Charles IV, Ibid.; Amunátegui Solar, La Sociedad Chilena, III, 132-3; Carlos J. Larráin, "La encomienda de Pullally," EACH, XIX, 47 (1952), 131. The encomienda Pullally was severely hurt by the loss of its labor.

all the laws regarding the treatment of the encomienda Indians and ignored the statements made by O'Higgins on his personal observations of the misery and the personal servitude of the Indians on his visita in 1788.⁶¹ The Marquis and his father fought the division of their land for the Indians and insisted the Indians had to leave the estate altogether and be transferred to Aconcagua. The fiscal of the audiencia, Pérez de Uriondo, protested this action as inhumane since the Indians had been on the estate for over ninety years. The Marquis remained inflexible even in the face of the decree by O'Higgins on April 7, 1790, that the Indians of Codao were to be ceded land on the estate.⁶² The Marquis then offered the Indians the money needed to obtain land in Aconcagua but refused them the right to continue to live on his estate. O'Higgins accepted this proposal on April 29, 1790, later confirmed by the Crown, and the Indians were transferred to the town of Rapol, and the Marquis deposited 800 pesos in the royal treasury as payment for forty square miles (160 cuadras) of land occupied by the Indians.⁶³ The Marquis was very bitter over these actions by the Crown and felt a great

61 Amunátegui Solar, La Sociedad Chilena, III, 381.

62 Ibid., p. 382.

63 Ibid., p. 383. In 1806 the Marquis' money was refunded to him by the treasury.

injustice had been done to his family. This led him to take part in the Revolution in 1808, and he became Vice-President in 1811 and suffered through imprisonment on the island of Juan Fernandez from 1814-1817 during the Spanish reconquest.⁶⁴ Several other encomenderos also wished to expel their Indians if they could not have them in encomiendas, but O'Higgins refused and forced the hacendados to grant them land.⁶⁵

The results of the abolition of the encomiendas were mixed with most of the high hopes of O'Higgins to create a native yeoman farmer class ending in disaster. A few new towns were created by the freed Indians, and the caciques, or chiefs, were encouraged to move to underpopulated areas to augment the labor force in old towns. This move to repopulate regions had been encouraged among the Indians as early as 1744 when Ferdinand VI exempted Indians from tribute payments, personal service, and the mita, or forced labor, if they moved. Indian chiefs who founded new towns received silver and gold metals, titles of nobility and extra allotments of town land. This policy was carried through by O'Higgins with former encomienda Indians and served his purpose of providing labor for mines,

⁶⁴ Ibid., pp. 384-5; Amunátegui Solar, Las Encomiendas, II, 257-8.

⁶⁵ Amunátegui, Los Precusores, II, 492.

industries, and agricultural land.⁶⁶

O'Higgins expected great results from the abolition. His major goal was to pacify the Araucanians on the southern frontier by eliminating the abuse of their kin north of the Bio-Bio River. He expected that the ending of forced labor would result in a great expansion of industry and agriculture also, and the freeing of the Indians would increase Crown revenues by about 10,000 pesos from their tribute money. These goals failed due to the Indians' lack of enough interest in working to achieve a self-sufficiency which would give them money to pay tribute and contribute overall to the economy.⁶⁷

Most of the Indians remained on the estates where they had been in servitude because of inertia and the unwillingness of the hacendados to lose their labor supply. The pay the Indians received for their free labor was not sufficient to support them as independent people, and the patriarchal life of the hacienda worked against their free status. They began to exchange labor for land use, and their own land

 66 Ibid., pp. 452-3, 495; Amunátegui Solar, Historia, I, 152-3. He stated the Indians did have greater freedom of travel, work, and received cash for their labor.

67 O'Higgins to Diego Gardoqui, Santiago, September 17, 1795. Quoted in Amunátegui Solar, Las Encomiendas, II, 259; Amunátegui, Los Precusores, II, 494-5; Domingo Amunátegui Solar, "Gobernante y Cortesano," RCHG, 101 (1942), 15-6.

deteriorated under their inexperienced and lax care. The Indians' land was gradually reabsorbed into the hacienda land, and they emerged as the inquilino, or peasant, workers of the 19th century.⁶⁸

The abolition of the encomiendas was looked upon by the historian Domingo Amunátegui Solar as O'Higgins' greatest achievement though he found it very hard to believe that the conditions on the estates were as bad as O'Higgins had described. Hacendados like Nicolás de la Cerda, Tomás de Azua, and José Santiago de Irarrázabal were too enlightened he thought to permit their overseers' cruelty towards the Indians, and he mentioned that O'Higgins admitted that the encomiendas around Santiago were very well managed by their owners.⁶⁹ O'Higgins continued to send glowing reports to the Crown describing the industriousness of the newly freed Indians and their desire to demonstrate their usefulness and willingness to work.⁷⁰

One very definite result of the abolition was the creation of two powerful enemies for O'Higgins, the

 68 Amunátegui Solar, Historia, I, 152; Gay, Historia, XXVII, 181-2; McBride, Chile, p. 246; Larráin, "La encomienda," p. 132.

69 "Gobernante y Cortesano," p. 16; Las Encomiendas, II, 255.

70 O'Higgins to Charles IV, Quillota, April 3, 1789, "Manuscritos," Vol. 201, f. 39-42.

Marqueses de la Pica and Villapalma. These men controlled social events in Santiago and consistently opposed O'Higgins during the rest of his administration. They also took advantage of events in 1808 and 1810 to seek revenge on the crown and joined the side of the revolutionists.⁷¹

⁷¹ Opazo, "Don Ambrosio O'Higgins," pp. 29-30.

CHAPTER IV

TRANSPORTATION AND COMMUNICATION

Governor O'Higgins realized that in order to increase the commerce and industry of Chile there would have to be a better system of roads linking Chile internally and externally with the rest of South America. Carriage roads did not exist, and one had to travel by foot or on horseback along the narrow tracks that existed. There were no public roads, inns or road houses, and one was in constant danger of being waylaid, robbed and murdered by bandits.¹

It took three days to travel from Santiago to Valparaíso; eight days from Santiago to Talca; and eight days from Talca to Concepción. Most goods travelled by muleback on the direct route or along a circuitous path for carts from Santiago through the Melipilla Valley to Valparaíso.² It was not uncommon to see a string of 150 mules tended by ten to twelve peons and a huaso, or cowboy, moving slowly from the Cordillera to the sea. The carts were large vehicles with two large wooden wheels bound with hidestrips, and the entire wagon was fastened together

1 Barros Arana, Historia, VII, 54; Hall, Extracts, II, 29.

2 Barros Arana, Ibid.

by wooden pegs and leather thongs since iron was very costly in Chile. The cart floor was made of hide, and the sides were canes and straw neatly wattled over a frame.³

Cartage costs were very high which hindered exports and commerce. A mule cargo from 375 to 425 pounds cost ten reales on a trip from Santiago to Valparaíso, seventeen pesos to Mendoza, four pesos, four reales if his journey was of any distance. This cost kept most people at home unless they had their own transportation.⁴

Governor O'Higgins realized that the high cost and low volume of goods transported was a bottleneck in expanding exports and developing the internal economy of Chile. When he became Intendant of Concepción, he held a cabildo abierto, open town meeting, in which he stated the most important object of his administration was the opening and maintenance of roads. This he carried out by improving the road from Concepción to Chillán and the road to the port of Talcahuano.⁵ When O'Higgins became Governor of Chile there were three major arteries of transportation that he was interested in improving.

3 Callcott, Journal, pp. 122, 127.

4 Escritos de Salas, I, 167; Domingo Amunátegui Solar, Personajes de la Colonia (Santiago, 1925), pp. 340-1.

5 Domingo Amunátegui Solar, El Cabildo de Concepción, 1782-1818 (Santiago, 1930), pp. 19-20.

the trans-Cordillera road to the Río de la Plata, the Frontier Road from Concepción to Valdivia and Chiloé Island, and the major route from Santiago to Valparaíso.

The road over the Cordillera was an old project of O'Higgins. He had been involved in building casuchas, or shelter houses, for travellers along the road in 1764 during the first years of his residence in Chile. With the increase in commerce and travel between Chile and Buenos Aires there was a definite need for improvements on the existing road. It was a narrow, winding tracks which travellers were scared to traverse at night. Its precipitous sides and narrow width caused many mules and men to fall to their deaths.⁶ Permission to improve this road had been granted by Charles III to Tomás Alvarez de Acevedo, the interim president before O'Higgins, and work had been started. The usual problem of financing this work was encountered and was not resolved until O'Higgins took office.⁷ He levied a tax on the arrieros, or mule skimmers, of two reales for each loaded mule, two reales for every five unloaded mules, one-half real per oxen and per head of livestock, and two reales per slave travelling the road. This money was to be used for

6 Donoso, El Marqués, p. 226.

7 Barros Arana, Historia, VII, 18.

planned improvements on the road.⁸ This toll, Pontazgo del Río Aconcagua, was not new for it had been levied for decades as an intended source of funds for road repair and yielded about 4000 pesos per year. However, the village of San Felipe claimed the entire amount since the Cordillera road passed through their land, and the Cabildo had utilized this revenue for road and bridge repair on the public land. When O'Higgins reclaimed the toll the village took the case before the audiencia. O'Higgins appealed over its head to the Minister of the Indies, and on February 15, 1790, a decision was reached whereby the Governor had discretion to divide the revenue between San Felipe and the needed road repair. O'Higgins gave one-half the toll revenue to San Felipe, and the rest went for road construction.⁹

The shelter houses were repaired, and three more were constructed on each side of the summit. These brick shelters were about twelve feet square with an arched roof to prevent snow accumulation. They were raised above ground about six feet for the same reason, and one ascended and descended into a single room by a series of steps. They were dark and dirty, with foul air, but they saved many a traveller's

 8 O'Higgins to José Antonio Palomera, Santiago, October 7, 1789, C-G 782, f. 73-4; O'Higgins to Antonio Valdés, Santiago, October 10, 1788, "Manuscritos," Vol. 205, f. 47-9.

9 Barros Arana, Historia, VII, 18-9, n. 15.

life when a snow storm struck. Food was kept there for such occasions, and a law, the Ordenanza de la Cordillera, was passed providing a penalty of one year in jail and a 500 peso fine for damage to the shelter houses. Despite this law, the shelter houses suffered as much from vandalism as from snow and earthquake and were in constant need of repair and upkeep.¹⁰

Manuel de la Puerta was put in charge of road construction. He was given sufficient labor, materials, and tools, and he completed the work by 1791. The steep descents were graded and somewhat leveled, and the road was widened to fifteen feet. Dangerous areas of rock slides were cleared and posted, and the total cost of the work came to 4340 pesos.¹¹

This road repair made the Cordillera route passable in winter as well as summer, and the carts could travel

¹⁰ Proctor, Narrative, pp. 71-2. Pedro S. Martinez, "Las comunicaciones entre el Virreinato de Río de la Plata y Chile por Uspallata (1776-1810)," RACH, IX, 2 (1942), 47; Callcott, Journal, p. 11, stated the shelter houses were so well built that they were still in perfect condition in 1822 despite weather and earthquakes.

