

ENGLAND, SPAIN AND THE FAMILY COMPACT, 1763-1783

Thesis for the Degree of Doctor of Philosophy
in the University of London

by

Juan Antonio Lalaguna Lasala

December, 1967



BEST COPY AVAILABLE.

VARIABLE PRINT QUALITY

ABSTRACT

This study takes a new look at Anglo-Spanish relations between 1763 and 1783. They are examined from the point of view of Spain and her use of the 1761 alliance with France. During this period Spain had her own objectives, not always coinciding with France's. She was seriously restricted in the foreign field by her need of French support, but, on the whole, she managed to pursue them quite effectively.

An analysis is made of Spain's failure to win new friends who would reduce her dependence on French support, and a fresh interpretation of the Falkland Islands crisis of 1770-1771 is attempted.

The problems arising from the general relaxation in Anglo-Spanish colonial issues after 1771 are fully examined, together with the restraining influence of Spain on France's European commitments. Britain's American struggle is also considered in so far as it enabled Spain to find a solution to her disputes with Portugal in the River Plate (Portugal was Britain's traditional ally), and in order to assess the outcome of the American War of Independence against the background of Spain's objectives after the Seven Years War.

TABLE OF CONTENTS

	Page
Foreword	6
Abbreviations	8
 <u>PART I</u>	
Spain, France, and Britain after the Seven Years War: Their objectives and diplomatic position.	
1. Carlos III and the Family Compact of 1761: The Treaty of Paris of 1763.	10
2. 'La secretaría de estado y del despacho universal' (The Spanish ministry of foreign affairs).	28
3. Hispano-French relations after 1763.	
a) Co-operation within the framework of a different system of priorities: Commercial differences.	55
b) The enlargement of the Family Compact: the question of the Neapolitan accession.	68
4. Britain and Spain after the Seven Years War:	
a) British views on foreign policy.	80
b) Resumption of diplomatic relations with Spain.	84
5. In quest of Austria, 1763-1765.	90
 <u>PART II</u>	
Anglo-Spanish colonial disputes from 1763 to 1775 and the role of the Family Compact.	120
1. The Honduras Bay dispute.	123
2. The Manila ransom issue.	155

3. The struggle for the Falkland Islands and the Manila ransom issue.	192
4. Spain and the French annexation of Corsica.	247
5. The Falkland Islands Crisis:	
a) The international background: Spain and the Russo-Turkish war.	259
b) Britain, Spain and France on the brink of war.	292
6. Anglo-Spanish colonial issues after the Falkland Islands Crisis, 1771-1775.	324
a) The Crab Island incident.	328
b) Balambangan.	337

PART III

The Family Compact, the Eastern Question and the Swedish Crisis, 1771-1774.

1. Spain's attempts to secure a pro-Spanish minister in Paris to succeed Choiseul.	346
2. Aiguillon seeks to draw Spain into the Eastern Question.	353
3. The attitude of Spain towards the Swedish Crisis.	375

PART IV

The Portuguese question, 1763-1783.

1. The position after the peace treaty of 1763	396
2. Pombal calls the tune for a negotiated settlement.	407

3. Pombal terminates the negotiation (1767). 422
4. Britain presses Portugal to resume talks (1774). 439
5. The Algiers fiasco causes Grimaldi to induce the second phase of the negotiation: the Franco-English mediation. 447
6. Spain decides to use force. 465
7. Floridablanca in charge of the Portuguese negotiation: the treaties of 1777 and 1778. 484
8. Hispano-Portuguese relations during the American War of Independence. 504

CONCLUSIONS. 523

BIBLIOGRAPHY. 551

FOREWORD

At first sight it might seem that a study of Anglo-Spanish relations as such offers little help in interpreting the general pattern of Western European politics in the second half of the eighteenth century. Certainly, the view of French and English historians alike seems to be that Spain's foreign policy during Carlos III's reign had no individual character; according to this view, France was the dominant partner of the Family Compact, and Bourbon policy was formulated in Paris and carried out by French diplomats. Spanish scholars, on the other hand, tend to forget that France was the stronger power of the two and are usually carried away by the realization that Spain had a foreign policy of her own; they are inclined to equate aspirations with achievements.

The task that I set myself in writing this thesis is to re-examine these two views, bringing into the discussion quite a large amount of fresh evidence emerging from my search for Spanish and English material dealing specifically with Anglo-Spanish relations.

In so doing, I have put myself under a great obligation to a large number of people, especially to the members of the Seminar of International History in the Eighteenth Century (Institute of Historical Researches, London), but I wish in particular to mention Dr. R.H. Hatton, to whom

I owe not so much thanks as apologies, since her unstinting help, encouragement, and enormous patience during a number of years, deserve a better result than this.

I also acknowledge financial help from the British Council and the Central Research Fund.

ABBREVIATIONS

Add.	Additional MSS (British Museum)
<u>A.M.H.</u>	<u>American Historical Review</u>
<u>A.E.A.</u>	<u>Anuario de estudios americanos</u>
<u>A.B.H.</u>	<u>Archives of British Honduras</u>
A.G.S.	Archivo General de Simancas
A.H.N.	Archivo Histórico Nacional
<u>B.A.E.</u>	<u>Biblioteca de autores españoles</u>
<u>B.D.I.</u>	<u>British Diplomatic Instructions</u>
<u>B.D.R.</u>	<u>British Diplomatic Representatives</u>
<u>B.I.H.R.</u>	<u>Bulletin of the Institute of Historical Researches</u>
<u>C.B.</u>	<u>Documentos referentes a la guerra de la independencia, Campaña del Brasil</u>
<u>C.H.O.P.</u>	<u>Calendar of Home Office Papers</u>
<u>C.H.J.</u> (<u>H.J.</u>)	<u>Cambridge Historical Journal (also called The Histo)</u>
<u>C.H.B.E.</u>	<u>Cambridge History of the British Empire</u>
<u>C.D.M.</u>	<u>Colección de documentos relativos a la historia de las Islas Malvinas</u>
C.P.	Correspondance Politique (Archives des Affaires Etrangères)
<u>D.N.B.</u>	<u>Dictionary of National Biography</u>
<u>E.H.R.</u>	<u>English Historical Review</u>
<u>E.A.</u>	<u>Estudios americanos</u>
F.O.	Foreign Office Papers (Public Record Office)
<u>H.A.H.R.</u>	<u>Hispanic American Historical Review</u>

<u>J.C.T.P.</u>	<u>Journal of the Commissioners of Trade and Plantations</u>
<u>N.C.M.H.</u>	<u>New Cambridge Modern History</u>
<u>P.R.O.</u>	Public Record Office
<u>Recueil</u>	<u>Recueil des instructions données aux ambassadeurs de France</u>
<u>R.A.B.M.</u>	<u>Revista de Archivos, Bibliotecas y Museos</u>
<u>R.I.</u>	<u>Revista de Indias</u>
<u>R.H.D.</u>	<u>Revue d'Histoire Diplomatique</u>
<u>R.H.M.C.</u>	<u>Revue d'Histoire Moderne et Contemporaine</u>
<u>R.H.</u>	<u>Revue Historique</u>
<u>S.P.</u>	State Papers (Public Record Office)

PART I

Spain, France, and Britain after the Seven Years War: Their objectives and diplomatic position.

1. Carlos III and the Family Compact: The Treaty of Paris of 1763.

Carlos III succeeded his half-brother, Fernando VI, as King of Spain on 10 August 1759.¹ He arrived in Madrid on December 9th, and as soon as he took over the responsibilities of his new office, he had to concern himself with the difficult task of preserving Spanish neutrality in the Seven Years War and planning for the future in the unsettled situation of Europe. Spain's position, in the face of one of the periodic outbursts of Anglo-French colonial rivalry, was fraught with risks.

1759 was Britain's annus mirabilis, the turning-point of the war. The conquest of Quebec in September of that year presented France with the unpalatable truth of the triumph of the British in America. This victory meant the loss of New France and eventually the disruption of France's empire in North America.

1. Carlos III was the son of Philip V and his second wife, Isabel Farnese. When he went to Spain, he had already governed as duke of Parma (1732-8) and as King of the Two Sicilies (1738-59).

The consequences of such an event were of major importance to Spain, for if France were ousted from her possessions in North America it would become incumbent on Spain alone to face the expansion of the British.

From his predecessor, Carlos III inherited a policy of passive neutrality which coupled with the poor state of Spanish defences and finances left the American possessions exposed to the possible incidences of the Anglo-French colonial conflict. For the sake of Spain's internal reconstruction and to arrest the economic decline of his territories, Carlos III was inclined to peace; however, he was alive to the need of taking a more active interest in the fortunes of the war in America.

The news of the conquest of Quebec by the English made him realize the seriousness of the situation. Whatever the outcome of the Anglo-French contest, it would affect the future of Spanish America. The presence of France on the northern border of Britain's colonies and in Louisiana had been up to this time a restraint on Britain; without France, it was up to Spain to keep in check the expansive policies of the British nation.

Carlos III therefore accepted Choiseul's requests for Spanish mediation in the conflict. Through his mediation Carlos III hoped to halt Britain's progress in New France and to prevent her from becoming too powerful in the

northern hemisphere. He believed that by bolstering up the shaking French empire he was preserving his own. To achieve this goal he adopted Choiseul's suggestion to establish a balance of power in America comparable to that which had been established at Utrecht for Europe. He submitted his plan to Britain in November, 1759.¹

But the chances of Britain accepting such a proposal, in view of her victories over France, were remote. Pitt's evasive attitude, together with his acceptance of similar proposals from Prussia for a congress for the establishment of a general peace, offended Carlos III personally. Furthermore, Spanish claims concerning merchant ships taken as prizes by Britain, Spanish fishing rights in the Newfoundland waters and English encroachments in Central America, which Carlos III demanded as a reward for his mediation, were contemptuously ignored. These circumstances, taken together with France's constant efforts to engage Spain in the contest, finally brought Carlos III to join France in the

1. V. Palacio Atard, El Tercer Pacto de Familia, pp. 23-51, and "El equilibrio de América en la diplomacia del siglo XVIII", E.A., I (1949), pp. 461-79; O. Gil Munilla, El Río de la Plata en la política internacional, pp. 45-6 (subsequently cited as Gil Munilla); and R. Pares, War and Trade in the West Indies, 1739-1763, pp. 567-8 (henceforth cited as Pares).

Family Compact of 1761.¹

The negotiations for the Franco-Spanish alliance took place in Paris between Choiseul and Grimaldi, the Spanish ambassador to the French Court. Carlos III wanted it to be a maritime alliance to cover colonial possessions only, and a guarantee to secure his relatives' territories in Italy, especially Piacenza which Sardinia was now claiming from the Duke of Parma, Felipe, Carlos III's brother. Spain also hoped that the alliance would have a restraining effect on Austria in respect of Prussia and thus help to maintain peace in Germany; Carlos III, like Choiseul, did not want a powerful Austria at the expense of Prussia, for she might then become dangerous to the Spanish interests in Italy.²

-
1. Z.E. Rashed, The Peace of Paris, 1763, pp. 32-63 passim; Palacio, pp. 51-7; Pares, pp. 551-79 passim. Cp. V. Palacio Atard, Las Embajadas de Abreu y Fuentes en Londres, 1754-1761, passim; Ibid., "Tribunales británicos y presas de barcos durante la guerra de los Siete Años", R.A.B.M., LX (1954), pp. 105-110; V.L. Brown, "Spanish claims to a share in the Newfoundland fisheries in the Eighteenth Century", Canadian Historical Association, Annual Report (1925), pp. 64-82; J.O. McLachlan, "The Uneasy Neutrality", Cambridge Historical Journal, VI (1938), pp. 55-77; and R. Pares, Colonial Blockade and neutral rights, 1739-1763, pp. 285-92 (subsequently cited as Pares, Colonial Blockade).
 2. Gaetan de Raxis de Flassan, Histoire Générale et raisonnée de la Diplomatie Française, VI, pp. 131-2; L. B. Bart, Les Rapports de la France et de l'Espagne, pp. 5-6; and F. Rousseau, Règne de Charles III d'Espagne, 1759-1788, I, pp. 38, 44.

This is in fact one of the points that Choiseul emphasized for the purpose of persuading the Spaniards that the Family Compact was based on mutual interests. But Choiseul wished to widen the alliance to include wars in Germany. Carlos III had to give way; nevertheless, he succeeded in incorporating some provisos, which diminished Spain's risk of war in Germany quite considerably.¹

On 15 August 1761 the treaty was signed as a defensive alliance, to take effect after the present war, to guarantee the two partners' territories in all parts of the world (art. 2). Article 8 excluded from the scope of the alliance the wars that France might enter into as a consequence of her alliances in Germany and in the North, or as a guarantor of the Treaty of Westphalia. In these wars France would have a claim on Spain's support only when a maritime power was involved in them or if the fortunes of such wars were so unfavourable to France that her own metropolitan territories should be threatened. The stipulated naval aid was twelve ships of the line and six frigates (art. 5). As to territorial forces, Spain undertook to supply France with

1. Palacio, pp. 124-37, 165-75, for the last stages of the negotiation between Choiseul and Grimaldi.

10,000 foot-soldiers and 2,000 cavalry, while the corresponding figures for the French forces would be 18,000 and 6,000 (art. 6). In the two cases established in article 8 Spain would increase her aid to the French figures.

In respect of Italy, the signatories agreed to guarantee the possessions of Carlos III's third son and heir to the Neapolitan Crown, Fernando IV, and those of his brother Felipe, the Duke of Parma (art. 3). Furthermore, Carlos III undertook to promote the Neapolitan accession to the Family Compact (art. 19).

By the Secret Convention drawn up to make provisions for Spain's entry into the Anglo-French colonial conflict and signed on the same day as the Family Compact, France agreed to cooperate with Carlos III to obtain Sardinia's approval for a settlement in Piacenza on the basis of a monetary compensation in return for Charles Emmanuel III's reversionary rights (art. 10).¹

Minorca, which had been conquered by the French in 1756 to be used as a counter in their future negotiations with Britain, was given to Spain on deposit until the peace at her own request. During the negotiations Choiseul, though reluctant to part with the island, had agreed to hand it over to Carlos III on condition that he could use

1. Both the Family Compact and the Secret Convention are printed in Palacio, pp. 336-52.

it as a bargaining-counter. Should France not use it as a compensation to ensure return of her own lost territories, the cession would become definitive (art. 6). However, Carlos III could not entertain the prospect of paying for its defence during the war, and the island remained in France's hands until 1763, when it went back to Britain.¹

As to Portugal, the two parties agreed to make every effort to bring her into the war on their side (art. 7). Portugal was a very valuable ally to Britain; by weaning her away, the Bourbon powers would strike a heavy blow at Britain's main source of strength, commerce.²

In respect of Anglo-Spanish affairs, France undertook to ensure that Carlos III obtained satisfaction in the following matters: disputed prizes, participation in the Newfoundland fisheries, and Spain's claim to the settlements of the British logwood cutters in Central America (art. 2).³

1. Palacio, pp. 128-167 passim; Rashed, pp. 12-3.

2. Palacio, pp. 216-217; Rashed, pp. 119-120.

3. The immediate solution of Spain's grievances does not seem to have been Carlos III's main concern, since he was prepared to forge article 2, if these issues were the only obstacle in the way of a pacification between Britain and France; see Palacio, p. 172.

Thus committed to France, Carlos III could not remain neutral for very long. Five months elapsed, however, before hostilities between England and Spain broke out. Carlos III used them to make military and naval preparations and also to attempt to pin onto Britain the responsibility for the forthcoming conflict. This is the main reason why the definitive Franco-Spanish Convention bears the date 4 February 1762; the document of 15 August 1761 was altered to imply that the alliance of the Bourbon powers was the consequence, and not the cause, of Britain's declaration of war on Spain on 2 January 1762. Spain followed suit on the 16th.¹

The ensuing war proved that Carlos III and his advisers had seriously misjudged the resources and determination of Great Britain. The war in Portugal showed also the state of unpreparedness of Spain. The joint ultimatum of France and Spain to the Portuguese government in March, 1762, failed to scare Lisbon into joining the Bourbon powers, and the military operations which followed at the end of May to enforce their threat, laid bare the weaknesses of the

1. Palacio, pp.104-9, 175, 197, 209-10, and 347. Cp. A.S. Aiton, "A neglected intrigue of the Family Compact", H.A.H.R., XI (1931), pp. 387-93. For Britain's decision to declare war on Spain, see Pares, pp. 583-90.

Spanish army, especially the artillery. Successive delays in the summer and autumn of 1762 due to the illness of the Spanish commanding officer, Aranda, and to autumn rains, hindered the action of the Spanish troops and the war was confined to encounters of little consequence until the Peace of Paris.¹

In addition to the poor performance of her army, Spain's chances of future advantages in Portugal were further undermined by Choiseul who feared that Carlos III's territorial ambitions might be a stumbling-block in the peace negotiations with Britain. Choiseul realized that Carlos III would not come out of the war unless he had some gains with which to bargain. Indeed, Portugal was the only area where Spain might reasonably expect to achieve some bargaining-counter with which to offset her likely losses elsewhere and to obtain satisfaction for outstanding claims. Fully aware of this, Choiseul went as far as recommending the British to send troops to Portugal with the utmost speed to stop the progress of the Spanish army.² Furthermore,

1. Palacio, pp. 216-23, 243-4; Gil Munilla, pp. 66-9; and A. Bourguet, "Le Duc de Choiseul et l'Alliance espagnole. Un ultimatum franco-espagnol au Portugal (1761-25)", R.H.D., XXIV (1910), pp. 25-38.

2. Rashed, pp. 139 and 150.

news of the English conquest of Havana reached London on September 29th, and Paris on October 2nd. This remarkable achievement of the British sapped Carlos III's confidence.¹

The loss of Havana proved to what an extent Spain had been defeated. Carlos III was now willing to make peace, and Choiseul, to obtain some concessions for France, took upon himself the task of persuading him to accept British terms. He played a very successful part in the last stage of the negotiations for the Treaty of Paris and was instrumental in sparing France at the expense of Spain.² Carlos III, though conscious of the sacrifices he had to make for the sake of his ally, was compelled to give in to Britain's terms. The Preliminary articles were signed in Paris on 3 November 1762.

The definitive Treaty of Paris of 10 February 1763 stipulated that Carlos III had to give up hope of regaining Minorca (art. 12); in America, in return for Havana, which was restored to Spain, he lost Florida, St. Augustin, Pensacola and all territories east of the Mississippi (art. 20). He also had to relinquish the small conquests made in

1. Rashed, pp. 176-7; Palacio, pp. 255-8; and N.V. Russell, "The reaction in England and America to the capture of Havana, 1762", H.A.H.R., IX (1929), pp. 303-16.

2. Rashed, pp. 170-83, 208-11. See also Pares, pp. 596-610.

Portugal as well as the colony of Sacramento and the territories taken by Cevallos in the River Plate (art. 21).¹

The Anglo-Spanish disputes were not solved to Carlos III's satisfaction. Prizes were still to be judged in English courts (art. 16). Spain had to renounce her rights to fish in Newfoundland waters (art. 18) and had also to recognize the settlements of British logwood cutters in Central America (art. 17). She furthermore had to grant Britain free navigation in the Mississippi River (art. 7).

In respect of commerce Carlos III was compelled to give in to Britain's demand for the renewal of the existing treaties which were an obstacle to Spain's hopes of economic recovery (art. 2).²

Against such losses the cession of the French Louisiana, west of the Mississippi River, to Spain in November 1762 was but small compensation, for it was weakened from the beginning by France's cession to Britain of the

-
1. The places conquered in Portugal were Almeida, Alcántara, Chaves and the province of Trás-os-Montes in the North, and several places in Beira Baxa.
 2. Original Text of the Treaty, ~~Printed~~ by Rashed, pp. 212-229.

Louisiana, east of the Mississippi River, despite solemn promises to Spain that Britain would not be allowed to expand to the Gulf of Mexico, and by the concession to the British to navigate the Mississippi River. France gave up this land to England in order to regain the sugar island of Santa Lucia. It was the lesser of two evils. Choiseul tried to impress Spanish circles with a show of magnanimity in order to undo the bad impression caused by the results of the war. But Carlos III was not deceived; he accepted the territory fully aware of the burden that it would be upon Spain and for no other reason than to prevent another country, Britain, from possessing all Louisiana.¹

A second attempt on the part of Choiseul to gain Spain's confidence during the war and, after 1762, to dispel the suspicions of the Spanish government, was successfully used by Carlos III to bring about a settlement in Italy favourable to his family.

1. A.S. Aiton, "The diplomacy of the Louisiana Cession", A.H.R., XXXVI (1930-1), pp. 701-720; Rashed, pp. 181-2. For Spain's views on Louisiana, see Villiers du Terrage, Les dernières années de la Louisiane française, pp. 155 and 246; V. Rodríguez Casado, Primeros años de la dominación española en la Luisiana, chapters I, III, VIII, passim.

Carlos III of Spain had married María Amalia of Saxony, a daughter of ~~Frederick~~ Augustus III of Poland, on 9 May 1738. Of this marriage thirteen children were born, but only seven lived: Felipe, Carlos, Fernando, Antonio Pascual, Francisco Javier, María Josefa and María Luisa.¹

Their first son, Felipe, was an imbecile; the second one, Carlos Antonio, therefore became the heir to the Spanish throne with the title of Prince of Asturias; the third son, Fernando, inherited the Crown of the Two Sicilies. Carlos III's brother, Don Felipe, continued in possession of the Duchies of Parma, Piacenza and Guastalla, which had been acquired by Isabel Farnese, Felipe V's wife, and ceded to Don Felipe by the peace of Aix-la-Chapelle of 1748. The ceding powers, Austria in respect of Parma and Guastalla and Sardinia in respect of Piacenza, had agreed to it on condition that Spain, Naples, and Parma should never come under the same monarch, disrupting the balance of power in Italy; but while the former had consented to a very specific pledge to forge her reversionary rights to Parma and Guastalla as long as Don Felipe and his successors did not come into new territories, the instrument

1. M.T. Oliveros de Castro, María Amalia de Sajonia, esposa de Carlos III, pp. 25, 37-44.

of cession of the latter provided that her reversionary rights to Piacenza were to be realized "luego que su Majestad el rey de las Dos Sicilias (the future Carlos III of Spain) pasare á la Corona de España, ó llegare á morir sin hijos varones el referido infante" (Don Felipe).¹

When Carlos III became King of Spain in 1759, Austria, who was against any further strengthening of Sardinia that might endanger Milan, signed a treaty with Naples on 3 October 1759 to acknowledge and guarantee Fernando IV's accession to the Neapolitan throne and to renounce her reversionary rights to Parma and Guastalla in return for the surrender of Tuscany to Joseph's brother, Leopold.²

But Charles Emmanuel III of Sardinia seized the opportunity of Carlos' succession to the Spanish Crown to stress the validity of his claims, and took measures to recover Piacenza which he had held since the Treaty of

-
1. Article 7 of the Spanish Accession to the Definitive Treaty of Aix-la-Chapelle of 18 October 1748, printed in A del Cantillo, Tratados, convenios y declaraciones de paz y de comercio..españoles...desde el año 1700 hasta el día; pp. 393-4.
 2. Text of this treaty printed in Cantillo, pp. 461-3, and F.A.G. Wenck, Codex juris gentium recentissimi, pp. 206-11. Cp. articles XV and XVII of the Franco-Austrian Treaty of 30 December 1758, in Wenck, III, pp. 185-201, and the Austro-Spanish-Sardinian Treaty of 14 June 1752, in Cantillo, pp. 412-5.

Worms of 1743 until 1748. For a while war loomed large. France prevented it by promising Sardinia to support Charles Emmanuel's claims to Piacenza as soon as the Seven Years War was finished. This pledge remained a stumbling-block in the way of a pacific solution.

However, France's desire to bring Spain into the war in 1761 led her to adopt a more favourable attitude towards her ally. Choiseul agreed to support Carlos III's case provided he paid some monetary compensation to Sardinia. As for Britain, from whom Charles Emmanuel had expected some support, she was also in favour of a pacific solution on the basis of compensation; the speed with which Britain agreed to comply with Choiseul's request to stay out of the question proved the English lack of real interest in the matter. Charles Emmanuel III consequently had to give in to the proposals put forward by Choiseul, conforming to Carlos III's wishes in respect of Piacenza.¹

Two Conventions were signed on 10 June 1763. It was agreed that a monetary compensation of 8,200,000 French

1. V. Palácio Atard, "Política italiana de Carlos III: la cuestión del Placentino", Hispania, IV (1944), no. XVI, pp. 455-63; M. Schipa, Il Regno di Napoli al tempo di Carlo di Borbone, pp. 540-50; D. Carutti, Storia della Diplomazia della Corte di Savoia (1494-1773), IV, pp. 389-412. See also Recueil, X (Naples et Parme), pp. 85-91, and XII bis (Espagne), p. 343.

livres, half to be paid by Spain, half by France, was to be placed in Turin and its yield to be used as an equivalent of the rent that Piacenza would produce if Sardinia had it. This capital should be returned to its depositors if the reversion of Piacenza to Sardinia took place on account of the death of Don Felipe, Duke of Parma, without issue.¹ Britain was among those who welcomed the outcome, and entered these arrangements as guarantor of the two Conventions.²

The pacific settlement of the Piacenza succession filled Carlos III with joy, most of all because it was the result of Austro-Spanish co-operation.³ His own experience

-
1. Texts of the two Conventions printed in Cantillo, pp. 497-501, and Wenck, III, pp. 446-54.
 2. Her guarantee, dated 27 November 1763, was enclosed in Carrión's dispatch of the same day; A.G.S., Estado, leg° 6954. Carrión was the secretary to the Spanish embassy in London, and in charge of affairs until Masserano's arrival on November 26th; A.H.N., Estado, leg° 3439, A.G.S., Estado, leg° 6954, and S.P. 94/165.
 3. Carlos III to Tanucci, 2 August 1763; quoted by Danvila, IV, p. 88. Cp. Masserano's instructions of 9 August 1763, A.H.N., Estado, leg° 3456/1.

of past years had been one of repeated struggles for Italy against Austrian expansion. The Austro-Neapolitan Treaty of 1759 and successive marriages between the Austrian and Bourbon families gave him reasons to believe that the arrangement in Italy as established in the Conventions of Turin was to become a permanent settlement, marking the end of friction with Austria in Europe and the beginning of a possible diversion of Spanish attention and resources to other quarters.¹

However, Carlos III's desire to promote good relations with Austria in Italy did not stop there. With France's loss of New France to Britain and her cession of Louisiana to Spain, Carlos III felt himself alone in facing a British expansion which he and his subjects tended to regard as 'inevitable'; this threat was the more pressing since Spain had just suffered a complete military defeat in America. A thorough economic and military reorganization of the possessions overseas was urgently needed. Further-

1. Joseph, King of the Romans, had married Isabel of Parma, Don Felipe's daughter, in 1760, and Luisa, the Spanish princess, was to marry Maria Theresa's second son, Leopold; Carlos III even contemplated marrying his heir, Carlos, and Fernando IV of Naples to Austrian princesses. H. Bédarida, Les Premiers Bourbons de Parme et l'Espagne, p. 62; Danvila, IV, pp. 87-8; Palacio, p. 278; and A.R. von Arneth, Maria Theresia und der Siebentährige krieg, 1756-1763, II, pp. 361-3.

27

more, Carlos III was aware of the use that Choiseul had made of the Family Compact, to lighten the losses of France at the expense of Spain, during the negotiations that led to the Treaty of Paris.¹

Hence he sought to form an alliance with Austria, from which he expected, first, to re-affirm the status quo in Italy and to preserve peace in Europe and, secondly, to win an ally which would make Spain less dependent upon France for diplomatic and moral support. Carlos III's attempt to add a second string to Spain's bow will be discussed at a later stage.

1. Palacio, p. 232; Rashed, p. 92.

2. La secretaría de estado y del despacho universal (The Spanish ministry of foreign affairs).

In line with a general tendency in Europe towards a greater administrative efficiency,¹ Spain evolved during the second half of the eighteenth century a specialized ministry of foreign affairs or first secretary-ship of state. This evolution formed part of a general development in Spain towards rationalization and centralization of the functions of the state, which reached its final stage with the establishment of the Junta de Estado in 1787. This is the embryo of a council of ministers or cabinet, which meets regularly and coordinates the work of the various ministers under the presidency of the first secretary of state.² Carlos III was to some extent following tracks laid by his predecessors, but it was during his reign (1759-1788) that the reform of the Spanish administration gathered momentum: the King and his close advisers embarked upon a vast programme of reforms with almost 'revolutionary' zeal.³

1. D.B.Hern, The British Diplomatic Service, 1689-1789, p.1.

2. "Gobierno del Señor Rey Don Carlos III o Instrucción reservada para la dirección de la Junta de Estado", 8 July 1788; printed in B.A.E., vol. 59.

3. V. Rodríguez Casado, "La 'revolución burguesa' del siglo XVIII español", Arbor, XVIII (1951), no. 61, pp. 5-29. Ibid., La política y los políticos en el reinado de Carlos III, pp. 38-47 (hereafter cited as Casado). See also H. Kamen, "Melchor de Macanaz and the foundations of Bourbon power in Spain", E.H.R., LXXX (1965), pp. 699-716; M. Artola, "Campillo y las reformas de Carlos III", R.I., XII (1952), pp. 685-714.

At the beginning of the century government had been carried out by Councils named after the territories which fell under their jurisdiction - Castile, the Indies, Italy, etc. - or designated by the work done in them - State, War, Marine, etc. - and whose number varied from time to time. They were legislative bodies with administrative functions, and acted also as courts of appeal. The councillors were appointed by, and were collectively responsible to the king, to whom they reported in writing. For the consideration of foreign affairs the heads of each council, with the title of president or secretary, met to form the Despacho Universal, which held its meetings without the king but made recommendations to him through the first or principal secretary of state, the 'primer secretario de estado y del despacho universal'.¹

With Carlos III the functions of the secretaries or ministers were gradually enlarged at the expense of the Councils. The badly-defined spheres of action and lumbering procedure of the Councils hindered the progress of governmental work and Carlos III, conscious of the growing task of the administration, aimed at a more flexible system of

1. G. Desdevise du Dezert, L'Espagne de l'ancien régime. Les institutions, pp. 23-7. Cp. M.A. Martin, "Diplomatic relations between Great Britain and Spain, 1711-1714", pp. 83-9.

government more directly dependent on him. The centre of policy-making shifts from the cumbrous Councils to the secretaries, who are now becoming the king's servants. Very little remains of their original status as representatives of the Councils.¹

At the head of the government stood the first secretary, whose special responsibility was the conduct of foreign affairs. In so far as he advised the king on matters of war and peace, he might give coherent and unified direction to other departments of public administration, like war, marine, finances, Indies. But this depended largely on the person in charge.

Immediately after the Seven Years War a permanent Junta interministerial was set up to coordinate government work; the objective was to bring the ministers together every Thursday for the discussions of their respective activities, with a view to coordinating their decisions on matters of defence and revenue. It consisted of Grimaldi, in charge of foreign affairs, Esquilache, minister of finances and war, and Arriaga, in charge of

1. V. Rodríguez Casado, La administración pública en el reinado de Carlos III, pp. 24-31. Cp. Desdevises du Dezert, pp. 56-7, for the relegation of the Councils to the mere function of consultative bodies or honorary institutions to reward services to the Crown.

naval and colonial affairs. These three were instructed by Carlos III to report to him about the best means to improve his leadership in every branch of the administration.¹

The Genoese Jerónimo Grimaldi was the head of the triumvirate. He was born in 1720, and after a short period as minister of Genoa in Madrid, entered the Spanish service in 1746. His first mission as a diplomat was to Austria, and from there he went to Sweden in 1749; later he represented Spain at the Hague and in Paris. In the latter capital, he played a very important part in the last stage of the Seven Years War and helped to bring about the Hispano-French alliance of 1761. After the Peace of Paris, he returned to Spain to succeed Wall as first secretary of state, a post that he held until 1776, when he was driven to resign by the strong criticism levelled against him after the failure of the Spanish expedition to Algiers in 1775.² He was then

1. Grimaldi to Arriaga, 7 November 1763 and Arriaga to Grimaldi, 8 November 1763; A.H.N., Estado, leg^o 3439, no. 38. Cp. M.C.Velázquez, La España de Carlos III de 1764 a 1776 según los embajadores austriacos, pp.17-19. According to A.S.Aiten, "Spanish colonial reorganization under the Family Compact", H.A.H.R., XII (1932), p. 274, it was Choiseul who suggested Carlos III the formation of this Junta.

2. Cp. below p. 450.

sent as ambassador to Rome, retiring in 1784. In 1777 a dukedom was conferred on him and he was made a grandee of the realm; he was a member of the Order of Carlos III since its inception in 1772.¹

Grimaldi was sincerely attached to the French alliance.² But he strove during his period of office to impress upon France the colonial importance that Carlos III attached to the Family Compact. He worked for peace in Europe and usually sided with the minister of marine, Arriaga, in adopting pacific policies towards Britain, which would enable Spain to strengthen her empire. He generally limited his activities to his own department. His lack of connexion with internal matters (for foreign affairs were not likely to arouse as much opposition in Spanish circles as e.g. tax reforms) as well as Carlos III's unstinted support to those who served him well, enabled him to survive the insurrection which brought about the fall of

-
1. A.H.N., Estado, Leg^o 3421/a (Grimaldi's dossier), and Order of Carlos III, Libro 114 (C), no. 202.
 2. The standard histories for the period judge Grimaldi as too much of a Francophile and regard his appointment as primarily due to Carlos III's desire to make it clear that the official policy of Spain was friendship with France, see Casado, pp. 93-4, Gil Munilla, p. 87, Rousseau, II, p. 33, and Blart, pp. 75-6.

the other foreigner in the ministry, Esquilache, in 1766.¹

Don Leopoldo de Gregorio, marquis de Esquilache, was of Sicilian stock and low birth, but he was indefatigable in business and an expert on financial questions. His political career started in Naples as surveyor to the Neapolitan army; in 1746 he was transferred to the Customs department and by 1755, he was minister of finances, war and marine of Naples.² He followed Carlos III to Spain and became minister of Finance; four years later in 1763, he was

1. Father Olachea has informed me by letter that he is trying to piece together what looks like a "motin contra Grimaldi" in 1776 (similar to the one against Esquilache in 1766) led by Aranda, the strong man of the military aristocracy, who accused him of being pusillanimous over the Falkland Islands question, responsible for the defeat in Algiers, and inept in handling the Portuguese issue. Aranda, however, misfired in his struggle for Grimaldi's position, for Carlos III rather than reward him with the first secretaryship of state preferred to follow Grimaldi's advice and appointed Florida Blanca. Aranda had to wait until 1792, four years after Carlos III's death, before he could taste supreme power and then he kept his post only for a few months for he had to make way for Carlos IV's favourite, Godoy. For Aranda, his "Aragenese party", and his intrigues against Grimaldi, see Cañado, pp. 215-224, and R. Olachea, "En torno al ex-jesuita Gregorio Iriarte. Hermano del conde de Aranda", Archivum Historicum Societatis Iesu, Extractum e vol. XXXIII (1964), passim.
2. H. Acton, The Bourbons of Naples (1734-1825), pp. 72-3, 87; and Schipa, pp. 469-73.

appointed minister of War. These posts he held until March, 1766, when he had to be sacrificed to popular clamour.¹ During his tenure of office his influence was noticeable in all fields of the administration. He was the foremost exponent of Carlos III's reform plans; his energetic pace, however, gained him the enmity of certain reactionary Spanish groups who opposed Carlos III's fiscal and administrative measures directed to instituting a universal tax and freedom of commerce. His efficiency in raising money to further Carlos III's military and naval reforms and his skilful handling of commercial affairs in his dealings with France, bear witness to his great abilities. His outstanding services to the Crown, however, were of no avail when the Spanish population revolted against the reforms. Scarcity of wheat due to a persistent drought for six years running, 1760-6, set the mob in a propitious mood for a revolt. Behind this, the privileged bodies of the country were waiting to air their complaints against reforms. Their target was not the king but Esquilache, who was the most conspicuous of Carlos III's team of reformers and happened to be a foreigner. Moreover, his wife's ostentatious living

1. M.G. Bernard, "Liste des secrétaires d'Etat espagnols de l'avènement des Bourbons jusqu'en 1808", R.A.B.M., LXII (1956), no. 2, pp. 387-94. Cp. Danvila, IV, pp. 88-9, and Coxe, III, p. 290. Esquilache retired to Naples until 1772 when he was appointed Spanish ambassador to Venice: he died in 1785.

in a period of dearth was a good enough reason to stir up discontent within the lower layers of the Spanish population. Among those who opposed Carlos III's policies were, first, the aristocracy who feared the universal tax and resented the opening up of the administration to the lower ranks of the nobility and the middle classes; secondly, the five guilds of Madrid whose monopoly of essential commodities was put in jeopardy by the freedom of commerce in grain decreed in 1765; and, finally, the high clergy whose exemption from taxes was coming to an end.