¹¹ O'Higgins to Fernando de Urisar, Santiago, October 31, 1789, C-G 782, f. 79-80; O'Higgins to the Marqués de Pajarmar, Santiago, October 23, 1791, "Manuscritos," Vol. 210, f. 118. O'Higgins to the Minister of the Indies, Santiago, June 5, 1790. Quoted in Barros Arana, Historia, VII, 19, n. 16.

it as well as mules. Travellers could now freely load mules and horses without fear of being pushed over the edge by the skittish animals, and travel overall was greatly eased.¹² The town of Los Andes was also created on April 17, 1791, to act as a safe, warm, rest stop for travellers passing over the Cordillera, and its inhabitants were specifically charged with the upkeep and repair of the road.¹³

Another transportation route whose problems O'Higgins inherited when he assumed office was the Frontier Road to Valdivia and beyond to Chiloé. The opening of this road had been an old dream of O'Higgins since his first years in the colony. He had prepared plans to the Crown as early as 1767 with the eventual goal of a road linkup with the Río de la Plata from the Frontier area. This would have provided the necessary means of ending the threat of attack from the Pampa Indians, and the Pehuelches, and Huilleches of the Andes.¹⁴ O'Higgins was not the only person to conceive of the need for a southern land route

 12 O'Higgins to the Minister of the Indies, Santiago, June 5, 1790. Quoted in Barros Arana, Historia, VII, 19, n. 16.

13 Barros Arana, Historia, VII, 21; Donoso, El Marqués, p. 206.

14 O'Higgins to Charles III, Madrid, September 2, 1767, "Descripción del Reyno de Chile," f. 10-11.

through the Frontier. Viceroy Croix in 1789 saw the need for a road to pacify and civilize the Indians, implement commerce, and as a further defense from foreign attack. He sent instructions to the Governor of Valdivia on February 14th of that year to try to seek ways and means of building this road.¹⁵

The major obstacle in the plans for the road was the attitude of the fierce Araucanian Indians. They very jealously guarded and defended their territory south of the Bío-Bío River from Spanish penetration. It was only with the greatest tenacity and good will that the Spaniards were able to convince the Indians to allow a few scattered outposts south of the river. It had been the major concern of O'Higgins when he was Maestre de Campo to insure the goodwill of the Indians and try to maintain a precarious peace along the Frontier. He had attached great importance to the various missions scattered through the territory as a civilizing and pacifying influence on the Indians. He conducted regular *visita* to them and kept watch over their religious and moral habits so that they would not disgrace their profession.¹⁶ O'Higgins worked in various congresses, meetings of the Spaniards with the Indian leaders, to iron out mutual problems and to extend the

 15 Memorias, V, 161.

16 Vancouver, Voyage, III, 444; Lagos, Historia, 224, 369.

number of missions among the Indians. He constantly repeated to the Indians the beneficial aspects of missionary life: the saving of souls by baptism, the reduction of infant mortality, the creation of a better understanding of other nations' (Spanish) cultures, and the improvement of some of their barbarous living conditions. O'Higgins realized the missionaries were the best agents for this duty since they could instill a respect and trust in the Indians which soldiers and itinerant traders never could.¹⁷ The missions had a less altruistic motive also; they served as listening posts and a spy system deep in Indians territory which kept the Spaniards informed about the Indians' attitude, movements, and intentions.¹⁸ The major missions, established in 1789, were to be conveniently located along the proposed route to Chiloé. The Crown provided funds and support for the establishment of 104 people at the mission of Cudico, and Dallipulli and Llollehue missions, which formed a rough triangle with Cudico, deep in Indian territory south of Valdivia on the Río Bueno, had 400 settled missionary Indians established there under the guidance of several friars.¹⁹

 17 Lagos, Historia, p. 350; O'Higgins to Agustín de Jáuregui, Concepción, December 7, 1778. Quoted in Lagos, 224-5.

18 O'Higgins to Charles III, Santiago, September 10, 1788, "Manuscritos," Vol. 201, f. 25-6.

19 Lagos, Historia, pp. 302-3.

O'Higgins was very lenient with the Indians, and he had absolute trust and confidence in the promises of their chiefs. He supervised the limited arming of some of the more trustworthy tribes with lances, leather doublets, and helmets to protect themselves from the fierce Pehuelches of the Andes, and relied on the chiefs to police their own people and guard the southern coast for Spain. In extreme cases O'Higgins aided and abetted warfare between various tribes in order to eliminate rebellious leaders. This paid off in tremendous respect and trust for O'Higgins by the Indians who felt it was safer to be on O'Higgins side than against him.²⁰

O'Higgins also planned a program for civilizing the Indians by educating the sons of the chiefs. They were taught Spanish culture, civilization, and law in the Colegio de Chillán. Three alumni of this institution, Pascual Requiante, Francisco Inalicán, and Juan B. Anicoyán eventually joined the Church: Requiante and Anicoyán became secular priests and Inalicán became a Franciscan missionary. The suspicion of the Franciscans and the secular Church prevented them from being sent back to their people as missionaries thereby thwarting O'Higgins' plans, but they served as examples of what could have been accomplished if O'Higgins plans had been

²⁰ Ibid., pp. 225-6; Edwards, Peoples, pp. 170-4; Encina, Historia, pp. 322-4.

fully implemented.²¹

There were several potentially severe setbacks to O'Higgins' plans of winning the Indians' trust and confidence. The corrupt governor of Chiloé Island, Francisco Hurtado, was anxious to push the proposed road to Valdivia, and he was willing to utilize military force if necessary. He began military preparations despite Crown prohibition against such activity and support for missionary work. Hurtado refused to consider the astronomical cost of such a military program or the certain general Indian alliance and the resumption of an all-out Indian war reminiscent of the 16th and 17th centuries. The governor of Valdivia, Mariano de Pusterla, an enlightened and prudent man, notified Governor Benavides and Viceroy Croix of Hurtado's plans.²² Hurtado's flagrant breach of Crown policy as well as his corrupt government of Chiloé led to his arrest by the Viceroy. His successor, Colonel Francisco Garos, was more favorable to the gradualish approach of O'Higgins and Pusterla.

Another incident which hindered the growth of good Spanish-Indian relations was the robbery of Bishop Marán and his party in November, 1787, of 30,000 pesos of money

21 Lagos, Historia, pp. 322-4.

22 Tomás Alvarez de Acevedo to Antonio Valdés, Santiago, January 30, 1786, "Manuscritos," Vol. 205, f. 9-12; Memorias, V, 162.

and personal possessions. This again smoothed over by O'Higgins and Pusterla, and a crisis was averted due to cooler heads prevailing over the cries of the Bishop and aroused Spaniards.²³

The initial ground work for the proposed Frontier Road was laid by Governor Pusterla of Valdivia. He moved very slowly in negotiating with the Indians in order not to arouse their suspicions or hinder the goodwill being established by himself and O'Higgins. He convinced the Indians around Valdivia that it was in their best interests to cooperate with the Spaniards in opening routes of communications between Concepción, Valdivia and the scattered plazas of Arauco, Coronel, and Santa Juana south of the Bio-Bio. The common enemy which the Indians and the Spaniards faced was the dangerous Pehuelches of the Andes who attacked both indiscriminately. He was allowed to station small garrisons of seven to eight soldiers on the Rahue River near the missions of Cudico and Dallipulle.²⁴

²³ Acevedo to Valdés, Santiago, April 24, 1788, "Manuscritos," Vol. 205, f. 24. Dates vary as to when he was attacked by the Indians. Acevedo stated September, 1787, and Viceroy Teodoro Croix said November 28, 1788. Croix is probably right since O'Higgins had replaced Acevedo by this date as governor, and Croix was informed of the incident by the Governor of Chile; Encina, Historia, IV, 649-51.

²⁴ Memorias, V, 162; Lagos, Historia, p. 338.

Governor Pusterla also negotiated a treaty with the chiefs for a right-of-way between Valdivia and the Río Bueno. Work started in September, 1788, with voluntary, paid Indian labor which cleared the underbrush with axes and machetes.²⁵ This area between Valdivia and the Río Bueno was virtually unexplored territory which had not seen a Spanish settlement since the disastrous Indian uprising of 1599. To reconnoiter the terrain and test the goodwill of the Indians Pusterla sent an expedition of twelve men under the command of Sergeant Teodoro Negrón and guided by some Indians from Rahugue. The group left Valdivia on October 4, 1788, and plotted the route of the road all the way to Chiloé. After three months and eleven days of exploring and mapping they reached the Strait of Ancud and encountered no opposition or hostility from the Indians along the way.

The expedition noted the distance travelled, as far as their limited knowledge allowed, the type of terrain, the rivers crossed, the habits and attitudes of the Indians, and the best sites for missions and military outposts. Manuel Olaguer Filio made a rough map of the area noting the terrain and the fourteen rivers to be crossed by the road as well as the type of density of trees and brush to be cleared. It was estimated that

25 Memorias, Ibid.

the total distance traveled was sixty leagues.²⁶

The refounding of Osorno was also a major hope for Governor O'Higgins, but he was forced to wait seven years for it to become a reality. The Indian chiefs were agreeable to the road construction but held off on the construction of any major Spanish settlement deep in their territory.²⁷ Negotiations were conducted with the chiefs over the jurisdiction along the road, the missions and their soldier escorts. Valdivia received jurisdiction over the road from the Río Bueno to Cudico on the Canoas River; the Indians controlled the road from the Canoas River to the Maipue River; and Chiloé controlled the area south of Maipue to the strait in conjunction with the Indians.²⁸

Occupation of the route began in May, 1789, when Joaquim Azua and six seamen were sent down the coast to

²⁶ O'Higgins to Antonio Valdés, Santiago, April 4, 1790, "Manuscritos," Vol. 205, f. 136; Pérez García, Historia, II, 424; Memorias, V, 164-5; Padre Frey Pedro Gonzalez de Agüeros, Descripción histórica de la provincia y archipelago de Chiloé en el Reyno de Chile y Obispado de la Concepción (Madrid, 1791), p. 122; Gay, Historia, IV, 326.

²⁷ Memorias, VI, 150; O'Higgins to Charles IV, Santiago, November 26, 1796. Quoted in José Toribio Medina, Biblioteca Hispano-Chilena, 1523-1817 (3 vols., Santiago, 1899), II, 235; Juan Makenna, "Historia i jeografía de la ciudad de Osorno," La Cronica, XLIII (1849), 5.

²⁸ Donoso, El Marqués, p. 313.

inform the coastal Indians of the negotiations. Sergeant Negrón and four soldiers escorted the Franciscan missionaries to their missions and established a ferry post at Río Bueno to protect the missionaries. They carried messages of peace and good will from the king as well as presents for the chiefs. At Rangué they distributed beef cattle to Chief Catiguála as well as machetes and other tools for his followers to begin clearing the path for the road, and the Indians worked diligently on the road clearing away the trees, underbrush, and river canes.²⁹ The road was forty-eight yards wide in order to allow the sunlight to illuminate the route and to alleviate the high humidity of the region.³⁰ By 1791 the road had been built from Concepción to Valdivia, and Pedro Canaveral, Governor of Chiloé, had built the section to the Maipue River. Worked lagged on the strategic section in between which was the Indians' responsibility.³¹

On September 23, 1791, two restive chiefs, Tangol and Queypul, rose in revolt against the new Spanish settlements around the Río Bueno. They had been preparing for three years hoping to gain aid from the Pehuenches

²⁹ Memorias, V, 164.

³⁰ O'Higgins to Valdés, Santiago, April 4, 1790, "Manuscritos," Vol. 205, f. 134-5; Gonzalez de Agueros, Descripción, pp. 122-3.

³¹ "Diario de viaje," RCHG, 101, p. 91.

and create a general Indian uprising on the Frontier. The mission of Rio Bueno was burned, its friar murdered along with two soldiers, Lucas de Molina, the majordomo of the hacienda of Captain Aguerro, and several others.³² A number of women and children were taken captive and the entire region was plundered and burned. The expected aid from the Pehuenches never came, and the rest of the chiefs refused to be drawn into the war. An expedition from Valdivia restored order and Tangol and Queypul were turned over to friendly chiefs for punishment.³³ An important event on the expedition was the discovery of the ancient ruins of the town of Osorno destroyed in 1599. This discovery provided an added spur to the construction of the road for the refounding of Osorno would salve Spanish pride over its loss as well as be the major anchor for Spanish control and reoccupation of Southern Chile.³⁴

O'Higgins and Pusterla saw this uprising as an opportunity to press the Indians for further demands and arrange the important Congress of Negrete which took

32 O'Higgins to Antonio Porlier, Santiago, April 2, 1791, "Manuscritos," Vol. 201, f. 19.

33 Memorias, VI, 148-9; D. José Hipólito Unanue, Obras científicas y literarias (3 vols., Barcelona, 1914), III, 128-9; Haenke, Descripción, p. 144; Gay, Historia, IV, 338-9; Lagos, Historia, p. 328-9.

34 Haenke, Descripción, p. 145; Lagos, Historia, p. 334.

place on September 30 - October 2, 1792. The last general congress had been held in 1783 so many items were placed on the agenda for Negrete. Governor O'Higgins, his aid Martínez Rozas, the Intendant of Concepción, Mata Linares, six companies of militia and two of dragoons, among others, composed the Spanish representatives while the Indians were represented by 187 chiefs and their relatives and friends totaling 527 Indians. Festivities revolving around displays of horsemanship, feats of strength and combat plus continuous eating composed the first two days before the actual bargaining began.³⁵ O'Higgins requested that the chief send their sons to the Colegio at Chillán to be educated. He castigated them for the robbery of Bishop Marán as well as their overindulgence in corn liquor, (chicha), and wine. He requested them to continue their work on the road with all possible speed and demanded and received the right for all travellers to use the road without the prior permission of the chiefs. The only exception to this last item was that the government agreed not to send any armed cavalry over the road unless permission was granted. He also asked for and received an agreement for commerce to be conducted among them, and he asked that they apply themselves to agricultural and industrial pursuits

35 O'Higgins to Charles IV, Plaza de los Angeles, March 17, 1793, "Manuscritos," Vol. 201, f. 172-4; Lagos, Historia, p. 345.

rather than spend their time on petty internal feuds. The missions damaged and destroyed in the uprising were to be re-established and a new one built at either Llulleu or Leuba between Imperial and Tucapel, and two new forts on the bank of the Río Bueno were to be erected and manned.³⁶ The greatest advance that O'Higgins made at Negrete was permission to re-establish the town of Osorno. The actual settlement was delayed until late in O'Higgins' term as governor when forty families, their goods, and several thousand head of livestock were transported to the site in May, 1795, from Chiloé. Later, in 1797, 100 families followed them.³⁷

The Indians were confirmed in their jurisdiction and policing of the road south of the Maipue River, and they agreed to keep the road clear of brush and to punish any of their members who violated the safety and security of travellers on the road. The chiefs were to be paid 400 pesos a year, as a bribe, from Valdivia a sum which was increased over the ensuing years. They were recompensed for the destruction of the punitive expedition from Valdivia in 1791 and the chiefs' loyalty to the Crown and

³⁶ O'Higgins to Charles IV, Plaza de los Angeles, March 17, 1793, "Manuscritos," Vol. 201, f. 175-89; O'Higgins, "Chile en 1792," p. 11; Unanue, Obras, III, 130; Memorias, VI, 149; Lagos, Historia, pp. 346-7.

³⁷ Unanue, Obras, III, 130; Memorias, VI, 150; Greve, Historia de la Ingeniería, I, 375.

Spain was reaffirmed.³⁸

The efforts of O'Higgins and Pusterla over the years went a long way towards quieting and civilizing the Araucanians.³⁹ The loyalty of the Indians to Spain was shown in the early 19th century when they harbored, aided and abetted royalists who used the Indians territory as a base for raids and attacks on the newly established Republic. The Frontier Road stretching from Santiago to Chiloé opened up all of southern Chile for trade and development. From Concepción it served as a route for muleteers to carry the grain, wool and hides to Santiago as well as a route for merchants to carry trade goods to the Indians. It was a simple crude road, dusty in summer and muddy in winter, but carriages could now travel the entire length. Its upkeep was financed by a special toll of one-half real on each barrel of chicha carried by the merchants. This not only provided revenue, but O'Higgins probably hoped this would retard the sale of spirits to the Indians. It was also a very lonely and barren road subject to bandit attacks, but it greatly

 38 Memorias, V, 163.

39 Malaspina, Viaje, p. 605.

encouraged the linking up of Chile north and south.⁴⁰

The rough road between Santiago and the port of Valparaiso was only about ninety miles long yet the travel time took a minimum of three days in the 18th century. There was a beaten path of sorts marking the way, but it was very rugged, and the rains often cut deep channels into its sides. It traversed gullies and ravines, and there had been no effort to clear away large boulders, mudslides or other obstacles on the roads. It was a beaten track fit only for mules or surefooted horses.⁴¹ With the increase in commerce after 1788, and the great desire of Governor O'Higgins to promote exports this link between the capital and the major port of Chile had to be improved.

Again revenue had to be generated by special levies and taxes to finance this project. With a certain sense of justice and fairness, Governor O'Higgins levied the special taxes on the very people, the merchants and the muleteers, who would derive the greatest benefit from the improved road. In September, 1790, he issued a decree levying a tax of four reales on every cart that entered

⁴⁰ Greve, Historia de la Ingenieria, I, 434-5; René León Echáziz, "El Camino de la frontera," BACH, XXII, 53 (1955), 99-102. O'Higgins coach was the first such vehicle to travel south from Santiago on this road to Negrete in 1792.

⁴¹ Vancouver, Voyage, III, 415; Callcott, Journal, p. 192.

or left Valparaíso and one-half real on each loaded mule. The expected annual sum of this tax was 9000 pesos which would have been more than adequate for the road construction.⁴² An immediate cry of protest arose from the carters and muleteers, and their protests were echoed by the Cabildo of Santiago. It was claimed that this impost would impoverish the muleteers and carters, and they would be forced out of business.⁴³ This was in direct contrast to what O'Higgins reported to the Crown. He claimed the cabildo was very agreeable to the proposed road and the necessary impost. He even claimed the Santiago Cabildo wanted the impost extended to the partidos of Colchagua and Aconcagua since they would benefit from the road also. This difference of opinion arose over what O'Higgins told the cabildo the tax would be, one-half real per cargo and one-fourth real per cart, and the actual higher tax rate that was levied.⁴⁴ It appears that Governor O'Higgins may have deliberately misled the cabildo in order to obtain its approval.

⁴² Pérez García, Historia, II, 425; Benjamin Vicuña Mackenna, Historia de Santiago (2 vols., Santiago, 1938), II, 220.

⁴³ Benjamin Vicuña Mackenna, Historia de Valparaíso (2 vols., Santiago, 1938), II, 221.

⁴⁴ O'Higgins to the Marqués de Pajamar, Santiago, May 16, 1792, "Manuscritos," Vol. 210, f. 226-7.

O'Higgins was supported in Spain by the Count of Floridablanca, and work started on the road on September 1, 1791.⁴⁵ Immediately a new problem arose from a local landowner near Valparaíso, José Miguel Prado y Covarrubias. His estate, Puangue, was the site of the first grading started under the supervision of the Captain of the Engineers, Pedro Rico. Prado ran Rico and his work crew off his estate and went before the audiencia to obtain an injunction against the road construction.⁴⁶ Prado argued that the road was unnecessary and would not benefit the public enough to offset the harm it would do for the people and the country. He was backed up by other landowners who did not want to see their estates divided by the road either.⁴⁷

The audiencia persuaded Prado not to oppose construction of the road, and O'Higgins tried to inform Prado of the great benefits he and his estate would derive from it. O'Higgins cited the ease of travel for carts and coaches, the shorter distance between Santiago and Valparaíso, the better and cheaper goods from Peru that could arrive at

⁴⁵ O'Higgins to the Count of Floridablanca, Santiago, May 16, 1792, "Manuscritos," Vol. 209, f. 2.

⁴⁶ O'Higgins to the Marqués de Pajamar, Santiago, November 16, 1792, "Manuscritos," Vol. 210, f. 228-31.

⁴⁷ Ibid., f. 228; Escritos de Salas, I, 502.

Puangue, and the higher consumer consumption of goods.⁴⁸ Prado refused these arguments and insisted that if the road was going to be forced through his land he wanted to be compensated for the loss of his peace of mind and the tranquility of his estate. He called in two appraisers to evaluate the land and produce of his estate and presented the government with a bill for 40,000 pesos. Manuel de Salas reported that Prado had made no improvements in buildings, population or cultivation on Puangue since he had bought it sixteen years before. Salas reported that the 40,000 pesos evaluation was for Prado's entire mayorazgo, or entailed estate, which was composed of many separate parcels of land.⁴⁹

Prado went behind the backs of the Governor and the audiencia and secretly collected depositions from other opponents of the project in order to forward these reports to the king.⁵⁰ On February 4, 1793, the audiencia suddenly sided with the merchants, landowners, muleteers and carters and ordered a halt on all work on the road pending a royal

48 O'Higgins to the Marqués de Pajamar, Santiago, November 16, 1792, "Manuscritos," Vol. 210, f. 230; O'Higgins to Charles IV, Santiago, November 16, 1792, C-G 786, f. 45.

49 Escritos de Salas, I, 503-6.

50 O'Higgins to Eugenio de Ilanguno Amirola, Santiago, May 13, 1795, "Manuscritos," Vol. 212, f. 233-5; O'Higgins to the Marqués de Pajamar, Santiago, November 16, 1792, "Manuscritos," Vol. 210, f. 233.

decision. A royal cédula on June 4, 1793, upheld O'Higgins and his road project and specifically stated that the opponents were denied any further recourse with the audiencia. On December 2, 1794, another cédula was delivered to Prado, personally, ordering him to cease and desist any and all further obstructions on the road. Prado died soon after receiving this edict with only one honor being granted to him: the road from Santiago to Valparaíso was named after him, the Cuesta de Prado.⁵¹

Work on the road proceeded slowly: by May, 1792, thirty-six miles had been completed since the previous September and in August, 1794, over 42 miles were still left. The completion of only twelve miles in twenty-six months was due to the difficult terrain and the constant harassment of the landowners, the peasants and the laborers. Heavy rains often washed out entire sections of the road, undermined and weakened it, or buried it under mudslides. The heights outside Valparaíso were difficult to grade and level for the use of carts and special problems on the grade elevation were encountered on Zapata Mountain which was finally solved by zig-zagging the road up and down its slopes.

From Valparaíso to the small village of Curacavi

⁵¹ O'Higgins to Ilanguno Amirola, Ibid., Vicuña Machenna, Historia de Santiago, II, 243; Grève, Historia de la Ingeniería, I, 403; Encina, Historia, IV, 685.

there was a great deal of vandalism by the local inhabitants. They would destroy portions of the road and spread discontent among the laborers. The road crews, themselves, deliberately cut down the young trees which had been planted along the sides of the road to control water runoff. O'Higgins appointed Martinez de Rozas as a special investigator to look into the causes and motives for this malicious damage, but it was only resolved by the passage of time which healed wounded pride and discontent over working conditions.⁵²

Captain George Vancouver gave a very detailed description of the road in April, 1795, when he journeyed over it to pay a visit to Governor O'Higgins in Santiago while his ships were being repaired in Valparaiso. The actual road began outside Valparaiso in the small village of Almandrel. To reach it from the harbor one had to mount a very rugged zig-zag path up the escarpment surrounding Valparaiso. A large supply train of mules was needed for the journey since there were no accommodations available along the entire route. Vancouver was assured by the Irish dragoons who accompanied him as guides and interpreters that food could be obtained, but there would be no tables, chairs or beds available. These items had to

⁵² O'Higgins to Ilanguno Amirola, *Ibid.*, f. 200-2.

be packed on the mules along with a dependable cook to prepare the meals for the English gentlemen.⁵³

Vancouver noted with disapproval the rough appearance of the road due to the loose, sandy soil which composed the roadbed. This caused clouds of dust in the summer and would be a quagmire with the rains in winter.⁵⁴ The severe and numerous switchbacks on the hills had involved a great deal of labor, and Vancouver recognized the value of O'Higgins plans for improving the worst sections first since there was never enough labor to work on all sections of the road at one time.⁵⁵ Vancouver encountered the first labor gangs on the second day of his journey; fifty men were engaged in clearing and widening the road on the second range of hills outside Valparaiso. He was rather contemptuous of the tools and methods used; picks, shovels, ox hides for dirt removal, and the lack of an adequate foundation being laid. He thought that the rocks being blasted out should have been used for fill rather than being dumped over the sides of the road which injured the parapet. He recognized that the superintendant in charge knew the danger of water runoff and had cut channels along the road side to carry off the rains, but these

53 Vancouver, Voyage, III, 411-2, 418.

54 Ibid., p. 413.

55 Ibid., p. 418. Vancouver counted twenty-five switchbacks on Mount Zapata alone.

appeared far too small for the job. Vancouver remarked that even in the dry season parts of the road had crumbled on the edges, and the lack of any railing or embankment made the journey very hazardous at night.⁵⁶

Vancouver was also amazed at the cheapness of the labor. A worker received one and one-half reales a day plus his provisions. The apathy of the workers, like oxen at a yoke, astounded him when there was so much fertile land available for agriculture.⁵⁷ Vancouver obviously did not realize that the majority of this labor was being performed by convicts which was a common practice in Chile for public works.

Eighteen miles from Santiago the road was completely finished with paving and brick bridges over marshy areas. This had become a favorite promenade for the people of Santiago, and it was a great delight for the Governor to ride his carriage over this stretch in order to prove to the people the benefits of the road and the great ease of travel.⁵⁸

There are other travellers' accounts of the journey from Valparaiso though none are as detailed or as critical

56 Ibid., p. 419.

57 Ibid., p. 420.

58 Ibid., p. 449.

as Captain Vancouver's. Haenke made the journey in November, 1790, but his account noted only the flora and fauna of the regions he travelled through. However, he did give an interesting description of an overnight stay at the home of a peasant who boarded travellers. The poverty of the family was very apparent by the lack of bread, the scantiness of the meat, and the poor vegetables. The few bits of furniture consisted of a table, two to three chairs, a rough bed, a blanket, two to three pillows, a chest, a few clay pots, and plenty of vermin.⁵⁹ Maria Callcott, in 1822, was enchanted with the land and the people, so she spoke in glowing terms of the cool delightful drive to Santiago shaded by many large trees and the availability of post houses with good food and adequate lodging.⁶⁰ Things must have changed drastically in the twenty-five years since the first construction of the road.

The road had involved a great deal of effort and expense for the Chilean people, but for the most part it went unnoticed by them. The construction of the road

 59 Ibid., p. 414. Vancouver briefly mentioned the mud huts and the wretched living conditions of the few people he encountered on his journey; Haenke, Descripción, pp. 88-9.