All these circumstances brought about a conspiracy in 1766 to head Carlos III away from reform. The revolt made the King reconsider his policies and although he did not change his long-term plans, he was forced to take measures to pacify his rebellious subjects. Esquilache was dismissed on March 3rd, 1766, and his fall marks the opening of a second stage of Carlos III's reign. The King was from now on cautious; he achieved most of his aims by carefully timing his decisions and gradually

making progress without arousing too much criticism.¹

The third power in the inner councils of the Spanish administration was Don Julián de Arriaga y Rivero, minister of marine from July, 1754, and of the Indies from August of the same year until his death on January 28th, 1776. He was sincerely attached to Carlos III's pacific aims and believed that only peace could enable Spain to strengthen her possessions. However, his over-cautiousness and conservative instincts made his office colourless and caused him to delay many needed reforms. He came from the lower ranks of the nobility and was held in high esteem by all in Spain.²

-
1. The historical significance of the revolt of 1766 and its social and political implications are now undergoing a thorough re-examination. It is as yet too early to attempt a comprehensive account of the causes of the revolt, to clarify the part taken in it by the privileged bodies of the country in their fight against the growing power of new classes. Nor are the links between the revolt and the subsequent expulsion of the Jesuits in 1767, and the measures adopted in the 1770's to break the monopoly of their colegios mayores as the training colleges where the nobility prepared for the main posts of the administration, fully established. The most recent account is by Casado: but Father Olachea goes deeper into the problem and is mapping out the interplay of the various groups and interests, see his Las relaciones hispano-romanas en la segunda mitad del siglo XVIII: La Agencia de preces, and "Iriarte".
 2. Casado, pp. 88-9. The strengthening of the American Northern frontier and the advance of the Spanish border along the coastal line of the Pacific (Upper California) were achievements to his credit, according to V.L. Brown, "Anglo-Spanish relations in America in the closing years of the Colonial Era, 1763-1774", H.A.H.R., V (1922), pp. 338-44.

As a complement to the weekly meetings of these three ministers, Grimaldi, Esquilache and Arriaga, a committee of five experts, the Junta Técnica, was created in 1764 to report on commercial matters. It was in the meetings of these councils that numberless memorials were drawn up to reform the Spanish administration, to give the country more modern political and commercial institutions and to set the pace for economic recovery.¹

The Junta Interministerial does not seem to have met as regularly as was planned. One may find occasional references to ministerial meetings in periods of crisis, e.g. the Falkland Islands flare-up in 1770-1771.² But on the whole the process of policy-making took place outside these gatherings in which the issues at stake were only suggested. The various ministers concerned would then submit their views in writing to the first secretary, who in turn would weigh the evidence before him and discuss the matter with the sovereign himself.³ From these private meetings

-
1. V. Rodríguez Casado, "La labor de gobierno de Carlos III en Indias", (La Rábida lectures, unpublished, 1945)(cit. in Gil Munilla, pp. 89-90) Cp. also his "Comentarios al Decreto y Real Instrucción de 1765", Anuario de Historia de Derecho Español, XIII (1936-41), p. 101, footnote 2.
 2. M. Hidalgo Niete, La cuestión de las Malvinas, pp. 233-5; O. Gil Munilla, Malvinas, p. 98. Cp. A.G.S., Estado, legajos 6974 and 6980, for two meetings, one in October 1769 and the other in May 1771, on the entry in Spanish ports of British warships.
 3. Cp. below pp. 203-5.

Grimaldi, the first secretary of state, would leave with definite instructions which the ministers would have to carry out in their respective departments. This personal contact with the King gave the first secretary the opportunity to further his own views rather than those of his colleagues.

His successor, Floridablanca, went to great lengths to push forward the centralizing tendencies that had developed during Grimaldi's administration. His Spanish origins made him bolder; unlike Grimaldi, he was not cautious by temperament and, conscious of Carlos III's support, was less deterred by criticism levelled against him. Furthermore, Aranda, who intrigued against Floridablanca as he had done against Grimaldi, was far less dangerous for he was removed from Madrid as ambassador to Paris. Finally, there was a wider agreement on the part of the ministers and the country as a whole for the need to introduce a more effective administrative machine; Floridablanca referred to the Junta interministerial of 1763 as a precedent to forestall his critics.¹

Seen after taking over the first secretaryship of state, Floridablanca's manner grew overbearing and author-

1. See his "Observaciones", pp. 297-8, and "Memorial", pp. 343-6, in B.A.E., Vol. 59. There is an English version of the "Memorial" in Coxe (2nd edition), V, appendix 1.

itarian: he was said to desire absolute power.¹ In 1787, he established the Junta de Estado, which under his presidency was to regulate the life of the country as a legislative and executive body, and drafted the Instrucción reservada as a blue-print for the guidance of its members. The Junta de Estado, however, was very short-lived, for when Floridablanca fell in 1792 - Carlos IV having succeeded his father, Carlos III, in 1788 - Aranda's first step was to dissolve it and bring Floridablanca to trial, accused among other things of nepotism and of having arrogated to himself absolute power.²

Carlos III personally revised the Instrucción reservada, and though the document itself is by Floridablanca, the policies embodied in it, when seen against the background of Carlos III's reign as a whole, show that consistent political and social aims of reform predominated in Spain ever since his accession to the Spanish throne. This being the case, it has been argued with considerable justification

-
1. V. Rodríguez Casado, "Política exterior de Carlos III en torno al problema indiano", R.I., V (1944), p. 234. Cp. J. Ehrman, The British Government and Commercial Negotiations with Europe, 1783-1793, pp. 79-80.
 2. For his fall, see Casado, pp. 240-3. Cp. Floridablanca's two legal defences in B.A.E., vol. 59, pp. 359-508.

that only the King could have made this possible, for he remained while his ministers came and went. It is often held that Carlos III had a large share in formulating domestic and foreign policy.¹ There is no doubt that the argument is plausible, but it is not generally accepted in full. It has been shown recently that Carlos III was almost morbid in his regard for routine and methodical habits; qualities which do not constitute the makings of a dynamic great ruler. He seems to have had no imagination of his own.² Therefore it seems safer to look upon him as a reformer, an enlightened king, who supported ministers likely to go in the direction of reform. For Carlos III was quite firm, not to say stubborn, once he had subscribed to a policy in its broad and general lines, though he had no part in shaping the various stages of putting it into practice. The ministers were therefore free to follow their own minds, provided they acted within the prevalent framework of ideas supported by Carlos III.

-
1. Desdevises du Dezert, pp. 14-19, 56-7; see also Casado, R.I., V (1944), pp. 231-2. Cp. more recently J. Lynch, Spanish Colonial Administration, p. 3; and N.M. Farriss, "Ecclesiastical immunity in New Spain, 1760-1815", pp. 35-6.
 2. E. de Tapia Ocariz, Carlos III y su época, pp. 197, 248-53; P. Voltes Bou, Carlos III y su tiempo, pp. 176-87.

In foreign policy one can clearly see during his reign a system firmly established with the signature of the Family Compact - friendship with France against the common enemy, Britain, and peace in Europe. A succession of first secretaries and under-secretaries of state and Spanish representatives abroad supported the French alliance as a means to preserve peace in Europe while strengthening the defences of the country and its overseas possessions against the expansive aims of Britain. In the sphere of foreign affairs the King's own share in decisions must be recognized.

When he succeeded to the Spanish throne, he found the Anglophile Wall in charge of foreign affairs, but he soon evolved a French policy which culminated in the Family Compact of 1761; it laid the foundations of Carlos III's diplomacy. The negotiator of this alliance, Grimaldi, was called upon to succeed Wall immediately after the Treaty of Paris that brought to a close the Seven Years War; and when he resigned in 1776, he managed to persuade Carlos III to appoint Floridablanca as his successor.

The latter had not only acquired a well-deserved prestige as a diplomatist during the negotiations in Rome for the suppression of the Jesuits but he also had the backing of a powerful group in the diplomatic service, whose influence in the ministry of foreign affairs during

the late 1760's and 1770's proved decisive. This league of covachuelistas, who derived their name from the fact that they had served under Grimaldi in the foreign office,¹ was a means of self-protection for manteistas and golillas, that is, burgueses ilustrados,² against the powerful ring of Jesuits and colegiales mayores (scions of the nobility educated by the Jesuits in these colleges), which in 1765 controlled 80 per cent of all important posts in the church and in the state. The burgueses ilustrados had the support of the sovereign, who by reforming the colleges and creating new ways - such as the Order of Carlos III - to reward their services publicly did much to break the monopoly of the colegiales mayores, though these were still powerful at the end of the century.³

The situation in the foreign service, if compared with the strong position held by the colegiales mayores in all

-
1. Desdevises du Dezert, p. 23. Covachuela was the name for the secretaries' offices; the first secretary being the grand-maitre of this bureaucracy.
 2. For these terms, see M. Herrero, "Notas sobre la ideología del burgués español del siglo XVIII", A.E.A., IX (1952), pp. 297-326, and A. Morel-Fatio, "La 'golilla' et l'habit militaire", Bulletin hispanique, 1904, pp. 60ff.
 3. L. Sala Balust, Visitas y reformas de los colegios mayores de Salamanca en el reinado de Carlos III. For the Order of Carlos III, see Fernán-Núñez, I, p. 235, and Casado, pp. 114-8, 221-2. Father Olaechea will shortly publish "Thomistas y jesuitas, manteistas y colegiales mayores en el reinado de Carlos III", see his article on "Iriarte", pp. 164-8, 185-6, 192.

other branches of the administration, especially in the Councils and in the Church, was quite different. This situation is partly explained by the reluctance of the colegiales mayores to serve abroad as private secretary to some ambassador or minister, or at home in the secretaries' offices;¹ but undoubtedly the rising burgueses ilustrados had also been particularly encouraged by Grimaldi with Carlos III's support.

In 1773, there were ten officials in the foreign office. Their names in order of the importance of their posts were: Bernardo del Campo, Bernardo de Iriarte, Simón de las Casas, Eugenio de Llaguno, Miguel de Otamendi, Andrés de Llaguno, Domingo de Iriarte, Francisco Escarano, Ignacio de Heredia, and José de Anduaga y Garimberty.² Of these, five are believed to be covachuelistas: Campo, Casas, E. and A. de Llaguno, and Escarano. The Iriarte brothers, Bernado (oficial mayor menos antiguo) and Domingo (oficial sexto),

1. Olachea, "Iriarte", pp. 164-5.

2. A.H.N., Estado, legajos 3449/1, 3422/1-2.

were very probably members of the group.¹ Anduaga joined the foreign office in November 1773; Grimaldi appointed him oficial de partes for his satisfactory services in Rome under Floridablanca, who was also a member of the group.² Otamendi was a colegial;³ and Heredia, though Aranda's man, was a burgués.⁴

1. Olachea has identified so far seven covachuelistas; "Iriarte", passim. For Bernardo Iriarte and his friendship with Azara, colegial mayor who joined the group, see C. Corona, José Nicolás de Azara, pp. 71-2 and Olachea, "Iriarte", p.165, note 48. Llano, who joined the first secretary's office in 1742, was the first official during Grimaldi's first years in office, and died in 1794 as ambassador to Vienna (A.H.N., Estado, leg° 3433/1). Casas, whose father was an official in the foreign office, joined it in 1760 and ended up as ambassador to Naples and Venice (A.H.N., Estado, leg° 3455, no.19). Francisco Escarano y Triviño was secretary to the Spanish embassy in London from 1767 to 1780, when he returned to the first secretaryship of state; in 1783 he was appointed to the Postmastership General (A.H.N., Estado, leg° 3414/2). Eugenio Llaguno joined the foreign office in 1763, and succeeded Campo as first under-secretary in 1783; in 1787 he was made secretary of the newly-created Junta de Estado. His brother, Andrés, joined him in 1765 and was second under-secretary in 1787 (A.H.N., Estado, legajos 3433/1 and 3449/2).
2. A.H.N. Estado, legajos 3422/1 and 3427/2.
3. Olachea, "Iriarte", p.192. Otamendi joined the first secretary's office in 1764 and was sent to London in November of the same year to succeed Carrión as secretary to the Spanish embassy; there he remained until 1767. Back in Madrid, he was second under-secretary of state in 1787, when he was transferred to the Post Office, then a department of the first secretary of state (A.H.N., Estado, leg 3446/2; A.G.S., Estado, leg° 6956; cp. Floridablanca, "Observaciones", B.A.E., vol.59, p.294.
4. Olachea, "Iriarte", p. 197.

Three covachuelistas were abroad: José Nicolás de Azara (Rome), José Agustín de Llano (Parma), and Fernando Magallón (Paris). The pride of the new men in their work as well as in their posts is well demonstrated in this letter from Llano to Azara on July 25th, 1772:¹

"Simón de las Casas is to be left in charge of affairs in Vienna this winter... Thus the three most important embassies and the mission to Parma will be under the care of four covachas de Estado, and four dukes could not do it better."²

If we turn to one of the covachuelistas serving at home, Bernardo del Campo, the first under-secretary of state during the 1770's, and look a little closer into his career, we may get some insight into the way foreign affairs were conducted and the close relationship between the men who formulated policy in Madrid and those whose job was to execute it, as well as into the increasing professionalism of a permanent diplomatic corps now being fashioned.

1. Quoted in Ibid., p. 185, note 176.

2. In Rome, there were Floridablanca as ambassador from April 1772 and Azara as agente de preces from 1766; Spain sent two representatives to Rome, one from Head to Head of State and another one from the Head of a Catholic country to the Head of the Catholic Church; see Olaechea, I, pp. 337-9, 373-6. London could be added to this list for Escarano was in charge of affairs since August 1772 for nearly three years while Masserano was absent.

Don Bernardo del Campo, of known Castilian parentage from the province of Burgos and what may be called a country gentleman,¹ first came into sight as private secretary to Fernando VI's minister in London, Don Félix de Abreu. From London he joined the first secretary's office in 1757, probably through Abreu's recommendation. He worked his way up quite rapidly. By 1773, he was the first under-secretary of state (oficial mayor más antiguo), and it is probable, to judge from the large amount of correspondence that he docketed and drafted previous to that date, that he had reached the top of the ladder a few years earlier.²

There he remained until 1783. During those years he was a close collaborator of Grimaldi's and in charge of the English correspondence. There seems to have been some specialization in the distribution of work which normally led to appointments to countries with which one was most familiar.³ Del Campo's influence with Grimaldi helped him to further Floridablanca's career when the former retired to

-
1. A.H.N., Estado, leg° 3416/1. He was given the Order of Carlos III in 1772 and was its first secretary; A.H.N., Carlos III, Libre 114(B), ff. 9 and 24.
 2. He appears as first under-secretary in a list of officials of 1773, A.H.N., Estado, leg° 3449/1.
 3. Floridablanca, when accused of nepotism in respect of foreign appointments, argued that José Agustín de Llano's mission to Vienna as ambassador was wise, for he had been for several years in charge of the Austrian correspondence; "Observaciones", B.A.E., vol.59, p. 291.

Rome in 1776.¹

Campo was also the secretary to the Council of State since 1776.² The Council of State had declined considerably and its influence in public matters was practically negligible. Indeed, the fact that the first under-secretary of state held the secretaryship to the Council as well, bears out the increasing power of the minister at the expense of the Council, which remained as a source of patronage to drop out of sight when the Junta de Estado was established in 1787; the first under-secretary of state, Eugenio de Llagune, was also appointed secretary to the newly-created Junta.³ The Council of State reappeared in 1792, and during the intervening five years councillors continued to be appointed.⁴

1. Campo first tried to get Floridablanca the Presidency of the Council of Castile when Aranda vacated it in 1773, and later on successfully persuaded Grimaldi that Floridablanca would be the best successor for the first secretaryship of state; Olachea, "Iriarte", pp.196-7, 223-6.

2. Grimaldi to Aranda, 7 October 1776, A.H.N., Estado, leg^o 4168.

3. See above p. 44, note 4.

4. For instance, Sebastián de Llano y la Quadra, who represented Spain in Vienna, Denmark, Sweden and Amsterdam, was made councillor of state in 1789, A.H.N., Estado, leg^o 3416/2.

In 1783, Campo was sent to London as minister plenipotentiary; and Floridablanca, who did not forget Campo's services in 1776, obtained for him ambassadorial rank in 1787.¹ From London he was sent to Vienna in 1795, and a few months later to Paris, where he died in 1800 after 43 years of uninterrupted diplomatic service.²

Campo was a good example of the career diplomatist in eighteenth century Spain. His exhaustive training in the first secretary's office and his long service abroad can be paralleled if not equalled by others, and this helps to explain the sense of continuity in Spain's foreign policy during Carlos III's reign and the increasing professionalism of her foreign service. It seems clear that these officials as a class supported, and even inspired in part, Carlos III's social and administrative reforms.

Unlike Campo, who was promoted to the rank of first under-secretary in a relatively short time, most of his colleagues in the 'covacha de Estado' took over twenty years

1. For their friendly relations, see Egerton Mss. 373 (private correspondence, 1786-7); B.A.E., vol. 59, pp. 291-2.

2. A.H.N., Estado, leg^o 3416/1.

to reach higher posts in the first secretary's office from the moment they joined it as oficiales de partes.¹

Generally speaking, these officials combined service at home with stays abroad of varied length as embassy secretaries, especial envoys or ministers. Time in the service seems to have been the main criterion for advancement on the diplomatic ladder.²

The recruitment of these men does not seem to have been done in accordance with any established system of selection. On the whole, they were recommended to the foreign secretary. It is perhaps possible to notice some preference for those who had already had some diplomatic experience abroad as private secretaries to diplomats; but university teachers became more and more frequent by the 1780's.

-
1. The rungs of the foreign office were oficial de partes, eighth to second official, and two first officials (under-secretaries), junior and senior.
 2. Those that were posted abroad were replaced in the foreign office, but their names figured in the official list for purposes of promotion; Floridablanca to Zambrano, 30 December 1787, A.H.N., Estado, leg^o 3449/2.

For the social background of the diplomatic officials, some tentative conclusion may be gathered from the large proportion of 'covachuelistas' in the foreign office ~~in~~ *the foreign office* in the 1770's. Most of them belonged to that enlightened section of the population, the 'burgueses ilustrados', composed of lawyers, administrators, men of letters, who had taken their degrees at state universities (as opposed to the colegios mayores run by the Jesuits), or joined them after having studied in these colleges, like Azara or his nephew, Bardaxi.¹

It seems probable, to judge from the power held by Floridablanca, himself a most illustrious lawyer from a modest family background, and from the establishment of the Junta de Estado with its strong emphasis on talent, experience and duty to serve the state to the best of one's ability whenever called upon,² that this trend was accentuated in the 1780's.³

1. Olachea, "Iriarte", p.165, note 48, 232.

2. "Instrucción Reservada" (B.A.E., vol.59), paragraphs XLIV-XLVI, XCVI.

3. Much more needs to be known about the educational and social background of those joining the foreign service before the development that is outlined here may be conclusively proved. Floridablanca lists (B.A.E., vol. 59, pp. 304-5) the candidates that he himself admitted into the foreign office while he was in power; his list is not very useful for our purpose, since he simply says that there were two university teachers, one academician, four sons of army officers, two of state councillors, one recommended by Carlos IV, while still the heir apparent, one of his own following, and two more.

Prior to 1783 there seems to have been no official attempt to establish any scheme to educate and train diplomatists.¹ Such applicants as were admitted into the foreign service during the eighteenth century had not had a specialized education, and hardly any diplomatic experience; there were some who had travelled abroad or come into contact with the diplomatic world as private secretaries to diplomatists, but by and large they learned their trade in the minor posts in the first secretary's office and were only slowly promoted.

Acquiring foreign languages was deemed to be essential for anyone who hoped to join the foreign service. However, it was not until 1783 that a group of young men in their early and middle twenties applied to be sent abroad as jévenes de lenguas to study foreign languages and learn the essentials of diplomatic practice with a view to joining the foreign service after their apprenticeship.² Their training was to last three years, during which they would

1. The need for planned education and training of diplomatists was generally held in Europe in the eighteenth century; Horn, pp. 123-30.

2. A.H.N., Estado, legajos 3449/1, 3422/2, and 3427/2.

be closely supervised by the heads of the missions to which they were attached. These attachés were to be boarded and lodged by the heads of the missions, and some salary was to be allocated to them.¹ After three years, they would either be given posts at home or abroad, or be retired if they were not promising or no suitable posts were vacant.²

The system did not operate for any length of time. Of the young men who applied to go abroad as jévenes de lenguas in 1783, nothing else is heard in later years. Indeed, only of one of them can it be proved for certain that he succeeded in being sent abroad: José Martínez Hevia who went to Turkey in 1784.³

-
1. These details come from the personal record of one of these young men, José Martínez Hevia; A.H.N., Estado, leg^o 3427/2.
 2. D. Iriarte to Floridablanca, Vienna, 12 May 1785, A.H.N., Estado, leg^o 3433/1.
 3. According to F. Antón del Olmet, El Cuerpo diplomático español en la guerra de la Independencia, I, pp. 232-3, and III, p. 378, two more attachés, one to Paris and the other to Turkey, were sent in the 1790's.

New features in Spain's diplomatic service in the later part of the eighteenth century were, firstly, the establishment of the secretaría de interpretación de lenguas under the direction of a "general translator".

It came into being before 1772 and its task was to translate authoritatively from and into nine languages - Latin, French, Italian, Portuguese, Limousin, English, Flemish, Dutch, and German. In 1790 the status of this ancillary service was raised to the rank of the secretaryship to the Councils and High Tribunals.¹ Secondly, the appointment took place of a specialist archivist, first mentioned in the late 1780's, who kept the records with the help of two assistants.² Finally, an introducer of foreign ambassadors appeared in the 1790's.³

There were also in the foreign office, several porteros (administrative officials), the first of whom was in charge of the budget, allocation of funds and payment of

1. A.H.N., Estado legajos 3427/1, 3447, 3449/2, and 3477.

2. Ibid., leg° 3449/2.

3. Antonio de Castilla y Casasus (A.H.N., Estado, leg° 3417); he is still in office in 1808, sharing his functions with Ventura Ortiz de Guinea (Antón del Olmet, II, p. 147).

salaries. Most of the money seems to have come from the Post Office, which was a department of the first secretaryship of state. The Treasury contributed towards stationary expenditure.¹

To sum up: one may see during the period studied here how the foundations were laid for a professional class of diplomatists and foreign office officials. Despite the reversal to nepotism which has been judged typical of Godey's term of office in the 1790's and 1800's,² these were the bases on which to build in the future. They were part and parcel of the Enlightenment in Spain with its emphasis on social mobility in the recruiting of diplomatists and ministers, and increasing specialization in the foreign office.

1. A.H.N., Estado, legajos 3458/1, 3413/1-2.

2. Antón del Olmet, I, pp. 311-332.

3. Hispano-French relations after the Treaty of Paris of 1763.

a) Co-operation within the framework of a different system of priorities: Commercial differences.

Although the losses of France in the Seven Years War could have been worse, the defeat weighed heavily upon Choiseul. The last peace had stripped her of New France and the loss of her prestige, together with the growth of British power and the rise of Russia and Prussia, had brought about a decline in European estimation.

But Choiseul did not lose heart. France was able to recover from the heavy blows inflicted by Britain; her metropolitan territories remained intact, and the solid formation of her territories presented a formidable aspect to contemporaries. Furthermore, France was left in 1763 with bases in every important area - Goree, the West Indies, trade settlements in India, and a share in the fisheries of Newfoundland - from which advances could be planned.¹

The French minister had realized by now that the Continental phase of the Seven Years War had handicapped

1. F.P. Renaut, Le Pacte de Famille et l'Amérique, pp.53-9.
See also C.H.B.E., I, p. 685; Rashed, p. 208.

France's performance overseas to the advantage of Britain. In future, he intended to keep Germany at peace in order to concentrate French resources on a war of revenge on Britain as soon as France was ready to engage herself in war, which he reckoned would be in five years' time. Choiseul was now reconsidering the Austrian alliance and was minded not to be swayed by requirements from Vienna, which had in the past diverted France from "la guerre de mer et d'Amérique qui était la véritable guerre".¹

Peace in Central Europe was relatively secure; Prussia was in possession of Silesia, and Choiseul had no intention of encouraging Austria to regain it. Moreover, the Austrian alliance was quite safe, since the Prusso-Russian rapprochement of 1763 led Vienna to adhere more strongly to the French. This, however, did not mean that Austria might be persuaded to support France outside Europe; in fact, Austria was determined also to spare Central Europe the heavy burden of a war to suit Choiseul's colonial schemes. Spain therefore became the mainstay of Choiseul's struggle with Britain.

The French minister looked on the Family Compact as the means of bringing about the prosperity of France and the

1. E. Daubigny, Choiseul et la France d'outre-mer après le Traité de Paris, p. 28.

decline of Britain. Although he did not think much of present Spanish military resources, the support of the Spanish navy was essential to overcome Britain's naval superiority, and the existence of a flourishing commerce with Spain and her extensive American markets would give France the means to regain the lost strength and to entertain new colonial adventures.

In the first place, Choiseul contemplated waging war against Britain without Spain. France's ally, with her extensive liabilities and inadequate military resources, was more of a hindrance than a help. If France failed to defeat Britain, Choiseul would then use Spain, as he had done in the last stage of the Seven Years War, to spare France; Spain would be used to foot the bill. There was, however, a military diversion that Choiseul believed Spain might make effectively; an attack on metropolitan Portugal would reduce Britain's striking power overseas, which might enable France to make an attempt on Jamaica. An attack on Portugal would furthermore enable Spain to obtain compensation for losses likely to occur elsewhere. Finally, Portugal was the only area where Spain was able to be of any real help in the war effort against Britain.

But Choiseul was opposed to any idea of permanent occupation of either metropolitan or colonial Portugal; in this he disagreed with Beliardí, his commercial agent in Spain, who envisaged the eventual partition of Portugal and

Brazil between Spain and France. Choiseul expected as suitable compensation for France the Spanish part of Santo Domingo and the two Louisianas, while Spain would gain Gibraltar in Europe, and Jamaica and the two Floridas in America.

In the second place, Choiseul understood that France would feel herself obliged to join Spain, should she be engaged first in war with Britain. To help her become a less vulnerable ally, Choiseul began immediately after the Treaty of Paris to hasten military and naval reforms in Spain. And under guise of strengthening her overseas possessions against the British threat, he also suggested that France should be allowed the use of strategic points in America: the Falkland Islands and Juan Fernández Island at either side of the Magellan Straits, and the Philippine Islands.

In return for this protection, Choiseul wanted a considerable improvement in France's trading position in Spain and a share in the trade with the Spanish Indies. Article 24 of the Family Compact of 1761 stipulated reciprocity between the two contracting powers in commercial matters and most-favoured-nation treatment. The French looked on this article as the means of clearing up commercial difficulties between the two allies and of substituting France for Britain as Spain's main trading partner.

Furthermore, the French had in sight a two-nation economy, dividing French and Spanish exports to America. France, with a more advanced industrial system, was to supply the colonies with manufactures, while Spain should concentrate on the production of raw materials. By pooling their resources, France expected, Britain could be excluded from trade with Spain and Spanish America.¹

The channels of French influence were, firstly, the French ambassador extraordinary to the Spanish Court, Marquis d'Ossun. He had already represented France in Naples since 1752, and when Carlos III succeeded Fernando VI to the Spanish Crown in 1759, Ossun followed him to Madrid, at Carlos III's request, where he remained until 1777. There appears to have existed a close friendship between the French diplomat and the Spanish King.²

-
1. Recueil, XII bis (Espagne), pp.353-7; Mémoires du Duc de Choiseul, pp. 387-9. Cp. Daubigny, pp. 1-29; Blart, pp. 78-84; J.F. Ramsey, Anglo-French relations, 1763-70, pp. 146-50, 162-4; A. Christellow, "French interests in the Spanish empire during the ministry of the Duc of Choiseul, 1759-1771", H.A.H.R., XXI (1941), pp. 520-30; Gil Munilla, pp. 92-4. For France's own military preparations and the evolution of her plans for a descent on Britain, see A.T. Patterson, The other Armada, chapters I and II.
 2. Recueil, X (Naples et Parme), pp.75-6; XIIbis (Espagne), pp. 337-48. See also Casado, pp. 98-9; Blart, pp.13-4, 47-8 and note 2. Carlos III made him a grandee in 1765; A.H.N., Estado, leg° 2510, no. 5.

Choiseul, not trusting him, preferred to communicate directly with Grimaldi or to hold discussions in Paris. He had a close associate and a reliable helper in the abbé Beliard, general French agent of Marine and Trade in Spain from 1757 to 1771, who furthered his commercial schemes.¹ On the Spanish side, he also had Carlos III's ambassador in Paris, Fuentes, whom his contemporaries considered a man of no great abilities and rather gullible where Choiseul was concerned.²

Joaquín Atanasio Pignatelli de Aragón, the sixteenth Conde de Fuentes, was one of the prominent members of the aristocratic "Aragonese party", headed by Aranda and closely knit together by various marriages.³ He arrived in Paris on 21 February and remained there until 10 September 1772, when

-
1. For Beliard, see P. Muret, "Les papiers de l'abbé Beliard et les relations commerciales de la France et de l'Espagne au milieu du XVIII^e siècle", R.H.M.C., IV (1902-3), pp. 657-72; Blart, pp. 47-8; and R. Hilton, Four Studies in Franco-Spanish relations, pp. 51-7.
 2. A. Morel-Fatio, Etudes sur l'Espagne (Deuxième série), pp. 133-5. For Choiseul's poor opinion of him, see A. Bourguet, Le Duc de Choiseul et l'Alliance Espagnole, p. 91; and Recueil, XII bis (Espagne), pp. 443-4.
 3. L. Coloma, Retratos de antaño, passim.

he left for Spain at his own request.¹

Through these men Choiseul helped the transference of French naval and military experts to Spanish service, and sought to influence Spanish counsels in the appointment of individuals of French sympathies for the advancement of his policies.²

But Carlos III, though welcoming French technical assistance in strengthening the Spanish empire and in fostering Spain's economic recovery, intended to act with exclusively Spanish interests in mind. The energetic period of close co-operation between France and Spain that has been judged typical of the middle 1760's is, therefore, to be understood within the framework of the different system of priorities.³

The unfortunate results of the last war aroused censure in Madrid, but Carlos III and his advisers remained convinced that the Bourbon alliance was irreplaceable as

1. A.H.N., Estado, leg° 3450/2; Magallón to Grimaldi, 11 September 1772, no. 254, A.G.S., Estado, leg° 4586. The able Fernando Magallón was the secretary of the French embassy, and was left in charge of affairs until Aranda's arrival a year later; for his dossier, see A.H.N., Estado, leg° 3427/1. Cp. Flammermont, Rapport, pp. 458-9; Aiton, Hispanic-American Essays, p. 143.
2. Aiton, H.A.H.R., XII (1932), pp. 269-80. See also Renaut, pp. 117-21.
3. Cp. Christellow, H.A.H.R., XXI (1941), pp. 520-3.

protection and support in any undertaking against Britain. Furthermore, France as an enemy could be a very serious threat to Spain's territorial integrity.¹ In respect of Britain, the Family Compact was therefore a mutually useful alliance and, hence, a secure one. But whereas France was able to stress its offensive character in a war of revenge on Britain, the main obstacle to French prestige and power, Spain, with an overgrown empire extremely vulnerable to Britain's expansive aims, emphasized the defensive needs of her territories. Indeed, the whole ambitious plan to reform from above all the branches of the Spanish administration, colonial as well as domestic, on which Carlos III embarked after 1763, was motivated by military needs rather than by a socially constructive outlook. Likewise, Carlos III's economic policies were, in the first place, means of raising revenue to finance defence expenditure.²

1. Grimaldi to Fuentes, 17 January 1764; A.H.N., Estado, leg^o 3457/2, no. 39. Cp. CODOIN, CVIII, p. 465; B.A.E., LIX, pp. 258-63.

2. Cp. N.C.M.H., VIII (R.A.Humphreys), pp. 398, 400; J. Lynch, Spanish Colonial Administration, 1782-1810, p. 3.

With the help of French technical advice and French experts, the Spanish army was modernized according to Prussian principles, the American forces were reinforced by creating native milicias to spare the expense of sending troops from the peninsula, and Juan Fernández Island, Chiloe and several other ports along the Pacific Coast were strengthened.¹ The navy was provided with four new frigates and six ships of the line built under the supervision of a French naval engineer in the Spanish service, Gautier.²

Beyond this technical co-operation, however, there was Carlos III's determination to prevent France from reaping the benefits of his reforming policies. The measures adopted by Spain to secure control of the South Seas were prompted in part by Choiseul's expressed desire to be allowed the use of strategic points in America. Carlos III was no better disposed to allow France's

-
1. Brown, H.A.H.R., V (1922), pp. 338-50; Aiton, H.A.H.R., XII (1932), pp. 269-80; L.N. McAlister, "The reorganization of the Army in New Spain, 1763-6", H.A.H.R., XXXIII (1953), pp. 1-32; V. Rodríguez Casado, "El Ejército y la Marina en el reinado de Carlos III", Boletín del Instituto Riva Agüero, III (1956-7), pp. 129-56; and V. Rodríguez Casado and F. Pérez Embid, Construcciones militares del virrey Amat, especially ch. II.
 2. He was appointed general director to the Naval Engineers in the Spanish Navy in 1769 and awarded the Order of Carlos III in 1772; see Velázquez, p. 74; Grimaldi to Fuentes, 24 April 1769, A.H.S., Estado, leg^o 4570; A.H.N., Estado, Libro 114(C), no. 79.

presence in the nerve centres of the Spanish Indies than he was towards the existing English colonies and their expansive aims.

As regards commerce, the same determination became apparent soon after the Peace of 1763. The following year a royal ordinance was sent to America to instruct officials that the Family Compact did not imply that the French were to enjoy privileges denied to other foreign traders.¹

Spain's economic aims were the elimination of foreign competition as a means of achieving self-sufficiency by way of new industries and improvements in the old ones. In the short run, however, Carlos III still had to connive at foreigners trading with Spain, as she could not provide America with enough manufactures; but he sought to canalize these European imports so as to be able to control them and suppress those which might hinder the advance of Spanish products. Contraband trade was, therefore, particularly dangerous to his plans, for it escaped control. In the early 1760's rough estimates of the large amount of goods smuggled into Spain and Spanish America became known in Madrid.²

1. Real Orden of 13 December 1764; Gil Munilla, pp. 105-6.

2. For these estimates, see Casado, A.H.D.E., XIII (1936-41), p. 112; Gil Munilla, p. 103; H.E.S. Fisher, "Anglo-Portuguese Trade, 1700-1770", pp. 65-6.