60 Callcott, Journal, pp. 194-5. She castigated Vancouver for his insidious reports on Chile, and said he was deliberately not telling the truth. She said all Chileans hated him for his haughty manner and lies about them, Callcott, Journal, pp. 194, 235.

caused a great display of antagonism towards the Crown and especially Governor O'Higgins. The people resented the taxes, the forced labor, the introduction of change, and above all the forceful determination of O'Higgins in pushing the road and disregarding the sensitivities and pride of the rich and powerful. This resentment caused a tremendous loss of popularity for the Governor among the lower classes who had looked upon O'Higgins as a reformer with their interests at heart.⁶¹ The road did shorten the distance between Santiago and Valparaiso compared to the old route by about 24 miles according to Vancouver, but this seems in error considering the travel reports he gave on each sector he covered in 1795.⁶² The road also served as a source of abuse by the various inspectors. The historian Francisco Encina reports that the cost of the road was accurately figured at 78,000 pesos, but graft had run the cost to over 100,000 pesos.⁶³ He does not mention who the officials were that siphoned off this extra money or the reaction of O'Higgins, and no other source mentions this situation. As usual, responsibility for the upkeep of the road was placed on the various

⁶¹ Vancouver, Voyage, III, 415; Barros Arana, Historia, VII, 55-6.

⁶² Vancouver, Voyage, III, 449.

⁶³ Encina, Historia, IV, 686.

cabildos and subdelegados who also established post houses and provided for the regular policing of the route.⁶⁴

Despite the possible abuses and the shoddy construction reported by Vancouver, the road did improve transportation. In 1801, 297 carts and 133,380 mules used the road as well as an uncounted number of carriages and travelers on horse or foot. The cargo volume increased tremendously due to the larger carts and ox yokes which the road could accommodate plus the shorter time consumed in the journeys. The route between the two cities became much safer from bandit forays, due to the greater number of people travelling the road and the ease of rapid pursuit by the dragoons. However, the road even though shortening the distance had the steep slopes of Mount Zapata and Mount Prado to traverse which hindered cart travel. In 1844 the route was abandoned in favor of the old Melipilla Valley route.⁶⁵

In addition to the travelers, merchants, muleteers and carters who benefited from the road system built during O'Higgins rule the postal system also gained advantages. The postal service to the Indies had been a monopoly granted to the Galindez Carvajal family by

⁶⁴ O'Higgins to the Cabildo of Aconcagua, San Felipe de Real, October 25, 1788, C-G 778, f. 177.

⁶⁵ Encina, Historia, IV, 686.

Emperor Charles V, and they had continued to enjoy this privilege until 1768 when Charles III restored the mails to the Crown and compensated the former operators.

The Carvajal family were never interested in establishing a thorough system of mail delivery and limited themselves mainly to Cuba and New Spain. The Rio de la Plata and Chile had to depend on occasional ships, smugglers, or the lengthy route through Peru to Porto Bello for the carrying of news and letters.⁶⁶

When the mail again became a Crown monopoly a regular service was extended in 1772 to the Rio de la Plata and Chile because of their increased importance. Every two months a ship left Corunna for Montevideo with the mail for the southern colonies, and for Chile there was another month's journey for the mail to be sent over the Cordillera. This route from Buenos Aires to Santiago was only passible for six months due to the dangers of crossing the Cordillera in winter and severe rains often washed out the Cordillera road. In 1786 this did occur, and it led to the road improvements started under Governor Benavides in 1787 for an all weather road. The usual route for ordinary government dispatches was from Buenos Aires to Potosi and then to Santiago while urgent reports were

⁶⁶ Ibid., p. 600; Bernard Moses, The Spanish Dependencies in South America (2 vols., New York, 1956), I, 391; Edwards, Peoples, p. 312.

sent by special messenger direct to Santiago.⁶⁷

In Chile there had been a monthly route from Santiago to Concepción and an irregular, as needed, post to Valparaíso. Governor O'Higgins, always interested in rapid news and information from all parts of his realm, reorganized this system. A semiweekly post was established with Valparaíso as well as a bimonthly post to Concepción. Couriers were hastened on their way by O'Higgins, who believed time was golden, and were aided by a regular chain of post houses and schedules on all routes, especially over the Cordillera, which was Chile's main official link with Spain.⁶⁸ Salas complained of the Cordillera route because of the delay and hazards of the journey, and felt the mail would be more secure, cheaper, and swifter if it was sent by ship from Valparaíso, but his suggestion was ignored as was usual for most of his other practical ideas.

There were problems with the mails despite these changes. No posted mail rates existed, and often people

67 Nicolás del Campon, Marquis de Loreto, to his successor, Nicolás de Arredondo, Buenos Aires, February 10, 1790, Memorias de Los Virreys del Río de la Plata (Buenos Aires, 1955), 291-2; Bernard Moses, South America on the Eve of Emancipation: The Southern Spanish Colonies in the Last Half of the Dependence (New York, 1965), 241.

68 Vicuna Mackenna, Historia Crítica y social, II, 343; Moses, South America, p. 242.

did not pay enough postage on their correspondence so that the letters were never delivered. People were wary and slow to accustom themselves to this new speedier and regular system and preferred to entrust their correspondence to passing travelers and merchant convoys.⁶⁹ To prevent this practice O'Higgins made the use of the official post mandatory, with a heavy fine for those caught evading the service, but this did not deter most people who continued to rely on the old hazardous method of private conveyance.⁷⁰

The roads opened up more of Chile to commerce as well as more securely tying the colony together for control and supervision. The volume of traffic increased, and Chile had a greater access to foreign markets for the old and new products that O'Higgins was trying to foster within the country. The next step the Governor took was to regulate, organize and increase this volume of trade and commerce so Chile could become self-supporting in its government and increase the overall prosperity of its people..

69 Manuel de Salas to the Consulado, Santiago, July 18, 1798 and September, 13, 1799, Escritos de Salas, I, 336-40.

70 Moses, South America, p. 242.

CHAPTER V

TRADE AND COMMERCE

Chile was highly acclaimed in 18th century chronicles for its fertile soil and abundant resources. In the latter part of this era there was an all-out attempt to realize further this potential. During the administration of Ambrosio O'Higgins there were efforts to increase mining, and agriculture, and roads were begun to provide better means of transportation of produce and merchandise. However, these efforts were not enough to aid the Chilean economy because of the poor position of its trade and commerce. This was a result of Chile's barter economy caught in a money economy with constantly rising prices. Chile did not benefit nearly as much as Buenos Aires by the 1778 decree which permitted free trade. In addition Pacific trade for Chile was practically paralyzed due to English disruption of trade during the period Spain sided with the North American Colonies in their war for independence from England. Chilean commerce never recovered from this blow when the war ended in 1783.¹

In the last quarter of the 18th century Chile's trade

¹ Romano, Una economía colonial, 30 ff; Barros Arana, Historia, VII, 76.

was directed to three areas--Peru, Buenos Aires, and Spain--and was experiencing a situation familiar to the Latin American nations of the 20th century. Chile exchanged raw materials or agricultural goods for manufactured and luxury goods. The price differential between the selling and the purchasing left a large trade deficit which Chile made up by exporting specie.² What little money did flow into Chile from the sale of its products was severely limited by the poor quality of the coinage.

There were two major factors hindering the economic growth of Chile in the late 18th century which both O'Higgins and Salas recognized. The 350,000 odd population of Chile did not provide a good internal market because of the poverty of many of the people, the lack of specie in circulation, and the abundance of natural resources which kept the people supplied with most necessities thereby curbing the need for trade. The other factor was the limited export markets Chile did possess. Spain took mainly copper, and Peru traded for agricultural goods. The rest of Spanish America took insignificant amounts of Chilean goods in trade and more often competed with Chile.³ This was well noted by Miguel José de Lastarria in a report to O'Higgins in 1795. "There is nowhere to

² O'Higgins, "Chile en 1792," f. 6; Barros Arana, Historia, VII, 78.

³ Ramírez Necochea, Antecedentes, pp. 78-80.

export: there is no place to sell: the lamentable thing is the lack of consumption by her (Chile) own people."⁴

It was the non-consumption of Chilean exports plus the rising consumption of outside goods which caused such a trade deficit for Chile.⁵ The problem occupied the attention of numerous people, and all of them had some idea or plan to reverse this trade balance. Haenke called for free trade for Chile with all of Latin America. This would provide markets for Chile's fish and agricultural products and bring wealth into the country.⁶ He did not consider the fact that these products were commonly available in all the Spanish colonies nor the problems involved in organizing and shipping such products.

O'Higgins had more elaborate plans for increasing exports which involved new crops, industries, products, and means of transportation. He wanted to maintain the present level of imports from Spain, which he equated with introducing civilization to Chile, and cut down on imports from other areas. Sugar, cotton and tropical products were to be raised to cut down their importation from Peru;

⁴ quoted in Ibid., p. 79.

⁵ This trade competition also affected Peru, especially the textile industry. See Fisher, Government and Society in Colonial Peru, p. 128.

⁶ Haenke, Descripción, pp. 247-8.

mining was to be reorganized, and Pacific commerce was to have state aid.⁷

José Miguel Lastarria, Director of the Punitaqui mercury mine, and Manuel Salas, member of the consulado, at the end of the 18th century saw the problem of commerce as an internal problem rather than an external one. The low level of consumption by Chile's people was seen by them as the major problem. Chile was a rich and productive country to Lastarria, but the poverty-stricken people suffered from the social and political vices of the political system which did nothing to change their lot. The condition whereby rural workers traveled miles to beg food from the well-supplied kitchens of the haciendas was humiliating for them. Lastarria appeared to be one of the first Chilean Jacobins for he claimed the day would come when these down trodden poor would rise up and destroy their rural despotism creating a more equitable society which would develop Chile's resources for everyone.⁸

Manuel Salas looked to applied science to develop the resources of Chile. He saw the Crown taking a position of benevolent despotism to aid the people of Chile. Salas recognized that the people of Chile were not lazy as other

⁷ Ramírez Necochea, Antecedentes, p. 100; Encina, Historia, IV, 670.

⁸ Amunátegui, quotes Lastarria extensively on this subject, Los Precusores, III, 338-40.

people often saw them. They could be found every day in the market places looking for work or selling their own crafts. The little work they found on public projects plus their labor on the estates was not enough to give them much purchasing power. The pay (one real per day), was too low, and there were not enough jobs for all the people looking for work, which created a depressed internal market. The estates produced very little beyond their own needs and many mines were closed in winter which also limited the number of jobs available.⁹ Salas hoped the Crown and the Consulado would take the lead in rectifying this situation through education, new industry, and commerce. The present situation was felt to be intolerable since it frustrated and depressed the people and led to an indolent existence and great public drunkenness. If markets could be established and many royal restrictions lifted then the depressed economy and people could be uplifted.¹⁰

The way out of this depression for Salas was for Spain to consume more Chilean goods and products and pay for them in gold rather than European goods. This would not only aid exports, but would also break the cycle of gold shipments to Spain for manufactured goods

⁹ Escritos de Salas, I, 153-4.

¹⁰ Ibid., pp. 193, 198-9.

and leave more specie in the country for a healthier economy.¹¹ Salas' suggestion called for Spain to consume Chile's copper, wine nitrates, platinum, cobalt, olive oil and other items. In addition the tobacco monopoly was to be eliminated so it could be freely raised in Chile rather than being smuggled in from Peru as often happened. Other industries were also to be encouraged such as sheet metal and iron as well as better cultivation and development of the estates.¹²

Salas was greatly influenced by the Enlightenment in Europe during his residence in Spain from 1777 to 1784, and he had great vision, energy and spirit which influenced many people around him. His ideas were imposed on the Consulado by this spirit, and many of them were put into practice. The fact that they often failed was not due to indifference by the Consulado as Parros Arana stated, but due to failure of the ideas in practice and a squandering of resources on less practical things.¹³

Both Lastarria and Salas agreed that the indolence of the people was a result of the present economic, social, and political system and if this was changed

11 Ibid., p. 178; Ricardo Krebs, "La Independencia de Chile en el pensamiento de Manuel de Salas," BACH, XXXIII, 75 (1966), 149.

12 Escritos de Salas, I, 183-4; Amunátegui, Los Precusores, III, 363-5.

13 Encina, Historia, V, 20-6.

then the people would change along with the economic system of Chile. These two men had a great deal of influence with O'Higgins, and he often relied upon them for plans and ideas.

O'Higgins and his Contador Mayor or treasurer, Juan Oyarzábal started in 1788 to reorganize the treasury in Chile in order to clarify the income and expenses of the government. Within a year this had been accomplished, and it was discovered that expenses (644,078 pesos), exceeded income (592,178 pesos).¹⁴

TABLE IV

INCOME OF THE CROWN FROM CHILE

	<u>1784</u>	<u>1785</u>	<u>1786</u>	<u>1787</u>	<u>1788</u>
Real situado	37.039				
Dos novenos reales de diezmos	10.644	11.216	20.652	11.560	9.507
Derechos de ensaye y 1/5 real	3.486	5.779	5.482	8.038	
Diezmos	11.208	123.073	128.973	198.093	107.368
Alcabala	121.686	104.375	197.144	110.682	
Almojarifazgos					
Bulas de cruzada, producto				5.423	
Estanco de naipes				1.010	
Venta de oficios	1.092	2.600	5.294	1.610	
Id. de tierras	25	705		492	
Id. de minas	1.007	1.067	110	513	

¹⁴ Memorias, V, 20-6.

INCOME OF THE CROWN FROM CHILE

	<u>1784</u>	<u>1785</u>	<u>1786</u>	<u>1787</u>	<u>1788</u>
Id. de especies	38.805	14.421	20.712	7.586	
Papel sellado, producto	3.408		8.634	8.783	
De encomiendas	4.696	1.486	46	46	46
Condenaciones y multas					
Compra-ventas	27	52	32		
Extranjería					
Mesada eslesiástica		187		1.218	318
Vacantes eslesiásticas	4.116	5.701	4.422	3.718	4.626
Subsidio eslesiástico					
Cuarta episcopal					
Donativos					
Empréstitos					
Derecho de Cobos y 10% de plata	18.392	16.566	22.245	21.765	
Espolios					18.212
Caja de Coquimbo					
Id. de Mendoza					
Comiso	20.000	84.565	127.742	174	174
Depósitos y consignaciones	3.516	17.383	15.122	157.110	165.726
Un noveno y 1/2 de hospitales	7.703	8.251	7.594	9.733	5.277
Montepío militar	11.546	12.319	12.999	18.288	13.857
Deudas pendientes	8.756	14.089	16.975		5.773
Media-anata	11.661	10.530	10.966	8.560	7.968
Montepío de ministros	9.498	7.256	3.211	561	1.106
Derecho de Balanza	25.422	24.605	26.203	9.172	2.201

INCOME OF THE CROWN FROM CHILE

	<u>1789</u>	<u>1790</u>	<u>1791</u>	<u>1792</u>	<u>1793</u>
Real situado					
Dos novenos reales de diezmos	18.624	4.519	8.556	6.137	6.922
Derechos de ensaye y 1/5 real	3.685	6.373	1.347	7.698	4.838

INCOME OF THE CROWN FROM CHILE

	<u>1789</u>	<u>1790</u>	<u>1791</u>	<u>1792</u>	<u>1793</u>
Diezmos	97.398	102.404	88.251	97.779	95.455
Alcabala	108.434				
Almojarifazgos					
Bulas de cruzada, producto	3.062	11.662	4.856	6.339	3.241
Estanco de naipes	1.902	2.344	5.537		
Venta de oficios	1.045	2.421	841	5.824	2.274
Id. de tierras		1.235			
Id. de minas	2.052	50	142		
Id. de especies	19.363	20.300	21.152	22.099	
Papel sellado, producto	2.336	5.395	5.458		
De encomiendas	146	146	1.301	446	661
Condenaciones y multas					
Compra-ventas	195			1.986	
Extranjería					
Mesada eclesiástica	350	3.030	3.030	3.836	3.836
Vacantes eclesiásticas	16.221	17.330	21.507	11.852	7.363
Subsidio eclesiástico				25.636	3.184
Cuarta episcopal					
Donativos					15.733
Empréstitos					
Derecho de Cobos y 10% de plata	24.873	2.427	22.072	19.827	25.926
Espolios	32.974	30.885	17.985	9.574	2.732
Caja de Coquimbo					
Id. de Mendoza					
Comiso			83		
Depósitos y consignaciones	186.647	199.714	208.477	213.382	199.420
Un noveno y 1/2 de hospitales	8.926	10.182	3.021	8.864	9.085
Montepío militar	14.675	13.245	13.213	9.247	1.281
Duedas pendientes	131.081	51.490	115.449	112.256	95.838
Media-anata	8.780	17.981	20.196	19.870	29.144
Montepío de ministros	3.669	5.807	6.026	7.697	6.562
Derecho de Balanza	18.343	17.378	17.085	22.118	15.251

INCOME OF THE CROWN FROM CHILE

	<u>1794</u>	<u>1795</u>	<u>1796</u>	<u>1797</u>	<u>1798</u>
Real situado					
Dos novenos reales de diezmos	11.437	5.315	12.801	7.701	18.720
Derechos de ensaye y 1/5 real	4.920	15.156	9.947	8.363	5.003
Diezmos	89.450	96.781	13.418	98.010	120.258
Alcabala					
Almojarifazgos					
Bulas de cruzada, producto	6.345	6.481	3.979	7.755	6.057
Estanco de naipes					
Venta de oficios	1.483	4.180	2.457	1.875	5.711
Id. de tierras	351		146		
Id. de minas					
Id. de especies			18.400	108.590	134.789
Papel sellado, producto					
De encomiendas	3.901	3.586	2.751	3.436	6.340
Condenaciones y multas					
Compra-ventas					
Extranjería	66			346	
Mesada eclesiástica	4.027	4.027	4.027	6.449	6.449
Vacantes eclesiásticas	2.598	3.068	2.134	3.330	10.448
Subsidio eclesiástico	830	1.245	41	479	1.238
Cuarta episcopal					
Donativos					
Empréstitos					
Derecho de Cobos y 10% de plata	21.667	26.676	18.878	25.493	18.531
Espolios	1.696	1.490	727	1.227	1.714
Caja de Coquimbo					
Id. de Mendoza					
Comiso	43	43	43	43	43
Depósitos y consignaciones	187.639	173.309	14.797	201.560	202.393
Un noveno y 1/2 de hospitales	4.311	8.733	1.369	9.183	14.722
Montepío militar	1.056	1.040	1.157	2.584	35.660
Deudas pendientes	150.656	144.076	9.943	174.172	177.710
Media-anata	22.347	27.996	14.192	34.563	37.003
Montepío de ministros	2.814	4.220	1.498	3.507	4.062
Derecho de Balanza	19.018	24.146	38.415	23.148	28.127

INCOME OF THE CROWN IN CHILE

	<u>1799</u>	<u>1800</u>	<u>1801</u>
Real situado			
Dos novenos reales de diezmos	8.933	9.165	13.441
Derechos de ensaye y 1/5 real	4.304	5.041	942
Diezmos	112.075	119.129	130.848
Alcabala			
Almojarifazgos			
Bulas de cruzada, producto	9.627	7.605	9.036
Estanco de naipes			
Venta de oficios	3.049	4.451	6.445
Id. de tierras		894	2.421
Id. de minas			
Id. de especies	93.952	123.458	28.088
Papel sellado, producto			
De encomiendas	7.971	6.441	3.195
Condenaciones y multas			
Compra-ventas			
Extranjería		35	503
Mesada eclesiástica	7.355	7.467	753
Vacantes eclesiásticas	9.680	8.658	11.746
Subsidio eclesiástico			
Cuarta episcopal			
Donativos	5.626	10.756	15.832
Empréstitos			462
Derecho de Cobos y 10% de plata	21.878	20.527	22.172
Espolios	1.737	4.145	9.263
Caja de Coquimbo			
Id. de Mendoza			
Comiso	43	184	772
Depósitos y consignaciones	188.970	227.249	246.426
Un noveno y 1/2 de hospitales	17.950	14.739	11.533
Montepío militar	29.248	31.370	32.854
Deudas pendientes	166.309	188.586	186.194
Media-anata	7.901	5.787	7.414
Montepío de ministros	2.675	3.948	2.649
Derecho de Balanza	32.587	21.109	23.974

INCOME OF THE CROWN IN CHILE

	<u>1783</u>	<u>1784</u>	<u>1785</u>	<u>1786</u>	<u>1787</u>
3% de oro	9.275	9.275	9.279	9.275	16.940
Fondo de inválidos	10.864	12.126	13.209	13.260	13.658
Bienes de difuntos	15.097	9.336	10.239	10.225	5.239
Orden de Carlos III	15.400	16.950	2.950	3.600	2.050
Barco del Maule					7.218
Contribución de caminos					
Masa de militares					
Fomento de minería					3.040
Id. de villas	31.782	40.802	49.745		
Redención de cautivos					
Real hacienda en común					
Existencia en caja					
Bulas de cruzada, especie					724.701
Papel sellado, id					24.717
Azogue, id					45.008
Un noveno y 1/2 de fábrica					
Señoreaje de la Moneda					
Pontazgo de Aconcagua			4.078		
Impuesto de tajamares					
Desuentos para Espana					
Real de botija					
Prest del ejército	128.063	133.588	145.067	107.512	
Tabacos					
Fábrica de la Moneda					
Cambio de doblones					
Aprovechamientos					
Derecho de avería					
Temporalidades					
Bulas cuadregesimales, producto					
Id. en especie					
Canal de Maipo					
Tributo del Cabildo					
4% para la guerra					
15% de amortización					

INCOME OF THE CROWN IN CHILE

	<u>1788</u>	<u>1789</u>	<u>1790</u>	<u>1791</u>	<u>1792</u>
3% de oro		19.770	18.842	20.281	19.519
Fondo de inválidos	14.625	17.679	15.659	18.462	19.115
Bienes de difuntos	7.143	14.443	7.784	8.028	7.403
Orden de Carlos III	3.450	4.850	5.600	1.400	1.400
Barco del Maule	8.559	9.606	10.444	10.831	9.017
Contribución de caminos				4.862	9.597
Masa de militares					9.195
Fomento de minería	10.719	33.069	33.051	41.810	36.045
Id. de villas					
Redención de cautivos	6.484	6.484	6.448	6.102	6.102
Real hacienda en común		66.228	264.044	236.938	230.709
Existencia en caja	90.393				
Bulas de cruzada, especie	267.000	277.159	314.966	300.311	309.517
Papel sellado, id	248.235	249.540	249.729	451.491	199.792
Azogue, id	35.543	37.543	13.036	41.690	56.750
Un noveno y 1/2 de fábrica					23.195
Señoreaje de la Moneda					
Pontazgo de Aconcagua		3.177	4.333	4.448	3.824
Impuesto de tajamares		23.431	42.827	54.960	56.109
Desuentos para Espana					458
Real de botija					
Prest del ejército					
Tabacos					61.585
Fábrica de la Moneda					34.480
Cambio de doblones					12.364
Aprovechamientos					896
Derecho de averia					
Temporalidades		66.526	44.010		
Bulas cuadregesimales, producto					
Id. en especie					
Canal de Maipo					
Tributo del Cabildo					
4% para la guerra					
15% de amortización					

INCOME OF THE CROWN IN CHILE

	<u>1793</u>	<u>1794</u>	<u>1795</u>	<u>1796</u>	<u>1797</u>
3% de oro	17.603	20.533	22.391	21.255	216.500
Fondo de inválidos	1.586	2.728	1.692	1.654	4.036
Bienes de difuntos	9.610	8.930	8.740	10.214	9.230
Orden de Carlos III	753	1.403	2.153	6.253	4.100
Barco del Maule	8.294	5.171	2.736	3.306	5.062
Contribución de caminos	9.770	13.751	9.478	13.568	8.713
Masa de militares	11.359	12.071	11.151	13.187	32.569
Id. de villas					
Redención de cautivos	6.102	11.624	824	501	
Real hacienda en común	184.711	319.185	402.612	274.961	543.303
Existencia en caja					
Bulas de cruzada, especie	314.802	292.759	306.674	355.789	315.605
Papel sellado, id	208.599	184.101	184.241	166.295	168.699
Azogue, id	48.551	51.655	98.425	152.416	134.853
Un noveno y 1/2 de fábrica	26.630	32.197	21.935	18.886	19.632
Señoreaje de la Moneda					
Pontazgo de Aconcagua	4.394	4.680	3.479	4.461	6.690
Impuesto de tajamares	37.098	9.318	10.427	12.449	14.214
Desuentos para España	458	848	964	1.073	1.073
Real de botija					
Prest del ejército					
Tabacos	112.514	209.644	268.466	161.777	296.428
Fábrica de la Moneda	44.452	48.542	36.030	43.903	26.711
Cambio de doblones	14.380	12.506	14.044	13.750	14.590
Aprovechamientos		1.875	912	789	
Derecho de avería					
Temporalidades					
Bulas cuadregesimales, producto		981	1.486	2.147	3.729
Id. ed especie				25.551	20.383
Canal de Maipo					
Tributo del Cabildo					
4% para la guerra			1.753	4.144	3.015
15% de amortización					

INCOME OF THE CROWN IN CHILE

	<u>1798</u>	<u>1799</u>	<u>1800</u>
3% de oro	20.440	19.720	21.976
Fondo de inválidos	2.577	3.781	2.597
Bienes de difuntos	7.481	7.390	10.373
Orden de Carlos III	7.000	650	2.050
Barco del Maule	6.212	4.621	5.416
Contribución de caminos	8.822	5.326	6.332
Masa de militares	31.412	32.792	28.587
Fomento de minería	44.776	55.552	64.414
Id. de villas			
Redención de cautivos			
Real hacienda en común	591.261	618.925	690.324
Existencia en caja			
Bulas de cruzada, especie	420.107	114.937	111.269
Papel sellado, id	133.224	284.431	265.466
Azogue, id	103.114	65.471	63.717
Un noveno y 1/2 de fábrica	20.763	25.776	29.572
Señoreaje de la Moneda			
Pontazgo de Aconcagua	5.906	3.946	3.926
Impuesto de tajamares	12.394	14.780	12.279
Desuentos para, espana		1.463	1.532
Real de botija			
Prest del ejército			
Tabacos	213.760	193.137	110.194
Fábrica de la Moneda	61.179	71.801	69.764
Cambio de doblones	14.384	15.488	11.840
Aprovechamientos		160	
Derecho de avería			
Temporalidades			
Bulas cuadragésimas, producto	4.039	6.254	7.959
Id. en especie	44.794	25.358	25.734
Canal de Maipo		1.042	4.312
Tributo del Cabildo			
4% para la guerra	3.140	194	94
15% de amortización			

Miguel Cruchaga, Estudio sobre la organización económica y la Hacienda Pública (3 vols., Madrid, 1929), III, 118-121.