Carlos III's measures to halt foreign competition were the liberalization of trade within the empire as a means of lowering prices to reduce incentives to foreign trade, enforcing the right of search of foreign ships and improving the coast-guard system, ending preferential tariffs, and preventing the unauthorized export of bullion and coin. Although much was achieved, the results were not as satisfactory as had been hoped.¹

As regards Britain, her commercial strength rested on treaty privileges which Spain was in no position to challenge openly; furthermore, it was impossible to prohibit export of bullion and gold and silver coins when the balance of payments was always against Spain. British and Spanish economies were, to a great extent, complementary, and Spain could not help admitting manufactures which she herself was unable to produce to satisfy American demand.² Anglo-Spanish trade soon got back to its state prior to Spain's entry in the Seven Years War;³ and, despite Carlos III's

-
1. For Spanish commercial theories and policies, during Carlos III's reign, see J. Munez Pérez, "Ideas sobre comercio en el siglo XVIII español", E.A., XIX (1960), pp.47-66; J.H. Parry, The Spanish Seaborne empire, chapter XVI; and J.C. La Force, The Development of the Spanish Textile Industry, 1750-1800, ch. VIII.
 2. A.Christellow, "Great Britain and the Trades from Cadiz and Lisbon to Spanish America and Brazil, 1759-1783", H.A.H.R., XXVII(1947), pp.9-23.
 3. F.Spencer, The Fourth Earl of Sandwich: diplomatic correspondence, 1763-5, p.16, note 3.

economic policies, the Anglo-Spanish trade was still important to both countries in the middle 1780's.¹

French trade, on the other hand, was severely hit. From the moment of his accession to the Spanish throne, Carlos III made no bones of his determination to halt French economic infiltration.² The French had held the lead in the Spanish trade until the middle of the eighteenth century, when they lost it to British superior techniques and financial resources, and a widespread and more flexible market. Their inability to compete with the English was rendered still worse by Carlos III's efforts to improve Spain's own economy, for Spanish and French economies were competitive, and French products were therefore more seriously affected. Furthermore, France, bound to Spain by principles of political necessity, could not use the vigorous methods of Britain in Spanish and American waters.³

-
1. See the reports from consuls Munro (Cádiz) and Katencamp (Coruña) in 1785, F.O. 72/6. Cp. Ehrman, pp. 17-18.
 2. Fuentes' instructions, 17 January 1764, A.H.N., Estado, leg° 3457(2). Cp. C.Rambert, "La France et la politique commerciale de l'Espagne au XVIIIe siècle", R.H.M.C., VI (1959), p.282, note 1; B.A.E., vol.LIX, paragraph 305 (p. 258).
 3. Christellow, H.A.H.R., XXI (1941), pp.519-520, 535; and XXVII (1947), pp. 2-8, 18-20.

France's only hope of fostering trade with Spain, therefore, was to obtain commercial concessions by treaty. For six years (1762-1768), the French strove for this commercial treaty which would restore them to their favourable position in the past, but they failed to procure any commercial concessions from Spain. A Convention was signed on 2 January 1768 to settle the disputes arising from the interpretation of art. 24 of the Family Compact of 1761. It stipulated that Spain's right of visit should be compulsory for all French ships entering Spanish ports in Europe and discretionary for ships under 100 tons.¹ That the Spaniards used this treaty from now on to cope with the persistent attempts on the part of French merchants entering Spanish ports and, conversely, that the French invoked previous treaties to avoid complying with the regulations laid down in 1768, demonstrates the measure of Carlos III's success.² However arduous it was to implement these regulations against a greatly needed ally, Carlos III had there a legal tool which helped him to tighten up control of goods from France.

-
1. For an account of the strained relations between the two countries, see Blart, pp. 45-70. Cp. Rambert, R.H.M.C., VI (1959), pp. 281-288; Christellow, H.A.H.R., XXI (1941) pp. 536-7.
 2. Fuentes to Grimaldi, 8 July 1771, no. 879; Grimaldi to Fuentes, 22 July 1771; A.G.S., Estado, leg. 4579. Grimaldi to Fuentes, 4 December 1771, leg. 4581.

This resulted in further decline of French trade in Spain; Vergennes, the French minister of foreign affairs, complained in 1786 that the Family Compact, as regards commerce, had not given France any privileges which Britain did not enjoy.¹

b) The enlargement of the Family Compact: the question of the Neapolitan accession.

An indirect source of friction between Spain and France in the middle 1760's was the latter's attempts to rally the former to her support in persuading the Neapolitan branch of the Bourbon family to join the Compact of 1761, as anticipated in art. 19.²

Choiseul made the first attempt to enlist Spanish support soon after the signature of the Franco-Spanish alliance. He was mainly prompted by commercial considerations. France was now engaged in a prosperous trade, licit

1. Recueil, III (Portugal), p. 401. Cp. the Conventions of 1774 and 1786 between Spain and France in Cantillo, pp. 523-6, 617-21 respectively.
2. The accession of the fourth Bourbon branch, Parma, was also mooted, but no serious attempt was made to bring it about, owing to Parma's political and commercial insignificance.

as well as illicit, with Naples.¹ Her favourable position rested largely on art. 10 of the Treaty of Madrid of 1667 which, as in the case of Britain, exempted French ships from search by the Customs.² Like Spain, since the late 1750's, Naples sought to enforce the right of visitation of small ships (one deck) used by smugglers, arguing that subsequent changes of sovereignty had invalidated French exemption; the Treaty of Madrid included Naples, for she was at the time a possession of the Spanish Sovereign, signatory to the Treaty. The French disputed this argument, but preferred a different and, it was hoped, a more profitable line of approach. Choiseul's view was that the best way to reach an understanding with Naples on commercial matters was to persuade Carlos III to prevail upon his son, Ferdinand IV, to join the Family Compact, which stipulated (art. 24) reciprocity between the contracting powers and most-favoured-nation treatment. In return for the political alliance, Choiseul expected from Naples similar commercial concessions to those hoped for from Spain.

In principle, Carlos III was willing to enlarge the

-
1. R. Romano, Le Commerce du Royaume de Naples avec la France et les pays de l'Adriatique au XVIIIe siècle, part I.
 2. The text of the Treaty of Madrid is in Jean Du Mont, Corps Universel Diplomatique..., Vol. VII, part I, pp. 27-33.

Family Compact to include the Neapolitan branch of the Bourbon family as a means of securing his relatives' territories in Italy. In fact, he put his signature to article 19 of the Treaty of 1761, whereby he undertook to promote Naples' accession, and made a formal request to her at the beginning of 1762. However, he was in no haste to press for an answer at this early stage and in view of the Seven Years War still going on.¹

Naples for her part was against joining the Franco-Spanish alliance from the very beginning. Tanucci, the head of the Regency Council during the minority of Ferdinand IV,² saw no need for the French alliance, for Austria had agreed to guarantee the status quo in Italy as established after Carlos III's departure from Naples.³ Furthermore, he was fully aware of the anti-British character of the Bourbon league, and had no intention of exposing his country to the guns of the British Mediterranean fleet.⁴ Indeed, no sooner had the subject of the accession

1. Palacio, pp. 281-2.

2. The Neapolitan King was eight years of age when he succeeded his father Carlos III to the throne in 1759.

3. Cp. E. Viviani della Robbia, Bernard Tanucci ed il suo più importante carteggio, I, p.113; Acton, pp.108-10.

4. Tanucci no doubt had in mind 1742, when British ships pointing their guns at Naples compelled Carlos III, the then King of the Two Sicilies, to remain neutral in the war of the Austrian succession; for this incident, see Danvila, I, pp.218-24 and N.C.M.H., VII, p. 426.

been broached to him, than Tanucci proceeded to assure Britain of his determination not to join the Family Compact or take any step inconsistent with British friendship.¹ As regards commerce, Tanucci was equally determined not to grant French trade any concessions.²

While the Seven Years War was going on, Tanucci was able to procrastinate with the connivance of Carlos III, who did not wish to make things difficult for Naples. But on the eve of the Peace of 1763, he had to be more positive to ward off French pressure. In April, 1763, Choiseul complained of Tanucci's delaying tactics and urged Grimaldi, still Spanish ambassador in Paris, to remind Carlos III of the desirability of the Neapolitan accession and of his promise to promote it.³

When Tanucci was approached by Spain, he sought to weaken Carlos III's interest in the accession by accusing Choiseul of having lost Spanish Florida to Britain to provide

1. Gray to Egremont, Naples, 18 April, and 16 November 1762 (both in cipher), S.P. 93/19.

2. Cp. Fausto Nicolini, Amici e corrispondenti francesi dell'abate Galiani, I, pp. 30-1.

3. Masserano to Wall, Paris, 30 September 1763, no. 1, A.G.S., Estado, leg^o 6956; Palacio, pp. 282-3.

France with a better peace. Aware of Spain's own campaign against French contraband trade, he also contended that the accession would bring a source of disputes into the Family Compact if Franco-Neapolitan altercation over Naples' right of visitation of French ships was not settled first. Carlos III gave his consent to settle this question before proceeding with that of the accession.¹

Choiseul did not like the new delay implied in Tanucci's move; he suspected some kind of agreement between Naples and Madrid. In his talks with Fuentes in June and July, 1764, the French minister alleged that Spain was using Tanucci's dilatoriness to bring pressure to bear on France with a view to promoting Spain's own accession to the Franco-Austrian alliance.²

This allegation, which Fuentes emphatically denied, may well have some foundation but, since it was Choiseul himself who linked the two issues, it is more probable, as Fuentes argued, that the French minister hinted at it in the hope of

1. Grimaldi to Fuentes, Pardo, 17 January 1764, A.H.N., Estado, leg^o 3457(2), no. 39; Gray to Egremont, Naples, 30 November 1762 (cipher), S.P. 93/19; Palacio, p. 283; Danvila, II, p. 212 and IV, pp. 84-5.

2. Fuentes to Grimaldi, 18 June 1764, A.G.S., Estado, leg^o 4559, and 16 July 1764, leg^o 4555.

prevailing upon Spain to press Naples.

By this time, however, the famine of Naples put a new obstacle in the way of the Neapolitan accession to the Family Compact. Tanucci had to buy wheat from France, Spain, Austria and Britain. When the crisis was over, Tanucci complained of the quality of French wheat and refused to pay the high prices demanded by the merchants of Marseilles.¹ Carlos III had to mediate in the dispute and the question was deferred to the Spanish Junta de Comercio for consideration. The Spaniards tried to avoid suspicion of bias towards any of the contestants, but they only succeeded in disappointing them both.² Franco-Neapolitan relations were strained still further, and the accession issue was shelved, despite Choiseul's frequent entreaties to resume it,³ until the spring of 1766, when Carlos III, anxious about the state of relations with Britain over the Manila ransom question,⁴ decided to raise the matter with Tanucci with the

-
1. For the famine and subsequent dispute between Naples and French merchants, see Viviani della Robbia, I, pp. 114-34; C.P. Espagne, 545, passim.
 2. Two new judges were appointed to look into the matter; Grimaldi to Esquilache, Cattolica and Ossun, Pardo, 10 January 1766, A.G.S., Estado, leg^o 6099.
 3. Choiseul's instructions to Ossun, 1765-1766, in C.P., Espagne 544-546, passim.
 4. Cp. below, pp. 176ff.

view of securing French, as well as Neapolitan, support for Spain's case. Carlos III had also need of support in view of the failure to reach some kind of understanding on policy with Austria.

From the Spanish point of view, the Neapolitan accession would help to preserve the Italian status quo, it might advance Carlos III's influence in Bourbon counsels, and it would deprive Britain of any assistance in Neapolitan ports. There was no intention on the part of Carlos III, nor indeed of France, to suggest that Naples should give them monetary or military assistance in case of war. It was her neutrality, in addition to commercial advantages where France was concerned, that was expected in return for political support.

In his communication to Tanucci of 29 April 1766,¹ Grimaldi, who seemed less keen on the Neapolitan accession than Carlos III,² stressed that Naples should commit her-

1. A.G.S., Estado, leg° 6099, ff. 197-199.

2. On several occasions throughout 1766, Grimaldi reminded Tanucci that it was but in fulfilment of Carlos III's specific requests that he intervened; A.G.S., Estado, leg° 6099, ff. 14-15, 105-109, 197-199. For Carlos III's interest in the accession, see his correspondence with Tanucci in A.G.S., Libro 331 (Letterbook), passim.

self as little as possible. To propitiate the Neapolitan minister as regards commercial disputes with France, Grimaldi added that Carlos III agreed with Naples on the question of the right of visitation of French ships in her ports, and was prepared to say so to Choiseul;¹ and to persuade Choiseul of Spain's sincere wishes to promote the accession, Grimaldi wrote to Ossun, the French representative in Madrid, that only his full powers were wanting to reach a conclusion.²

But Tanucci was not to be convinced. To mollify Carlos III, he consented to negotiate a commercial treaty with France, though he remained suspicious of France and made no bones of his desire to avoid political commitments.³

1. Grimaldi to Tanucci, 13 May 1766, A.G.S., Estado, leg° 6099. Cp. Grimaldi to Magallon (Paris), 18 November 1765, A.G.S., Estado, leg° 4560.

2. 10 May 1766, A.G.S., Estado, leg° 6099, f. 188.

3. Tanucci to Grimaldi, 19 August 1766 (confidential), A.G.S., Estado, leg° 6099, ff. 103-104. Also Tanucci to Prince della Cattolica (Naples' ambassador in Madrid), 29 April 1766, quoted in Palacio, p. 284, footnote 37.

Grimaldi retorted that neither Spain nor France wished to entangle Naples in wars with Britain. In view, however, of Tanucci's determined opposition to accede to the Family Compact, Carlos III decided not to insist on it. In respect of commercial differences between France and Naples, on the other hand, Spain continued to insist on the need for a settlement. Grimaldi now referred to the hardship meted out to French ships in Neapolitan ports, and hinted that only Tanucci's unfriendly behaviour was responsible for the failure to reach an amicable agreement.¹

The change in Spain's attitude is to be explained in the light of her own relations with Britain in the summer of 1766. The Manila ransom affair was in a critical stage, and the English establishment in the Falkland Islands added further complications to the already strained situation.² Carlos III stood in need of active support from France and he hoped to obtain it by pressing Tanucci on the commercial treaty, which might satisfy Choiseul and thereby maintain the array of Bourbon forces in good order.

-
1. Grimaldi to Tanucci, 9 September 1766, A.G.S., Estado, leg.^a 6099, ff. 105-109; Grimaldi to Fuentes, 21 October 1766, fol. 70.
 2. Carlos III again reminded Tanucci of his desire to have Naples in the Family Compact on the eve of the Falkland Islands crisis; 27 July 1770, A.G.S., Estado, Libro 339.

But the Spaniards were to find that Tanucci had already moved further away from an amicable adjustment with France. The Neapolitan minister was now arguing that article 24 of the Family Compact, the very basis of Choiseul's hopes for a favourable commercial understanding with Naples, was offensive to the interests of his country. His manner left no doubt as to his resolute attitude; he wrote to Grimaldi on October 28th that it was up to the government of Naples to look after Neapolitan affairs. The Spanish minister argued that the principle of reciprocity as stipulated in article 24 of the Family Compact was not meant to be detrimental to any one of the signatory powers. But Tanucci refused to consider the matter any further.¹

Carlos III still insisted on the desirability of the accession of the Neapolitan branch into the Bourbon Compact of 1761 and, hoping to regain Tanucci's confidence, he explained that if the Spanish government had insisted on the commercial treaty with France it was only at Choiseul's request.² But to no avail, for as far as Naples was

1. Tanucci to Grimaldi, 28 October 1766; Grimaldi to Tanucci, November 18th; Tanucci to Grimaldi, December 9th; A.G.S., Estado, leg° 6099, ff. 41-2, 43-4, 13, respectively.

2. Grimaldi to Tanucci, 30 December 1766, A.G.S., Estado, leg° 6099, ff. 14-5; Carlos III to Tanucci, 30 December 1766, A.G.S., Estado, Libro 331.

concerned by the end of 1766 both the subject of her accession to the Family Compact of 1761 and the subject of a new commercial arrangement with France were closed.

Choiseul was disappointed and somewhat suspicious that Carlos III had not promoted the accession of Naples as he had promised to do in 1761.¹ To some extent, Choiseul was quite correct, for it would seem that Naples' determined opposition was made possible by the realization on the part of Tanucci that Carlos III was not interested in furthering Choiseul's commercial schemes. In addition to this, Carlos III's willingness to let Naples settle her commercial disputes with France on the subject of the right of visit before proceeding with the question of the accession, must have led Tanucci to believe that the Spanish King did not mean to press him hard.

But the main reason for the failure of these protracted and tentative talks is to be found in Naples' determination

1. Fuentes to Grimaldi, 23 November 1766, A.G.S., Estado, leg^c 5880, f. 95; Choiseul insists that Neapolitan neutrality might have been stipulated in a secret article, if Tanucci had agreed to accede. Cp. Recueil, X (Naples et Parme), pp. 94-104, for Choiseul's feeling that Carlos III should have been able to press Tanucci into joining, if he had really tried.

not to become attached, however loosely, to a system that was first and foremost an anti-British league. Britain took no steps to warn the Neapolitan government, but her sensibility to anything that might be regarded as a threat to her trading position in Neapolitan ports or in favour of French trade made Tanucci cautious; he did not want to risk enmity with Britain. Besides, Tanucci was also trying to enforce the right to visit British ships in port, using similar arguments to those used in respect of France; it was therefore politic to remain uncommitted in order not to be caught up in Anglo-French commercial antagonism, and probably war; as long as his commercial policies were generally applied, he was in a better position to implement them.¹

1. In the case of Britain it was Naples who wanted a new commercial treaty on the model of the Methuen Treaty with Portugal to replace the Treaty of 1667, and Britain herself who defended the validity of that treaty and her exemption from the right of visit as established in art. 10; see S.P. 93/20-24, passim. Cp. Ehrman, pp. 156-67, for Anglo-Neapolitan negotiations for a commercial treaty in the 1780's.

4. Britain and Spain after the Seven Years War.

a) British views on foreign policy.

On the resignation of Bute on 8 April 1763, a new ministry took over to cope with the situation left by the recent war. The head of the new administration was Grenville, First Lord of the Treasury and Chancellor of the Exchequer. From the beginning of his tenure he set himself the task of reducing expenses to the British tax-payer. His reluctance to spend money for fear of inflation led him to ignore vital commitments of English foreign policy; he alienated prospective friends, Prussia and Russia, and failed to realize the importance of maintaining a strong Navy, a two-power naval standard to secure Britain supremacy at sea. On the whole, Grenville adopted an attitude of self-sufficiency which was not expedient in view of the isolated state of Britain after the Peace of 1763.¹

Apart from holding the purse-strings, Grenville did not seek to control foreign policy and made no claim to be

1. J.S. Watson, George III, pp. 96-8, 103-4; L. Namier, Crossroads of power, pp. 103-4; Spencer, pp. 60-1.

heard on purely foreign measures. Sandwich (Northern department) was the dominant partner in the direction of foreign policy; Halifax, his colleague in the Southern department, did not resent it when greater ability made Sandwich the deciding minister on foreign issues. During his tenure of office Sandwich had a free hand in the daily routine and, provided that he acted within the limits forced upon him by Grenville's economy, he was able to pursue his own system.¹

Sandwich carried with him into the administration the Cumberland attachment to the "old system", established by the Barrier Treaty of 1715; he wished to bring Russia into the alliance of Britain, Austria and the States General.²

1. Spencer, pp. 62-5.

2. O.A.Sherrard, Lord Chatham and America, p. 114. George III was also in favour of the "old system" (The Correspondence of George III, ed. J.W. Fortescue, II, p. 204). As for Newcastle, he did not hanker after the "old system", as Watson has it (p. 107); he was rather inclined towards Prussia as the only power "who at present, can be of any use to us" (Newcastle to Hardwicke, Claremont, August 2, 1763, copy, Add. 32950, fols 16-9), since Austro-Bourbon contacts made Frederick "the least connected with France" (Newcastle to Devonshire, Holte Forest, July 20, 1763, copy, Add. 32429, fols 379-82). He also favoured the alliance with the Stadtholder (Newcastle to Brunswick, January 25, 1764, copy, Add. 32955, fols 261-2) and Russia (Newcastle to Pitt, April 19, 1764, copy, Add. 32958, fol. 166).

The first steps taken by Sandwich to revive the "old system" at the Hague proved futile; but he was not discouraged and believed optimistically that time would bring Russia, Austria and Britain together.

The alliance with Russia and the Polish succession issue were intimately related. The Grenville ministry failed to see that the Polish succession was the most important issue in Eastern Europe in the second half of the eighteenth century. London looked upon it as a mere counter in its bargaining with Russia, while Catherine looked upon the British alliance as a means to obtain support for Russian policy in Sweden and Turkey. Britain's refusal to accept the "Turkish clause" and subsidize Catherine's Polish ambitions, together with Frederick II's attempts to prevent an Anglo-Russian alliance which would have strengthened Russia to his own disadvantage, diminished the chances of a Russo-British rapprochement. Eventually, Russia got support from Prussia in 1764 by way of a full alliance with territorial guarantees for eight years; the treaty was signed on April 11th, and it gave Russia the necessary support to carry out her plans for Poland. The Russo-British commercial treaty of 1766 did not improve the chances of an agreement on the "Turkish clause"; and relations between the two countries continued uncommitted

until the Armed Neutrality of 1780.¹

Outside the ministry, but with influence upon it, Chatham entertained the idea of a "Northern system" to keep in check the Austro-Bourbon alliance; he wished for the formation of a solid compact consisting of Britain, Prussia and Russia, to be joined later by the United Provinces, Sweden, Denmark-Norway, and possibly some of the German states. In December 1762 Chatham had publicly announced in Parliament his system of alliances and put it forward as an indispensable condition whenever he was called upon to form a government.² The Grenville ministry did not take to Chatham's plan and, apart from the lip-service paid to his principles by the Rockingham administration in 1765 and in spite of Newcastle's support,³ he had to wait until he became head of the government in 1766 to attempt the

-
1. For Anglo-Russian relations and the Polish question, see Spencer, pp. 20-2, 25, 31-60. See also M.S. Anderson, "British Diplomatic Relations with the Mediterranean, 1763-1778", pp. 70-7.
 2. B. Williams, The life of William Pitt, pp. 147, 224; Sherrard, pp. 164-6.
 3. Watson, p. 108. For Newcastle's insistence upon Rockingham to take up Pitt's foreign policy in order to gain his support, without which no administration could last, Add. 32967, fols 69-391 passim, Add. 32968, fols 166-7, Add. 32971, fols 317-322; cp. Spencer, pp. 9-10, note 1. See also Add. 32952, f. 135, for Newcastle's attempts in November, 1763, to get Pitt committed to the Grenville ministry.

implementation of his ideas. The alliance with Prussia was, anyhow, not feasible at this time since Frederick II saw no advantage in a connection with Britain. An Anglo-Prussian compact had to be anti-Bourbon and the king of Prussia desired to be neutral in any Anglo-French wars. Frederick obviously preferred Russia's friendship as the best ally to keep Austria, his main enemy, in check.¹

b) Resumption of diplomatic relations with Spain.

William Henry Nassau de Zuylestein, fourth Earl of Rochford, arrived in Madrid on 6 December 1763 as English ambassador to the Spanish Court.² Madrid was obviously not a capital that he would have chosen for himself. No sooner had he arrived, than he started writing to Sandwich lamenting "the dreadful dullness" of the place and asking to be remembered when Paris was free.³

He was equipped with his particular and private instructions, dated September 9th, and a copy of those issued to his counterpart in Paris, Hertford.⁴

-
1. Spencer, pp.22-4, 95-8; "Anderson", pp. 77-8.
 2. B.D.R., 1689-1789, pp.135-6. Before his arrival, Colonel Edward Ligenier was in charge of affairs.
 3. Spencer, pp.125-6.
 4. S.P. 94/165. Cp. Christellow, H.A.H.R., XXVII (1947), pp. 13-4, for Rochford's instructions as regards commerce. For Hertford, see B.D.R., p.22; Spencer, p.65; B.D.I., France, IV, p.84. His separate and private instructions of 29 September 1763, printed in Ibid, pp. 85-90.

The main political point of these instructions was a general recommendation to keep a good watch on Austro-Bourbon contacts and on the consequences of the Austro-Spanish marriages for the balance of power in Italy. British 'southern' policy was based on the premise that the Bourbon powers would fight Britain as soon as they were ready to do it successfully. Consequently, it was feared in London that the compact formation of France and Spain might be strengthened by Austria. The exhausted state of the German States of the Empire, the neutral policy of the United Provinces and the weakness or partiality to France of the Northern powers reinforced such fears.

Rochford was instructed to sound Carlos III and his court as to his disposition towards France, to assess the chances of weaning him from the Family Compact and to work, eventually, for bringing Spain into closer relations with Britain.

But such expressions were of little substance. Britain was far more anxious about the commercial advantages that might accrue to France as a result of the family alliance, and quite determined to protect hers. Rochford was to watch any steps that Spain and France might take detrimental to the interests of British subjects, for the commercial treaties favourable to English trade in Spain had been renewed in Paris and Carlos III had expressly contracted in

article 2 of the Peace of 1763 to respect this renewal. Commercial jealousies between European nations played a very important part in a world where trade was largely regulated by mercantilist principles.

In fulfilment of London's request for general information, Rochford wrote on 13 January 1764 stressing his belief in Carlos III's independent personal policy and his desire to carry it out aided by his ministers, but not prevailed upon by them. Rochford thought highly of Carlos III's talents and indeed his reports helped to create a favourable attitude towards the Spanish Sovereign in London. The appointment of Grimaldi, the negotiator of the Family Compact, to the first secretaryship of state led London to believe for a time in Spain's subservience to France, but Rochford's opinion that the appointment was only a sign of Carlos III's awareness of Grimaldi's abilities in foreign affairs and of the King's intention to keep his minister's French inclinations in check, reassured the English government.¹

Furthermore, Rochford believed that he might use Esquilache, minister for both war and finance, as an opposing

1. See Rochford's "most secret" dispatch to Halifax (printed in Coxe, IV, pp.300-9) and his dispatch to Sandwich of the same date (printed in Spencer, pp.125-6). Cp. two extracts on the Spanish Court and government (in French), January 1764, in Add. 33024, ff. 158-162.

force in the Spanish ministry. His confidential manner with the English ambassador and his comments on the king's caution with regard to Grimaldi's pro-French bias, together with his attempts to curtail French commercial privileges, which Rochford construed as a hopeful sign of a possible improvement in Anglo-Spanish relations, led Rochford to believe that Esquilache's apparently friendly disposition might be turned to good account. With this in view he recommended his principal that Masserano, the Spanish ambassador to St. James's since August 1763, be kept ignorant of his connection with Esquilache, for he was one of Grimaldi's devoted friends.¹

Felipe Ferrero Freschi, Prince of Masserano and Grandee of Spain of the First Class, was not only Grimaldi's devoted friend but also a close supporter of the alliance with France. He arrived in London on 26 November 1763 and, like Rochford, he seems to have preferred the French embassy. However, he was kept there till September 1777 (when he returned to Spain to die on October 26th) for he

1. Rochford to Halifax, February 13th (cipher) and 20 March 1764, S.P. 94/166; 23 July 1764 (cipher), S.P. 94/167. Cp. Brown, H.A.H.R., V (1922), p. 338, note 4; Rousseau, II, p. 34, for Rochford's attempts to use Beliard's leaves of absence to offset French influence.

was liked and respected by the English; his original appointment was recommended by Egremont, who had known him in Paris.¹

Rochford was too optimistic in his early dispatches, but he did not have to wait long before he realized the impracticability of a closer contact with Spain. Britain could not offer acceptable terms to Carlos III. Indeed, by the beginning of the summer of 1764 Britain was adopting a very stern attitude in her dealings with Spanish attempts to expel British subjects from their settlements in Honduras Bay;² this event underlined

1. Egremont to Bedford, 3 June 1763, S.P. 78/257; see also Rochford to Grantham, St. James's, 16 June 1775, no. 13, S.P. 94/198, and Escarano to Floridablanca, London, 3 February 1778, no. 83, A.G.S., Estado, leg^o 7000; cp. H. Walpole, Journal of George III, III, pp.9-10, who writes that Masserano was the only minister who did not speculate in the stock-market. He was born in Madrid in 1713, son of an Italian diplomatist in the Spanish service, and was a soldier by profession. His appointment to the London embassy (10 August 1763), in A.G.S., Estado, leg^o 6833, and his instructions in A.H.N., Estado, leg^o 3456(1). In 1772 he was rewarded with the Order of Carlos III; A.H.N., Carlos III, Exp.3.

2. See below, pp. 139-3.

Spain's dependence upon her French ally for support.

Rochford wrote in September that he was unable to check the "torrent of French influence", especially since Esquilache was now giving general support to Grimaldi. There remained however a "jalousie of metier" between the two ministers, which he still hoped to use to counteract pro-French leanings.¹

In the meantime, Austria loomed large in the diplomatic picture since both Britain and Spain desired to get into closer relations with the Hapsburg power; the former to correct her isolated position and to weaken France's links with Austria, and the latter to ensure peace in Italy and to reduce her dependence on France.

1. Rochford to Halifax, Segovia, 17 September 1764, S.P. 94/168. Cp. Renaut, pp. 147-51.

5. In quest of Austria, 1763-1765.

In December 1763 Sandwich made the first move to restore the old connection with Austria. He used the Anglo-Prussian dispute over payments of English debts from the German war as an opening for negotiations; probably exaggerating the importance of the dispute, the English minister asked Seilern, the Austrian ambassador in London, whether Maria Theresa would be willing to aid Britain should Frederick II attack Hanover.¹

Kaunitz, the Austrian chancellor, though well disposed towards the Grenville ministry (for he feared that the pro-Prussian Pitt ^{might} ~~should~~ be brought back into power) did not contemplate exchanging the French alliance for an English one, for his policy was determined by enmity to Prussia and only France could help him to restore the ground lost to Austria in the Seven Years War. Britain, on the other hand, could not offer any viable alternative, for the foundation-stone of her foreign policy was the destruction of the Bourbon power, and its continuance was vital for Austria in her struggle with Prussia. The Austrian chancellor was well aware that France was not anxious to support Austria's

1. For the renewal of diplomatic relations after the Seven Years War, see Spencer, pp. 102-3.

commitments; nevertheless, the French alliance was needed, especially since Austria had just failed to restore her ~~ancient~~ ^{former} intimacy with Russia and there was the prospect of a Russo-Prussian treaty. Kaunitz did not hide from Britain that he intended to adhere to the French alliance as a strictly defensive measure designed to preserve the peace of Europe, and in February, 1764, he wrote that Sandwich was mistaken if he thought that Austria would ever agree to renew the "old system", not even if Britain made it plain that she would keep away from Prussia.¹

The English government did not press the matter, but hoped to be able to resume talks. No risks were taken which might offend Vienna; e.g. when Frederick of Brunswick came to London at the beginning of 1764 for his marriage to Princess Augusta, George III's eldest sister, he was not encouraged to stay after the wedding, for it was feared that his presence might strengthen the "Prussian party" and diminish the chances of a rapprochement with Austria.²

While Sandwich made his first move towards Austria, the ambassador of this power in Madrid, Count Rosenberg, had a

1. Spencer, pp. 119-24, 128-31.

2. The Jenkinson Papers, 1760-1766, edited by N.Jucker, pp. 258-9.

preliminary talk with Grimaldi for the purpose of exploring the possibilities of a closer connection between the two countries. There had already been tentative exchanges during the last stage of the Seven Years War, in which both countries were fighting on the side of France, and although they did not go beyond general expressions of willingness to draw together, they prepared the ground for a possible resumption of talks after the war.¹

After the Peace of 1763 Kaunitz failed to reach agreement with Russia because Catherine's ambitions in Poland conflicted with Austria's support for the Saxon candidate to the Polish throne (Saxony was a client state, and necessary as an ally against Prussia) and, in addition, Kaunitz was not willing to endorse Russia's plans of aggrandizement in Turkey. Russia, on the other hand, drew closer to Prussia because only Frederick II was willing to back Russia in Poland and Turkey. Austria's realization of this, together with English dallying with the Northern powers, made Kaunitz anxious to strengthen relations with the Bourbon powers.²

1. Palacio, pp. 227-8, 276-8; Rashed, p.138, note 7; Bourguet, R.H.D., XXIV(1910), pp.30-3. Various marriages between the Austrian and Carlos III's families as well as Austro-Spanish consensus of opinion on Italy added to the favourable climate for a connection between the two countries; see above p.29.

2. H.H.Kaplan, The First Partition of Poland, pp.12-21; Spencer, pp.28-31.

The Austrian chancellor was minded to make up for France's reluctance to support Austria's interests by bringing Spain into the defensive alliance of the first Treaty of Versailles of 1756. The chances of success were very slim, for Grimaldi had already expressed Spain's aversion to support Austria in Germany; however, Kaunitz hoped to curry favour in Madrid by co-operating with Spain in Italy. In his instructions to Rosenberg (16 January 1764) Kaunitz referred to Britain as the power against whom Spain stood most in need of assistance, but the reasons he gave for preferring Spain's accession to the Treaty of Versailles rather than a new tripartite arrangement or, needless to say, Austria's accession to the Family Compact, bear out that he was intent on obtaining Spanish support in Prussia and Turkey, while avoiding anything that might entangle Austria in Anglo-Bourbon conflicts or lead Britain to seek a connection with Frederick II or Catherine.¹

Considering that Spain's conflicts with Britain would be maritime and that peace in Italy was relatively secure, Kaunitz was not offering much in return for Spain's support. It rather seems that the Austrian chancellor was playing upon

1. A Spanish version of Rosenberg's instructions is printed in Velázquez, pp. 32-6.

Spain's fears that Vienna might cause trouble in Italy or that it might entertain Britain's proposal to restore her old alliance with Austria, if the Spaniards were not amenable.

Indeed Grimaldi, who was also desirous to improve Spain's alliance with France by means of an Austrian connection,¹ was spurred to make a formal overture when Rosenberg informed him in March that Austria had refused to accept English advances for a rapprochement.² The Spanish minister was apprehensive that Austria might reconsider her rebuff to Britain, especially in view of the fact, reported by Masserano from London, that Frederick of Brunswick had spoken to the French ambassador to St. James's Court, Guerchy, of the desirability of resuming Franco-Prussian diplomatic relations.³ Furthermore, Joseph's wife, Isabella,

-
1. Masserano's instructions, 9 August 1763, A.H.N., Estado, leg^o 3456(1); Fuentes's instructions, 17 January 1764, leg^o 3457(2), no. 39.
 2. Velázquez, pp. 20-2, 39.
 3. Masserano to Grimaldi, 28 February 1764, no. 81 (cipher), A.G.S., Estado, leg^o 6956. For Charles-Louis-Francois Régnier, comte de Guerchy (1815-1767), see M. Coquelle, "Le Comte de Guerchy, ambassadeur de France à Londres, 1763-1767", Revue des Etudes Historiques, September 1908, pp. 433-72; Recueil, XXV-2, Angleterre, III (1689-1791), pp. 405-25.

daughter of the Duke of Parma, had died in 1763;¹ a prompt alliance with Austria, it was hoped in Madrid, would increase the chances of Vienna choosing a bride for the King of the Romans within the Bourbon family. The possibility of the future Emperor marrying in Portugal was, in effect, causing some apprehension in Spain.²

On 16 April 1764 Grimaldi sent the Spanish representative in Paris, Fuentes, a project of accession to the Treaty of Versailles of 1756; as it stood it was a 'pure and simple' accession, a defensive agreement to guarantee the territorial integrity of the three powers concerned (article 2).

In article 3 of the project the Spanish government proposed as regards aid that France and Spain would provide it as stipulated in the Family Compact. Maria Theresa and Carlos III were to succour each other with 10,000 foot-soldiers and 9,000 cavalry or the equivalent amount of money; the latter to be evaluated in accordance with articles 5 and 7 of the Treaty of 1756.

Italy was to be preserved as settled at Aix-la-Chapelle, in the Convention of Turin of 1763 and by the

1. Bédarida, pp. 69-70.

2. Fuentes' instructions, 17 January 1764, A.H.N., Estado, leg^o 3457(2), no. 39.

Pragmatic Sanction of Carlos III for the kingdom of Naples (art. 4). There was also a mutual undertaking to maintain the engagement of Leopold of Tuscany to María Luisa of Spain.

As regards aid in the event of war on the Hungarian border with Turkey, which Rosenberg had tried to include in his conversations with Grimaldi preceding the drafting of the project of Spanish accession, the Spanish government would not consider it. Carlos III did not want to be diverted to Eastern affairs. Further, he envisaged a treaty with the Porte, which would end the traditional hostility between the Turks and their nominal subjects in North Africa, the Barbary States, and Spain. Carlos III was minded not to impair relations with either of the two countries on account of the other.¹

Like Kaunitz, Carlos III preferred accession to the

1. See below pp. 275ff. One may add Carlos III's detachment as regards the Polish election; on family grounds, his deceased wife was ~~Frederick~~ Augustus III's daughter, he supported the Saxon candidate but would do nothing to become involved in this issue; Grimaldi to Masserano, 6 February 1764, A.G.S., Estado, leg^o 6956; to Mahoni (in Vienna), 22 October 1764, leg^o 6500, and 2 March 1765, leg^o 6501.

Treaty of Versailles rather than an Austro-Spanish defensive agreement or Austria's own accession to the Family Compact. This last solution was not only unacceptable to the Austrians, but also of little benefit to the Spaniards, who wanted peace in Europe in order to use the Family Compact against English expansionist aims overseas; Austrian involvement would make it difficult to separate colonial from European conflicts. As for an Austro-Spanish defensive agreement, Carlos III was not willing to encourage Maria Theresa against Prussia. Spanish accession to the Treaty of 1756, with Spain supporting Austria in Germany in return for Austrian aid to Spain in her maritime wars in Europe (except for those against the North African powers), suited Spanish interests. For, first, by reviving the Austro-French connection it would ensure peace in Germany on the basis of the rivalry on equal terms of Austria and Prussia; it was suspected that France might envisage moving a little towards Prussia to keep Austria's ambitions in check, which would upset the balance of power and might easily prompt Austria to listen to British proposals and to create disturbances in Italy. Secondly, Spain hoped to strengthen her hand inside the 'system of the south'; as matters stood, through the Treaty of Versailles and the Family Compact, France was the contact between Austria and Spain. Madrid would prefer more direct links with Vienna.

Grimaldi tried to get Choiseul to promote the Spanish accession. To give the impression of subservience to France and thus flatter the French minister, Fuentes was instructed to pretend that nothing had been drafted in Madrid and that Choiseul was meant to take part in shaping the agreement in the discussions to be held in Paris.¹

Choiseul did not look upon the project of accession with much sympathy. From the French point of view, the Spanish and Austrian alliances fulfilled two different functions and were, therefore, to be kept separate. The Treaty of 1756 was precarious and far less important than the fundamental connection with Spain, for Vienna had no engagement with France against Britain, "la véritable ennemie de la monarchie".² Choiseul aimed to maintain German equilibrium as a means of keeping peace in Central Europe. In this respect, Austria was used to restrain Frederick II; but Choiseul was also aware that, should Prussia weaken, and in view of Turkey's decline, Austria, bent on regaining Silesia,

-
1. See Grimaldi's two dispatches to Fuentes, 16 April 1764, enclosing draft of the project of Spanish accession to the Treaty of Versailles of 1756 and Grimaldi's remarks on it; A.G.S. Estado, leg^o 4555.
 2. Choiseul to Ossun, 26 January 1762; quoted in A. Bourguet, "Le Duc de Choiseul et l'Alliance espagnole", Revue d'Histoire diplomatique, XXIV (1910), pp. 33-4.

would have to be prevented from destroying the new balance in Germany and thus playing into the hands of Britain who would welcome the chance to call forth plans for an alliance in the North. Austria herself might be pushed towards Britain by France's desire to preserve the balance. Furthermore, Austria with no rivals to fear on her German and Hungarian borders might turn to France and Italy to satisfy her territorial ambitions.¹

But despite his intention to take care that Austria did not strengthen her position, Choiseul readily agreed to co-operate with Fuentes in promoting Spanish accession to the Treaty of Versailles. The French minister was fully aware of the insurmountable obstacles that lay in the way, and it was surely this very awareness which made him willing to discuss the issue with the Austrian ambassador in Paris, Count Starhemberg. Before meeting him, Choiseul stressed to Fuentes that Austria would never consent to aid Spain in a maritime war in Europe, even in the event of a British landing in Carlos III's metropolitan territories; assistance in Turkey would be the only way to persuade Austria to come into the agreement, though Choiseul also argued that Austria only wanted to secure Spanish help in Germany.²

1. Mémoires du Duc de Choiseul, pp. 389-94.

2. Fuentes to Grimaldi, 28 April 1765, enclosing Choiseul's "Reflexions sur le Projet d'accession de S.M. Catholique au Traité defensif de 1756", 7 April 1764; A.G.S., Estado, leg^o 4559.

As Choiseul had forecast, the three-cornered tentative talks in Paris during May were of no avail. Nor did Grimaldi get any further in his conversations with Rosenberg in Madrid along similar lines.¹

At the end of May the negotiators in Paris were diverted from the subject of the Spanish accession to that of the Austrian plans for the remarriage of Joseph, the King of the Romans. Choiseul was pleased with the delay that this entailed, for he was suggesting at the time that the negotiation for the Austro-Bourbon alliance be postponed in expectation of events in Poland. Choiseul wanted to avoid Continental conflicts; the strengthening of the Treaty of Versailles in the midst of the crisis of the Polish succession might encourage Austria to take a more active part in support of her own candidate, which in turn could endanger peace.²

Maria Theresa first envisaged remarrying Joseph in Madrid; Maria Luisa, Carlos III's fifth child, was her

-
1. Fuentes' dispatches of May; A.G.S., Estado, leg^o 4559. Grimaldi to Fuentes, 21 May 1764, A.G.S., Estado, leg^o 4559, and May 28th, leg^o 4555.
 2. Choiseul's satisfaction at the delay might also be a means to press Spain on the question of the Neapolitan accession; cp. above pp. 72-3. In respect of Joseph's remarriage Choiseul, while suggesting Saxony or Bavaria, said to Starhemberg that he did not intend to interfere as long as the choice did not fall upon the Portuguese princess; earlier on he had proposed Mlle de Orleans but Maria Theresa rejected such suggestion on account of her disreputable mother. Fuentes to Grimaldi, 11 May 1764, A.G.S., Estado, leg^o 4555; 25th May and 18th June, leg^o 4559.

choice. But Joseph was opposed to marry a princess older than himself. This opposition left the Empress with Maria Benedetta of Portugal and Elizabeth of Brunswick as likely to meet Joseph's wishes.

But Maria Theresa, suspecting that Carlos III would not welcome either choice, suggested Maria Luisa of Parma; Joseph would surely approve of his beloved first wife's sister. There was, however, an obstacle to such a marriage: the princess of Parma was already thought of in Spain as the prospective wife of the Prince of Asturias, Felipe Carlos. But Maria Theresa, with Joseph's consent, decided to sound Carlos III about it. She wrote to that monarch on 2 May 1764.

The Spanish government were concerned lest Austria should choose a Portuguese bride; for such a marriage would not only throw new obstacles in the way of the Spanish accession to the Treaty of Versailles, but it would also hamper Spain's Portuguese policies.¹

1. Grimaldi to Fuentes, 28 May 1764, A.G.S., Estado, leg^o 4555: "lo qual puede, en efecto, estorbar el Proyecto de la unión, o hacerla de mala ó de tibia ejecucion en lo futuro. Como subministrara el Rey de Romanos (maña u otro día Soverano de todos los dominios aust^{cos}) tropas ó subsidios p^a atacar la Casa de su Esposa? Y aun en vida de la presente Emperatriz, es preciso le repugne causar semejante disgusto á su Primogenito." See also his instruction of 21 May 1764, leg^o 4559.

Such apprehensions subsided as soon as Maria Theresa's letter of May 2nd reached Madrid at the end of the month. The Parma proposal, together with Starhemberg's hints to Fuentes that Maria Theresa meant to avoid giving umbrage to the Bourbon powers, relieved the Spanish government. Austria and Spain had successfully concluded several marriages; Grimaldi thought that yet another marriage negotiation might contribute towards improving the chances of a political understanding.¹ Nevertheless Carlos III would not agree to Maria Theresa's suggestion. On June 2nd he wrote to her refusing to give up his plan to marry the prince of Asturias, Felipe Carlos, to Maria Luisa of Parma; he explained that this marriage was his late wife's ardent wish. To soften his refusal and to keep the marriage negotiations going, Carlos III hinted that Spain might go back on her promise to Leopold and give Maria Luisa, the Spanish princess, to Joseph. Maria Theresa's first impulse was to accept Carlos III's offer as the Spanish princess had been from the beginning the candidate favoured by the Empress, but Joseph, disappointed with Carlos III over the Parma marriage, refused to pursue the Spanish offer. The Portuguese candidature now came to the fore again, the

1. Grimaldi to Fuentes, 11 June 1764, A.G.S., Estado, lego 4559; also his instruction of June 7th, and Fuentes to Grimaldi, 15 June 1764, lego 4555.

Portuguese princess being preferred by Maria Theresa on account of her age and beauty to the other two prospective brides, Bavaria and Saxony.¹

In the meantime, Fuentes, following Grimaldi's instructions, attempted to link the political and dynastic issues in his conversations with Starhemberg; but the latter insisted that they were to discuss the marriage of Joseph only. Choiseul was not very helpful; he said to Starhemberg that he looked upon the marriage negotiation as a purely dynastic problem and, while recommending the Spaniards not to weaken their position by showing excessive desire to reach a conclusion, the French minister was also stressing to Starhemberg that the Spanish accession to the Treaty of Versailles would not be of any significance to Spain if maritime wars in Europe were to be excluded.

But Choiseul, although correct in diagnosing the impossibility of bringing about the Austro-Spanish rapprochement, was not the cause of the failure to make any progress in Paris. By the middle of July, Starhemberg received full-powers to proceed in the political negotiation and to sign

1. A.R.Arnoeth, Maria Theresia's letzte Regierungzeit, 1763-1780, I, pp. 88-98; A. Wandruszka, Leopold II, I, pp. 81-2.

the alliance on Austrian terms: that is, an alliance which would strengthen Vienna in the light of the Prusso-Russian Treaty of April 11, 1764,¹ without committing it to Anglo-Bourbon conflicts. As a sop to Carlos III and with an eye to keeping the door open to Spain, Starhemberg referred to the desirability of the Parma marriage and added that Vienna would have been willing to consider Spanish terms if Carlos III had consented to the marriage of Joseph with Maria Benedetta of Portugal.²

The real reason, in addition to the realization that no advantage could be derived from drawing towards Portugal and irritating Spain, is to be found in Austria's determination not to become Britain's enemy; Kaunitz never suggested the Portuguese marriage on account of their links with Britain. Kaunitz stressed that Bavaria was a wiser choice, for it could mean the recovery of certain Bavarian states in Bohemia for the Habsburgs which would help Austria to offset increased Prussian and Russian strength. But Maria

-
1. This was a treaty of defence for a period of eight years, whereby Catherine got support for her Polish policy and Frederick obtained a public guarantee for Silesia. Text printed in G.F. de Martens, Recueil, I, pp. 89-94.
 2. Fuentes to Grimaldi, 15 June 1764, A.G.S., Estado, leg^o 4555; also his dispatches of July 16th and August 24th, and Grimaldi to Fuentes, 13 August 1764, leg^o 4559.

Theresa still attempted to choose a candidate favourable to the Bourbons and thought of marrying Joseph to Princess Cundegonda of Saxony, as suggested by Mahoni, the Spanish ambassador in Vienna.¹ It was Joseph, however, who after having seen both princesses decided on Josepha of Bavaria; the marriage took place on 22 January 1765.²

Austria's desire not to alienate Britain was made explicit in mid-June, 1764. News of the Russo-Prussian treaty had come out. It was feared that Britain, aware of the negotiations between Austria and the Bourbon powers, might join the Russo-Prussian combination. The Austrian representative in London, Count Seilern, approached Sandwich with assurances as from himself that no treaty was formed with France and Spain.

If Austria was anxious, Britain was equally concerned, for she feared that the former might be inclined to make new engagements with the Bourbon powers in the hope of getting

1. We shall return to this suggestion in a moment. Demetrio Mahoni, soldier of Irish extraction, was born in France. Under the protection of his compatriot Wall, the Spanish first secretary of state, served in Switzerland and later on, in 1758, he was sent to Vienna as minister plenipotentiary; in 1760 he was given ambassadorial rank, and remained in Vienna until his death on 25 November 1777; A.H.N., Estado, leg^o 3427(1), and 4430, no.1; cp. Morel-Fatio, p.108, note 2.

2. Arneth, I, pp.98-103; Spencer, pp.38, 280. Cp. N.C.M.H., VIII (M.S.Anderson), pp.269-72, for the Austro-Prussian war (1778-9) over the Bavarian succession.

support in Germany. Britain, therefore, proceeded to bring pressure to bear on both Austria and Spain by threatening to join the Russo-Prussian league. Britain had no intention to become involved in the issues absorbing the central powers; she was rather seeking to prevent the Bourbon powers from strengthening their alliances, especially in view of the recurrence of the Honduras dispute with Spain.

This no doubt is the reason why the English, in their sounding of Spain, referred to Austria acceding to the Family Compact, and not to Spain entering into the Treaty of Versailles. The manner in which the sounding was made, however, enabled Grimaldi, in conversation with Rochford on 24 June 1764, to say specifically that neither France nor Spain would admit Vienna to the Bourbon compact.

The reaction of Vienna to British soundings was much more explicit and reassuring. At the beginning of August, Seilern declared in London and Kaunitz confirmed to the British ambassador, Stormont, that Austria would never enter into any engagement against Britain, unless forced into it by Britain entering into closer connections with Prussia and Russia, whose views Austria must always regard as hostile; any engagement with Spain would only be in the form of her accession to the defensive alliance between France and Austria in the simplest and plainest terms.¹

1. Spencer, pp. 137-208 passim.

When Austria's measures to keep clear of Anglo-Bourbon conflicts became known in Madrid, the Spanish government realized the bad effect on their bargaining position in the Honduras dispute with Britain.¹ What the Spanish government resented most was Austrian silence. Kaunitz had tried to excuse himself by saying to Mahoni in mid-August that Choiseul had been told of the exchanges beforehand and was expected to acquaint Spain; but Grimaldi replied on September 9, 1764, that Spain should have been informed directly.² The Spanish minister, however, did not mention the subject of the Spanish accession to the Treaty of Versailles. It was beginning to dawn on him that Austria would never agree to give Spain support where she most needed it; indeed, France herself did not seem at all keen to promote an Austro-Spanish connection.

But Maria Theresa, for her part, was still prepared to humour Carlos III for the sake of a connection on Austrian terms. As I have mentioned earlier on, Maria

-
1. Masserano to Grimaldi, 7 August 1764, no.237 (cipher), A.G.S., Estado, leg^o 6956; Grimaldi to Fuentes, 3 September 1764, A.G.S., Estado, leg^o 4559.
 2. Grimaldi to Mahoni, 9 September 1764, A.G.S., Estado, leg^o 6502.

Theresa wanted to arrange a marriage for Joseph without straining her relations with Carlos III. At the same time she was anxious to minimize the effect on Spain of the Austrian démarche in respect of Britain. She therefore sent her personal secretary, Puchler,¹ to Mahoni at the beginning of September to ask him to put in writing the Spanish objections to Joseph marrying in Portugal. In view of Vienna's dislike of a marriage alliance with that country, this approach might be regarded as an attempt to give Carlos III hopes that Austria might heed these objections.

Mahoni had no instructions on the subject of the marriage but, anxious not to risk displeasure, consented to give Puchler an unsigned note on condition that it should be regarded as private. In this note Mahoni returned to Spain's arguments against a Portuguese marriage, and suggested Cundegonda of Saxony as a choice agreeable to the Spanish King, who was the deceased King of Poland's son-in-law. Mahoni hoped by such a dynastic alliance to strengthen the chances of the Saxon candidate, Prince Xavier, to the Polish crown.

1. He was one of several private secretaries through whom Maria Theresa kept secret correspondence with foreign diplomatists in Vienna and Austrian representatives in foreign courts; Arneth, I, pp. 327, 434-5, 514.

Mahoni also seized the occasion to raise the question of the Spanish accession to the Treaty of Versailles. He argued that Vienna's desire to exclude European maritime wars was unrealistic, as in wartime there would always be the risk of an English landing in Spain.

Puchler did not take up the Saxon~~g~~ hint but contented himself with reporting, not quite truthfully, that the negotiations to marry the King of the Romans in Portugal were making good progress. As regards the accession treaty he objected that the distance between the two countries and the climatic differences were circumstances that made the sending of troops from one country to the other very difficult; monetary aid would be more appropriate. He further explained that Maria Theresa was willing to consent to the exclusion of Turkish wars in return for her being allowed to keep out of the struggle between Britain and the Bourbon powers.¹

When Grimaldi received Mahoni's reports of these talks, he was willing to believe that there was still a glimmer of hope. On October 9th, Grimaldi sent Mahoni fresh instructions, stressing Carlos III's peaceful inclinations.² Neither

-
1. Mahoni to Grimaldi, 10 September 1764 (cipher); there is also a second dispatch of the same date, enclosing Mahoni's and Puchler's notes; A.G.S., Estado, leg^o 6500.
 2. Grimaldi to Mahoni, 9 October 1764, A.G.S., Estado, leg^o 6500.

France nor Spain, Grimaldi stated, wanted to expand their territories. Provided Austria had no ambitious schemes, nothing would serve their peaceful aims better than the alliance of the three powers. The marriage of the King of the Romans within the Bourbon family, to someone "whom we could look upon as one of our party", would be the best start for a happy understanding between the three countries; the Portuguese princess could disrupt such a prospect. Grimaldi also sent Mahoni a copy of the project of the accession treaty that had been drafted early in the year and argued that now that the danger of a war with Britain had subsided, the prospect for an Austro-Spanish alliance ought to be improved. As to the objections of Maria Theresa to send troops to Spain, Grimaldi answered that German troops had already experienced the Spanish climate on previous occasions. Grimaldi, however, agreed to stipulate only monetary aid should Austria wish it. But he insisted that any war that Britain might declare on Spain should be included in the treaty on grounds of reciprocity. As an alternative to the accession treaty, Grimaldi proposed a system of subsidies in the event of either power being attacked by any other European country.

These new proposals from Madrid elicited very little response from Vienna. Six months, in fact, elapsed before

Maria Theresa decided to resume talks on the accession question. The delay indicates that Maria Theresa was by now not optimistic about the possibility of obtaining a treaty on her own terms. Maria Theresa's approach to Mahoni in March, 1765, may be seen as a testing on the royal level, as Carlos III had done, of Spain's intentions, for the ministers' views had already been considered in Vienna as unacceptable. But it was prompted by growing rumours that an Anglo-Russian alliance was in train, and that France and Prussia might resume their diplomatic relations and might even renew their old connection. Vienna's diplomatic activity in the winter of 1765, was designed, in the first place, to keep alive the prospect of a possible return to the former Anglo-Austrian connection and, in the second place, for Vienna was well aware of its need for French support in Germany, to stir up French commitment to Austria. In this respect, friendly relations with Spain were expected to help to invigorate the Treaty of Versailles.

The first move to resume diplomatic relations between France and Prussia originated with Frederick II soon after the general peace of 1763. The Prussian ruler was well satisfied with the Russian connection, for he was conscious that the three maritime powers were not anxious to become involved in the issues absorbing the central powers. The tentative Anglo-Austrian contacts gave him no cause for apprehension, as he was convinced that they were not likely

to materialize into closer links on account of Austria's need of French support in Germany. However, while the Treaty of Versailles remained in force, it might still encourage Vienna to entertain some hopes of regaining Silesia if Prussia had to risk war against Turkey over the Polish election, and his own relations with Britain were very badly strained. He did not wish to be proved over-confident and sought to weaken the Franco-Austrian alliance of 1756.¹

Frederick seized upon the expiration of the commercial treaty with France of 1753 (it had been concluded for a period of ten years) as the opportunity to sound the French ministry about resuming diplomatic relations.² A private envoy, Pinto, was sent to Paris early in 1764, to test the ground for a renewal of the commercial treaty and resumption of diplomatic relations; while Frederick of Brunswick, on his trip to London to marry Princess Augusta, approached Guerchy. Choiseul welcomed Prussia's overtures,

1. Politische Correspondenz Friedrichs des Grossen, XXIII, pp. 287-8; XXIV, pp. 2, 367-9 (henceforth cited as Pol. Corr.). Cp. Spencer, p. 53.

2. Text of the commercial treaty of 1753 in Wenck, II, pp. 722-5.

and recommended Louis XV in February, 1765, to resume diplomatic relations with Berlin, but he stressed that Frederick II would have to make the first move.¹

Choiseul welcomed these tentative advances because, firstly, he was minded to prevent Austria from upsetting the balance of power in Germany; secondly, they would render more unlikely the improbable Anglo-Prussian rapprochement that some sectors of English political life, especially Pitt, wished for. Finally, an improvement in Franco-Spanish relations might weaken the Russo-Prussian league; this could help to restrain Russia in Poland, Turkey and Sweden.²

However, Choiseul was intent on letting Frederick II show his hand first, for he might otherwise risk French connections to the advantage of Prussia. When in the spring 1765, the Prussian ruler made a second attempt to sound French opinion about resuming relations, Choiseul replied that an official opening was required. Frederick II, who had already taken care to assure Catherine that there was

1. R. Hammond, "Le Rétablissement des relations diplomatiques entre la France et la Prusse après la guerre de Sept Ans", *R.H.*, XXV (1884), pp. 70;1; see also above p. 94.

2. Cp. above pp. 98-9.

nothing to fear from these unofficial exchanges, retorted bluntly that at no time had he insinuated exchanging ministers between Prussia and France.

Neither side expected much from these tentative contacts. With an eye to the shifting international scene, these countries were simply trying to hint that they might, if they so wished, find some way for agreement between the two countries. But neither of them would want to make a false move that might weaken their existing connections, and for the time being these tentative exchanges came to a halt.¹

The Franco-Prussian contacts, however tentative, added to Austria's alarm at the prospect of a Russo-Turkish war over the election of Poniatowski to the Polish throne, with France instigating the Turks to declare war on Russia and Prussia expecting territorial gains from supporting Catherine in Poland. Austria was prepared to gratify Catherine on the subject of the election as long as there was no partition of Poland, for this would strengthen Prussia in the East and

1. Magallón's reports from Paris to Grimaldi, July 8th and 23 August 1765, A.G.S., Estado, leg^o 4560; Hammond, R.H., XXV (1884), pp. 72-5. See also Pol. Corr., XXIV, pp. 170-2, 200, for Frederick II's explanations to Catherine that the contacts with France were only for the purpose of renewing their commercial treaty of 1753.

thus upset the balance of power in Germany. Austria decided to approach Britain as a warning against France's debbling with Prussia.

At the beginning of 1765 Vienna reaffirmed the assurances given to Britain in August, 1764, and gave her to understand that the renewal of the "old system" was still possible. In return Vienna expected similar assurances that Britain would not entertain supporting Russia in Poland or Turkey, and would keep away from closer ties with Prussia. This the English government promised, adding that they were also prepared to do everything that prudence required to pave the way for an eventual agreement on policy with Austria on the basis of their former alliance. The Grenville ministry continued to believe that an alliance with Russia and Austria, leaving Prussia to return to the French connection, might in time be reached.¹ However, neither Britain nor Austria ~~were~~^{as} really considering becoming involved in each other's interests. During the period of the Grenville ministry there was in London a general aversion to make alliances that might entail paying subsidies; furthermore, Britain had no wish to be diverted from the colonial

1. Spencer, pp. 264-88, passim; see also pp. 25-61 for an excellent survey of the diplomacy of the three central powers during the Polish election of 1764 and Anglo-Russian relations between 1763 and 1766.

struggle and preferred to meet the French menace in Europe by a firm policy towards the Bourbon powers. Masserano and Frederick II saw no cause for apprehension in Anglo-Austrian exchanges; the former wrote to his principal on several occasions that the Grenville administration preferred to arouse jealousy between Austria and France that did not cost any money.¹

Necessity, on the other hand, kept Vienna firmly linked to the French alliance for support in Germany, and the Austrian Court, once Britain had been reassured that Austria would not enter upon any engagement contrary to British interests, decided to reply to Grimaldi's proposals of October, 1764, as a means of strengthening the Treaty of Versailles.

It was Maria Theresa who reopened talks on the subject of the Spanish accession to the Treaty of Versailles with the Spanish ambassador in Vienna, Mahoni, in March, 1765; she wished to spare her chancellor the task of discussing an issue which was not to his liking. Kaunitz believed that there was no sphere of possible co-operation between

1. Masserano to Grimaldi, 15 January 1765, no. 365 (cipher), A.G.S., Estado, leg^o 6959; February 15th, no. 388, leg^o 6935; July 12th, no. 494, and October 19th, no. 562, leg^o 6958. Frederick II to Mitchell, 9 July 1764, intercepted and deciphered copy in S.P. 107/101. Ep. Spencer, p. 65.

Austria and Spain, except Italy. Furthermore, he reckoned on Carlos III remaining on good terms with Austria on account of Parma's and Naples's security; thus there was no need for a formal engagement with a country which politically as well as geographically lay at such a distance from Austria and whose support, either monetary or military, would be negligible in view of Spain's lack of resources. The Austrian chancellor agreed with Maria Theresa that Spain's accession to the Treaty of Versailles might turn France into a more willing ally; but it could also arouse suspicions in Paris that Austria was trying to push herself between the partners of the Family Compact.¹

Maria Theresa, for her part, continued to believe that the Spanish alliance, on her own terms, was a useful accession of strength to the Treaty of Versailles, and consequently proceeded to instruct Starhemberg in Paris and Rosenberg in Madrid to negotiate it. On the manner of alliance, she was willing to accept Spain's proposal for a subsidy treaty; but on the casus foederis, there was no change. Both Turkish and English wars were to be excluded.²

1. Arneth, IV, pp.262-5; Spencer, p.278.

2. Mahoni to Grimaldi, 28 March 1765 (cipher), and 10 April 1765 (cipher), A.G.S., Estado, lego 6501.

In effect, Maria Theresa wanted support in Germany in return for security in Italy. But Italy was already relatively secure; furthermore, any threat against the Italian status quo would probably come from Austria herself. From the Spanish point of view, Austrian terms were unacceptable, for they did not include the only war likely to involve Spain. The Spanish government had hoped to obtain some kind of support from Vienna to strengthen her diplomatic position within the Family Compact and thus to promote her own standing in London. Vienna's aversion to becoming involved outside Europe, and even to opposing Britain in Europe, was underestimated. As Mahoni remarked, Grimaldi had been too optimistic. Vienna's aversion was not due to fear of an imminent Anglo-Bourbon war; rather it was a firmly established line of policy with the Austrian Court. However, Mahoni concluded, Austria still wanted to remain on friendly terms with Spain.¹

And so did Spain. Although Carlos III decided that the game was not worth it, and did not bring up the issue

1. Mahoni's remarks on Grimaldi's project of Spanish accession to the Treaty of Versailles of October, 1764 (undated, but probably written in April, 1765), A.G.S., Estado, leg^o 6503.

again, friendly relations with Austria continued to be regarded as a means of ensuring the possessions of the Italian branches of the House of Bourbon and of maintaining general peace in Europe.¹ In this respect, we shall see how henceforth Spain was to make it her policy to raise objections whenever France showed signs of wanting to reinstate Prussian relations on a friendly basis.

1. Grimaldi to Aranda, 7 February 1774, no. 1, A.G.S., Estado, Libro 156.

PART II

Anglo-Spanish colonial disputes from 1763 to 1775 and the rôle of the Family Compact.

Despite her political instability and diplomatic isolation, Britain, quickly developing at home and superior to her competitors at sea, found herself after the Seven Years War in a good position to challenge the joint efforts of the Bourbon powers in the struggle for colonial supremacy. Her energies as a world-power and the freeing of British resources from Indian and European commitments enabled the English to question Spanish monopolistic claims. Further, the British nation, after having won victories over France and disclosed the weaknesses of the Spanish dominions in America, was confident of her strength. Finally, the Thirteen Colonies were seething with discontent. All these factors spurred the English on to lay the foundations of a new imperial conception.

This was a period of activity unparalleled since the days of the Tudor seamen in naval achievements. There was a conscious attempt to open up new fields of enterprise in the Pacific and the South China Seas. But English sailors were not looking for new territories; the days were past when Britain sent her seamen to search the Oceans to occupy new territories or to accept political responsibil-

ities. The aim now was to create a network of commercial key-points and to establish trade settlements; eventually these would be protected by naval bases. Markets, new fields of commerce, were the objectives of the British people.

The British government planned the occupation of the Falkland Islands as a basis for future operations, commercial and naval, in the South Seas, and as a link with the new fields of enterprise in the South China Seas. There was a "swing to the East" in search of a system of Far Eastern trade, and attempts were made to establish a permanent commercial entrepôt in the Malayan Archipelago. The English also envisaged the quest of the North-West passage and the discovery of the Terra Australis Incognita, and were minded to increase their share in Central American trade.¹

The wider implications of British post-war expansion aroused the fears of the Spanish government. Carlos III embarked on a plan to strengthen his own dominions and to develop their resources. Measures were taken to keep a

1. The best comprehensive account of this stage of British colonial policy is V.T. Harlow, The Founding of the Second British Empire, 1763-93, I, chapters I-IV (subsequently cited as Harlow). Cp. also G. Williams, The British Search for the Northwest Passage in the Eighteenth Century.

close watch on foreign encroachments and competitive enterprises in the South Seas. The impetus of the British met with the determination of the Spaniards to enforce their exclusive claims to the South Seas. The result was an endless succession of diplomatic crises, and throughout the period between the Seven Years War and the American War of Independence the prospect of war loomed large.¹

After the Treaty of 1763 Central America became the first object of serious dispute between Britain and Spain, when the activities, on an ever-growing scale, of the English cutters of logwood in Yucatan and Honduras Bay met with Spain's attempt to limit their presence within fixed areas.

1. Pitt called the Treaty of Paris of 1763 the ten years armed truce; Pares, p. 611.

1. The Honduras Bay dispute.

One hundred years had elapsed since British subjects had secured permanent footholds in Yucatan and Honduras Bay.¹ In the early seventeenth century many Englishmen had made a living as buccaneers attacking Spanish ships in these waters; but the conciliatory attitude of ^{England}~~Britain~~ towards Spain in the treaties of 1667 and 1670, and the measures taken by the colonial authorities of both countries to stop contraband trade, forced the majority of these buccaneers to go ashore to make a living. Some of them turned pirates, others were attracted by the log-wood trade and the English authorities encouraged them to take it up as a means to keep them under control and available for the service of the Crown in times of war. This, together with the difficult nature of the coastline round the peninsula of Yucatan and Honduras Bay (which offered safe refuge to privateers and cutters when pursued by the Spanish guardacostas), induced them to move and settle there.²

-
1. The exact beginnings of British presence in these areas are not yet known, but some tentative dates may be gathered from J.A.Burdon, Archives of British Honduras, I, pp.2-3, (henceforth cited as A.B.H.), and J.A.Calderon Quijano, Belice, 1663(?) - 1821, pp.42, 46-9.
 2. C.H.Haring, The Buccaneers in the West Indies in the XVII century, pp.208 ff.; J.McLeish, "British Activities in Yucatan and on the Moskite Shore in the eighteenth century", pp.6-18, passim (cited below as "McLeish").

The activities of the intruders centred on four different areas: Laguna de Términos and the Isle of Triste in the Bay of Campeachy, on the western side of the peninsula of Yucatan; Cape Catoche, on the north-eastern coast of the same peninsula; Honduras Bay, on the strip of shore which is confined within the River Belize and the River Hondo; and, finally, Mosquito Shore, the coast land from Cape Honduras to the River San Juan, on both sides of the Cape Gracias a Dios.

The first two establishments are hardly mentioned in the documents for the second half of the eighteenth century and very little is known of their development. Campeachy Bay had been the main centre of the British cutters; but in 1717 a successful expedition from Spain dislodged them. Some scattered references are found regarding Mosquito Shore. Though in December, 1763, Halifax (Secretary of State for the southern department) wrote that this territory belonged to Britain, as granted to her by the Indians, who had always been independent of the Spanish monarchy, no open support was given to the settlers and they had to struggle for their existence until 1786, when Britain agreed to evacuate Mosquito Shore.

The British establishment in Honduras Bay (Belize), on the other hand, endured and expanded as no other establishment did. It became the central post to which the

settlers retired when they were chased away from other parts of the coast. When the Convention of July 14th, 1786, was signed in London to settle the future of British presence in Central America, Belize was the only British settlement left in the zone, and it developed into, and was later called, British Honduras.¹

The staple export of Honduras and Yucatan was logwood. The importance of this vegetable dye in the textile industries explains its place in the diplomatic relations between the two countries. It was looked upon as "the fundamental fixing dye to almost every other colour and therefore absolutely essential to the British woollen manufactures".² While Spain maintained an effective monopoly of this commodity, logwood was sold at £90 to £110 per ton. When the government of London began to discourage buccaneering in the late seventeenth century, the buccaneers, quite by accident, discovered that the English were prepared to pay a price high enough to entice them to

1. Brown, H.A.H.R., V (1922), pp.353-8; "McLeish", pp. 208-12 and app. C.

2. Hodgson to Adworth, Jamaica, 21 April 1751, calendared in A.B.H., I, pp. 77-8.

begin cutting logwood regularly. Prices fell in the last years of the century as a result of this competition, but the logwood trade maintained its importance until the middle of the eighteenth century. In the 1760's the logwood trade lost its first place in the list of exports from Central America to England. This was due both to the overstocking of logwood in European markets and to the great development from the time of Queen Anne onwards of furniture-making in Europe with its consequent demand for mahogany from overseas. By 1771 mahogany had replaced logwood as the principal British import from Central America; but logwood continued to be shipped to cover the cargo of mahogany, since permission to cut it was not granted by Spain until 1786.¹

The period between 1670 and the Seven Years War was a continued effort on the part of Spain to prevent privateers from cutting and carrying logwood, preying upon British

1. In 1714, 4878 tons were imported into England; the cash value of the logwood trade in 1717 was £60,000; and in 1772 the price was so low that it did not pay for the freight and expenses incurred in putting it on the European markets. See "McLeish", pp.42-6, A.B.H., I, pp.5-6, 64-6, 183, and A.M.Wilson, "The Logwood Trade in the Seventeenth and Eighteenth centuries", Essays in the History of Modern Europe (ed. by D.McKay), pp.1-5, 13-5.

ships in Honduras and Yucatan, launching successive attacks on the British settlements in Central America, and always refusing to consider British proposals to negotiate the issue. The mere possibility of a negotiation was regarded as inappropriate, for fear that the British, who sought to legitimize their trade, should use it to build up the shadow of a claim. But despite this consistency of purpose, Spain could not manage the means to expel the English from these areas.¹

During the Seven Years War Spain tried, first, to get Britain to evacuate her settlements in Central America - this was one of the main Spanish grievances against Britain at the time - in exchange for Spanish neutrality in the Anglo-French war, but when this failed, she drew towards France in the hope of obtaining it by use of arms.²

1. Pares, pp.41-3, 102-4, 540-51; Calderón, pp.69-174. See also J.O.McLachlan, "The Seven Years Peace and the West Indian Policy of Carvajal and Wall", E.H.R., 53 (1938), pp. 457-77; and L.H.Gipson, "British Diplomacy in the light of Anglo-Spanish New World issues, 1750-1756", A.H.R., 51 (1946), pp. 632-44.

2. For the great importance put upon this issue by the Spanish, cp. "McLeish", pp. 105-6, and Palacio, pp. 103-4 and 149, n. 9.