This is one of the reasons O'Higgins was forced to raise old taxes and create new ones during his term in office. New projects and developments called for new sources of revenue to fund them. For example each pulperia (tavern) was taxed twelve reales a year and carts in and out of Valparaiso were taxed two pesos. O'Higgins contemplated a tax of two reales on each wine cargo and four reales on each cargo of aguardiente also, and the revenue was to be for the Cuesta de Prado road.¹⁵ O'Higgins planned for commerce to bring in new revenues to the government through the greater amounts derived from the alcabala (sales tax) and almojarifazgo (import and export tax). Especially depressed areas such as the northern partidos of Guasco, Coquimbo and Copiapó were to have a reduction or elimination of these taxes, however, in order to stimulate commerce.¹⁶

A problem encountered by the treasury was the evasion of taxes by both the people who were supposed to pay them

 15 O'Higgins to José Salvador, Governor of Valparaiso, Valparaiso, April 21, 1789, C-G 782, f. 177-80; Encina, Historia, V, 250 states the increase in revenues was very slight during O'Higgins' period of the 18th century--1788, \$592,178 and 1806, \$600,000.

16 O'Higgins to Diego Gardoqui, Santiago, June 20, 1792, "Manuscritos," Vol. 209, f. 149-53. On the same day the Governor wrote another letter to Gardoqui which asked for the Crown's approval of a decision by Dr. Ramon Rosales to allow the free import and export of goods from the northern partidos. "Manuscritos," Vol. 210, f. 214-6.

and the subdelegados who collected the taxes. In 1788 the Director of the Tobacco monopoly, Alonso Samoro, was ordered to turn over his accounts for investigation of numerous irregularities.¹⁷ In Aconcagua the hacendados were evading the alcabala and the taverns and warehouses were not paying the required license fees. This seemed to be a common complaint for orders to the subdelegados were very numerous on this score.¹⁸

To compound all of the above problems of trade and revenues O'Higgins' period in Chile was experiencing a drastic shortage of coined money, as was the rest of Spanish America. This shortage was due to the imbalance of trade, a contraband trade in specie, and an absence of small denomination coins. The amount of smuggling of gold and silver is difficult to estimate but a conservative figure would approach \$700,000 to \$800,000 a year which eluded registration and royal taxes.¹⁹ Also there was a flow of Chilean silver coins to China via the Manila Galleon despite royal prohibitions. This was revealed by quantities

 17 O'Higgins to Samoro, Santiago, July 23, 1788, C-G 778, f. 63.

18 O'Higgins to the subdelegado of Aconcagua, Petorca, November 4, 1788, C-G 778, f. 185-7; O'Higgins to the Cabildo of San Felipe de Real, San Felipe, December 11, 1788, C-G 778, f. 196-7.

19 Encina, Historia, IV, 669; Romano, Una economía colonial, p. 35.

of Chilean coins turning up with Chinese verification stamps on them.²⁰ The flow of money in Chile was hampered by the great quantity of clipped coins in circulation, many of which were supplied by Peruvian merchants.²¹ These coins were accepted at face value within the country but hampered payments abroad. Counterfeit money called mitados also circulated. These were coins of very small denomination, less than one real, made of copper or lead. They were designed for small transactions and market place purchases because of a lack of small denomination coins in Chile prior to 1773.²² In this year coins of one-half real were minted and continued to 1809 with the exception of 1775. This coin still did not meet the needs of the common people and in 1790 the mint in Santiago started to strike one-fourth real coins called quartillos which seemed to solve the problem until 1809 when they were also discontinued.²³

To encourage and aid overseas commerce O'Higgins was active in helping to charter commercial companies. He was

20 Romano, Ibid., p. 33.

21 Ibid., pp. 35, 46.

22 Memoria of Manuel José de Orejuela, Captain of the Infantry, to Charles III, Santiago, 1779. Quoted in Juan Eyzaguirre Escobar, "Proyectos para la acuñación de monedas de cobre en Chile, 1781-1834," BACH, XXVI, 46 (1959), 195.

23 Ibid., p. 193; Romano, Una economía colonial, pp. 27-8.

interested in Chilean trade with Guayaquil, Panama, and Central America. He petitioned the Crown in 1789 to obtain permission for Chilean ships to carry goods to the Portobello Fair and this request was granted. However, Viceroy Gil y Lemon, under the influence of the Peruvian merchants, refused to recognize the right and the monopoly of Pacific trade to the Fair was retained in Peruvian hands.²⁴

Other trade lines were opened besides those to Portobello. There was a thriving sea commerce from Valdivia and Castro to Valparaíso in timber and a brisk trade in Alerce (larch wood), to Callao and even Europe. Canelo (cinnamon tree), was shipped to Coquimbo, and was much in demand for its properties of moth proofing and for its aromatic scent. It was also touted for its medicinal values in curing arthritis, syphilis, tooth aches, cancer and sore throats in humans. Applied to animals it was said to eliminate ticks, mange, ringworm, and lice and was also reported to be a good fumigant.²⁵ During O'Higgins' term in office there were regular shipments of live trees from Valdivia to Copiapó in an effort to alleviate the harsh scenery and to help

²⁴ Encine, Historia, IV, 673.

²⁵ Judas Tadeo de Reyes, "Relación de las diferentes maderas que se encuentran en el Reino de Chile," RCHG, 124 (1950), 217-8.

conserve the water of the dry north.²⁶

The hide industry of the Central Valley helped to supply a small shoe industry in Maule. Peru took 12,000 pairs, while the industry also supplied all of the internal market.²⁷ The cloth industry in Chillán, mentioned above (Chapter III, page 6), supplied both the internal and external market.²⁸

There were very few ships belonging to Chileans for most of the Pacific commerce was in the hands of the Callao and Lima merchants. During O'Higgins term of office there were several attempts to create a native commercial fleet. At Nueva Bilbao the old dock yards which had been created by the Jesuits were reopened, and several ships were launched. Individuals were encouraged to undertake shipbuilding, but all of them failed and lost a great deal of money in the project. Ramírez Saldana, president of the Consulado, attempted to start his own shipping company but could not break the Peruvian monopoly. He went bankrupt in 1799, and his ships were taken over by others. Only seven ships were Chilean-owned in 1799 after a decade of

 26 O'Higgins to the subdelegado of Copiapó, Santiago, July 16, 1790, C-G 782, f. 388. O'Higgins to the Governor of Valparaíso, Santiago, December 27, 1790, C-G 782, f. 222 in regard to tree shipments.

27 Escritos de Salas, I, 172.

28 Ibid., p. 173.

governmental encouragement of private enterprise in this industry.²⁹

There were more merchants than was really needed in Chile: Santiago alone had seventy in 1788. These merchants were interested in pushing the consumption of Spanish goods in Chile rather than fomenting Chilean trade. They were cold to any suggestions by O'Higgins that they lend capital or entrepreneurship to creating maritime companies. A closed class of forty families was said to control Chilean trade, and they were hostile to any newcomer trying to break into their business.³⁰

There were still other handicaps for new maritime companies. An absence of credit or any sort of exchange system made it necessary for all payments to be in cash, and the poor state of Chilean coinage hindered this exchange. The companies were either individual enterprises such as Ramirez Saldanas' or small partnerships. Continuity of ownership or business activity was lacking as well as sound financial backing or capital. In addition, travel between Valparaiso and Callao was very dangerous in the spring months of November-January due to the prevailing South-East winds, and anyone traveling to Callao needed the express permission of the Viceroy of Peru or the Governor

²⁹ Encina, Historia, IV, 349; Donoso, El Marqués, pp. 247, 250.

³⁰ Encina, Historia, IV, 364-68.

of Chile. Each ship captain had to specify the name, occupation, details of business, and state of health of every person on his ship including slaves. A 1791 cédula imposed a further burden of a head tax of twenty-two pesos for everyone making the trip, and the revenue was intended to aid the Franciscan missions in Chile.³¹

Faced with these obstacles O'Higgins realized that the greatest chance for the organization of a successful maritime company rested in direct government finance, protection, and monopoly grants. Two major companies were created during O'Higgins' term in office. The Compania Maritima was founded on June 18, 1794, under the ownership of Mssrs. Onadera, Barozarte, and Astaburuaga. A subscription was organized which brought in 50,000 pesos to buy three ships from Spain, renovate the docks at Nueva Bilbao, Tomé, San Vicente and Coelemu, lay in supplies of nails, canvas tools, and fishing equipment, pay the wages of laborers, and build warehouses. This company was designed to aid fishing in Coquimbo, but mainly to break the stranglehold of the Peruvian merchants. Packet boats were to sail from Valparaíso to Spain carrying copper and other exports. The ships were also to carry wheat to Central America, the Californias, and Peru. It was estimated that

³¹ Haenke, Descripción, p. 67; Vicuña Mackenna, Historia de Valparaíso, II, 198; Moses, South America, pp. 238-9.

125 tons of wheat were carried annually by this company.³² Little is known about this company or its development though it flourished during the rest of the 18th century under the watchful eye of O'Higgins and Avilés.

The other commercial company was chartered in October, 1794, and was based in Coquimbo. Its founders, Francisco Martinicorena, Miguel de Elizalde, and Salvador de Aycinena were interested in a land route from Copiapó through the despoblado to Cobija and from there to Potosí. They were interested in transporting almonds, copper, and especially aguardiente to the silver miners. In the winter of 1794 they presented their petition to O'Higgins and Oyarzábal and requested that they be granted a twelve year monopoly starting in 1796 and relief from the tax on aguardiente, two pesos four reales per cargo, the twelve and one-half per cent tax on all goods entering Peru, and the additional six per cent tax levied on aguardiente and copper entering Peru. The merchants were willing to pay the almojarifazgo and the alcabala on all their goods entering and leaving Coquimbo.³³

³² Malaspina, Viaje, p. 613; Haenke, Descripción, p. 245; Vicuña Mackenna, Historia de Santiago, II, 252.

³³ O'Higgins to Diego Gardoqui, Santiago, October 13, 1794, "Manuscritos," Vol. 212, f. 213; Oscar Bermúdez Miral, "Una Compañía para el comercio de Chile con Charcas y Potosí en el siglo XVIII," BACH, XXIX 67 (1962), 147-9.

O'Higgins and Oyarzábal were very favorably impressed by this venture especially for its potential in developing commerce in the north. The three merchants planned on opening a new land route to Cobija and Arica which they hoped would shake the lethargy off the impoverished miners of the region. They also planned to create post houses on the route and establish supplies of drinking water. The petition was passed on to Spain with the highest recommendations of O'Higgins, Oyarzábal, and other concerned officials.³⁴ The petition was granted in March, 1795, but the monopoly was only the last for eight years. Each partner contributed 12,000 pesos, and the trade commenced in September, 1795. It is not known if the charter was renewed in 1803.³⁵

One of the constant complaints of the Chilean hacendados, merchants, and royal officials was the graft and dishonesty associated with the wheat trade to Peru. As was usual in Pacific commerce Peruvian merchants completely dominated the trade and made it their business to cheat the Chileans as much as possible. Approximately 2750 tons of wheat were sold annually to Peru for a price of ten to twelve reales per twenty-five pounds. In Peru a Chilean fanega weighing 156 pounds was reduced to 130 pounds and sold for twenty-four

³⁴ O'Higgins to Gardoqui, "Manuscritos," f. 214-5.