But the war did not improve Spain's chances. When the peace negotiations began in Paris in April, 1762, the English government offered the evacuation of the British establishments in Honduras on condition that they were guaranteed permission to cut logwood. Spain tried to obtain unconditional evacuation on a mere promise of future negotiation on permission for cutting; but Choiseul brought pressure to bear on her and, by August, Spain was prepared to allow the English to cut logwood in the River Belize and the River Hondo in return for the evacuation of other British establishments and the undertaking not to form new ones.¹

Having been prevailed upon to grant this concession, Spain now wished to confine the British cutters within known limits. The Minister of Indies, Arriaga, took the view that the government ought to press the British to accept a precise description of the places where the right to cut logwood was to be exercised and of the establishments which were to be evacuated; he made a special point of Río Tinto (the Mosquito shore) which he inaccurately described as the biggest establishment on those coasts and the most dangerous

1. Palacio, pp. 230-41 passim.

on account of its fortifications and its proximity to the Indian Mosquitos.¹

In line with this view, the Spanish government drafted its proposal to be discussed in Paris between the Spanish negotiator, Grimaldi, and his English counterpart, recently arrived from London, Bedford. On 16 September 1762 Grimaldi submitted these terms for a compromise settlement of the Honduras dispute:

"L'Angleterre evacuera les Etablissements, et tous les Forts, qui peuvent avoir été élevés dans la Baye, et sur la Côte de Honduras, le Royaume de Goathémala, et nommément l'Etablissement de Rio Tinto; Et Sa Majesté Catholique en cette Considération permettra que les Anglois Coupent et Chargent le bois de Campeche dans la riviere Wallis, et la Riviere Nueva, ou Rio Nuevo, jusqu'a ce que par un arrangement à faire, il leur soit assuré sans blesser la Souveraineté de sa Majesté Catholique." (sic).²

Bedford did not accept this precise wording and suggested a new version deliberately vaguer in order to

-
1. Arráaga's report, probably written in August, 1762; A.H.N. Estado, leg^o 4551, ff. 107-8. Belize, which the Spaniards called Wallis, was the centre of British activity in the zone and not Río Tinto as was generally believed in Madrid: cp. Palacio, p. 103.
 2. Enclosure C in Bedford's dispatch to Egremont (Secretary of state in the Bute ministry), 19 September 1762, S.P. 78/253. See also his separate instructions of September 4th, 1762, S.P. 78/253 (also printed in B.D.I., VII, France, Part IV, 1745-1789, p. 63).

give the cutters room for further expansion without violating the treaty; he also demanded that a personal guarantee of permission to cut logwood from Carlos III be incorporated in the instrument of agreement. With some support from Choiseul, who wished to get a better peace for France, Bedford brought Grimaldi to acquiesce to the drafting desired by Britain:

"Et Sa Majesté Catholique, en Consideration de cette evacuation assurera aux Sujets de Sa Majesté Britannique la liberté entière de couper, charger, et transporter le Bois de Teinture, ou de Campêche, dans les Terreins ou ils on Coutume de le couper, charger et transporter. Cette liberté sera assurée pour le present, sur la Parole Royale de Sa Majesté Catholique; Et les deux Cours se reservent de faire un arrangement plus particulier entr'Elles sur cet objet, qui, en assurant la Liberté susdite, maintiendra la Souveraineté de la Couronne d'Espagne dans ce Pais là." (sic) 1.

This draft, however, was seen to be altered. At the end of September news of the British conquest of Havana reached Europe. The English government decided to raise the terms of the logwood clause a little higher. In a Cabinet meeting held on October 22nd it was agreed that names of places or fortifications were to be avoided.²

1. Enclosure B. Cp. Palacio, pp. 250-1.

2. Cabinet Minute, S.P. 78/253. See also Bedford, III, pp. 96, 114-122, for Egremont's bellicose views and Bute's lukewarm support for Bedford's pacific inclinations. Cp. Palacio, pp. 256-7.

Bedford was accordingly instructed not to make any concession and to avoid any phrase which might be used to check the expansionist aims of the logwood cutters; even the phrase "où ils ont coutume de le couper", which appeared in Bedford's first draft, was dropped lest it should be made to serve the Spanish view by stressing 'custom' as opposed to 'right'.¹

Grimaldi still persisted in his attempt to confine British permission to cut logwood within clear and well-defined limits, but France's desire to reach an early peace undermined his position. He refused, however, to sign the preliminary treaty unless Bedford agreed to the addition of these words, "et autres lieux du Territoire d'Espagne, dans cette partie du monde", after the British promise to demolish all fortifications in the Bay of Honduras. It was hoped that this sentence, taken with the one previously quoted, "ou ils on coutume de le couper", would give Spain the necessary handle to confine the cutters within strict limits in one place. To hasten peace, Choiseul supported Grimaldi. And Bedford, who like his principal Bute was also

1. Egremont to Bedford, 26 October 1762, S.P. 78/253.

keen on making peace, accepted this additional sentence; he had been given to understand that the British government intended to demolish all unlawful encroachments on the Spanish territory. Grimaldi still managed to add a further phrase, "dans les dits lieux", after the Preliminary Treaty.¹ Thus the logwood clause found its way into the Definitive Treaty of Paris of 10 February 1763 (art. 17):

"his Catholic Majesty shall not permit his Britannic Majesty's subjects, or their workmen, to be disturbed or molested under any pretence whatsoever in the said places, in their occupation of cutting, loading, and carrying away logwood: and for this purpose, they may build, without hindrance, and occupy, without interruption, the houses and magazines necessary for them, for their families, and for their effects: and his Catholic Majesty assures to them, by this article, the full enjoyment of those advantages and powers on the Spanish coasts and territories, as above stipulated, immediately after the ratification of the present Treaty";

his British Majesty in return

"shall cause to be demolished all the fortifications which his subjects shall have erected in the Bay of Honduras, and other places of the territory of Spain in that part of the world four months after the ratification of the present Treaty." 2

-
1. Bedford to Egremont, 3 November 1762, printed in Bedford, III, pp.144-9; Rochford to Halifax, 27 July 1764 (extract), Lyell Ms., empt. 37, Bodley Library; Grimaldi to Masserano, 13 August 1764, A.G.S., Estado, leg^o 6956. Cp. Palacio, p. 267.
 2. Charles Jenkinson, A Collection of all the Treaties... between Great Britain and Other Powers..., III, pp.186-7.

Britain could at last claim a right, a legal status, to cut logwood in the Bay of Honduras and other places of that area, and was now in a position to expand the area of cutting, availing herself of the loose wording of article 17. The Spanish government, on the other hand, had to accept the article as the result of an unfortunate war, hoping to alter the position by putting into effect their own interpretation of the phrases which Grimaldi had managed to insert.¹

Arriaga, the Colonial Secretary, set himself to lessen the effects of the English presence in Central America immediately after the Treaty of Paris. He feared that the British cutters would engage in illicit trade and breed discontent among the Indians. The newly-appointed governor of Yucatan, Felipe Ramirez de Estenez, was instructed to keep a careful watch on their movements and to avoid any contact with them. More important, Estenez was to limit the application of article 17 in accordance with Arriaga's restrictive interpretation that the British cutters should confine the use of their concession to the territory within the River Belize (or Wallis) and the New river because it was there that the previous cutting of logwood by the English could be proved by the existence of fortifications.²

1. In no other part of the world, concludes Pares, p. 603, was the Peace of Paris less conclusive.

2. Arriaga to Estenez, 29 February, and 29 April 1763; quoted in Calderón, p. 197.

Estenoz discovered that since April, 1763, British subjects had been cutting logwood in the River Hondo, five leagues from the Spanish garrison of Bacalar. There was an opportunity to apply Arriaga's interpretation. Accordingly, on 4 February 1774 a corporal and three soldiers from the garrison of Bacalar were sent to the River Hondo to ask the cutters to withdraw to Belize until they could produce either a cédula from Carlos III or a licence from His British Majesty to prove their permission to cut logwood in the River Hondo. The cutters, realizing that force would be used against them, speedily complied with the request, but acquainted the governor of Jamaica, Lyttelton, and the Naval Commander-in-Chief, Sir William Burnaby, who attempted to help the settlers. They claimed that article 17 of the Treaty of Paris did not stipulate that such "instruments" were required. Estenoz, for his part, argued that the cutters had no right to cut logwood in the River Hondo, for the sense of article 17 was that this right was to be recognized only in places where fortifications had previously been erected; the fortifications were the evidence of settlements having been established with a claim to recognition.¹

1. Brown, H.A.H.R., V (1922), pp.359-61; "McLeish", pp. 118-9; Calderón, pp. 183-6.

As their representations to Estenoz did not meet with a conciliatory answer, Lyttelton and Burnaby referred the matter to the government in London. Halifax, the Secretary of State for the Southern Department, instructed Rochford on June 15 to secure prompt and positive instructions to restore the cutters' rights, and on July 3 to demand disavowal and compensation.¹

Acting on Halifax's instructions of June 15, Rochford sent a written note to Grimaldi on July 4th. The Spanish minister answered three days later that he had not yet received any information from Yucatan and could not therefore proceed in the matter. Grimaldi also reaffirmed Carlos III's desire to define the places where the cutters could exercise their rights; His Catholic Majesty, Grimaldi expressed, was minded to allow no interference with the cutters' rights "in the stipulated places".² Arriaga approved Grimaldi's answer; he personally would have liked to see specific mention of each individual place where the English would be permitted to cut logwood so as to make any extension of logwood cutting activities impossible.³

1. S.P. 94/167.

2. Rochford to Halifax, 8 July 1764, S.P. 94/167. See also Calderón, pp. 205-6.

3. Arriaga to Grimaldi, 6 July 1765; printed in Calderón, p. 206.

But even Grimaldi's broad hint aroused suspicions in London. Grenville, who was as anxious to leave the areas unspecified as the Spaniards were to fix them, pointed out to Halifax that the phrase "stipulated places" could be later used for a future dispute about what these stipulated places were. Halifax then wrote to Rochford on July 24 to demand again immediate redress and reparation, and that the Governor of Yucatan be punished.¹

Before these instructions reached Madrid, Rochford had had several conferences with Grimaldi on the basis of Halifax's earlier instructions of July 4th. Rochford was confident that Carlos III would give the satisfaction that was expected in London in return for a clear definition of the places where the cutters could go on exercising their rights. He believed that the Spaniards would do anything to avoid quarrelling with Britain, and suggested that Grimaldi's offer to reach a compromise settlement on the basis of granting rights to cut logwood in specified places with great quantities of this wood, should be taken into consideration. He personally believed that this was a good opportunity of ending disputes likely to arise from the Spanish ministers' conviction that the cutting of logwood was only an excuse to carry on an illicit trade in the

1. Grenville to Halifax, 23 July 1764; Grenville Papers, II, p. 409. Halifax to Rochford, 24 July 1764, S.P. 94/167.

River Hondo.¹

Grimaldi was in reality less forthcoming than Rochford thought him to be. It is accurate that the Spanish minister was not prepared to risk a serious quarrel; however, he intended to test the British government as to the possibility of spinning out the negotiation for satisfaction, with a view to drawing them into talks on the subject of interpretation of article 17 of the Treaty of Paris. The first step was to transfer the discussion to London, for Rochford had already spoken of this issue having been the occasion of more than one war between the two countries. It was hoped that Masserano might be able to create a more favourable atmosphere in London. As for Rochford's protests against delay, Grimaldi pretended to cast the blame upon Arriaga's dilatoriness.²

On 13 August 1764, Masserano was instructed to re-open the negotiation on the meaning of the phrase "dans les dits lieux" of article 17. Grimaldi alleged that in Paris Bedford seemed to have agreed that the phrase referred to

1. See his dispatches of July 30th, 1764, in S.P. 94/167, and those of August, in S.P. 94/168.

2. Rochford to Halifax, 6 August (cipher), and 13 August 1764, S.P. 94/168. Cp. Gil Munilla, p. 94, n. 20.

the River Belize and the New River, the only places where previous establishments or fortified places had existed. There was no establishment or fortification in the River Hondo before the Peace of Paris; Estenoz's action was therefore justified. The cutters might argue, Grimaldi advanced, that logwood was scarce in the River Belize and the New River: but this was not so. They, therefore, had gone to the River Hondo, which was only five leagues from the Spanish garrison of Bacalar, because they could also carry on smuggling.

If the English were to insist on their demands to the point of war, Carlos III would have to permit them to cut logwood in the River Hondo also, and would even agree to give satisfaction for Estenoz's action; but in return the Spanish wanted clearly defined cutting areas within the River Hondo and the New River (the River Belize stands in between), and the withdrawal of British subjects from all territories apart from the three rivers.¹

On hearing of Grimaldi's intention to transfer talks to London and to reopen the negotiation on article 17,

1. Grimaldi to Masserano, 13 August 1764, A.G.S., Estado, leg^o 6956. For Grimaldi's allegation, see Bedford Correspondence, III, pp. 145-6; cp. Rashed, p. 167, and Spencer, p. 183.

Halifax instructed Rochford on August 30 to warn Grimaldi that should the Spanish either refuse or delay immediate redress and reparation, His British Majesty would be obliged to take proper measures to reinstate and protect his subjects' in their rights, as conceded to them by the Treaty of 1763.¹ Three days later, the cabinet decided un-animously to "take this up highly; & absolutely refuse to treat upon a Point, which we consider as being already settled by Treaty";² and on the 5th a new meeting was held, in which it was agreed that Sir William Burnaby, Commander-in-Chief of His Majesty's squadron on the Jamaica station, should be sent four ships of the line to reinforce his squadron and instructions to be prepared to take effectual measures to restore the logwood cutters in case a conciliatory answer from Spain should not arrive.³

-
1. Halifax to Rochford, 30 August 1764, S.P. 94/168. Cp. K.L.Ellis, "British Communications and Diplomacy in the Eighteenth Century", B.I.H.R., 31 (1958), pp. 159-67, for London's reluctance to conduct negotiations at home.
 2. H.V.Jones (Newcastle's secretary) to Hardwicke, 2 September 1764, enclosing minute of the cabinet held on that day; Add. 35425, ff. 62-3.
 3. Cabinet minute printed in Spencer, pp.209-210; cp. also p. 183.

Britain's firm policy was due to Grenville's stern attitude towards the Bourbon powers. Unlike his lack of initiative in the Polish question, Grenville held the view that a strong line against France and Spain was the best means to preserve peace as established in the Treaty of 1763. Disregarding the pacific counsel of Bedford (Lord President), who was prepared to make concessions to France for the sake of peace, Halifax's compromising attitude, and Sandwich's apprehensions over the unpreparedness of the navy, Grenville brought them to adopt his views. The memory of recent triumphs over the Bourbon allies, still fresh in British minds, was on his side.

Indeed, Grenville's firm and steady conduct had already proved successful on the occasion of the French attack made on British saltrakers (the Bermudians began the salt-raking industry in the 1670's) on the Turk's Islands, a small group to the north of St. Domingue and in the southern extremity of the Bahamas, by the governor-general of the French Antilles, comte d'Estaing, on June 1st, 1764.¹

1. For this and other Franco-British disputes arising from the last war (the Canada Bills, claims for prisoners of war, France's failure to destroy the fortifications and 'cunette' at Dunkirk as undertaken in the Treaty of Paris and the Newfoundland fisheries), see Spencer, pp.178-229 passim; cp. also Recueil, XXV-2, Angleterre, III, pp. 405-425.

This group of islands was an important trade route, with good harbours, between the Thirteen Colonies and Jamaica, in which 200 ships were employed. Furthermore, the islands lay in the zone through which French vessels passed on their way from Haiti to Europe; they thus offered a convenient station to keep a watch on French shipping and might be used in wartime as a bridgehead to threaten Haiti.¹

The French for their part feared the formation of a British military establishment on the islands and, to prevent it, they wished to settle them themselves. But they had no title; so the French claimed that they were acting on behalf of Spain, whose rights to the islands had been acknowledged by Britain when France launched an attack on them in 1753.²

But the question of right did not arise, for Britain demanded immediate restoration of the islands, reparation of the damage and punishment of the officers involved, and

1. Admiralty to Conway, 17 July 1765; calendared in CHOP 1760-1765, pp. 577-8.

2. Renaut, p. 123. For the French attack in 1753, see J.C.T.P. 1749-1753, p. 452, and 1754-1758, pp. 37-8.

Choiseul gave way a few days later, on 2 September 1764, except on the question of punishment, which the English decided not to press.¹ The issue, however, did not end here. D'Estaing's action had repercussions in London; it was feared that the French might try to settle the islands and this provoked counter-schemes; in November, 1766, an agent was appointed to look after the commercial interests of the settlers, with a view to strengthening Britain's hold over the islands.² These measures in turn alarmed Choiseul, who in 1768 protested to London that an English military establishment had been made in the Turk's Islands. The fate of this protest we shall have occasion to discuss later.³

Choiseul's readiness to comply with British demands also seems to have had repercussions in Spain. Halifax's instructions of August 30th had not yet reached Madrid when Grimaldi decided on September 16th to re-establish the cutters in their places and to restore them to the full and free enjoyment of their rights without being disturbed

1. Spencer, pp. 290, 208.

2. J.C.T.P. 1764-1767 and J.C.T.P. 1768-1775, see their indices under the heading the Turk's Islands. Cp. M. Craton, A History of the Bahamas, pp. 143-8.

3. Below pp. 245-6.

under any pretence whatever.¹ Grimaldi did not wait to know whether London had altered in any way its original terms; his decision rather followed the arrival in Madrid of news from Paris that the French government had given way to the English on the Turk's Islands incident. The Spanish government could not procrastinate, and thus risk a serious show-down with Britain, now that France had shown her aversion to quarrelling with the English.²

Grimaldi still tried to involve the English in further discussions. In his instructions of 13 August to Masserano, Grimaldi had envisaged making a merit of his concession to British subjects in the River Hondo for the purpose of obliging Britain to resume talks on the question of fixed limits in return. Masserano had been led to believe that Britain might be willing to consider Spain's proposals, once Spanish satisfaction on the question of the act against the logwood cutters had been conveyed to London.³

-
1. "McLeish", pp. 119-22; Brown, H.A.H.R., V (1922), pp. 364-6; Calderón, pp. 186-7, 206-7.
 2. Grimaldi to Fuentes, 13 August 1764, A.G.S., Estado, leg^o 4565; Fuentes to Grimaldi, 3 September 1764, leg^o 4681; Grimaldi to Fuentes, 17 September 1764, leg^o 4565.
 3. Masserano to Grimaldi, 9 September 1764, no. 271, A.G.S., Estado, leg^o 6956. Cp. Halifax to Rochford, 30 August, and 25 September (cipher), 1764, S.P. 94/168.

But now that satisfaction had been given, Grimaldi reminded Rochford on October 19th, the English government seemed reluctant to consider Spain's wishes for a negotiated interpretation of article 17. The Spanish minister, however, was not in a position to press this point, for he had to counter British demands for reparation of damages against the British cutters in the River Hondo. Grimaldi had to concentrate on trying to evade these demands; recognition of the need to make amends would strengthen the cutters' position and encourage expansion still further; and yet, Spain's satisfaction to Britain had prejudiced the question of reparation. Consequently, Grimaldi was quite prepared to drop the discussion of article 17 in the hope of a more favourable occasion to fix the cutting areas.¹

Likewise, Rochford was in a congenial frame of mind. His view was that the Spanish ministry had granted much more than they intended, and it would not be wise to press them further. He suggested the waiving of reparation as a means to ward off Grimaldi's request for negotiating an

1. Rochford to Halifax, 27 October 1764, S.P. 94/168. See also Halifax to Rochford, 5 October, and 23 November 1764, S.P. 94/168; and Grimaldi to Fuentes, 17 September 1764, A.G.S., Estado, leg^o 4565. The reparation for the losses amounted to £27,097. 8s. 5d.

agreed interpretation of article 17 of the Treaty of Paris. His principals in London, who preferred to leave the areas for cutting logwood unspecified, seemed to subscribe to this tacit compromise. Reparation was never given.¹

The English government seemed conscious of their victory.² In 1766, on the occasion of the cutters' petition to London to be allowed some system of civil government (article 17 acknowledged Spanish sovereignty over these territories), the Advocate General, James Marriot,³ reported to the Lords Commissioners of Trade and Plantations, that article 17 granted them permission to cut logwood,

"on the Spanish coast and Territories without any express limitations or demonstration of place: so that under these terms other & said places the Bay of Campeachy is not excepted; nor any other territories of Spain where Logwood may happen to grow."

It also entitled them to

"an usufructuary right of produce of the soil where the logwood grows in the Bay of Honduras and in other places of the territory of Spain";

-
1. Rochford to Sandwich, 17 September 1764 (printed in Spencer, pp. 221-2); Rochford to Halifax, 27 October, and 17 December (cipher), 1764, S.P. 94/168; Masserano to Grimaldi, 19 November 1764, no. 326, A.G.S., Estado, leg^o 6956.
 2. Halifax to Rochford, 28 September 1764, S.P. 94/168; Grenville Papers, II, pp. 516-7.
 3. J. Marriot to John Pownal, Secretary of the R.H. of the Lords Commissioners, 21 April 1766, C.O. 122/1, ff. 116-128. Cp. J.C.T.P. 1764-1767, p. 271. For Marriot (1730-1803) and his connection with Sandwich, see Additional Grenville Papers, pp. 136-7, 148-9.

and as a consequence of this right,

"there is some sort of territorial Right in a certain degree & of a useful and solid nature acquired by Great Britain sufficient to maintain and exercise a civil jurisdiction over its own subjects in the Bay of Honduras."

However, despite Marriot's ambitious interpretation, the British government were not prepared to risk a conflict with Spain over this issue and did not afford protection to the colony, nor did they take measures to give the settlement a system of civil organization. Consequently, the cutters under the close watch of the Spaniards from the garrison of Bacalar in the North and that of Petén in the South-West, were left helpless until it finally fell an easy prey to the Spanish expedition of Rivas Betancourt in the autumn of 1779. They were restored, however, by the opportune arrival of two frigates from Jamaica.¹

In the meantime, Spain waited for the best possible opportunity to throw the British settlers out of Belize and the Mosquito shore. Spanish officials kept a close watch to prevent expansion, and made the settlers' life as uncomfortable as possible, e.g. by enticing their

1. For this expedition, see Calderón, pp. 246-8.

slaves to run away.¹ The Spanish government also avoided negotiations with London on the issue of the settlers after 1764, as discussions at diplomatic level might compel the British government to stand firmly by them, thus strengthening the British claim and reducing the chances of Spain eventually clearing the territory.²

As relations between the two countries worsened in the late 1760's, the Spanish government hoped that the impending Falkland Islands crisis might give them the

1. From 1768 to 1773 this issue, not only in Honduras Bay and Mosquito Shore but also in the Caribbean Islands, was the endless cause of friction between English and Spanish. The government in London sought to negotiate an agreement for exchange of runaway slaves in the manner of the Hispano-Danish Cartel of 21 July 1767 (printed in Cantillo, pp. 507-9), but they always met with Grimaldi's flippant reply that since the number of those gone to the Spaniards was much higher, the agreement would not be reciprocal; A.B.H., I, pp.111-24; "McLeish", pp.123-7; Brown, H.A.H.R., V (1922), pp. 356-75, passim.
2. That a lesson had been learnt from the Belize issue is also borne out by the attitude of the Spanish government towards British presence in Mosquito Shore: this point had never been raised in diplomatic discussions and the Spanish government acted as if London had no interest in it, while waiting for an opportunity to disband the settlement as an encroachment on Spanish territory before the British government had a chance to lay claim to some authority in the area.

hoped for opportunity of clearing the settlers out. The dispute of 1770, however, failed to produce the expected gain. Nothing more was said in Spanish circles until 1775, when British involvement in the revolt of the American colonies inspired the government with new hopes. Grimaldi stressed the dangers of British presence in Mosquito Shore to his colleagues, and ordered complete reports on the situation in all areas concerned. These were presented to the King, together with plans for the expulsion of the British settlers.¹ The time proved not yet ripe for a forcible solution; Britain was not so heavily involved that she could be successfully challenged. Furthermore, the Spaniards who were at the time occupied with their dispute with Portugal did not wish to antagonize their opponent's ally.

There was another attempt in 1778-1779 to obtain evacuation in return for mediation between France and Britain. The Spanish offer of mediation was rejected, but the subsequent Anglo-Spanish war brought some satisfaction. The Peace of Paris of 3 September 1783 confirmed the rights of the settlers to cut logwood in the Bay of Honduras, but

1. See Grimaldi-Masserano correspondence during the last quarter of 1775, A.G.S., Estado, leg^o 7016, and that of Grimaldi with the ministers of War, Indies, and Marine, and with the authorities in Yucatan, A.G.S., Estado, leg^o 8133, ff. 9-16.

stipulated (article 6) that the English were to evacuate all their establishments in 'the Spanish Continent' except for a stretch of land between the River Belize and the River Hondo, where they were to operate; the Spanish sovereignty over these territories was also confirmed.¹

Spain believed that the concession of the River Hondo as the northern boundary for the territory in which the settlers might operate, was in return for British withdrawal from their establishments on the Mosquito Shore - as envisaged by Grimaldi in August 1764.² Indeed, during the first stage of the negotiations between the Bourbon powers and Britain (the autumn of 1782), the Spanish representative in Paris, Aranda, had been given to understand that Britain was prepared to relinquish her settlements on that coast, provided that the logwood cutters were

1. Printed in Cantillo, pp. 586-590, and Martens, II, pp. 484-496.

2. José Gálvez (Minister of Indies since 1776 to Bernardo del Campo, 8 February 1783, A.G.S., Estado, leg^o 8162; Aranda to Campo, 30 July 1783, A.G.S., Estado, leg^o 8183; Calderón, p. 265; for Gálvez's views on the strategic significance of the Mosquito Shore and the Honduras Bay in the defence of the Gulf of Mexico, see his report on the subject when he went to New Spain as Visitor-General in 1766, quoted in Calderón, p. 209, note 49.

secured an adequate area in Honduras Bay to exercise their rights; both Shelburne (the chief minister) and Grantham (the foreign secretary) looked on this concession as part of the price they were inclined to pay to make Spain drop her extravagant claim to Gibraltar, which was near to causing a rupture of the negotiations.¹ On this understanding, Spain and Britain signed the Preliminary Treaty on 20 January 1783.²

However, when the Fox-North coalition succeeded the Shelburne ministry in February, 1783, Grantham's undertaking was deliberately ignored, and the new foreign secretary, Fox, instructed his representative in Paris, Manchester, on July 2nd to defer the issue until six months after the general pacification (as suggested in art. 4 of the Preliminary Treaty) or to alter article 6 of the draft for the definitive treaty so as not to imply any intention of evacuating the Mosquito Shore. Fox suggested the addition of some such sentence as "qui reconnoissent la domination

1. Grantham to Aranda, 26 December 1782 (copy), P.R.O. 30/15/9/Part I (no.945); Fitzherbert (British Minister in Paris during Shelburne's administration) to Aranda, 2 February 1783, enclosed in Manchester to Fox, 6 July 1783, no. 21 (extracts), Add. 47652, ff.80-3; B.D.I., VII, France, Part IV, pp. 196, 212-3. For a total view of these negotiations, see Harlow, I, pp. 342-361.

2. Cantillo, p. 575; Martens, II, pp. 323-7.

espagnole" or "où la domination espagnole est reconnue" or to insert the word "Espagnol" after "Continent", which would leave sufficient ground to argue later that the Mosquito Indians did not acknowledge themselves as Spanish subjects and the British presence on their coast, therefore, was not contrary to article 6 of the treaty. Manchester, with Vergennes' support, did manage to get Aranda to consent to the addition of the word "Espagnol" to "Continent", but no progress was made in regard to Fox's desire to prevail upon the Spanish minister to give some indication which might be later construed as an admission of the British restrictive interpretation of article 6. Aranda refused to discuss this point any further and simply returned to Grantham's note of 26 December 1782 as having settled that point. Manchester, too, insisted on the difficulty of extricating themselves from Grantham's undertaking.¹

But Fox was not deterred; nor indeed his dominant partner in the coalition, North, who wrote to the governor of Jamaica, Archibald Campbell, a month after the signature of the Paris Peace, that the Mosquito Shore was not to be

1. Manchester-Fox correspondence (July 1783), Add. 47559, ff. 87-92, and Add. 47562, ff. 72-5, 80-105; P.R.O. 30/15/9-10, passim; B.D.I., VII, France, Part IV, pp. 239-244.

evacuated, for it had never been acknowledged to belong to the Crown of Spain, and was therefore not included under the phrase the "Spanish Continent".¹

With Pitt in power at the end of 1783 the situation improved a little. The new administration adhered to their predecessors' restrictive interpretation of the phrase "the Spanish Continent", but they were inclined to reach a compromise solution. Although aware of the unfairness of the method, Carmarthen, the new foreign secretary, was minded to uphold the views of Fox and Manchester in order to obtain some compensation in Belize for the evacuation of British establishments on the Mosquito Shore.

The Spanish government, for their part, were seriously disappointed and tempted to use force to expel the settlers. But they were not in a position to entertain strong policies, for no support was expected from France. However, the affairs of Holland quite unexpectedly enabled Spain to obtain a settlement not very different from what Grimaldi had wished. In November, 1785, France strengthened her influence in Holland through the pro-French 'Patriot' or Republican party by means of a

1. Secret and confidential; P.R.O. 30/8/349. North to Fox, 27 September 1783, Add. 47561, ff. 19-20.

treaty of mutual guarantee. Britain, who wished to destroy French influence by restoring the former authority of the stadtholder (supported by herself and Prussia), feared that Spain might be persuaded to join her Bourbon ally in Holland. This resulted in the English giving way on the question of the Mosquito Shore as a means to keep Spain away from Dutch affairs.¹

A Convention was signed in London on 14 July 1786, whereby the British agreed to evacuate within six months all establishments in that part of the world and withdraw to the area between the River Hondo and the River Sibún, south of Belize. In return for the evacuation of the Mosquito Shore, the Spanish government allowed the logwood cutters to expand southwards to include the area between the River Belize and the River Sibún - some sixty square leagues more than Grimaldi had originally envisaged in 1764.²

Spain's consistent policy in that part of the world had borne fruit. It is true that Spain did not succeed completely, for Britain kept Belize and continued to benefit from the

-
1. For these negotiations from the British end, see F.O. 72/3-7 and 185/1-2, passim; the Spanish side may be seen in A.H.N., Estado, legajos 4227/4232 and A.G.S., Estado, legajos 8134/8141, passim.
 2. The original text in F.O. 93/99/3. Also printed by Canillo, pp.614-7, and F.G.Davenport, European Treaties bearing on the History of the United States, IV, pp.162-4 (hereafter cited as Davenport). See map in A.B.H., I, p. 154. The British claim to some authority on the Mosquito Shore was not finally renounced until the Bulwer-Clayton Treaty of 1850; as for Belize, it was not formally recognized as a British colony until 1862 (A.B.H., III, p.247).

logwood business. Nevertheless it was a triumph to get the English to acknowledge by treaty the limits of their prescriptive rights to cut logwood, and thus to invalidate Marriot's ambitious interpretation of the settlement of 1764. The preparatory work for this success was laid in the period here discussed.

2. The Manila ransom issue.

On 6 October 1762 Manila was conquered by a British expeditionary force under the command of Colonel Draper and Vice-admiral Cornish. The undertaking had been supported by the East India Company as part of a plan to establish a permanent commercial entrepôt in the Archipelago, which would avoid dependence upon the expensive markets of spices of Canton and would provide a basis for commerce with China and contraband trade with the Spanish and Dutch colonies. No permanent success, however, followed; the Treaty of Paris was signed before news of the event reached Europe, stipulating that all conquests, except for those specifically mentioned, should be restored to their former possessors.¹

Yet the conquest was significant, for it gave rise to protracted negotiations between Britain and Spain. When Manila surrendered to the British expeditionary force, the archbishop of the town (acting in place of its governor who had died) agreed two days later to pay a ransom of four million dollars to spare the town being pillaged. Half the money was to be paid in cash and the rest was to be drawn on the Spanish Treasury. It was also agreed that all the effects and possessions of the inhabitants of Manila and its

1. C. Fernández Duro, Armada española, VII, ch.IV; Harlow, I, pp. 68-80.

dependencies were to be secured to them, and that the inhabitants might carry on all sorts of commerce as British subjects. Freedom of trade was also stipulated, and it was, finally, mentioned that the ship "Philippina", which belonged to the inhabitants of Manila and was at that time homeward bound, might be taken as a lawful prize to be offset against the ransom money.

Twenty three days after the capitulation had been signed, on 30 October 1762, the English seized the galleon "Santísima Trinidad" (property of the Spanish Crown) in place of the "Philippina", which had eluded them. The galleon, carrying a cotton cargo belonging to Manila merchants, was taken 60 or 70 miles away from Manila.

As for the two million dollars to be paid in cash, the English received 515,802 from public funds and private collections. Spanish losses to the British captors, which amounted to 1,200,000 dollars, together with 26,623 dollars admittedly plundered before the Manila Capitulation, were also taken into account. The British captors presented a balance to their credit of 257,574 dollars (about £50,000).¹

1. The English side of these events in S.P. 94/253, ff.86-102; the Spanish account in A.G.S., Estado, leg^o 6958, passim. See also Reports of Cases determined by the High Court of the Admiralty, pp. 162-3 (hereafter cited as Reports of the HCA).

The half that was to be drawn on the Spanish Treasury became the bone of contention in Anglo-Spanish relations during the middle 1760's. The English government had a stake in it, for only a third of it would go to the East India Company; the rest was for the forces of the Crown.¹

When the Spanish government was first approached in the autumn of 1763, the chief minister, Grimaldi, refused bluntly to honour the archbishop's promise and added ironically that the authorities of Manila might as well have drawn upon the Spanish King to deliver Granada to the English. The archbishop, he argued, was not competent to draw on the Spanish Treasury, nor did international treaties or custom authorize such practice. Furthermore, the archbishop of Manila had entered into the capitulation under pressure, and in any case the British, on their side, had not respected the stipulation signed, for the town had been plundered for forty hours. As for the prize of the "Santísima Trinidad", which the High Court of the Admiralty had declared lawful on November 14, 1763, the Spanish Court maintained that the galleon had been unlawfully gained because the Manila Capitulation had stipulated freedom

1. Extract of a letter from Draper to Egremont, Manila, 2 November 1762; enclosed in Conway to Rochford, St. James's, 16 August 1765, S.P. 94/171.

of commerce and the ship had been taken twenty three days after the signature of the agreement.¹

Grimaldi's assertive mood was not conducive to a negotiated settlement of the issue. On the other hand, the English who were equally prepared to stake out their claim, would negotiate from strength, for they had both the prize "Santísima Trinidad" and the bills of exchange for the two million dollars. The Spanish representative in London, Masserano, aware of the use Britain might make of her position in the future, attempted to improve Spain's hand by giving way on the question of the ship in the hope of recovering the bills of exchange. When Masserano put Grimaldi's arguments against payment to Sandwich and Halifax early in 1764, quite optimistically he gathered from their replies that they intended to avail themselves of the prize to compensate the captors for the money that Grimaldi refused to pay. Further, he presumed that Britain would be satisfied with either the ransom money or the ship and cargo; it would appear, Masserano believed, that the ship would hardly be released by an English Court of Appeal, whose impartiality he doubted. It was therefore advisable to concede to them

1. Rochford to Halifax, 12 December 1763, Separate (cipher), S.P. 94/165; Masserano to Grimaldi, 27 January, no. 55, and 31 January, no. 57, 1764, A.G.S., Estado, leg^o 6956; Reports of the HCA, p.162. Cp. J.Goebel, The struggle for the Falkland Islands, pp.224-5 (henceforth cited as Goebel); Renaut, pp. 133-5.

what the High Court of the Admiralty had already declared lawful. Two Spanish ships taken by the English in the last war and some other monetary grievances against Britain may be added to the "Santísima Trinidad" to be put against the Manila ransom money.

Apprehensive that the decision of the High Court of the Admiralty might prejudice any attempt to use the prize as *quid pro quo*, Masserano suggested a second course. He pretended to separate the two issues in order to deprive the captors of Manila of government support; he approached Draper, the English officer in command of the expedition, with hints of monetary compensation in return for the bills of exchange. As for the prize he hoped to appeal personally to George III.¹

But neither Draper nor his government were agreeable to Masserano's suggestions. The former insisted on payment of the ransom money, denying that Manila had been plundered for forty hours after the capitulation, for he had taken strong measures to stop it a few hours after it started; while the secretary of state for the southern department, Halifax, declared to Masserano that the Superior Court of Appeals was the only course left to the Spanish government

1. See Masserano's dispatches to Grimaldi, February to April, 1764, A.G.S., Estado, leg^o 6958.

if it wanted to contest the legal validity of the sentence passed on the ship by the High Court of the Admiralty.¹

Grimaldi, for his part, did not believe that the two issues could be separated. Moreover, his hands were already tied, for he had absolutely refused to honour the drafts for two million dollars. Short of reaffirming his intention not to pay the two million dollars, which was bound to irritate the English to no apparent purpose, the Spanish minister preferred to take the only course which according to Halifax was open to Spain. On 25 June 1764 Masserano was instructed to lodge an appeal with the Court of Appeals in accordance with English procedure.

Masserano reluctantly proceeded to gather the evidence for the defence, not without first having reminded Grimaldi of his, as it proved, justified fears that once the prize had been declared lawful the English government would still be in possession of the drafts signed by the archbishop of Manila, which might be used in the future to offset Spanish claims. He also made a last attempt to stop legal proceedings by claiming that only the King was

1. Masserano to Grimaldi, 17 April, no. 122, and 5 June, no. 169, 1764, A.G.S. Estado, lego 6958. Halifax to Rochford, 15 June 1764, S.P. 94/167.

competent to decide the case (he expected better treatment outside the Court of Appeals); but Halifax rebuked him. Whereupon, his brief having been completed by the beginning of November, he proceeded on the 13th to lodge an appeal with the Lords against the verdict of the High Court of the Admiralty.¹

Masserano presented the appeal on behalf of the inhabitants of Manila. Since they were interested only in the cargo, which was theirs, and not in the ship herself, which belonged to the Crown, the appeal thus stressed that the "Santísima Trinidad" could not fall under the jurisdiction of the British courts. The sentence of the High Court of the Admiralty, therefore, did not bind the ship; this issue would have to be settled between sovereigns.

The appellants based their case for the cargo on the grounds that the Manila Capitulation had stipulated freedom of trade. As for the arrangement to make the "Philippina" a lawful prize, should she be taken after the Capitulation, the claimants argued that such provision did not include the cargo on board that galleon, for the citizens of Manila could not dispose of effects and possessions in other parts of the world to free their own town from being pillaged, but only of the ship which did belong to them.

1. Masserano's dispatches from July to November, 1764, A.G.S., Estado, leg^o 6958, passim.

The owners of the cargo thus had a good case for its restitution, but the arguments put forward by Masserano were not altogether consistent. For while he defended the cargo on the basis of the stipulated freedom of commerce, he maintained that the document containing it was invalid because, first, it had been entered into by force; secondly, there had been a breach of the Capitulation - the town had been plundered for forty hours; and finally, the inhabitants of Manila were not able to draw on the Spanish Treasury or dispose of Crown property.¹

According to British law, as interpreted by the Advocate General, James Marriot, in his report of 23 October 1764, the "Santísima Trinidad" was an ordinary maritime prize; the different proprietors of ship and cargo did not invalidate that fact. Therefore, both the sentence passed by the High Court of the Admiralty and the eventual decision on the appeal to the Lords, though brought only by the owners of the cargo, were equally binding on ship and cargo. And His British Majesty, once he had passed over to the captors his inherent right to the prize, had no power to interfere with the courts' findings.

1. Masserano to Grimaldi, 6 March, no.89, 21 September, no. 281, and 27 November 1764, no. 333; 3 January 1765, no. 373; A.G.S., Estado, leg^o 6958.

As for the Manila Capitulation, Marriot argued, it had no bearing on the question of the prize, for if there had been no breach of it, the "Philippina" and not the "Santísima Trinidad" was the object of it. And even if there had been a breach of the Capitulation, it would not affect either ship for it would make void the demand that Masserano founded upon a construction of that document. The breach of the Capitulation, if the plundering were proved, would only affect the demand of the British commanders for the two million dollars to be drawn on the Spanish Treasury and which was to be settled between the two Sovereigns, not by courts of law.¹

While the legal process took its time, the question of the ransom money fell also into abeyance during the first half of 1765 as a result of one of those domestic crises so frequent in British politics in the 1760's. After two years in power the Grenville administration gained the opposition of George III with the chief minister's criticisms of the costly budget of Buckingham Palace. When the conflict between the King and Grenville broke into the open on the occasion of the former's illness and the Regency Bill, George III proceeded to dismiss him on 10 July 1765.

1. Halifax to Rochford, 23 November 1764, enclosing Marriot's report and other documents relating to the prize and the Manila ransom money; S.P. 94/168.

The British King now followed Cumberland's advice that the only practicable team was a combination of Pitt and Newcastle's friends, now led by Rockingham, and approached Pitt, who would not accept office except on his own terms, not yet to be granted. Rockingham was then called upon to head a new ministry, and became the first lord of the treasury. The new administration included Grafton as secretary of state for the northern department and Conway for the southern department; Newcastle received the privy seal.

This administration lasted for a year. Its hold on the Commons was precarious. Newcastle and Grafton were in the Lords, and Conway, the southern secretary, alone in the Lower House, was not a competent enough speaker to stand up to Pitt; Grenville and Bute. Furthermore, the ministry did not hang together; Grafton and Conway (related to him by marriage) served only in the hope of Pitt's entry into the leadership; while Newcastle also favoured Pitt as the only way to strengthen the administration.¹

The instability of English politics during these years was carefully watched by the Spanish government. It

1. Watson, pp. 98-117; Namier, pp. 106-10; and J. Brooke, The Chatham administration 1766-1768, pp. 11-13. Cp. above pp. 85, note 3.

was generally believed that ministerial changes in London might bring about changes of policy.¹ The return to power of Pitt, the successful leader of the Seven Years War, and the restoration of his "northern system" (alliance with Prussia and Russia) were especially feared. On the whole, however, Masserano was inclined to believe that British political instability would enable Spain to delay all outstanding matters until she was in a position to hold her ground; the ransom issue, Masserano optimistically hoped, might sink into oblivion.²

But he soon discovered that the new secretaries of state, Grafton and Conway, although inexperienced, had spirit and a determined manner. On 14 August 1765, the Lords of Appeal upheld the verdict given by the High Court

-
1. Grimaldi to Masserano, 9 August 1763, A.H.N., Estado, leg^o 3456(1): "Siempre ha de haber un partido que gobierne, y otro que aspire á gobernar. Si aquel sostiene la paz, este otro ha de (illegible) para la guerra y la habrá el día que sea mas fuerte la oposicion."
 2. Masserano to Grimaldi, 25 March 1765, no.423, A.G.S., Estado, leg^o 6959; 16 June, no. 473, 28 June, no. 486, and July 12th, no. 494, and 18th, no. 501, leg^o 6958.

of Admiralty. The Lords considered that the stipulation for the surrender of Manila had established freedom of trade as long as the inhabitants of that town carried on their business "as British subjects". This, however, did not apply to the "Santísima Trinidad", for it belonged to the Spanish Crown and all transactions in respect of the cargo by the inhabitants of Manila had taken place when they were Spanish subjects and long before the city was attacked. Furthermore, the stipulation over the "Philippina" proved expressly that both parties understood that a ship then at sea might be taken as lawful prize.¹

Before informing Grimaldi, Masserano tried to dispute the validity of the Lords' decision, as he had tried to stop proceedings before, but Conway refused to discuss it. He instructed Rochford on August 20th to inform Madrid that the prize had been fairly and definitively settled. As for the ransom money, he was to remind Grimaldi that Britain did not intend to forgo that claim.²

1. Conway to Rochford, 16 August 1765, enclosing documentary evidence from the process (S.P. 94/171). Masserano to Grimaldi, 16 August 1765, A.G.S., Estado, leg^o 6958.

2. S.P. 94/171.

When Rochford approached Grimaldi at the beginning of September, he found him determined to avoid payment of the Manila ransom money, but was quite satisfied that Britain should be able to scare Grimaldi into settling the issue to her satisfaction. It was essential, however, to know whether Spain would receive support from her ally, France, before turning the screw on Grimaldi. His own belief was that France was bent on war, and Spain had to be prevented from being pushed into it by Choiseul.¹

At the beginning of October Rochford sounded Grimaldi on the Family Compact and tried to undermine the Bourbon alliance by goading the Spaniards with taunts of subservience to France. Grimaldi, resenting the slight, responded in general terms that he looked upon the Family Compact as "a child of his own", and maintained Spain's independence of France; he also said that the pact was not aggressive and that if ever France entertained any idea of offensive undertakings, Choiseul would find that Spain made up her own mind.²

-
1. Rochford's dispatches to Conway, September 1765, S.P. 94/171. Rochford sent during this month detailed and accurate reports on the Spanish forces and finances (see also his dispatch of 14 October 1765, S.P. 94/172). According to these reports Spain had 60 ships of the line but could man only 30 at the most; the situation of the army and the finances was no better; she could not possibly risk a war.
 2. Rochford to Conway, 3 October 1765 (two dispatches, one en clair and the other one in cipher), S.P. 94/172. For Esquilache's similar expressions, Rochford to Conway, 27 January 1766 (cipher), S.P. 94/173.

Masserano, for his part, was also sounded by the English ministers on the question of the Family Compact. Although the Spanish representative in London seemed quite persistent in his endeavours to throw doubts on the legality of the prize for the purpose of offsetting the pressure on the Spanish government in respect of the ransom money, when it came to British references to the Family Compact he, like Grimaldi, failed to make the best use of the French alliance as a way to moderate Britain's claim on Spain. Masserano stressed the conventional and dynastic aspects of the alliance and its defensive nature.¹

This language, together with Rochford's reports on Spain's weak state, France's apparent lack of interest in the issue, and the interception of Grimaldi's instructions, hoping for further delay to take preventive and defensive measures for the next conflict with Britain, made the English government confident that Spain might be bullied into paying the ransom money.²

-
1. Masserano to Grimaldi, 19 October, nos 562 and 563, and 28 November 1765, no. 598, A.G.S., Estado, leg^o 6958. To judge from Rochford's own remarks, a hint of strong union between the two Bourbon powers might have relieved some of the pressure which London was bringing to bear on Spain.
 2. Grimaldi to Masserano, 31 August 1765, intercepted and deciphered; Add. 32300, ff.82-3. For Choiseul's complaint because the English had alluded to the Family Compact in Rochford's last memorial to Grimaldi on the Manila ransom question (25 December 1765) as if France had no right to have allies, see dispatches from Paris in late January, 1766, S.P. 78/269.

Conway accordingly wrote to Rochford on 31 January 1766 that the existing links between France and Spain "neither alarm us beyond a prudent caution nor deter us in any one instance from insisting with a becoming firmness upon our just demands from either court".¹ Elated five days later by fresh reports from Rochford, insisting that Spain was not prepared to risk a quarrel with Britain and would give way,² he proceeded on February 11th to enjoin Rochford to make it clear to Grimaldi that the English government was determined to obtain satisfaction; should the Spanish Court "take so idle an imagination as to suppose we could bear to be put off", he added, they would have to beware of the consequences that might follow.³

The Spanish government were now driven into a corner. The Manila ransom money was no longer a minor diplomatic

-
1. Conway to Rochford, 31 January 1766 (cipher), S.P. 94/173. And his instructions to Richmond (in Paris), of the same date (S.P. 78/269).
 2. Rochford to Conway, 16 January 1766 (cipher), Private; cp. also his dispatches of the 22nd, and of the 27th (cipher); S.P. 94/173.
 3. Instructions in cipher, S.P. 94/173.

squabble, and British demands could not be warded off, nor a negative answer, which might easily precipitate a crisis, be given to the English government after the stern language used by both secretaries of state in their conversations with Masserano on the occasion of the latter's persistent attempts to question the validity of the sentence passed on the "Santísima Trinidad".¹

To escape from this difficult position Spain needed French support. On 3 March 1766 Grimaldi instructed Magallón, in charge of affairs in Paris, to present to Choiseul the harsh tone of Britain's last communication on the Manila ransom money and to convey his fears that Spain's refusal to comply might force the English government to insist on payment and, eventually, push matters to war. Grimaldi argued that even submission would not avoid war in the long run, since Britain would increase her demands as long as Spain proved unable to enforce her rights.²

Trusting to French support, the Spanish chief minister raised again the question of the "Santísima Trinidad" in the

1. Though more temperate in his language than Grafton, Conway was equally adamant in his determination to look on the prize as settled; Masserano to Grimaldi, 19 October 1765, no.562, A.G.S., Estado, leg^o 6958.

2. Ramsey, p. 168.

hope of offsetting the payment of the ransom money. On March 11th, he suggested to Rochford that both the prize and the ransom money should be deferred to arbitration.¹ Grimaldi did not expect success for this move; he was simply trying to gain time while France made her position clear.

He had reasons to believe that Choiseul would be forthcoming.² For the French minister was, in fact, urging Spain to speed up military and naval preparations. Furthermore, Choiseul was confident that Britain was not likely to adopt a firm attitude on the question of the Manila ransom money; her finances were too weak and the Rockingham administration was finding it increasingly difficult to manage the parliamentary opposition. Choiseul had actually advised Grimaldi to refuse paying the ransom money, hoping that if a new party came into power a workable solution could be found.³ But when the British government seemed decided on a vigorous stand, Choiseul had second thoughts.

1. Rochford to Conway, 12 March 1766, enclosing Grimaldi's note to Rochford of March 11th; S.P. 94/173.
2. Ossun to Choiseul, 5 September 1765, C.P., Espagne 544, ff. 34-6; Magallón to Grimaldi, 28 February 1766, docketed by Grimaldi, A.G.S., Estado, leg^o 4563.
3. See Choiseul-Ossun correspondence from September to December, 1765, in C.P., Espagne 544; Choiseul to Ossun 14 January 1766, no. 2, and 11 February 1766, no. 6, C.P., Espagne 545, ff. 28-9 and 100 respectively. Cp. Rousseau, II, pp. 57-58; Ramsey, p. 255, n. 3.

On March 21, Choiseul replied to Grimaldi that he supported Spain wholeheartedly but they had to be cautious; "Il est vrai que les deux couronnes, je parle surtout de la France, ne sont pas prêtes comme elles le seront dans trois ans"; they needed time "et un temps très long, qui nous donnera l'avantage". If war broke out, Choiseul continued, "je ne déserterais pas certainement, mais je dirai que je serais fort inutile dans une guerre qui...deshonorerait la couronne". For the time being, Choiseul thought it far more sensible to go ahead with Grimaldi's proposal to refer the Manila ransom question to arbitration.

On the following day he wrote to Ossun, but for himself alone, that Spain would have to pay the Manila ransom money to put an end to the dispute. In order to prepare Grimaldi for some kind of concession to the English, Choiseul instructed Ossun to stress to Grimaldi that Pitt might return to power, which would increase the danger of a premature rupture between Britain and the Family Compact.¹

1. Choiseul to Ossun, 18 March 1766, no. 10. C.P., Espagne 545, ff. 208-9; Choiseul to Grimaldi, 21 March 1766 (quoted by Blart, pp. 85-6; Choiseul to Ossun, 22 March 1766 (quoted by Blart, p. 86, and Ramsey, p. 256, n. 9); Magallón to Grimaldi, 28 March 1766, A.G.S., Estado, leg^o 4563.

When Choiseul heard from Guerchy at the beginning of April that London was not agreeable to arbitration, he tried to dissuade Spain from pursuing the arbitration proposal and to prevail upon her to give way to the English. Choiseul did not approach Grimaldi directly; he preferred to work on Masserano, again stressing the danger of Pitt's return to power as likely to produce some such drastic measure as an expeditionary force to retake Manila. By this devious way of getting through to Grimaldi, Choiseul no doubt purported to convey the feeling that Britain's refusal to consider arbitration was a sign of her determination to have her way, which had caused him to intervene in London to prevent the issue getting out of hand.¹

Despite Choiseul's move, Masserano still believed that the arbitration proposal had brought Spain some relief; a brief respite in which to decide on the next move. As he saw it, the English ministers' strong attitude was due to the fact that they wished to strengthen their position in Parliament by obtaining the ransom money from Spain; there was no real desire to resort to force.²

1. Rousseau, II, p.58. Cp. Renaut, p.137.

2. Masserano to Grimaldi, 26 March 1766, no.671; 18 April, no. 691 (cipher); and 2 May, no.701 (cipher); A.G.S., Estado, leg^o 6960.

Masserano was quite correct. Indeed, the English government, somewhat embarrassed by the arbitration proposal and aware of the relief it had brought Spain,¹ decided to press Grimaldi for a monetary settlement. Rockingham's ministry was deteriorating rapidly; a quick triumph was required. Furthermore, news of social disturbances at this time in Spain led the English to expect some complaisance on the part of the Spaniards.² However, Conway seemed willing to compromise on the question of amount; while he wrote to Rochford on 16 May that the government was prepared to consider a round figure of £500,000 in settlement of the Manila ransom money, instead of £563,000 due to the captors (according to the British estimate), he gave him permission to accept £300,000 as the lowest terms to which Britain would agree.³

Grimaldi was encouraged by Masserano's assessment of the situation. On 30 May, he gave De Visme, the English chargé, to understand that though Conway's initial figure was excessive, he might be willing to reach a monetary

-
1. Masserano's dispatch of May 2nd, no.701, was intercepted and deciphered (Add. 32300, ff. 23-4).
 2. Rochford's account of these disturbances (see above pp. ~~34-5~~) in his dispatches of March and April, S.P. 94/173.
 3. Conway to Rochford, 16 May 1766, S.P. 94/174.

settlement but only by way of arbitration and provided the question of the prize was brought into the picture once more.¹

He was still playing for time; there was no choice, short of paying the Manila ransom money outright, but to continue with the arbitration proposal, and bring the prize issue to the fore, for this again served to delay matters, to use up time. As Britain had been embarrassed by the arbitration suggestion, he thought of improving it by further suggesting a likely candidate as arbitrator. Britain's refusal would then be likely to offend another country, which consequently might strengthen Spain's position.

Grimaldi turned to Prussia. Frederick II appeared to him as the obvious choice. Since 1763 the Bourbon powers had been apprehensive that the northern powers, under British leadership, might come together in order to counter-balance Austro-Bourbon ties. The involvement of Frederick II in a measure repugnant to Britain was hoped to render the

1. De Visme to Conway, 2 June 1766, S.P. 94/174. Lewis De Visme (1720-1776), of Huguenot descent, was secretary to the English embassy in Madrid from 1765 to 1767, and in charge of affairs after Rochford's departure in the middle of May, 1766. For his appointment, see Spencer, p.221; see also B.D.R., 1689-1789, p. 136.

prospect of a "northern system" more unlikely. Furthermore, Frederick II had expressed at the end of 1765 his willingness to sign a commercial treaty with Spain; Grimaldi would want to use this as a good opportunity to win a favourable arbitrator.¹ His decision to turn to Prussia came precisely at a time when Britain seemed more inclined to the Prussian alliance than during the Grenville administration. This move for arbitration might help to diminish the chances of a connection in the North.

The Rockingham administration did, in fact, try to convey the feeling that a Prusso-English rapprochement was a possibility. When persistent rumours reached London in the summer of 1765, of contacts between Prussian envoys and French ministers in Paris,² the English government endeavoured to minimize the effect of such rumours by stressing their own inclination to Pitt's 'system of the north'. In an attempt to counteract Franco-Prussian

1. See below, p. 181.

2. Masserano to Grimaldi, 12 July 1765, no. 494, A.G.S., Estado, leg^o 6958; New Letters of David Hume, pp. 91-8. For these contacts, see above, pp. 161-41.

exchange's, the southern secretary, Conway, made in the summer of 1765 some tentative overtures to Prussia, and hinted to the Bourbon Courts at the end of the year that the agreement to resume diplomatic relations between Prussia and Britain might result in some kind of political understanding.¹ Whatever the real intention of the Rockingham administration in approaching Frederick II, the chances of such a rapprochement were very slim. Frederick II made it clear that he was quite happy with the Russian alliance of 1764; he now replied to the English that he needed no new friend. The exchange of diplomatic representatives did take place in June, 1766, but Frederick II saw to it that the resumption of diplomatic relations should not look as if he had wanted it.²

Before approaching Britain and Prussia with the arbitration proposal, Grimaldi communicated it to Kaunitz.³

1. Conway to Richmond and Rochford, 3 December 1765, S.P. 78/268.
2. Sir Andrew Mitchell went to Berlin as minister plenipotentiary, while Maltzan was to represent Frederick II in London; they did not arrive at their respective posts until June, 1766; B.D.I. 1689-1789, p. 108, and Pol. Corr., XXIV, pp.260-1, 329-395 passim; XXV, pp. 31, 68-73 and 132-9 passim.
3. Grimaldi to Mahoni, 12 June 1766, A.G.S., Estado, legº 6502. Cp. Velázquez, pp. 59-60.

No diplomatic support was expected from Austria; however, by maintaining a friendly intercourse Spain hoped, at least, to prevent Britain from sowing discord between her and Austria.¹ Vienna welcomed the Spanish suggestion to defer to Frederick II as arbitrator of their dispute with Britain. Unlike Masserano, the Austrians did not believe that Anglo-Prussian relations were very good, but they were still glad to hear of a suggestion that was likely to make them even worse.²

On June 15th, three days after his communication to Vienna, Grimaldi proceeded to convey to London his proposal to defer to the arbitration of Frederick II both the Manila ransom money and the "Santísima Trinidad" prize. His representative there, Masserano, following Grimaldi's directions, spoke first to Maltzan, the Prussian minister,

-
1. Stormont, the English ambassador in Vienna, was in fact suggesting that Spain was acting aggressively and might cause another war, and De Visme was trying to persuade von Lebzeltern to oppose arbitration of the Manila ransom money. Masserano to Grimaldi, 12 July 1765, no. 494, A.G.S., Estado, leg^o 6958; 15 April 1766, no. 688, leg^o 6960; Grafton to Stormont, 28 February 1766 (cipher), S.P. 80/203; and Velázquez, p. 58.
 2. Mahoni to Grimaldi, July 15th and 25th, 1766, A.G.S., Estado, leg^o 6502. Von Lebzeltern (Austrian minister in Madrid) to Kaunitz, 24 July 1766; printed in Velázquez, p. 60.

so that Frederick II's disposition might be sounded unofficially beforehand; and then, on the following day (June 30th), he opened negotiations with Richmond, the new southern secretary since May 23rd,¹ who expressed most emphatically that Britain was opposed to arbitration, and insisted that a monetary settlement was the only solution acceptable to the English. The minister managed to draw Masserano into discussing the amount of money at stake, proposing a few days later a compromise formula on the basis of the lowest terms proposed by Conway in May, that is £300,000.²

But Grimaldi would not consider it, for Spain's position had improved a little, and he meant to sound how far Britain was prepared to go to ward off the arbitration proposal. The Spanish minister answered that His Catholic Majesty "was firmly resolved to pay nothing", for his objection was not to the largeness of the sum demanded but

-
1. For Charles Lennox, third duke of Richmond (1735-1806), see A.G. Olson, The Radical Duke, pp. 1-16.
 2. Masserano to Grimaldi, 7 July, no. 741, and 14 July 1766, no. 753; A.G.S., Estado, leg^o 6960. Richmond to De Visme, July 4th, and 20th, 1766; S.P. 94/174.

to any compromise short of one settled by arbitration; he again proposed Frederick II as arbiter, and showed his displeasure over Masserano's talk of the amount of money with Richmond.¹

Grimaldi's reply reached a new administration in London, which initiated a new phase in Anglo-Spanish relations. Before turning to it, however, I should examine the repercussions of Grimaldi's arbitration proposal in Spain's relations with Prussia, Austria and France.

First, Prussia. As expected, the Spanish proposal caused some embarrassment between Britain and Frederick II. Richmond, the English secretary for the south, felt obliged to explain to the Prussian ruler that, although the prospective arbitrator was well selected for the task, arbitration was beneath the dignity of the two Crowns. Conway, the northern secretary under Pitt, later apologized, for his principal was trying to win Frederick II to the idea of a 'system of the north'. Frederick for his part remained silent.² Although he would not have wished to become involved

1. De Visme to Richmond, 7 July 1766 (cipher); also 28 July 1766; S.P. 94/174. Another solution envisaged by Rockingham and considered by Shelburne was to give up half the Manila ransom money in return for New Orleans; Masserano, alarmed, warned that Britain was showing too much interest in the right bank of the Mississippi; Masserano to Grimaldi, 15 September 1765, no. 540 (cipher); A.G.S., Estado, leg^o 6958; C.D.M., II, p. 218; Rousseau, II, pp. 58-9.
2. Pol. Corr., XXV, pp. 159, 265.

in Anglo-Spanish disputes, he preferred to have Spain believe that the fault for the failure of the arbitration proposal did not lie at his door.¹ Thus he hoped to oblige Spain from whom he was soliciting a commercial treaty since the previous October. Frederick II avoided also any expression that might lead France to suspect the strain in Anglo-Prussian relations, for he meant to use the prospect of closer links between London and Berlin to prevent France from opposing his projected commercial treaty with Spain. France was apprehensive of the competition of Silesian cloth, which together with timber Frederick wished to import into Spain at reduced tariffs (Silesian cloth paid 75 per cent more than French), in addition to being allowed to export bullion and silver coin. Such terms were hardly acceptable to Spain, who might have been willing to enter into some kind of commercial arrangement, though much less advantageous to Frederick II. The latter did not give up until September, 1768, when he decided that there was little point in insisting on a treaty with Spain.²

-
1. Masserano to Grimaldi, 30 July 1766, no1772, A.G.S., Estado, leg^o 6960.
 2. He seems to have believed that the main obstacle to a commercial treaty between Prussia and Spain was the latter's inclination for Austria. For the Prussian end of this tentative commercial negotiation, which took place in The Hague between Thulemeier, the Prussian minister, and Marquis de Puente, the Spanish counterpart, see documents indexed under Spanien in Pol.Corr., XXIV-XXVII; the Spanish correspondence may be seen in A.G.S., Estado, leg^o 6325-6328, passim, and the draft treaty proposed by Prussia in A.G.S., Estado, leg^o 4563, enclosed in Fuentes's dispatch to Grimaldi on 11 July 1766.

In respect of Austria, the Manila ransom incident confirmed that her main care was to keep at a respectful distance from any problem likely to renew the colonial struggle between the English and the Bourbon powers. As soon as she became aware that Anglo-Spanish relations had deteriorated dangerously, Kaunitz approached Britain, late in June, to arrange for the neutralisation of Germany in an Anglo-Bourbon war.

Before approaching Britain, however, Starhemberg, the Austrian minister in Paris informed Choiseul of the intended move. The French minister was not keen on the idea, but raised no strong objection because, he argued, British ministerial instability made success very unlikely; he only asked from Starhemberg that his colleague in London, Seilern, should not speak officially to British ministers. This Starhemberg promised, but Seilern nevertheless approached them officially at the beginning of July.¹

In his first talk with Conway, Seilern referred to the desirability of a mutual agreement to preserve peace

1. Choiseul to Kaunitz, 18 July 1766; printed by M. Boutry, "L'alliance autrichienne et la diplomatie secrète (1766-1772)"; R.H.D., XIX (1905), pp. 278-9.

in Central Europe. He assured the English secretary that Vienna would not improve her present connection with France if Great Britain was willing to give similar assurances as to her dealings with Prussia. Conway was prepared to do so; but he qualified his stand by explaining that Britain felt at a disadvantage in exchanging such assurances, for the Austro-Bourbon alliance was still standing while Britain remained alone and separate from Prussia. Conway no doubt saw that what Austria wanted was to obtain from Britain a public declaration of her desire to remain aloof from Prussia, which would benefit her diplomatically. The English secretary indicated that Austria would have to give a clear statement of her links with France and the Family Compact in return.¹

But Austria did not want to be specific on this point, lest she should endanger her alliance with France. Furthermore, a new administration in London headed by Pitt turned its back on Conway's readiness to engage into some mutual

1. Conway to Langlois, 2 July 1766 (cipher), S.P. 80/203. Langlois was the secretary to the English embassy in Vienna from 1763 to 1771 and in charge of affairs in Stormont's absences; see B.D.R. 1689-1789, p. 39.

declaration of policy with Austria.¹ The negotiations for an Anglo-Austrian declaration for the preservation of peace in Central Europe were interrupted.

In addition to the main reason for approaching Britain, e.g. to neutralize Germany, the Austrian move seemed designed to warn Choiseul against moving, or seeming to move, closer to Prussia. Austria was quite confident of the Treaty of Versailles; nevertheless, it was felt in Vienna that the Franco-Prussian exchanges of 1765 had to be watched and France should be made to realize that Austria was aware of them. As Kaunitz wrote to Choiseul on 8th July, 1766, a few days after Seilern's talk with Conway, Austria knew of the rumours going on in Paris that "lorsque tôt ou tard le Roi de Prusse actuellement régnant viendra à manquer, il sera de l'intérêt de la France de ne pas persister dans son système d'alliance avec la Maison d'Autriche"; Kaunitz asked in this connection about interviews held on the occasion of a visit of the Prince of Brunswick to Paris.²

-
1. See below p.194 and note 2. Before Conway's period in the northern department, Grafton had occasionally approached the Austrian government to raise suspicions against Spain (above p.178, note 4) and to dispel Austria's possible jealousy over the exchange of diplomatic representations between Russia and Britain in 1765 (Grafton to Stormont, 19 November 1765 (cipher), S.P. 80/202).
 2. Boutry, R.H.D., XIX (1905), p.277. Fuentes reports Kaunitz as saying that the intelligence came from an undisclosed source from Paris (25 July 1766, no.2, A.G.S., Estado, lego 4563). These were the feelings that Choiseul had expressed in his "Mémoire justificatif" of 1765; above pp. 98-9.

This veiled recrimination Choiseul counteracted by referring to Austria's move in London. On July 18th, the French minister alleged that Austria herself had not been quite consistent with her existing associations with France. He roundly denied having entertained plans of attachment to Prussia, and explained that Brunswick had only seen him twice and in the presence of Starhemberg.¹

Kaunitz, for his part, replied that the Austrian measure was only meant to avoid war in Germany and to hinder 'the system of the north'. He even tried to persuade the French minister that such a step would make Britain confident, thus playing into the hands of France, who was striving for time to get ready for war.² These mutual explanations seemed to have satisfied the countries concerned; their exchanges with each other's main enemy were only precautionary measures, for on the whole they rested quite assured of the expediency of their connection.³

1. See p. 182, note 1.

2. Kaunitz to Choiseul, 1 August 1766; printed in Boutry, R.H.D., XIX (1905), pp. 282-3.

3. Recueil, I (Autriche), p.420; A.Arnetz and J.Flammermont, Correspondance secrète du comte de Mercy-Argenteau avec l'empereur Joseph II, II, pp. 323-9 (henceforth cited as Corr. Mercy-Kaunitz).

In fact, it would seem as if France herself were not entirely displeased with Austria's move to preserve peace in Germany as a means of softening Grimaldi's determined attitude not to pay the Manila ransom money. Choiseul objected to the method in which it was done, but would not have mentioned it to Kaunitz if the latter had not brought up the question of Franco-Prussian contacts.¹

This was what Masserano suspected. The fact that neither he nor Fuentes, Masserano argued in his letter to Grimaldi on August 8th, had been informed beforehand of Austria's plan for the neutralization of Germany made him think that Choiseul let Austria go on with her plan in the hope that Spain, realizing that her bargaining power and diplomatic standing would be consequently impaired, might be persuaded to give in to British demands. Durand, in charge of affairs when Guerchy left London on June 25th,² tried to assuage Masserano's suspicions by taking the blame for failing to inform him earlier. But Masserano remained unconvinced, since Durand himself said that he had been informed by Seilern on

-
1. In his letter of July 18th Choiseul wrote to Kaunitz: "J'aurais pu ignorer ce fait si je ne trouvais occasion de vous l'écrire."
 2. J.E.Martin-Allanic, Bougainville navigateur et les découvertes de son temps, I, pp. 309-10 and p. 315, note 34 (hereafter cited as Martin-Allanic). Guerchy used to spend his summers in France; he returned to London in October, and finally left it on 20 July 1767; Recueil, XXV, 2, Angleterre III, pp. 423-5.

July 23rd. Seilern also said to Masserano that Guerchy had not been advised by Choiseul or by himself by the time he left London on June 25th. Seilern's conduct seems to have given Masserano no cause for concern. Therefore, it was Choiseul, Masserano stressed, who was at fault, for he knew beforehand and must have realized that Spain ought to have been told; Choiseul's failure to realize this, Masserano underlined, linked with his insinuation that Spain should climb down on the issue of the Manila ransom money made him suspect a Franco-Austrian intrigue.¹

From Vienna, Mahoni reported that Kaunitz had explained to him that Austria had acted fairly, for the plan had been communicated to Choiseul and it was assumed that the French minister would have communicated it to Madrid.² Kaunitz's explanations coincided with Maria Theresa's overtures to re-open the subject of a dynastic alliance between Austria and Spain in conjunction with the negotiations for a marriage of the King of Naples, Ferdinand IV, to an Austrian princess. Maria Theresa put it to Mahoni that the two issues should be

-
1. Masserano to Grimaldi, 8 August 1766, no. 776, A.G.S., Estado, leg^o 6961. The gullible Fuentes, for his part, saw nothing irregular in the fact that Choiseul hinted to him on July 19th that Austria had already approached Britain with some proposal to neutralize Germany; see his dispatches to Grimaldi of 21st and 25th July, 1766, leg^o 4563.
 2. Mahoni to Fuentes, 15 August 1766, A.G.S., Estado, leg^o 4563.

dealt with in private correspondence by the monarchs so as to avoid the use of secretaries and ministers.¹

From these reports, it was clear, first of all, that Austria was consistently and carefully avoiding involvement against Britain. As in 1764,² Spain was unable to avail herself of the alleged friendship with Austria as a means to improve her position in London. The very excuse given by Kaunitz to Mahoni for his failure to inform Spain directly of the Austrian plan to neutralize Germany, indicated that Spain was regarded as an adjunct to France; this was indeed what Spain most resented, especially at a time when she was trying to resist Britain on an issue which France was inclined to resolve to Britain's satisfaction.

However, Grimaldi was not in a position to make a protest; for Spain had neither a treaty or engagement on which to base her complaint against Austria, nor was she prepared to diminish her chances, however slim, of ever attaining some kind of support from Austria outside Italy. Therefore, Grimaldi instructed Mahoni on September 9th to express in moderate terms Spain's disappointment in

1. Mahoni to Grimaldi, 16 August 1766, A.G.S., Estado, leg^o 6502.

2. Above, pp. 106-8.

Austria's reserved attitude towards Spain, while pursuing Maria Theresa's invitation to reopen the subject of the alliance.¹

There seems to have been no Austrian reply to Grimaldi's instructions of September 9th. It is very probable that the overtures of Maria Theresa were only meant to conciliate Carlos III. Indeed, Mahoni summed up at the end of September, as he had done in 1765,² that the alliance was not feasible since it was generally held in Austrian circles "that ever since the House of Austria existed, even in her alliances with naval powers, she had excluded maritime wars, and this system prevailing", he failed to understand "when and how a treaty of alliance between the two Courts can be of any use to us, notwithstanding the fact that Maria Theresa probably wishes it."³

1. Grimaldi to Mahoni, 9 September 1766, A.G.S., Estado, leg^o 6502. See also Grimaldi to Masserano, 3 September 1766, leg^o 6961.
2. Above, p. 113.
3. Mahoni to Grimaldi, 30 September 1766, A.G.S., Estado, leg^o 6502. See also Fuentes to Grimaldi, 23 September 1766, A.G.S., Estado, leg^o 4563; Masserano to Grimaldi, 23 September, no. 810, leg^o 6961.

After this, talk of an alliance died down, but the two countries still remained on reasonably friendly terms and the marriage negotiations continued. The failure to get some kind of support from Austria shows how dependent Spain was on the Family Compact and the good will of France. This is borne out by Grimaldi's reaction to Masserano's suspicions of the part played by Choiseul in Austria's approach to Britain.

The Spanish minister expressed on September 3rd that he was willing to forget Choiseul's silence as "unintentional negligence". He preferred to blame Durand for failing to take Masserano into his confidence, and instructed Fuentes to request to Choiseul that Durand should be reprimanded. Grimaldi's main concern was to avoid giving the impression in London that the Bourbon representative to St. James's had not acted in concert. Via Fuentes he tried to get Choiseul to instruct Durand to act in conjunction with the Spanish ambassador in future.¹

Choiseul wished to take the blame and apologized to both Fuentes and Masserano. His explanation was that he

1. Grimaldi to Fuentes, 3 September 1766, A.G.S., Estado, leg^o 4563; to Masserano, leg^o 6961.

did not expect Seilern to make a declaration to the English government at the very time that Guerchy, the French ambassador, was away on leave. Choiseul said that he had not been told of Seilern's advances to the English until after Guerchy's arrival in Paris.¹

The Spanish government seemed to rest content with this explanation. However improbable Choiseul's excuse may have seemed to Masserano,² Grimaldi took Choiseul's apologetic expressions at their face value. The Family Compact was too important at the time to risk irritating Choiseul. The Manila ransom money had by now given way to the more discordant issue of the Falkland Islands which became the main source of friction between Spain and Britain.

-
1. Fuentes to Grimaldi, 23 September 1766, A.G.S., Estado, leg^o 4563; Choiseul to Durand, Compiègne, 15 September 1766, no. 233, C.P., Angleterre 471, ff. 136-144; C.D.M., I, pp. 331-4.
 2. Masserano to Grimaldi, 23 September 1766, A.G.S., Estado, leg^o 6961.