³⁵ Bermúdez Miral, "Una compañía," pp. 151-2.

to thirty reales.³⁶ The Peruvian merchants were also in league with the warehouse owners especially in Valparaíso. The warehouse owners charged a silver real per twenty-five pounds for storage and sales commission, and if a person was unwilling to pay this or caused trouble then his wheat rotted on the docks. If a merchant was not extremely careful with his receipts and bills then he was also cheated by the warehouse on the weight and grade, and price of his wheat. In 1794 the storage conditions in the warehouses in Valparaíso were so poor due to weavils, rodents and adulteration by garbage that many shippers transferred their business to Concepción.³⁷

With Chile dependent on metals, hides wheat, tallow, wine, fruits and nuts for exports it is not surprising that there was a large deficit in the balance of payments. Chilean imports consisted of clothes, furniture, jewels, and other luxuries for the high society of Santiago. Both O'Higgins and others complained to the Crown in the late 18th century that the abundance of European goods, encouraged by the merchants, inundated the province and inclined the people to extravagance.³⁸

 36 Juan and Ulloa, Voyage, II, 285; Escritos de Salas, I, 159; Miguel José de Lastarria to the King, Santiago, 1793. Quoted in Amunátegui, Los Precusores, II, 335-6.

37 Escritos de Salas, I, 160. Vicuña Mackenna, Historia de Valparaíso, II, 237.

38 Encina, Historia, IV, 669; Ramírez Necochea, Antecedentes, pp. 66-7.

Salas believed free trade would provide work for the people, but he did not conceive of the need for capital, roads, ports, industries and technical and commercial experience which was needed. Chile in its undeveloped and isolated position could not compete with Europe in a free trade system until it had developed this knowledge.³⁹ O'Higgins' efforts were a failure, and it was not for another thirty years that Chile began to change her commercial position, and then she had a great deal of help from the British and Americans who settled in Chile after the Revolution. It is this failure to develop her economy in her best interests that contributed to bringing about the revolution for independence in 1810.⁴⁰ This is the Marxist view of Chile's status and the revolution. In effect, Chile's status as a colony was inconsistent with her own essential interests. This view of the revolution is not the total cause but certainly had some bearing on the growing discontent with Spanish dominance.

39 Encina, Historia, V, 30-1.

40 Ramírez Necochea, Antecedentes, p. 18.

CHAPTER VI
PUBLIC WORKS

There were express instructions in the Ordenanza de Intendentes for all intendants to build and repair public buildings such as cabildos, customs houses, and market places and to construct public works projects such as bridges, aquaducts, canals, sewers, and paved streets. Not only did the public works projects improve and beautify the cities and towns, they also provided steady work for artisans and common laborers. This helped to provide work for some of the unemployed and activity for many jailed criminals and vagrants.¹ The acquisition and spending of the necessary funds for these projects also helped the local economies and helped to adjust the balance of the class system, since taxes and revenues were acquired from the wealthier classes, while wages and food went to the common laborer.

In Chile during the term of Governor O'Higgins there was a great deal of activity of this kind. As Ricardo Donoso, O'Higgins' principle biographer states,

There is nothing more characteristic of the personality of Higgins, and his enterprising and progressive spirit, than the

¹ Rozas to O'Higgins, Santiago, April 5, 1789, C-G 744, f. 730.

interest he demonstrated in the construction and formation of public works, directed, not only to the abornment and comfort of Santiago, but to facilitate communications and the circulation of products²

During his short term of office as Intendant of Concepción (1787-1788) O'Higgins energetically began a number of projects such as road and bridge repair and his big project of draining the Ganilán lagoon. This body of water was a health hazard as well as an obstacle to urban development. O'Higgins contributed 200 pesos out of his own pocket towards the cost and convinced the Cabildo of Concepción to have the work performed by prisoners in the local jail. When O'Higgins was promoted to Governor his asesor, Martínez de Rozas, remained behind for several months as interim intendant to oversee the completion of his projects.³ In Santiago O'Higgins had two major projects, the building of the Mapocho River dikes and the completion of the royal mint, la Moneda.

The Mapocho River flows into Santiago through several channels which had been created by skillfully engineered dikes in an attempt to ease the annual spring floods which inundated the city. These river channels supplied the plazas, villas, and haciendas with fresh water as well as

² Donoso, El Marqués, p. 220.

³ Amunátegui Solar, El Cabildo de Concepción, pp. 23-4.

serving as an open sewer where refuse was dumped. In the eddies and backwaters of the canals there were filthy, stinking pools of garbage which was a breeding ground for disease.⁴ The annual floods caused great damage, and Santiago had spent over a million pesos to try to stem this danger over the years without much success. In 1783 a disastrous flood wiped out the dikes and levies in and around Santiago and created havoc in the city. Since then more than 100,000 additional pesos had been spent on new dikes with little to show for it.⁵

When he assumed office as Governor of Chile and Intendant of Santiago, O'Higgins consulted a number of engineers, among them the noted Italian Joaquin Toesca, on the specifications and estimated cost of the construction of a massive dike to prevent future floods from inundating the city. It was estimated that would cost from 150,000 to 200,000 pesos which seemed to put an end to plans for the project since neither the government nor the Cabildo had anywhere near this sum available.⁶

Normal local taxes being insufficient to raise this

4 Vancouver, Voyage, III, 436; Amunátegui Solar, Personajes, p. 321 quotes Manuel de Salas.

5 Haenke, Descripción, p. 92; Amunátegui Solar, Personajes, p. 322 quotes Salas.

6 O'Higgins to Antonio Valdés, La Serena, November 5, 1788, "Manuscritos," Vol. 205, f. 55.

amount, O'Higgins cast about for a source of extraordinary revenues. In meetings with the Council of the Treasury O'Higgins decided to tax sugar and yerba maté, two popular and widely consumed articles in Chile.⁷ It was decided that each twenty-five pounds of yerba maté that entered Chile would be taxed one real. Each wagon load consisted of approximately 800 pounds so each cart would yield 4 pesos revenue. This tax was to be only temporary, as O'Higgins continually pointed out to the merchants and Cabildo of Santiago, and was to be limited to six years, considered sufficient time to complete the dike.⁸

O'Higgins played a role of duplicity in this arrangement. Everyone agreed that a dike was desperately needed for the Mapocho, but as was usually the case no one was willing to pay for the project. When O'Higgins presented his revenue scheme to the Santiago Cabildo in August, 1788, he assured them the tax was for only two years.⁹ In a letter to the Crown in November, 1788, however, he stated the tax was for six years. In addition, he misled the Crown as to the origin of the tax; he declared the idea originated in the

⁷ Barros Arana, Historia, VII, 17.

⁸ O'Higgins to Valdés, La Serena, January 25, 1789, "Manuscritos," Vol. 205, f. 58-60; Pérez García, Historia, II, 425.

⁹ O'Higgins to the Cabildo of Santiago, Santiago, August 29, 1788, C-G 778, f. 72.

Cabildo of Santiago!¹⁰

Within four days of being informed of the new dike tax the Cabildo of Santiago went on record as opposing this impost. The members declared there were already too many taxes to bear, and the five per cent alcabala was their biggest burden. They insisted that O'Higgins would have to seek the needed revenue from sources other than taxation.¹¹ Later, in September, 1790, "concerned" citizens of Santiago protested directly to the king. They stated the Cabildo had the exclusive right to tax fruit entering Valparaíso from Peru due to a royal cédula in 1778 which had been renewed again in 1783. They also declared the proposed plans for the new dike were far too grandiose, and the land near the proposed site had been given out to friends of the Governor.¹² The Cabildo also appealed directly to the king, repeating the view that the plans for the project were too ambitious, and pointing out that enough money had already been collected to construct an adequate dike for the city.

 10 O'Higgins to Valdés, La Serena, November 5, 1788, "Manuscritos," Vol. 205, f. 55-6.

11 Cabildo of Santiago to O'Higgins, Santiago, September 3, 1788, Actas del Cabildo de Santiago, f. 18-20.

12 Joseph de Garro, Bernardo de Laza y Bolívar, and Pablo Vazquez y Vazquez to Charles IV, Santiago, September 18, 1790, "Manuscritos," Vol. 208, f. 57-60.

They pleaded with the king to release them from this onerous tax.¹³

O'Higgins was furious with the opposition to the yerba maté and sugar impost for everyone agreed a huge dike was needed but then complained about the cost.¹⁴ This was a very unpopular tax, and O'Higgins had difficulty in enforcing its collection. On his visita to the north he discovered several subdelegados trying to evade its collection, and reprimanded them. O'Higgins pleaded his case to the Crown and constantly reminded them of the advantages of the Mapocho dike.¹⁵

In spite of the Governor's zeal and tough stand on the issue, the merchants and Cabildo of Santiago were successful in their case with the Crown. On December 7, 1790, a royal cédula was issued declaring the tax null and void. However, enough money had been collected in the two years

13 Cabildo of Santiago to Charles IV, Santiago, September 24, 1790, "Manuscritos," Vol. 208, f. 61-3. The Cabildo cited Laza y Bolivar above as their authority on the facts.

14 O'Higgins to Valdés, La Serena, January 26, 1789, "Manuscritos," Vol. 205, f. 66-73.

15 O'Higgins to the subdelegados Bruno el Caro in Quillota and Melchor José de la Rara Quemada in Aconcagua, Petorca, November 1, 1788, C-G 778, f. 94-5. O'Higgins to Juan Estevan de Amilivia of the Real Audiencia, La Ligua, March 12, 1789, C-G 782, f. 26; O'Higgins to the municipal junta of Copiapó, La Serena, February 18, 1789, C-G 782, f. 238.

of the tax's existence, 62,000 pesos, for the work to begin. In addition to this sum O'Higgins appropriated from the royal treasury a legacy from the Recogida family amounting to 121,000 pesos which had been unclaimed for sixty years.¹⁶

O'Higgins named Manuel Salas to supervise the dike construction on October 14, 1791, and Salas took over and updated the blueprints prepared by Leandro Baradan in 1783. Salas spent the next year surveying the land, acquiring the necessary bricks, mortar, and labor before beginning actual construction. Local jails were emptied to supply the needed labor, and the prisoners were paid six reales a day for their work which amounted to approximately 300 pesos a year.¹⁷

The Mapocho Dike, later named the Tacama Dike, was about a quarter of a mile long, and the width was eight and one-half feet at the base tapering to five and one-half feet at the top. The base was sunk eight and one-half feet into the ground and raised the same distance above the ground with buttresses every ten to eleven feet. The entire dike was shaded by willow trees, and the top became a favorite promenade for the citizens of Santiago

¹⁶ Vicuña Mackenna, Historia crítica y social, II, 321-2.

¹⁷ Manuel de Salas to Alvarez de Acevedo, Santiago, August 11, 1796, Escritos de Salas, I, 455.

until the dike was torn down in 1841.¹⁸

The Tacama Dike had three new engineering features that made it stronger than the older dikes. The base was sunk deep into the ground, and the width was greatly increased over that of previous dikes. In addition the dike had a convex wall which created small eddies and pools along the sides which helped to buffer and guide the current into mid-channel instead of along the wall itself.¹⁹ These accounted for the stinking cesspools encountered by Captain Vancouver.

Salas was praised to the Crown for his efforts by O'Higgins, the Cabildo of Santiago, and the Audiencia. Not only had the dike been constructed in the brief period of two years, but the actual cost of materials and labor amounted to only 5,800 pesos.²⁰ The only complaint about the work was directed at the architect-engineer in charge, Joaquin Toesca. Citizens of Santiago complained to O'Higgins about the high cost of his services, forty pesos a month, and the fact that Toesca, a foreigner, was an overseer of

 18 Salas to O'Higgins, Santiago, September 3, 1792, Ibid., I, 45; Vancouver, Voyage, III, 437; Barros Arana, Historia, VII, 6. All three of these authors disagree with one another on some parts of these dimensions.

19 Vicuña Mackenna, Historia crítica y social, II, 323-4.

20 Escritos de Salas, I, 48-51.

native labor. These complaints became strong enough to force a reduction of salary to twenty-five pesos a month in 1794.²¹

The royal mint or Casa de Moneda as it was called was a project that O'Higgins inherited from his predecessors and passed on to his successors. A mint for Chile was first planned in May, 1772, and was temporarily established in a former Jesuit school until a permanent building could be constructed. It was thought that the cost of the structure would be around 700,000 pesos and take twelve years to build.²² This proved to be a gross underestimate for it was still not finished when O'Higgins left office in 1796, and the cost was over a million pesos and still climbing.

The mint was and remains today a huge and splendid structure which Agustín Edwards has called the finest example of colonial architecture in Chile.²³ It was a brick and lime building measuring 150 yards by 178 yards with a central courtyard 45 yards square. There was a great deal of decoration and ornamentation in the form of columns, ironwork, and friezes which O'Higgins considered

²¹ Vicuña Mackenna, Historia crítica y social, II, 325-6.

²² Vancouver, Voyage, III, 439; Amunátegui Solar, Personajes, p. 332, quotes Salas.

²³ Edwards, Peoples of Old, p. 310.

expensive frills. The ground floor of the structure was given over the machinery and tools of the mint while the upper floor housed the apartments and offices of the mint officials. There was also a chapel and a hospital within the building for the personnel.²⁴

By the end of O'Higgins' term of office the building was the largest mint in the Spanish colonies but it only stamped about one million pesos a year.

TABLE V
MINTING IN LA MONEDA 1784-1800

	<u>Gold</u>	<u>Silver</u>
1784	4,526 marks*	19,702 marks*
1785	4,128	19,121
1786	4,159	18,470
1787	4,559	25,407
1788	5,110	29,267
1789	5,012	29,645
1790	5,307	21,770
1791	5,621	23,882
1792	5,403	21,324
1793	4,850	29,895
1794	5,708	24,164
1795	6,072	28,276
1796	6,245	28,141
1797	6,005	27,490
1798	5,838	23,076
1799	5,193	22,945
1800	6,476	24,454

*Mint officials calculated a mark of gold to be worth 136 pesos and a mark of silver 8 1/2 pesos.

Ruggiero Romano, Una Economía Colonial: Chile en el siglo XVIII (Buenos Aires, 1965), pp. 12-14.

²⁴ Vancouver, Voyage, III, 438-9; Callcott, Journal, pp. 219-20.

It was well equipped to be a gold smelter as well as handling silver alloy or plate. The royal treasury paid 1,200 pesos a year for the mint's services, and the owners of bullion paid one-fourth real per mark of silver minted and one real per mark of gold.²⁵

Governor O'Higgins considered the mint too costly and a millstone around his neck. However, as governor he was committed to carrying out the royal orders for its construction. He estimated the total cost would run to over one and one-half million pesos before the work was completed.²⁶ The mint was not finally completed until 1805 and is one of the monuments to the skill of its principle architect, Joaquin Toesca.²⁷

There were many other small works projects that O'Higgins actively promoted and Manuel Salas supervised. Both men had to work through the Cabildo of Santiago, and this proved to be a slow and arduous task. As soon as he took office O'Higgins issued a statement of Good Government which outlined his ideas for municipal reform. He prodded the Cabildo of Santiago to undertake the sanitation and repair

 25 Amunátegui Solar, Personajes, p. 332, quotes Salas.

26 Vancouver, Voyage, III, 439; O'Higgins to Diego de Gardoqui, Santiago, August 26, 1792; quoted in Donoso, El Marqués, p. 225.

27 Domingo Amunátegui Solar, Chile bajo la dominación Española (Santiago, 1925), p. 211.

of the streets, the prohibition of washing clothes in public fountains, and the repair of jails, warehouses, and other public buildings.²⁸

It took several years for these goals to be completed. It was not until Manuel Salas was named Supervisor of Public Works in November, 1792, that any great progress was made. He immediately started the street paving project for Santiago despite the complaints of the Cabildo about the lack of money, but it was not until January, 1793, that the Cabildo agreed to Salas commencing work.²⁹ A paving project had been started in front of the most important buildings, the Governor's house, the ecclesiastical court, the jail and barracks of the dragoons, prior to Salas' appointment, but the citizens of Santiago had complained to the Crown through the Audiencia of the terrible burden of taxation that was placed on them for the project. They stated the 1800 pesos spent up to 1791 could have been put to much more beneficial use by reducing public rents. In October, 1791, the Crown had forbidden O'Higgins and the Cabildo from taxing the

 28 O'Higgins to the Cabildo of Santiago, June 1, 1788, Actas de Santiago, f. 6-8; O'Higgins to the Cabildo of Santiago, Santiago, August 29, 1788, C-G 778, f. 68-70.

29 Escritos de Salas, III, 384-5.

people for the paving project.³⁰ When the project was started again, in 1793 the money came from the ordinary revenue of the Cabildo.

TABLE VI

REVENUES AND EXPENDITURES OF THE CABILDO OF SANTIAGO, 1790.

<u>Income</u>	
Taxes on ball courts and market stalls	4,000 pesos
Public pastures	1,200 "
San José Manzano fund	1,810 "
Maipo Bridge toll	282 "
Town Crier Collections	260 "
Tax on fish caught	250 "
Revenue on royal bonds (15,925 pesos) presented in 1694	<u>796 "</u>
	8,598 pesos
<u>Expenses</u>	
Salary of first Professor of Letters and Latin	500 pesos
Fiesta expenses	650 "
Executioner's salary	150 "
Rent on the Executioner's house	72 "
Repairs on the town jail	2,000 "
Deposition and custody of grants	30 "
Maintenance and feeding of jail prisoners	<u>500 "</u>
	3,902 pesos

Benjamin Vicuña Mackenna, Historia de Santiago (Santiago, 1938), II, 250.

³⁰ Real Audiencia to Pedro de Acuña, Santiago, February 8, 1793, "Manuscritos," Vol. 211, f. 19-22; Marcelo Carmagnani, "La oposición a los tributos en el segunda mitad del siglo XVIII," RCHG, 129 (1961), 185.

O'Higgins had protested the decree which halted the paving project and had declared to the Crown the absolute necessity of paving since in the wet season the streets were quagmires. He thought the burden had not been too onerous for each vecino was only taxed the sum necessary to pave the area in front of his own home.³¹

The paving of Santiago's streets was never accomplished by O'Higgins or Salas. Maria Callcott in 1821 described the dry, well-paved streets with granite slabs acting as footpaths through the running streams of water designed for cleansing and sanitation disposal.³² However, she was in Santiago in the dry season and did not see the mud in the streets during the wet season.

Salas also undertook an inspection of the Cuesta de Prado road project in March, 1793, in addition to his other work. During his term as Public Works Supervisor he saw to the upkeep of the dikes, the construction of public baths, shade tree planting, and the upkeep of the public buildings.³³

Public works were encouraged in the rest of Chile also. On his visita O'Higgins did everything possible to get the

31 O'Higgins to Acuña, Santiago, November 4, 1793, "Manuscritos," Vol. 212, f. 128-30.

32 Callcott, Journal, p. 201.

33 Escritos de Salas, I, 95.

northern cabildos to rebuild jails, markets, churches, and town halls. He encouraged the construction of public schools and persuaded wealthy philanthropists to contribute funds for them.³⁴ At the same time he was quick to criticize if there was extravagance or waste in public construction.³⁵ O'Higgins also spent a great deal of time overseeing the repair and strengthening of the military fortifications in Chile because of the perilous situation in European relations. Nonetheless, Vancouver was amazed at the general unpreparedness of the defenses of Chile and the general disrepair of her major defensive positions.³⁶

Public works was part of the general administrative, or policia, work of the intendant. Under O'Higgins a great deal of effort went into these projects despite the opposition of varied segments of the society and the problem of obtaining money. The undertakings were of undisputed benefit, the Mapocho Dikes and the road networks being the best examples, after they were completed, but

³⁴ O'Higgins to Melchor de la Rara Quemada, subdelegado of Aconcagua, San Rafael de Rosas, November 12, 1788, C-G 778, f. 102; O'Higgins to Antonio Porlier, Santiago, September 21, 1789, "Manuscritos," Vol. 201, f. 360-3. Nicolás de Barrionueve gave 14,000 pesos for a new school in San Francisco de la Selva.

³⁵ O'Higgins to Manuel Gorostizaga, subdelegado of Cuzcuz, La Serena, December 18, 1788, C-G 778, f. 204.

³⁶ Vancouver, Voyage, III, 458-9.

their construction aroused a great deal of animosity towards O'Higgins personally and towards the Crown.

CHAPTER VII

CONCLUSION

There are several questions that need to be resolved about the governorship of Ambrosio O'Higgins in Chile. Did he accomplish what he set out to do in regard to reforming the administration of Chile, reviving her economy and making Chile self-sufficient, bolstering her defenses against possible war with Great Britain, and leaving an aura of confidence and security in Chile for Spanish colonial rule and policies? Historians have generally praised O'Higgins for his efforts and ideas. However, in the balance, he encountered more failures than success in his career as governor.

Mining was improved not by advances in technology or administration but by bringing more human labor to the mines so that more pits could be opened and fully worked at a vein site. His plans for mine guilds, exchange banks, and foreign technical expertise all failed. In addition, dissatisfaction was often generated by the relocations of population. There were occasions when people resisted their removal to a new location until pressure and force was used

by the government.¹

Road building was a major accomplishment, especially the Frontier Road and the Cuesta de Prado Road. But, here again, powerful enemies were created for O'Higgins. Many people like Bishop Marán and the Frontier hacendados felt his Indian policy was too lenient, and thought that the savages should be brought under Spanish control.² Also landowners, notably Prado, resisted having their estates cut up by public roads.

O'Higgins' agricultural program was a complete failure. Not only did sugar, cotton, and rice fail, but they probably diverted land away from wheat and cattle production in which Chile was a proven success and also caused loss of revenue and time to the hacendados who attempted to cultivate these exotic crops. The biggest single source of irritation and outright hostility towards O'Higgins from the landowners was the abolition of the encomienda system. Undoubtedly the encomenderos felt they were a very special and privileged class in the Spanish empire since they were exempted from earlier abolition decrees. Their anger over the elimination of this distinction, plus the outright loss of the labor and the land granted to the freed Indians became a grievance

¹ O'Higgins to Melchor Barquemada, Copiapó, December 9, 1788, C-G 778, f. 113-4.

² Vancouver, Voyage, III, 445.

against not only O'Higgins but also the government he represented.³

Public works were a success insofar as certain projects were undertaken and carried to completion. La Moneda, the Mapocho Dike, the paving of the streets and the white-washing of houses greatly improved the appearance of Santiago. In addition he instituted building projects in other Chilean towns. However, this required money, and tax increases were bitterly resented by the people. A tax rebellion could easily have occurred since there were precedents earlier in the century over the tobacco tax. The tax on tobacco was a dangerous principle for certain revolutionaries who tended to try to elevate it into a cause for independence.⁴ Enraged citizens sought legal means, however, to escape the taxes and in a few cases were rewarded by the Crown's striking down a new tax.⁵ The best examples of this action were the tax on yerba maté and sugar for dike construction on the Mapocho River and the street paving of Santiago.

³ Gay, Historia, IV, 360-5; Opazo, "Don Ambrosio," pp. 29-30.

⁴ Carvallo y Goyenche, Descripción, II, 275; Carmagnani, "La Oposición," pp. 164-8. He states that the extension of the tobacco monopoly was the first cause that the Creoles had against the Bourbon reforms and the tribute to the Crown.

⁵ Carmagnani, "La Oposición," pp. 183-4. A 1790 protest against the alcabala by forty-five merchants and hacendados was one of the three effective protest against the alcabala.

Trade and commerce were never the great successes that O'Higgins had hoped for. Attempts were made to bolster the industries and the exports of Chile but the coalition of Spanish and Callao-Lima merchants was too hard to break through. Those that tried often ended in failure as was the case with the shipping company of Ramirez Saldaña.

The efforts of O'Higgins to instill an interest in trade and a work ethic among the Chilean people may be considered a failure. It was only after Chile began to develop these traits in the 19th century that he gained recognition for his efforts among Chilean historians. For his contemporaries he was the "English Governor" who attempted to impose Bourbon absolutism upon the established Creole class of Chile who were used to having things their own way.⁶ Judging from their reactions to his reforms and programs they certainly resented O'Higgins and the intendent system that he tried to promote. This helped to prepare the way for the independence movement of the 19th century. Conflicts arose between governors and Creole leaders as well as between other royal officials and the general population. O'Higgins was one of the few governors who was unwilling to bow to the Creole elite and this policy caused friction between government and people.⁷ The nature of the reforms and their

 6 Vicuña Mackenna, Historia de Santiago, II, 215-6.

7 Encina, Historia, VI, 16.

trend towards more Crown control on the local level and O'Higgins' zealous attempts to inaugurate and impose these reforms alienated the Creole class of Chile as well as the common people. A militia lieutenant, Pasural Ramirez, summed up the feelings of the Chilean people towards the government:

The object of the royal officials of Rancagua was only to claim all the rights and taxes they could. The subdelegados use violence and despotism over the people which creates a climate of fear and causes the miserable to shrink further down. They enjoy the sport of squeezing the people to see their misery and nakedness.⁸

O'Higgins realized the problem and tried to smooth over antagonisms between royal officials and local cabildos but was unsuccessful.⁹ This failure meant the cabildos would be ready to take matters into their own hands when the opportunity presented itself in 1810.

⁸ Ramirez to O'Higgins, November 27, 1795, C-G 831, f. 7.

⁹ O'Higgins to the cabildo and subdelegado of Aconcagua, October 29, 1788, C-G 778, f. 183-4.

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