3. The struggle for the Falkland Islands and the Manila ransom issue.

Before taking up the thread of Anglo-Spanish relations, I ought to consider briefly the bearings on British foreign policy of the change in administration at the beginning of the summer of 1766. The ministerial difficulties of the middle 1760's enabled Pitt to come to power on his own terms; he, who now became the earl of Chatham, could pursue his Prussian inclinations and his schemes to gather strength in view of the prospect of conflict with the Bourbon powers. His close follower, Shelburne, was appointed secretary of state for the southern department; and Conway, one of Rockingham's friends, was persuaded to remain in charge of the northern department.¹

Pitt's main objectives were the strengthening of the navy and the quest for allies to counteract the Austro-Bourbon league. The standards of the British navy had fallen behind since the glorious days of Quebec and Manila. Egmont, the first lord of the admiralty since 1763, had

1. Watson, pp. 117-122. Conway was transferred to the northern department when Richmond was promoted to the southern department on May 23rd.

found the navy in a poor state but he did very little to amend it. Pitt managed to force Egmont's resignation and then proceeded to revive the naval forces, gathering sailors and men of business at the admiralty.¹

In Europe Pitt laid plans for a comprehensive alliance system of the North to counteract "the system of the South". These plans were discussed in a Cabinet meeting held on August 4th, hardly a week after he had taken office as Lord Privy Seal.² Sir Andrew Mitchell, the English minister in Berlin, was ordered to sound Frederick II on the system before Hans Stanley should be sent to St. Petersburg to open negotiations. But Frederick II, if shortly after the Seven Years War he had shown some desire to see Pitt back in power in the hope of establishing closer connections with Britain, now put an end to Pitt's expectations by making very clear that he did not intend to involve Germany in Britain's struggle with the Bourbon powers. He put

1. For the poor state of the British peacetime fleet after 1763, see Piers Mackesy, The War for America, 1775-1783, pp. 165-70. See also Brooke, pp. 15-16, 65; Sherrard, pp. 223, 229-30.

2. He took office on July 30th; Shelburne joined him on August 2nd.

forward Britain's ministerial instability, Chatham's peerage, and Britain's defection in 1762, to excuse his refusal, but behind these reasons was the fact that Frederick II had his eyes on Poland and in this direction he could only expect support from his ally, Russia. Nor would Catherine consider a treaty with Great Britain that was not to include the Turkish war as a casus belli.¹

Before the Prussian rebuff was known in London and somewhat encouraged by their expectation of a possible rapprochement with Prussia, Pitt and Shelburne made it clear, from the start of their contacts with French and Spanish representatives to the English Court, that the present administration would not scruple to further its aims against those of the southern powers by all means, even war.

1. Pol. Corr., XXV, pp.70-1, 217-9, 316-8; A. von Ruville, William Pitt, Earl of Chatham, III, pp. 188-198, ~~pp. above p. 141~~; Brooke, p. 50, quoting Conway to Pitt, 29 July 1766 (Chatham Correspondence, III, pp.15-9), states that Conway, together with Egmont, had rightly criticized Chatham for having neglected the possibility of a rapprochement with Austria by having attempted the alliance with Prussia and Russia; but it seems rather that Conway, in his letter to Pitt, only recommends to keep the advances to the northern courts as private as possible to take advantage of a friendly intercourse with Austria until "the prospect of success (with Berlin and St. Petersburg)...should make it proper to declare ourselves" (cp.pp.8-9); further, Conway for personal reasons wanted some few days of delay to save his face, for he had very recently assured Seilern that no negotiation was on foot (see above pp. 176-8).

On August 14th, Shelburne remarked in conversation with Masserano that Britain's claim to the Manila ransom money would not be relinquished, nor interference by third powers be permitted. The English also refused to bring the "Santísima Trinidad" into the discussion, thus putting an end to Masserano's old hopes that the prize, together with several other monetary complaints, might be taken into account to achieve a more favourable settlement of outstanding disputes between the two countries.¹

Indeed, the attitude of the Pitt ministry towards Byron's establishment in the Falkland Islands, Port Egmont, founded in January, 1765, bears out their determination not to compromise with the Spanish government. The idea of an establishment in the Falkland Islands had first been mooted in London in 1748 as a result of Anson's expedition to America (1740-4). He saw that Britain could not undertake a long campaign against the Spanish dominions south of the Equator without a naval base near the Spanish Main; furthermore, commercial penetration would thus be considerably intensified. These points were taken up and an expedition was planned to be sent, allegedly on a voyage of discovery

1. Masserano to Grimaldi, 15 August 1766, no. 783, A.G.S., Estado, leg^o 6951; Shelburne to De Visme, 22 August 1766 (cipher), S.P. 94/175.

to improve nautical knowledge. Spain opposed the project, and the English government, which was at the time after a commercial treaty, dropped it in 1750 in deference to her representations, thus implicitly recognizing the Spanish right to forbid navigation in these areas.¹

But after 1763 the English, elated by their performance in the last war, decided to challenge Spanish monopolistic claims, establishing a permanent basis in the neighbourhood of the markets of the River Plate and Perú, and the Strait of Magellan. An expedition under the command of Byron left England in June, 1764, to put into effect Anson's original project. Five months after founding Port Egmont in the West Falkland, Byron put before the English government the need to reinforce the establishment. London, spurred on by rumours of the enterprise of Bougainville in the same region, decided to lose no time in pursuing Byron's recommendations, and a second expedition was sent to complete the settlement and survey the Falklands in September, 1765.

But the British had, in fact, been forestalled. Nine months before the arrival of Byron, Bougainville after visiting the harbour which was later to be named Port Egmont in the West Falkland, founded Port St. Louis (Berkely Sound)

1. Goebel, pp. 194-202; W.C.Down, "The Occupation of the Falkland Islands", pp. 8-12; J.O.McLachlan, Trade and Peace with Old Spain, 1667-1750, pp. 136-9.

in the East Falkland (or Malouines as these islands were called by the French) on April 5, 1764. Louis XV ratified the possession for France five months later. In his return to the islands, on 27 January 1765, Bougainville sighted Byron, who had taken possession of Port Egmont five days before. The two colonies remained ignorant of the exact location of each other until December 4th, 1766, when the English visited the French establishment to claim possession of the islands and bade the French to leave; the latter refused to comply and the two establishments co-existed unmolested.

Meantime the Spanish government had been warned from Montevideo that Bougainville had touched at that port on 28 December 1763, requesting certain supplies and some repairs, and invoking the Family Compact to justify his presence in the area. Bougainville alleged that he was on his way to the East Indies, but the governor of Montevideo, José Joaquín de Viana, while providing Bougainville with the help requested, pointed out to Madrid that the presence of foreign ships in American waters and ships represented the threat of contraband trade. On arrival of this information in June, 1764, the Spanish government requested an explanation as to the real intentions behind Bougainville's presence in Montevideo; his allegation was suspected, for French navigators had not formally used the Spanish trade-route

round the Horn to get to the East Indies. The French were also reminded that the Family Compact did not justify their presence in Spanish American waters and ports.¹

When soon afterwards the Spanish government was apprised of the fact that the French were about to establish a colony in the Malouines, the first secretary, Grimaldi, instructed his representative in Paris, Fuentes, on 3 September 1764, to make a formal request that the project be abandoned. These islands, the Spanish argument ran, belonged to the Crown of Spain by virtue of the theory of propinquity, and the French themselves had supported Spain when the latter opposed Britain's attempt to establish a footing in the Falklands in 1750. Furthermore, a French colony in the area would encourage English penetration.²

At first Choiseul seemed resolved to go ahead with the project, whose strategic and commercial considerations

1. Above p. 64.

2. Fernández Duro, VII, p.134, mentions that Spain planned an expedition to settle the Falkland Islands in 1763, but this was dropped for lack of funds. I have not been able to find corroboration for this statement; the plan, however, might well have been entertained (cp. Gil Munilla, Malvinas, p. 9).

Bourgainville was persuasively emphasizing. Like the English, the French were embarked upon an ambitious scheme to establish regular trade with China, to further discoveries in the South Seas in the hope of finding the Terra Australis Incognita, and to gain a share in the Spanish American markets. Spurred by English advances, they attempted to avail themselves of their alliance with Spain to steal a march on Britain. The Falkland Islands, Juan Fernández, and the Philippine Islands were the points along the trade-route round the Horn, which the French sought to occupy. Choiseul contended that Spain alone could not make control of the South Seas effective, and stressed the danger of war arising from the Manila ransom dispute and Pitt's expected return to power, with the view of convincing the Spanish government that France only wished to share the burden of defending the Spanish empire against the common enemy, Britain.¹ But Spain, whose determination to maintain her monopolistic conception of empire was directed against France as well as against Britain, refused to listen to Choiseul's argument, stressing for her part that a French colony in the vicinity of the Spanish Main would encourage the British and would result in contraband trade. Choiseul eventually agreed at the beginning of May, 1766, to surrender

1. Cp. above p. 58.

the French establishment in the Malouines to Spain in return for a monetary compensation for Bougainville. The colony was taken over by the Spaniards in April, 1767, and was then put under the jurisdiction of the governor of Buenos Aires.

News of the French cession to Spain reached London at the beginning of June. The English chargé in Madrid, De Visme, pointed out that France had admitted the illegal character of the establishment founded by Bougainville in the Malouines and had agreed to renounce all her claims to the islands.¹ Meanwhile the English admiralty was arriving at the conclusion that the Falklands and the Malouines were the same group of islands. The first lord, Egmont, was urging that a revictualling expedition should be sent to Port Egmont to reinforce the establishment against all claimants and to proceed upon further discoveries. With the co-operation of the southern secretary, Conway, the first lord managed to get the preparations well under way, and when the news of the French cession reached him, the expedition was almost ready to set sail. On June 26th, Egmont received definite news from St. Malo of the existence of the Bougainville colony in the Falkland Islands.²

1. De Visme to Conway, 19 May 1766, S.P. 94/175.

2. Correspondence of George III, I, pp. 357-361.

But the revictualling expedition did not set sail. The ministerial crisis of the beginning of the summer of 1766 delayed its departure. Egmont had already had political difficulties. During the outgoing Rockingham administration, Grafton objected to his plans on the grounds that they were costly and might result in war with the Bourbon powers. Egmont continued as first lord in the Pitt-Grafton ministry, and on August 13th a cabinet meeting was held in which he was to argue the desirability of going ahead with his plans for future operations in the South Seas. He seems to have been encouraged by Pitt, but when the cabinet met he found no support. Grafton raised his former objections and added that the French cession had improved Spain's legal position; it would be difficult for Britain, he argued, to assert a claim to the adjoining West Falkland Island once France had explicitly acknowledged Spain's sovereignty over East Falkland Island. Grafton at the Treasury doubted that Britain was strong enough to face the joint forces of France and Spain. The Chancellor Camden, Chatham's personal friend, supported Grafton's opinion. The two secretaries of state, Conway and Shelburne, were also afraid of a precipitate rupture with the Bourbon powers and suggested a delay of eight days for consideration. Egmont insisted that no time should be wasted; he called upon Pitt to support his counsel but

the latter, though eventually willing to contest Spanish monopolistic claims, did not come to his rescue, and Egmont had to resign. Pitt tried to conciliate Egmont, but the latter refused to attend the following meeting on August 19th, when Pitt broke his silence and decided in favour of sending the revictualling expedition. It left Britain on 22 August 1766.

The English government thus seemed decided to stand their ground against all comers; and yet, the Admiralty clerk who informed Durand, the French chargé, of the British Cabinet meetings in August,¹ suggested that Britain might be willing to withdraw their establishment in return for a Bourbon promise not to occupy the Falkland Islands. A

-
1. The reports of the Admiralty clerk, Davis, seem to be the only available record of the August meetings; they are printed in C.D.M., I, pp. 223-6, 236. Cp. Martin-Allanic, I, pp. 335-7, 407-410. The study by Martin-Allanic, I, first mentioned on p. 186, note 2, is the latest and most comprehensive account of French and English activities round the Strait of Magellan in the middle 1760's and of their international implications. But J. Goebel, The struggle for the Falkland Islands, and M. Hidalgo, La Cuestión de las Malvinas, are still useful, especially on the question of right in the light of international law and practice, which they cover fully, and decide in favour of Spain; see pp. 1-173, 261-70, and pp. 93-173 respectively.

mutual withdrawal might well have been entertained at the time by Pitt, for at a later date he referred to such an arrangement but claiming to receive in return the Manila ransom money as well, and safeguarding Britain's freedom to navigate the South Seas.

The Spanish representative in London, for his part, was not in a conciliatory frame of mind. When Durand drew his attention to the suggestion contained in the report from the admiralty clerk, Masserano showed no desire to temporize. In his reports to Madrid on the British decision to go ahead with their plans to establish themselves quite firmly on the Falkland Islands, Masserano stressed that the British were confident, for France's withdrawal from the Malouines-Bougainville and the Bourbon representatives in London were quite convinced that the Falklands and the Malouines were the same group- presented them with only one opponent, Spain, weaker and slower than France, and counselled effectual and speedy action to destroy the English colony before the English government had time to strengthen the settlement.¹

On receiving this alarming news Grimaldi consulted his ministers about the course to be followed. He hinted at war as a risk which ought to be considered for the sake

1. Masserano's reports are printed in C.D.M., I, pp. 228-9 and 244-5.

of Spanish claims to exclusive navigation in those seas. Peaceful representations were to be explored first, but if they had no effect action would be the only course left to Spain; he requested the ministers' advice in preparing for this eventuality.¹

The foremost exponent of the war party was the president of the Council of Castile, Aranda. His views had not changed since 1764 when he had resisted French attempts to settle the islands on the ground that article 8 of the Treaty of Utrecht gave Spain sole rights.² He believed that the heart of the matter was the development of the route round the Horn. Until then, the chief route to the Spanish Main had been by crossing the isthmus of Panama, the famous Carrera de Indias, and this had resulted in neglect of the southern regions which were unpopulated and unprotected, and therefore open to foreign infiltration. If the British succeeded in getting a stronghold in southern latitudes, their infiltration in badly protected areas, the threat to Cape Horn and, finally, the disruption of the

1. Grimaldi to Arriaga, Muniain and Muzquiz, 25 August 1766; Grimaldi's reply to Muniain's report, 30 August 1766; C.D.M., I, pp. 240-2 and 247-8.

2. Martin-Allanic, I, pp. 223-9.

strategic and defensive system of South America would follow. Like Masserano, he advocated strong and effective measures. Even if war should break out, Aranda remarked optimistically, Spain had never been in such a favourable position, since she could rely on France's support and Austria's favourable neutrality.

The minister of Indies, Arriaga, more cautious and less confident than Aranda, opposed war or any action that might lead to it. Spain was not ready to wage a war, least of all a naval war against Britain for possessions 2,000 leagues away from Europe. Such a war, he contended, amounted to presenting Britain with a victory and further gains.¹

While his colleagues' reports were reaching him, Grimaldi proceeded with the first part of the programme outlined in his communication to the ministers. On 3 September he instructed Masserano to draw the attention of the English government to Byron's voyage round the world via Cape Horn and his alleged foundation of a British establishment near the Strait of Magellan, by means of a written

1. All reports are printed in C.D.N., I, pp. 240-318 passim. Cp. Gil Munilla, Malvinas, pp. 32-7.

memorandum of which Grimaldi enclosed the draft. If Byron had in fact formed a colony, Grimaldi cautioned, Britain seemed to have overlooked Spanish rights as established by article 8 of the Treaty of Utrecht, which Britain had furthered at the time to prevent France from gaining advantages in Spanish America as a consequence of the crowning of a Bourbon, Felipe V, as King of Spain, and which she had hitherto acknowledged when Russia attempted in 1741 to explore the Eastern Pacific and when she herself planned to settle the Falkland Islands in 1750. Furthermore, France's recent surrender to Spain of her establishment in the Malouines, Grimaldi argued, substantiated Spain's claim to adjacent islands and surrounding waters. Should Britain pay no attention to amicable representations, Masserano was to deliver his written declaration in which Carlos III declared that he "ne consentira à de pareille établissements et les empêchera à tout prix de subsister". To this effect, Spain was preparing an armament with which to enforce her rights.¹

These instructions were sent to Fuentes under flying seal for him to show Choiseul before forwarding them to Masserano, together with a letter of the same date in which

1. Martin-Allanic, I, pp.360-1; C.D.M., I, pp.258-9.

Grimaldi suggested that France should support Spain, in accordance with the Family Compact, by means of a memorial to the English government to the effect that France would not consent to a British establishment in the South Seas on either side of the Strait of Magellan.¹

Despite the firmness of his demand, Grimaldi seems to have wanted only to test how far France would support Madrid and to that purpose he tried to be as firm as possible; further, he pretended to lay on Britain the onus probandi. Indeed, French legal backing was needed, since Grimaldi himself had his doubts as to whether article 8 of the Treaty of Utrecht gave Spain a firm basis to claim newly-occupied islands in the South Seas. It might be argued that article 8 guaranteed only those territories which were already occupied by the Spaniards in 1700 or that it referred only to the South Pacific and not to the South Atlantic; in which case the fact that the first occupant of the Malouines in the Atlantic, France, had surrendered her establishment in St. Louis was a sounder basis for Spain's claim to adjacent islands and territorial waters on either side of the Horn.²

-
1. C.D.M., I, pp. 233-5; Cp. Martin-Allanic, I, p. 369.
 2. Grimaldi's "Principes, que selon mon avis, conviennent aux interets de la Monarchie, et que je trouve fondés en droit, et necessaires pour la conservation de ses Etats, et de ses richesses", 1766; C.D.M., II, pp. 219-23. The first undersecretary of state, José Agustín de Llano, held the same point of view; Gil Munilla, Malvinas, p. 43.

Grimaldi had had some indications of Choiseul's disposition, but they were not quite consistent. On the one hand, in July and again in August Choiseul had urged Spain to send three or four ships to the South Seas to stop Byron's progress. On the other hand, however, Choiseul sounded much more concerned about vague rumours of a possible British expedition to retake the Philippine Islands than he was about the alleged British establishment near the Strait of Magellan. In fact, Choiseul was at the time testing Spain's feelings regarding the possible cession of these islands to France, allegedly in order to help Spain defend her overseas possessions against Britain. There was some truth in Choiseul's contention, for it was in the French interest not less than in that of Spain that Britain should be prevented from controlling the Pacific. But Choiseul's interest in the Philippine Islands as well as Bougainville's projected voyage of discovery round the world, via Cape Horn, which the French were asking the Spaniards to consent to, seemed to show a consistent effort to effect France's colonial recovery at the expense of Spain. In a letter to Ossun on 25th August, 1766, Choiseul sounded as if he resented France's loss of her establishment in the Malouines as a result of Spain's exclusivism rather than Britain's infiltration in the area. When Choiseul wrote that France

should operate in the South Seas if Britain was permitted to go ahead with her thrust into the Pacific, Grimaldi no doubt realized that Choiseul was complaining against France's initial disadvantage placed in her way by her inhibiting friendship with Spain.¹

For this reason Grimaldi was attracted by the suggestion contained in Durand's intelligence from the Admiralty clerk that the English minister might be willing to give up Port Egmont in return for a promise by Spain that she would not settle the Falkland Islands in the future. Grimaldi instructed Masserano to test Britain's feelings about such mutual withdrawal, for Spain would like to avoid the presence of all foreign settlers in the South Seas more than anything else.² Indeed, both France and Britain were using each other's enterprises in the area to justify their own, and Spain wished to deter either country for much the same reason.

1. Martin-Allanic, I, pp.321-363, passim, and p. 448.

2. Grimaldi's adoption of this plan of mutual withdrawal does not appear in his instructions to Masserano and Fuentes on September 3rd; there must be some other instruction of that or similar date, which I have not been able to find, for both Masserano and Fuentes mention it, and Grimaldi himself insists on it on October 6th as conveyed in his instruction of the 3rd (see below p. 278).

Choiseul, however disappointed over the French establishment in the Malouines and Grimaldi's disregard of his bid for the Philippine Islands, was certainly willing to support Spain's protest in London but not to the extent envisaged by Grimaldi in his note to Fuentes of September 3rd. When Choiseul discussed this with Fuentes on the 15th, he said that the intended declaration to the English government amounted to an ultimatum. Chatham might welcome the opportunity of such a declaration, as a war could regain him the popularity that he had lost by taking a peerage on coming into power. France and Spain, the French minister counselled, should bide their time and prepare for a successful war, for which at least eighteen months were needed, rather than jumping headlong into a bitter argument that might easily lead into a precipitate rupture. In complete agreement with Fuentes, Choiseul proceeded to instruct his representative in London, Durand, for the purpose of ensuring that Masserano adopted a moderate tone in his conversations with the English ministers. Choiseul took care to explain, for the benefit of the excitable Masserano, that his advice had been requested by Fuentes and that he had given it in good stead. It was, first of all, essential to discover the exact location of the British establishment to see whether article 8 of the Treaty of Utrecht could be safely invoked. Masserano should therefore demand an explanation from the

English ministers, stressing that Britain had acted in compliance with Anglo-Spanish treaties in the past, and ask amicably the purpose of Byron's and Wallis's voyages through the Strait of Magellan. If the English then denied that they were violating existing treaties, Masserano should be able to refer to article 8 of the Treaty of Utrecht and Bougainville's evacuation of Fort St. Louis for the purpose of establishing that Britain was violating that treaty. Durand for his part would endorse in writing or verbally - as Masserano decided - that Bougainville's withdrawal was occasioned by France's desire to honour it. Whatever the answer from London, Spain's prestige would not suffer, the English would not be able to accuse the Bourbon powers of aggressive designs, and the time thus gained could be profitably used to make military and naval preparations.¹

In case Durand and Fuentes should not succeed in bringing Masserano to tone down his representations to the English ministers while further consultations went on in Madrid, on September 17th Choiseul approached Lennox, the English representative in Paris, in order to mitigate the

1. Choiseul to Durand, 15 September 1766, no.223; C.P., Angleterre 471, ff. 136-44. Fuentes to Masserano, 15 September 1766; C.D.M., I, pp. 279-81, see also pp. 323-35. Cp. Martin-Allanic, I, pp. 368-73.

first impact of the Spanish protest. He told Lennox that France supported the justice of Spain's claim, and gave Bougainville's withdrawal and Britain's attitude in 1750, dropping Anson's project to settle the Falklands, as proof of the correctness of the Spanish interpretation of article 8. He also said, however, that he personally would not "take alarm till matters were more explained & should give the same Advice to the Spanish Minister (Grimaldi) whom he thought too hasty on the occasion."¹

On the following day Grimaldi's instructions of September 3rd, together with Choiseul's to Durand of the 15th and Fuentes' letter to Masserano of the same date, reached London. After several meetings with Durand, in which the French diplomatist argued that time was on their side because it would enable them to benefit from increasing difficulties in London,² Masserano agreed to tone down his

-
1. G.H.Lennox to Shelburne, 17 September 1766, G.D.M., I, p. 283. Lord George Henry Lennox (1737-1805), eighth child of the 2nd Duke of Richmond, went to Paris with his brother, the 3rd Duke of Richmond, as secretary in 1765. In July 1766 he was appointed minister plenipotentiary but on October 4th gave way to Rochford, who arrived on the 28th; D.N.B. and B.D.R., p. 23.
 2. Discontent in the American colonies, Chatham's plan to use the revenue of the East India Company for the purpose of relieving the debts of the Crown, and the effects of a bad harvest.

representation to the English government and to deal with the matter of the English expedition to the South Seas to reinforce their rumoured establishment verbally in the first instance. In their first talk, on September 22nd, Shelburne denied any knowledge of any such British establishment; whereupon Masserano requested Durand to let the English know that France was concerned as well. The French representative, however, answered that he was only authorized to say to the English that Bougainville's withdrawal was occasioned by Spain's protest. Masserano insisted that Durand should see Shelburne and give him some indication of French support for the Spanish protest. Durand agreed to see Shelburne, which he did on the 25th. The English minister rebuked him for interfering between Britain and Spain, but, fearing that by antagonizing France she would only draw closer to Spain, Shelburne permitted the conversation to go on. He sidestepped by stressing that the Manila ransom question was a far more important source of disputes than a British colony in the South Seas. Durand had to desist as he had no instructions regarding this issue.

Durand then reported this conversation to Masserano, with the hint, as from himself, that the settlement of the Manila ransom question might persuade the English to give

way regarding their establishment in the South Seas.

On the same day Masserano went to see Shelburne. The English minister sounded more confident and resolute than on the 22nd, probably owing to the uncertain tone of Durand's intervention. Shelburne dismissed Spain's exclusive claim to the navigation of the Atlantic and the Pacific seas as absurd. As for the alleged establishment he admitted simply that a ship had been in the area for a year. He brought up the Manila ransom problem, and ended by asking Masserano to put his complaint in writing. The Spanish ambassador refused to do this for, on the one hand, he was not so sure about France's attitude and, on the other hand, it would have meant the loss of the initial advantage of laying with Britain the onus probandi.

Masserano did not mention either to Shelburne or Durand that Grimaldi was prepared to consider the suggestion of a mutual withdrawal contained in the intelligence received from the admiralty clerk. Like Fuentes,¹ he believed that it would weaken Spain's bargaining position if it became known that Spain might be willing to compromise in this manner. Masserano, however, was aware of the need to refrain from harsh words. He was beginning to realize

1. Fuentes to Grimaldi, 15 September 1766, enclosing copy of his letter to Masserano of the same date; C.D.M., I, pp.278-81. See also Ibid, II, p.112.

how preposterous his earlier counsel (August) for firm and speedy action against the British in the South Seas had been. Spain could not press her point in London unless France was openly behind her. On October 2nd, Masserano wrote to Grimaldi that it might be preferable "to give some money to compound both disputes (the Falkland Islands question and the Manila ransom issue) so as to avoid the uncertain results of a war", provided Britain proposed it as it was essential not to let it appear that the payment of the Manila ransom money was in any way in compensation for the evacuation of the British establishment in the Falklands. He had the impression that the English were hinting at such a compromise but recommended that it should be left to them to make the first move.¹

While Masserano reported to his principals, Durand hastened to inform his that Britain would rather go to war than give up the establishment in the Falklands or be debarred from navigating the Pacific or the Atlantic freely.²

-
1. Masserano to Grimaldi, 2 October 1766, no.823; C.D.M., II, pp. 38-41. See also Masserano to Grimaldi, 23 September, no. 806, and 26 September 1766, no. 817; C.D.M., I, pp. 320-3, and II, pp. 7-14. There is also a minute of the Shelburne-Masserano talk of the 25th, dated 26 September, in P.R.O. 30/8/94, ff. 220-2. Cp. Fitzmaurice, Life of William, Earl of Shelburne, I, p. 287.
 2. Durand to Choiseul, 25 and 26 September 1766, C.D.M., I, pp. 338-42.

Prompted by these reports, Choiseul sent a direct communication to Grimaldi with more explicit recommendations for peace than those sent through Fuentes on September 15th. He wrote on October 2nd that "Salva dignitate, il faut en politique faire l'impossible pour éviter l'éclat de la rupture d'ici à dix-huit mois".¹ Two days later Choiseul wrote to Ossun: "Le premier de tous les Soins est donc de temporiser, s'il est encore temps".²

Shelburne's emphasis on the Manila ransom question suggested that Britain was going to utilise it as a diversion or as a possible compensation.³ At any rate, Choiseul no doubt believed that the two issues under discussion with Britain were now linked as far as the British government was concerned. In order to prepare Grimaldi for a compromise along these lines, Choiseul explained that they were to be examined together. His counsel seems to imply that he wanted the Spaniards to let the English know of their willingness to consider Shelburne's reference to the ransom money;

1. C.D.M., I, pp. 342-5. See also II, pp. 28-31.

2. C.D.M., II, pp. 53-4. See also, II, pp. 337-8.

3. According to Ruville, III, p.205, there was a cabinet meeting on October 15th in which it was decided that the two issues under discussion could be linked to Britain's advantage.

the normal procedure being that Spain should wait for Britain's answer to Spain's original proposal of arbitration by the King of Prussia in June. He agreed that this was the wisest course and ought to be pursued, but insisted that they should try to overcome Britain's objections to the method or to the person.

In respect of the English colony, Choiseul reiterated that it was, first of all, necessary to discover its exact location; for if it was in the South Seas (the Pacific), he still believed, as he did four months before, that the Spaniards should send four ships of the line to look for the British and destroy their colony. If the British establishment, on the other hand, was found to be in the Falklands, that is on this side of the Strait of Magellan (the Atlantic), Spain would not be able to invoke article 8 of the Treaty of Utrecht unless she could show that the Spaniards were there at the time of Carlos II's death. Should Spain be unable to prove it, the Spanish government would have to weigh carefully whether the threat of an English establishment was worth the risks of a war.

Choiseul requested Grimaldi to decide on the course to be followed. They could either send a strong complaint to London, Choiseul was reluctant to do this, or send an expedition to the South Seas to expel the English if their establishment was in "La Mer du Sud, et non pas les Isles Falkland", the French minister emphasized in a postscript.

If the second course was followed, verbal negotiations could be initiated in London while, in Madrid, the government should attempt to estimate the seriousness of the British threat if their establishment was in the Atlantic.

In the meantime, Choiseul informed Grimaldi that Guerchy was to be sent to London with instructions to assure the English ministers that the French government was obliged by treaty to join Spain if Britain gave occasion to a war. Guerchy should also say that the French were inclined to peace, and prepared to discuss every issue likely to be the cause of war between Spain and Britain - a clear allusion to the Manila ransom question - but expected Britain to meet half-way the Bourbon powers' readiness to make some sacrifice for the sake of peace.

Grimaldi for his part seemed well aware of the need to temporize in London to avoid a premature war, and readily agreed to accommodate Masserano's conduct in London to Choiseul's temperate counsel. However, he was not so positive regarding possible solutions to the issues at stake. On the one hand, the first secretary of state insisted on October 6th and again on the 21st on the settlement of the dispute over the British establishment on the basis of mutual withdrawal. Rejecting Masserano's and Fuentes' objections, Grimaldi held to the view that the important point to Spain was to avoid the presence of

foreign settlers in Spanish American waters. Considering the doubtfulness of article 8 as a guarantee for Spain's claim to the Falklands, mutual withdrawal seemed as much as they could hope for; furthermore, Spain had no need to settle them herself, for the defences of the Continent and those of the Juan Fernández Island were enough to watch the Strait of Magellan.

On the other hand, Grimaldi appeared quite determined to go ahead with preparations to send six frigates to search not only the Pacific but also the Atlantic, and dislodge the English; the operation, he ordered Fuentes to explain to Choiseul on October 21st, would be planned so as to ensure that war, if such were the outcome, would not occur before 1768.

In respect of the Manila ransom issue, Grimaldi alleged that it was up to Britain to answer his June proposal to submit the issue to the arbitration of Prussia; to give proof to Britain of his pacific intentions, however, he had again referred to his proposal of arbitration in a note to the English representative in Madrid, De Visme, purporting to answer the latter's offer of lower terms in July.¹

1. C.D.M., I, pp. 335-6; II, pp. 70-1, 115-121. Cp. Martin-Allanic, II, pp. 922-5.

Before Grimaldi's instructions to Fuentes of October 21st reached Paris (they arrived on November 4th) Choiseul, availing himself of the presence in Paris as a visitor of the former British ambassador, Lord Hertford, decided to test the British government's attitude regarding his plan for linking the two issues under discussion. Choiseul was, in fact, building on what he thought, to judge from Durand's reports, had been hinted by Shelburne. As for his suggestion to deal with the Manila ransom issue as one between individuals, he adopted it from the secretary to the Spanish embassy in Paris, Magallon, in the hope of currying Spanish favour for his plan.

The French minister was no doubt trying to arrange some kind of preliminary understanding which Grimaldi should find difficult to extricate himself from. He already had a fair idea of the Spanish minister's reaction; further, Grimaldi's inclination for mutual withdrawal was not likely to meet with British approval. Choiseul, therefore, preferred to further his own plan in London before Grimaldi had a chance to voice his opposition. He was cautious, however, to sound Masserano beforehand; as for Fuentes, Choiseul expected to gain him to his views as usual.¹

1. Choiseul had a first talk with Hertford on October 19th, but did not mention his plan (Chatham Correspondence, III, pp. 117-20).

Guerchy was instructed to put it to Masserano whether Britain might agree to leave her settlement in the Falklands, recognizing the Spanish interpretation of article 8 of the Treaty of Utrecht, if Spain was prepared to come to a compromise agreeable to Britain on the Manila ransom issue. Masserano was already aware that Britain seemed that way inclined and had said so to his principal on October 2nd, but he believed that it should be looked upon as the last resort to avoid war, emphasizing that the two questions should be kept separate so as not to imply that the one was in compensation for the other. Masserano stressed this point, he explained to Guerchy, because Durand had given him the impression that France was making light of the Manila ransom question.¹

Thus somewhat encouraged, Choiseul requested Hertford on November 2nd to transmit to the English government his offer to arbitrate the ransom instead of Prussia. It was a

1. Masserano to Grimaldi, 24 October 1766; C.D.M., II, pp. 121-3. Durand himself said to Choiseul when he returned to Paris soon afterwards that the abandonment of Port Egmont should precede the payment of the Manila ransom money, for it was absurd to make Spain pay if the question of the establishment was to be solved by means of war; Martin-Allanic, II, p. 927.

private issue, he argued, which could be solved before April or even January between individuals under the arbitration of France. Britain for her part would agree first to leave Port Egmont and to desist from making any settlements in the future on either side of the Strait of Magellan in fulfilment of article 8 of the Treaty of Utrecht.

Choiseul then informed Fuentes of his conversation with Hertford, explaining to him in respect of Masserano's impression of Durand's attitude that it was due to a misunderstanding of his instructions in which he only said that the Manila ransom issue, as a question between individuals, was relatively easy to settle, if Spain agreed on as short a term as possible for the arbitration. Fuentes was quite satisfied that Choiseul meant to obtain British recognition for the Spanish interpretation of article 8 before discussing the payment of the ransom. The French minister then told him that Guerchy was to be ordered to go ahead discussing the plan with the British ministers, and that he himself was to inform shortly the new British ambassador to the French Court, Rochford, who had arrived in Paris on October 28th.¹

1. Fuentes to Grimaldi, 3 November 1766, enclosing Fuentes to Masserano, 2 November 1766; C.D.M., II, pp. 128-31.

Choiseul, however, did not instruct Guerchy until three days later, on November 5th; the day after Fuentes communicated him Grimaldi's post of October 21st.¹ Which seems to indicate that the French minister was still trying to get some kind of encouragement for his plan from Madrid. He may have taken Grimaldi's note to De Visme on the subject of the Manila ransom as such. But his precaution was in vain, for the English government rejected both the terms and the method of his offer.

As to the former the Chatham ministry, although prepared to accept payment in full of the ransom money as a return for abandoning the British establishment in the Falkland Islands, would not accept the Spanish argument in favour of their monopolistic interpretation of article 8 of the Treaty of Utrecht. The evacuation of Port Egmont, if agreed upon, would be done in the same way as Anson's project had been dropped in 1750, without in any way implying that Britain was relinquishing her clear and undoubted rights to navigate both the Atlantic and the Pacific. Regarding the procedure by which the settlement

1. Choiseul to Guerchy, 5 November 1766, C.P., Angleterre 471, ff. 294-300.

might be effected, that is France's arbitration of the Manila ransom issue, the English stressed that there could be no arbitration, for only payment in full would be acceptable; even Choiseul's plan, if accepted by Spain as the basis for discussion, was not to be handled by France; her sole contribution was to be that of bringing pressure to bear on the Spanish government and of putting the plan forward to them. Great Britain did not wish to strengthen the Bourbon alliance by allowing France to take possession of the negotiation under the pretence of mediation or any other name. Finally, the English concluded, the onus probandi as regards the Falklands lay with Spain who have to open the negotiation, for they were not willing to take the initiative.¹

On November 25th Rochford told Choiseul of the British position regarding his offer of mediation. The latter still tried to persuade the English ambassador, alleging that he had always meant that the amount and not the payment itself was to be the subject of arbitration. Sensing some willingness on the part of Rochford to listen to his plan for the sake of an early adjustment, Choiseul returned to the idea that the arbitration should be dealt with as a

1. Shelburne to Rochford, 17 November 1766, secret and confidential, Add. 9242, ff. 1-5; P.R.O. 30/8/94, ff. 220-2; Masserano's reports from November 21st to 26th, printed in C.D.M., II, pp. 158-69 and 187-92.

matter between individuals, a Spanish deputy on behalf of Manila and Draper on behalf of its conquerors. Choiseul did not get very far.¹

Guerchy was told in London as he put out similar feelings,² and Shelburne most emphatically insisted on Rochford throughout January, 1767, that payment in full was expected and that not even the shadow of a negotiation should be allowed in this adjustment.³

In the meantime in Madrid, Grimaldi, in planning his policy, was influenced by his doubts of Choiseul's sincere support for Spain,⁴ Masserano's reports on Britain's political, financial and agricultural difficulties, and the apparent decrease of British pressure for a settlement.

1. Rochford to Chatham, 28 November 1766, private, Chatham Correspondence, III, pp. 131-4; same to Shelburne, 4 December 1766, private and secret, S.P. 109/77.
2. Shelburne to Rochford, 12 December 1766, secret, S.P. 78/281. Cp. Fitzmaurice, I, p. 291.
3. Add. 9452, ff. 10-4; C.D.M., II, pp. 232-3. See also Shelburne to De Visme, 16 January 1767 (cipher), S.P. 94/176.
4. Grimaldi was inclined to believe that there was something in Masserano's suspicions, since, he put it to France, neither Durand's nor Guerchy's instructions conveying Choiseul's plan were imparted to him fully.

When he was apprised of Choiseul's intended proposals to Britain, Grimaldi ordered Fuentes on 17 November to remind him of his pledges to Madrid, and indicated that he was still hopeful that his plan of mutual withdrawal could be attempted, and even this only if it were proposed by Britain and as the last resort to avoid war. His hopes of success cannot have been high, however, for he also referred to Choiseul's plan, which although repellent to Spain she was prepared to consider, stressing that it ought to be clearly understood that Britain's recognition of Spain's claim to the Falkland Islands had to precede any discussion over the Manila ransom question.¹ On the same day Grimaldi wrote in a similar vein to Masserano, but directing him to remain inactive.²

Grimaldi believed that if matters were delayed for a while France might be brought to support Spain more fully. He embarked upon a policy of procrastination that he hoped would last until 1768, when Spain could count on France to obtain satisfaction from Britain by force.

1. C.D.M., II, pp. 156-7.

2. A.G.S., Estado, leg^o 6961.

Acting on this assumption, on November 28th, he sent Fuentes a voluminous report on the state of the Spanish forces and a comprehensive scheme of operations in a future war against Britain. An immediate plan was also outlined in accordance with the advice of the minister of Marine and Indies, Arriaga, who, doubting whether the joint navies of the Bourbon powers could compete with the superior naval force of the British, counselled that the expeditionary force to be sent to the South Seas should only try to find out the exact location of the British establishment, while the government could concentrate on making preparations.¹ In addition to this, the governor of Buenos Aires, Bucareli, and the Chilean and Peruvian authorities, were directed to search the seas: should the British establishment be located, they were to remonstrate against their illegal presence, taking good notice of the strength of their forces, and to report back home.²

Masserano was not so confident that matters could be delayed. Alarmed by Britain's seemingly uncompromising

1. Arriaga to Grimaldi, 19 October 1766; C.D.M., II, pp. 106-11. Cp. Gil Munilla, pp. 99-100; Blart, p. 91.

2. Gil Munilla, Malvinas, pp. 53-5.

attitude, he was prepared to admit by the end of November, confirming his vague fears of October 2nd, that they would have to sacrifice some money if they wished to avoid war. To spare the Spanish Crown the humiliation of yielding to the Manila capitulation, the ambassador agreed with Magallón's suggestion, which Choiseul had made his, that the issue might be dealt with as a matter between individuals. He himself suggested that the "Santísima Trinidad" problem could be raised once more in order to lower the amount due to the English, and that the value of the military effects taken by the English in Havana and Manila which were yet to be returned to those towns as stipulated in 1763, should be similarly subtracted from the sum due. The rest of the money might even be paid in kind. The "Philipino" ship, which escaped seizure when Manila was taken, could be surrendered in settlement for the Manila ransom and since she belonged to the traders of Manila, this arrangement would not entail Carlos III's honouring the Archbishop's drafts.¹

Arriaga and Muzquiz, the minister of Finance, fully accepted the expedients of Magallón and Masserano, as war could only result in new losses for Spain.² But Grimaldi,

1. Masserano to Grimaldi, 26 November 1766, no. 875; C.D.M., II, pp. 192-5.

2. C.D.M., II, pp. 208-213.

who did not think war imminent, was not anxious to yield to the English unless it became absolutely necessary.

On 12 January 1767 Grimaldi told Ossun of the instructions that were to be sent to Masserano. Spain could not entertain war until 1768. Until then she was going to insist on arbitration, if pressed for an answer, but would adopt a conciliatory attitude at the slightest sign of war preparations on the part of Britain. Grimaldi sensibly wished to put an end to the direct negotiations between the French government and the English so as to be able to give the impression in London that Spain had France solidly behind her. Grimaldi told Ossun that he infinitely wished France would do him the favour of leaving the principal care of the negotiation to him.¹

Bougainville's projected voyage to the East Indies via Cape Horn throws light on the predicament of the Spanish government in relation to France. As a sop to her when the French navigator surrendered Port St. Louis to the Spaniards, he was permitted to navigate the Strait of Magellan and ~~make~~ his way into the South Seas. Grimaldi now suggested that the French should make their voyage on a Spanish ship. When his instructions of January 20th reached Fuentes, however, Bougainville had already started

1. C.D.M., II, p. 229; Ramsey, p. 179.

his voyage and the Spanish ambassador in Paris decided not to irritate Choiseul at a time when the Spaniards needed French support.¹ Spain had always advanced as an argument against French presence in Spanish America that it would encourage British infiltration. Spain could rely for French support on the fact that they were just as interested in preventing Britain's thrust into the Pacific.² On this occasion, however, a concession had to be made to France, which the English would be eager to utilize.³

As for Masserano's future conduct in London, he was sent detailed instructions on January 20th. On the question

1. C.D.M., II, pp.197-9, 235-6, and 289-90. Cp. Martin-Allanic, I, pp. 474-84, and II, pp. 930-1.
2. Choiseul was recommending at the time, on the occasion of an alleged British settlement in San Bernardo Bay (Gulf of Mexico) in July 1766, that the British should be expelled without a preliminary complaint to London; Fuentes to Grimaldi, January 19th, and Grimaldi to Fuentes, February 2nd and March 9th, 1767; A.G.S., Estado, leg^o 4558.
3. Masserano reported at the end of 1766 that the English were spreading rumours that Spain intended to cede the Spanish part of Santo Domingo to France in return for Louisiana, with a view to covering their own infiltration in the South Seas with France's acquisition of territories despite article 8. 30 December 1766, no. 900 (A.G.S., Estado, leg^o 6961); also January 2nd, no. 933, and June 10, no. 1030, 1767 (leg^o 6964).

of the British establishment in the Falklands, he should from time to time remind the English ministers of Spain's rights to those islands and to the exclusive navigation of the seas on both sides of the Strait of Magellan, taking care not to become involved in a heated argument which might lead to war before 1768. On the question of the Manila ransom Grimaldi did not think the English would fight on account of it, but he agreed that the present circumstances might force him to consider paying the ransom money, as the only alternative to war before that date.

If war seemed imminent, Masserano was permitted to suggest that the ransom question should be deferred to the judgment of either the Council of Indies or War, which would try the issue as a private matter between individuals. The English Court must abide by the sentence of that tribunal, and the Spanish Court would reciprocate by acknowledging the sentence passed on the galleon "Santísima Trinidad" by the High Court of the Admiralty in 1763. If this scheme were accepted, Spain would proceed to settle the ransom in the way suggested by Masserano on November 26th. Even so Grimaldi expected that the Spaniards would have to their debit a considerable sum of money; a further reason, he insisted, for not proposing this plan unless it was absolutely necessary: that is

unless war was imminent.

In return for such a settlement, Grimaldi expected the evacuation of Port Egmont, provided that it should in no way appear that the one was in compensation for the other; for Spain's claim would then be irretrievably impaired. The Spanish minister also hoped to obtain the evacuation of the British establishments in Rio Tinto and the Mosquito Shore.¹

To complement these instructions, Grimaldi explained to Masserano that the different attitudes of the Bourbon powers in their relations with Britain did not indicate a different policy, but only a different approach. Choiseul's attempt to reach a settlement on the basis of the payment of the ransom money, Grimaldi argued, was in fact Spain's line of conduct with the exception that the Spaniards would agree to it only if driven to extremity. Where their policies were at variance was in Choiseul's belief that the Manila ransom issue could cause war; that was why the French pressed the Spanish government to pay the ransom. Grimaldi himself held that the English would not go to the length of war to obtain the payment; he therefore did not intend to pay.²

-
1. Grimaldi to Masserano, 20 January 1767, no.1; C.D.M.,II, pp.238-45. Masserano had informed him from London on 25 July 1766 (C.D.M.,I,pp.208-9) that according to British reports their settlements in Rio Tinto and Mosquito Shore were flourishing. Grimaldi enlarged on this topic in his letters nos. 2 and 3 of the 20th, which I have not been able to find.
 2. Grimaldi to Masserano, 20 January 1767, no.4; C.D.M.,II pp. 236-8.

Since the first rumours of Chatham's likely return to power were heard in the spring of 1766 Choiseul feared that he might start a war using the Manila ransom as a pretext, and frequently reverted to this danger in order to deter Spain from measures or language that might actuate him. The Bourbon powers were not ready to fight a successful war. By the end of 1766, however, his fears had been somewhat allayed by Britain's reaction to his arbitration proposal. Although it was rejected, Britain did not press for an answer from Spain, and both the Spanish and the French representatives in London believed that Britain had neither the means nor the inclination to engage in war. Furthermore, Chatham was disabled by a stroke of gout in January, 1767, which removed any immediate danger in Choiseul's eyes.¹

On the other hand, Choiseul was already committed, for he had given assurances that France would stand by the Family Compact in 1768, and Grimaldi had planned his policies accordingly. Indeed, the Spanish minister informed Ossun at the beginning of March that his instructions to the American authorities regarding the British establishment in the Falklands were confined to finding its exact location, and

1. Masserano to Grimaldi, 24 February 1767, no. 945, A.G.S., Estado, leg^o 6964; C.D.M., II, pp. 258-65, 286-7.

that no force would be used against them without first seeking Choiseul's approval. Furthermore, France did not wish to encourage the British. Although France should be as reluctant as Britain to accept Spain's monopolistic interpretation of article 8 of the Treaty of Utrecht, Chatham kept pointing out to Choiseul, the concession to Bougainville showed some favour towards France, and Choiseul, in any case, would support France's ally rather than indirectly help Britain to press forward with her American and Pacific ventures.

Accordingly, the French minister agreed to withdraw from the talks between the Spaniards and the English, and leave the care of Spain's affairs to Grimaldi alone.¹ The French minister, however, continued to press upon Spain that France was not prepared yet to go to war with Britain. On January 27th he declared that France would not be ready until 1769 - his previous date had been 1768 - and, two months later (March 24th) he suggested 1770 as a better date: France would fight for Spain whenever she was called upon, he ordered Ossun to say to Grimaldi, but it could not be denied that in 1770 the two Courts would be in a better

1. Ramsey, p. 181; C.D.M., II, pp. 258-65.

shape than in 1769.¹ Choiseul's further postponement was primarily due to his aversion to involve France in a war which under the present circumstances would only serve Spain's exclusive interests in America. It was for this reason that he regarded Grimaldi's war project of November 28th, 1766, as worthless from the French point of view; France's colonial and European objectives had been ignored.²

Meantime in London, Masserano found no difficulty in carrying out Grimaldi's dilatory tactics. The English government showed no desire to pursue the line of policy that sounded so alarming in November 1766. From time to time, as Grimaldi suggested, Masserano raised the subject of the British establishment in the Falkland Islands to prevent the assumption that Spain was tacitly admitting British claim to them. The English ministers in their turn countered Masserano's reminders by referring to the Manila ransom money which Spain had refused to pay. Masserano grew more and more convinced that Britain looked upon the Manila ransom question as a mere bargaining counter in her negotiations with the Bourbon powers. The English government would not fight over it; Britain's political instability

1. C.D.M., II, pp. 252-3; Blart, p. 90; Goebel, pp. 259-60.

2. Gil Munilla, p. 119.

and the growing unrest in the Thirteen Colonies convinced him that the Manila ransom money need not be paid. It was only the need to improve the standing of the Chatham administration in the eyes of the public that forced the ministers for prestige reasons to keep the issue alive. Masserano's assessment of the British position was accurate. The English government seemed resigned to let the Manila ransom issue drop out of sight into the list of unsatisfied claims, except for the occasional reference to it as a counter in exchanges with France and Spain.¹

What were the reasons for this at a time when Britain might have pressed Spain to give in to her demands? The state of unpreparedness of the Bourbon powers and France's reluctance to be rushed into war had been duly reported. After January 1767 the Spanish and French representatives in London were acting in concert, but it was nonetheless

1. Masserano to Grimaldi, 12 February 1767; no. 929, C.D.M., II, pp. 258-65; 24 February, no. 945, 17 March, no. 956, and 22 June, no. 1040, A.G.S., Estado, lego 6964; 12 August 1767, no. 1081, lego 6965. The new ambassador to the Spanish Court, Sir James Gray, mentioned the subject only once in conversation with Grimaldi; Gray to Shelburne, 28 February 1768, no. 22, secret, S.P. 94/179. Gray who had already represented Britain with Carlos III in Naples, was in Madrid from October 1767 to August 1769; B.D.R. 1689-1789, pp. 76 and 136, and D.N.B. For his appointment, cp. Brooke, pp. 35-7 and Horn, pp. 21, 87, 103 and 168.

clear that there had been an initial rift in Franco-Spanish understanding over the issues under discussion. Rochford advised his government to make good use of the favourable conjuncture, for as soon as the Bourbon allies were prepared they would be less accommodating.¹ Furthermore, the English ministers were privy, through Grimaldi's intercepted instructions to Masserano, to the Spanish minister's designs to procrastinate and bide his time as the only way to avoid payment of the Manila ransom money and in order to speed up preparations to resist Britain's encroachments in America effectively.²

When Rochford informed Shelburne on 24 December 1766 that Choiseul was now reluctant to continue discussing his arbitration proposal and appeared to support Spain,³ the secretary of state answered (on 2 January 1767) that the Manila ransom question could wait until some happier moment

-
1. Rochford to Shelburne, Paris, 7 February 1767 (secret), S.P. 78/272; Chatham Correspondence, III, pp. 131-4.
 2. Add. 32300, ff.41-91, passim. For the interception and deciphering of foreign correspondence in London, see K.Ellis, The Post office in the Eighteenth Century, pp. 65-71.
 3. Choiseul to Guerchy, 24 December 1766, no. 230, C.P., Angleterre 471, ff. 375-80.

to obtain justice, for in the meantime, the considerable gain would accrue that the establishment in Port Egmont remained open as a station in the vicinity of the Strait of Magellan which the passing of time could only strengthen, and as an effective wedge in Spain's exclusive claim to navigation on both sides of it.¹ This was ^{of} great importance to Britain and here we find one explanation for the English attitude. The English government realized that to sacrifice the claim to the Falkland Islands for the Manila ransom money was shortsighted. They preferred to play Grimaldi's game of waiting.

Another reason is that the French handing over to the Spaniards of Bougainville's establishment (Port St. Louis) in the East Falkland weakened the British case.²

Finally, the fundamental reason for Britain's weak attitude towards Spain in 1767, as towards France in 1768 on the occasion of the French annexation of Corsica, seems to lie in her political instability, financial difficulties,

1. Add. 9452, ff. 10-4.

2. Goebel, pp. 257-8.

and the worsening of the colonial dispute which required constant attention and ever-increasing resources. At the beginning of 1767 Chatham had his serious relapse of gout, which caused him to retire to Bath and to take to his bed. Conway and Townshend jointly shared the lead of the Commons, but differed over the Charter for the East India Company. The measures adopted by Townshend regarding the Thirteen Colonies sharpened the attacks of the Opposition. The weakening of the Chatham administration resulted in the growing importance of the peace-loving Bedfordites, who wished to preserve peace in Europe in order to carry out their chosen American policies; by January, 1768, they had practically gained control of the ministry. Since December 1767, and following upon Townshend's death in the late summer of that year, North was in charge of the exchequer and he also proved conciliatory in his attitude towards the Bourbon powers. The Bedfordite Weymouth succeeded Conway to the northern department on 20 January 1768 and later on, when Shelburne and Chatham resigned in October, he succeeded Shelburne to the southern department, while Rochford replaced him in the northern department.¹

1. Sherrard, pp. 270-82; Watson, pp. 120-30.

All this explains why the British government did not act forcefully or exploit their advantages in the first Falkland Islands crisis; but the way in which Grimaldi had been able to rally Choiseul behind the Family Compact should not be forgotten. This gave Grimaldi the courage to stand firm and also influenced the situation when the second, and decisive, Falkland Islands crisis blew up in 1770.

The Spanish government was also encouraged to stand firm by reports from London of British continuing infiltration overseas. In the summer of 1767 the French and Spanish representatives to the English Court sent alarming information regarding the objectives of the English in Port Egmont; it was rumoured that they intended to enter first into commercial relations with the Patagonians and the Tierra de Fuego Indians, and eventually to form a colony which would protect their trade, prevent others from carrying it on, and provide them with a good base of operations in wartime. Their main objective was, however, Paraguay, the door to Peru: the disputed territories between the Spaniards and the Portuguese. Port Egmont, Masserano warned, could easily become the Jamaica of the South: the whole area from Patagonia to Paraguay might then become as troublesome as the Mosquito Shore question. Indeed, the English were also giving him some cause for alarm on this score, for they were trying

to expand the territories granted to them for cutting logwood in the settlement of 1764.¹

Masserano also drew the attention of the Spanish government to a possible alliance between Jesuits and the British, which would facilitate the latter's infiltration into Paraguay. The missions of the Jesuits in that territory might rebel against Spain's rule to retaliate against Spain's campaign, which started in April, 1767, to expel them from her metropolitan and colonial territories.²

In addition to these dangers arising from British presence in the Falkland Islands, the period after 1767 saw the reopening of an issue which had been a minor source of friction between Britain and Spain for a long time: that of illicit entry of British ships in the European and colonial harbours of Spain in the hope of forcing, eventually, recognition of such trade, and to gather in the meantime intelligence about Spain's defensive system in case war should break out between Spain and Britain.

As we have already seen, the arrival of Carlos III in Spain marked the beginning of a conscious campaign to put

1. A.G.S., Estado, leg^o 8133, ff. 1-8; also legajos 6968/6969, passim; cp. Calderón, pp. 189-190.

2. Martin-Allanic, II, pp.931-41.

an end to illicit trade as part of a whole system of reforms which was quickening the economic tempo of the Spanish empire. The result was that the number of incidents between British ships and Spanish port authorities increased in the late 1760's. These quarrels receded into the background from 1773 to 1775, when Britain's increasing difficulties with her American colonies gave a new turn to trade relations between the two countries. Such friction did not perhaps constitute a cause for war; but it contributed very largely to maintain an atmosphere of hostility. On the eve of the second Falkland Islands crisis, the Spanish government was incensed by Britain's attempts to force her way into Spanish American trade.¹

But the Spanish government saw no reason to engage in discussions which might increase the danger of war. The time thus gained could be material to ensure eventual success.

To this effect, Grimaldi wanted to make sure that the expulsion of the Jesuits was completed; he did not give much credit to reports from London of an Anglo-Jesuitical plot in

1. Grimaldi to Masserano, 31 August 1767, A.G.S., Estado, leg^o 6966. See also Arriaga to Grimaldi and Grimaldi to Arriaga, 3 October 1769, A.G.S., Estado, leg^o 6974. For a survey of this background of tension over trade and navigation, see Brown, H.A.H.R., V, pp.375-86, 449-64.

Spanish America, but he did not want to run any risks.¹ Secondly, Spain was engaged in negotiations with Portugal for a settlement of their dispute over boundaries in the River Plate. Grimaldi hoped that the settlement of this issue might result in some political understanding on the Iberian peninsula. Portugal could play an important part in any future conflict between Britain and Spain. Grimaldi waited to see what came out of his exchanges with Portugal.² Thirdly, Grimaldi was fully conscious that Choiseul had suggested 1770 as a more suitable date for the show-down over the Falkland Islands.³ Finally, however certain everybody concerned was about the British establishment in the Falkland Islands or Malouines, the exact location had not yet been conclusively established in Madrid, nor was

-
1. Grimaldi to Masserano, 8 November 1767, A.G.S., Estado, leg^o 6965; 28 March 1768, leg^o 6968; 4 July 1768, leg^o 6969.
 2. See below p. 429.
 3. Grimaldi to Fuentes, 2 March 1768, A.G.S., Estado, leg^o 4565, ordering Fuentes to stress to Choiseul that Arriaga's instructions of 22 February for the expulsion of the English from Port Egmont was not likely to lead to a grapple with Britain before 1770.

its strength known; nor indeed had Spain taken possession of the French establishment in the East Falkland.

It was not until January, 1768, that the Bourbon powers were fully apprised of events in the Falklands up to April, 1767: the exact location of the British in the West Falkland, their visit to the French establishment in December, 1766, and the handing over of Port St. Louis to the Spaniards by Bougainville on 20 April 1767. All fears were now confirmed; furthermore, it was rumoured that the English might have formed two other establishments; in the Island Madre de Dios (off the coast of Chile) and Port Famine (on the north-eastern coast of the Strait of Magellan).

The Spanish government now decided to resist the British by force. On 22 February 1768 Arriaga drafted the instructions for the authorities of Buenos Aires, Chile and Peru, to take the necessary measures to expel the English from their establishment in the Falklands, if they did not abandon it after being warned to depart, and to prevent the formation of future establishments. They were urged to make sure of their success.

These instructions, after Carlos III's approval on the 25th, were transmitted to the French Court. They arrived in Paris on 15 March, and were submitted to the French King for his approval, which he gave in the most explicit manner on the same day.

They were not dispatched to America, however, until June, and the expedition that was fitted out in Spain to help the American authorities carry them out did not sail from Cádiz until October 15th. The expedition reached Montevideo on 3 January 1769, and the expulsion of the English from Fort Egmont took place on 10 June 1770.¹

In the first place, France's approval is to be viewed as the expression of her opposition to British aggrandisement anywhere. Indeed, in the summer of 1767, the French were informed by the governor of Santo Domingo, Rohan, that the English had erected a fort in the Turk's Islands which threatened French navigation in these waters. Although Shelburne explained to France's satisfaction in March, 1768, that the English had neither formed nor intended to form a civil or military establishment in these islands, Choiseul insisted that Britain was pushing her infiltration in America too far.² The French made fresh attempts in 1783 and 1789 to make the British renounce any claim to

-
1. Martin-Allanic, II, pp. 944-1038, passim. Hidalgo Nieto, pp. 23-86, 175-88.
 2. Shelburne said that it was only an agent who had been sent to investigate salt conditions and disputes between fishermen; the agent, Symer, had in fact applied for cannons and troops but the English government had refused his request. Shelburne showed Châtelet, the French ambassador, his correspondence with Symer to leave no doubt as to Britain's sincerity. A.G.S., Estado, legajos 6968 and 4681; Add.9242, ff.29-31. Cp. Renaut, p.128.

these islands, but failing to obtain encouragement from Spain, on whose behalf they alleged to act, the islands continued to be regarded by the British as part of the Bahamas; in fact, they were given representation in the Bahamas assembly in 1799.¹

Secondly, the British reaction confirmed the belief held by the Bourbon powers that Britain was not in a position to force her views on them. Furthermore, several English ministers (Conway, Bedford, Hillsborough, Shelburne and Chatham himself) had expressed their indifference towards Port Egmont to the Bourbon representatives on different occasions.² Choiseul therefore believed that the Spanish decision to use force against the British establishment may not result in war.

Thirdly, Choiseul had by now embarked upon a plan for the annexation of Corsica, to which I shall return presently. He intended to carry it out as quickly and quietly as he could, making full use of the impotence and ineffectiveness of British policies in these years. However, he might need the help of the Family Compact if Britain's reaction was unexpectedly firm and, therefore, he meant to keep Spain well-disposed.

-
1. A.G.S., Estado, leg^o 4681, passim; Renaut, pp.354-5; A. Burns, History of the British West Indies, pp.514,532 and 668.
 2. Martin-Allanic, II, pp.941-55, passim.

4. Spain and the French annexation of Corsica.

Genoa's cession of Corsica to France originated in the long struggle of the former to retain the island against the Corsicans who were fighting for independence. This struggle was a continuous drain of the country's money and troops, and France, as Genoa's ally, had contributed to the cost of it. In 1768 Genoa decided to bring this expensive and prolonged war to an end. On 15 May 1768, France and Genoa signed the Treaty of Versailles, which stipulated that in return for the aid that Genoa had already received from France and the payment of a yearly sum of 200,000 livres for a period of ten years, Genoa would cede Corsica to France.

The Treaty shocked contemporaries and was regarded as the most striking diplomatic victory won by Choiseul between the Seven Years War and the American War of Independence over Britain. The acquisition of Corsica gave France more effectual control of the Western Mediterranean. Choiseul's triumph also raised the prestige of France and increased his personal influence and international standing.

The annexation was achieved with little or no opposition from London. Choiseul made skilful use of Britain's lack of a firm policy regarding Corsica as well as of the increasing weakness and disunity of the British Cabinet,

and of the difficulties that Britain was encountering in her American colonies. Choiseul helped to paralyse Britain by stressing in London France's alliances with Spain and Austria. The Family Compact especially improved his hand, for the pacific section within the British Cabinet feared that opposition to France's annexation of Corsica could bring Spain into active support of Choiseul's policies and consequently increase the risk of a rupture between Britain and the Bourbon powers. These factors resulted in Britain's lack of action and enabled Choiseul to present the English government with a fait accompli which they could only reverse by beginning warlike operations.

However, the completion of the Franco-Genoese Treaty brought about a more resolute attitude in England. The French military occupation of the island got under way in the summer. It stirred British public opinion, which in its turn forced the government into more positive policies towards France. But they were to prove belated; the chance of checking Choiseul's advances was gone with the signing of the Treaty.

The then secretary of state for the southern department, Shelburne, based his protests against French action

in Corsica on two main contentions. First, the government maintained that the annexation was a breach of the status quo in Italy as provided in art. XV of the Treaty of 1748. It was also argued that such a transfer of territory should not be made without due regard to the interests of third parties and that the all over European balance of power should be preserved. Shelburne reminded Choiseul, in partial justification, of France's objections to a British settlement in the Turk's Islands on the grounds that it would injure French trade.¹

Shelburne seems to have entertained hopes of some equivalent concession from France if the English government were to acquiesce in the Corsican annexation, and the Turk's Islands were suggested. Three months before, France had told London that she would not permit a British military establishment in the neighbourhood of Santo Domingo. Now Shelburne gave France to understand that Britain would go ahead with the settlement of the Turk's Islands if Corsica was not given up.² Shelburne tried to interest the

1. For the question of Corsica as a Franco-English issue, see "Anderson", pp.228-70. Cp. also Carutti, IV, pp. 452-64.

2. Masserano to Grimaldi, 17 June 1768, no.1363, A.G.S., Estado, leg^o 6968.

Austrian ambassador, Seilern, in the issue; but in vain. He also thought of sounding Spanish feelings on France's aggrandizement in Italy and her increasing sway over the Western Mediterranean; but he did not pursue this line, for he rightly expected little support from this quarter in view of the existing closeness between the Bourbon representatives to St. James's.¹

Shelburne's helplessness was not only due to lack of international support. The position of the English government was seriously undermined in Paris by the increasing evidence of divisions in the British Cabinet over the Corsica affair which the ministers did nothing to hide from the Bourbon representatives. Reports from London made Choiseul more confident; he took little notice of Shelburne's protests. For while Grafton and Shelburne seemed prepared to use force to halt the French, Weymouth and the Bedford group were opposed. This was well known in Paris. Weymouth admitted to the French ambassador, Châtelet,² as

1. Shelburne to Gray, 18 June 1768 (secret), S.P. 94/179; Gray to Shelburne, 7 July, no. 37 (cipher), and 21 July 1768, no. 40 (secret and cipher), S.P. 94/180.

2. Louis-Marie Florent, duc de Châtelet-Lormont (1727-1793) was ambassador in London from February 1768 to June 1770; see Correspondence secrète du Comte de Broglie avec Louis XV, II, p. 68, note 2 and p. 79 (henceforward cited as Corr. Broglie).

early as May 28th, that he cared little about Corsica. Eventually the pacific party gained the upper hand, and by June 17th, Shelburne had to make it clear that Britain would not go to war over Corsica. A few days later, Châtelet felt sure that no violent action was to be expected from the British government and availed himself of the permission Choiseul had given him to pay a short visit to France. Shelburne also gave Rochford permission to return to London for a short time as the newly-appointed chargé d'affaires at Paris, Robert Walpole, had arrived there. It was inferred that Britain had accepted the French annexation of Corsica.¹

Spain's attitude towards the Corsican affair was one of apprehensive expectation. She was now making the last preparations to enable the Spanish American authorities to ensure success against the British establishment in the Falklands. As suggested by Choiseul, Grimaldi planned this action so as to avoid war, if such were the outcome, before 1770. Corsica might bring war earlier than expected, before Spain was ready to act in the South Seas, and might widen the conflict over the British establishment in Port Egmont to European issues.² In respect of the French

-
1. Châtelet left London in early July, and Rochford left Paris on September 1st, eight days after Walpole's arrival; B.D.R., p. 23.
 2. Grimaldi to Fuentes, 20 June 1768, A.G.S., Estado, leg^o 4565.

annexation itself, as Shelburne surmised Spain no doubt had her misgivings about France's control over that island, for such sway over the Western Mediterranean would make Spain dependent upon France's good will for her communications with Naples.

Grimaldi was therefore not eager to encourage Choiseul; nor indeed did he wish to appear committed to France before Britain. His main concern after the news of the Franco-Genoese Treaty of May 15th was to find whether Britain was likely to adopt positive measures to halt the French. Reports from Masserano and Fuentes conveyed the belief that the English did not mean to take any action. Grimaldi, who could corroborate this impression from his own experience with the English representative in Madrid, Gray, seemed well pleased with the British attitude, especially since the English had not mentioned this issue to the Spaniards. Spain need not be committed in any way, Grimaldi was glad to say to Masserano.¹

On June 27th, however, Fuentes reported a conversation he had had with Choiseul in which the French minister appeared not yet entirely certain of the pacific intentions

1. Grimaldi-Masserano correspondence, July 1768, A.G.S., Estado, leg^o 6969 passim.

of Britain. He did not explicitly ask for Spanish support, but he referred to Spain's grievances against Britain in the hope of rousing his allies. Choiseul warned Fuentes that Britain was unremittingly encroaching on Spanish territories, and expressed his surprise that the expedition to expel the English from Port Egmont had not yet been dispatched. British infiltration in America, Choiseul urged, could bring war forward and therefore it was necessary to improve the state of the Spanish armed forces for such emergency. In respect of Portugal, Choiseul who had been informed by Fuentes of the break-down of the negotiations between Madrid and Lisbon, was aware that Spain might envisage using force against her neighbour as part and parcel of the general conflict with the British; Choiseul therefore sought to humour the Spanish government by his willingness to prepare a plan of operations along the lines suggested by Aranda.¹

Grimaldi replied by return of post that the instructions for the expulsion of the British from Port Egmont had already been sent in June, but that the result of such orders was not expected before 1770. As for Portugal, Grimaldi explained that military preparations to put the army in good shape

1. Fuentes to Grimaldi, 27 June 1768, A.G.S., Estado, leg^o 4566. For Aranda's war plan see below pp. 434-5.

were under way and the plan for joint action as outlined by Aranda should be sent in a few days. He hardly mentioned Corsica; despite continuing reports that it was not likely to be the cause of war, he was reluctant to commit himself. He was dragging his feet lest Corsica should anticipate events, and ordered Fuentes to remind Choiseul that the action against Port Egmont should not lead to a clash with Britain before 1770, as suggested by the French minister himself in January, 1767.¹

Meanwhile, relations between London and Paris developed along more pacific lines. Choiseul wisely avoided unnecessary discussions that might prolong ill feelings in Britain. Only Chatham's return to activity could have stirred the government into more positive attitudes, and the French government grew confident when reports from London reassured Choiseul that Chatham's illness was genuine and prevented him from taking part in politics. Moreover, at the beginning of September rumours of Shelburne's approaching fall were sent to Choiseul; the fall of Shelburne could only mean that the more pacific section of the government would be able to pursue their policies freely.

1. Grimaldi to Fuentes, 4 July 1768; see also his instructions of August 1st, A.G.S., Estado, leg^o 4566.

However, Shelburne, realizing that Corsica could not be saved, attempted to secure some sort of equivalent for Britain in return for her acquiescence in France's new acquisition. He had hinted as early as June, when he mentioned the Turk's Islands, that the Manila ransom money would be an acceptable return for Corsica. He raised the subject afresh in conversation with Châtelet with a view to make Spain pay the compensation 'fee'. Shelburne proposed that if France managed to persuade Spain to pay the ransom money, Britain would say no more about the Corsican question. But the French ambassador gave an evasive answer.¹

Early in the autumn Shelburne approached France again, proposing the settlement of either the question of the fortifications of Dunkirk, which he claimed were built against the stipulations of the Treaty of 1763, or the Manila ransom issue as a satisfactory equivalent for Corsica. But the resignation of Shelburne on October 19th marked the end of these discussions for equivalents. Weymouth, since the 21st his successor in the southern department, did not pursue them. Indeed, the new ministry

1. Masserano to Grimaldi, 8 July 1768, no. 1380, A.G.S., Estado, leg^o 6969.

appeared from the beginning more moderate and almost unanimous in their condemnation of a forceful policy over Corsica. The appointment of Harcourt to the English embassy in Paris¹ - he was of peaceful leanings and related to the wife of the former French ambassador to the English Court, Guerchy - was taken as a further token of Britain's sincere wishes to avoid an argument; as it was the fact that Cumberland's voyage from Mahon to Liorna was suspended for fear that contrary winds might take him to Corsica and thus irritate the French. If any uneasiness was felt in Paris, it was due not to deliberate opposition on the part of the British government but to fears of popular reaction in Britain as in 1739, when popular clamour brought war against Spain. However, the resumption of Parliament on 8 November and following sessions proved that the government was not to be stampeded by popular or parliamentary pressure. All seemed to indicate that France's annexation of Corsica was an accepted fact.²

-
1. B.D.R., p. 24. His instructions are printed in B.D.I., France, IV, p.108.
 2. Masserano's reports October/November, 1768, A.G.S., Estado, leg^o 6969. Cp. "Anderson", pp.254-8. After the fall of Shelburne, Rochford and Bedford, the most anti-French members of the government, did something to keep the fear of war alive and to sow discord between the Bourbon powers (Bedford proposed to Masserano to abandon Fort Egmont if France gave up Corsica); but with little success. Masserano to Grimaldi, 9 December 1768, no. 1505, A.G.S., Estado, leg^o 6969; "Anderson", pp. 269-70.

In the meantime Grimaldi had remained quiet, welcoming British reluctance to mention the issue to Spain. After his expressions to Choiseul in July, the Spanish minister wished to appear uncommitted in the eyes of Britain for fear that any sign of encouragement to France might stir Britain's suspicions and thus increase the dangers of an early war. When asked for diplomatic support, however, Grimaldi readily complied in respect of Austria and Naples. On December 6th Fuentes reported that Choiseul had communicated to him that there was some uneasiness in those two countries over France's annexation of Corsica, and asked Spain to persuade Tanucci of the importance that Corsica had for the Bourbon powers.¹ Grimaldi replied on December 13th that there was no need to pay any attention to Austria's opposition. As for Naples, Grimaldi was to explain to Tanucci France's motives: the Spanish minister added that the annexation of Corsica ought to be upheld "por la templanza que (Choiseul) é por el de la activa guerra, si las circunstancias obligassen ya a preferirle".²

1. A.G.S., Estado, leg^o 4570. Cp. "Anderson", p. 268, note 105.

2. A.G.S., Estado, leg^o 4570.

The attitude of the Spanish minister, all the more surprising considering that only two months earlier he had reminded Choiseul of the need to avoid giving Austria any reason for complaint,¹ seems to indicate that Grimaldi was showing a more bellicose mood as he became convinced that Britain did not deem Corsica a casus belli. The date originally envisaged for the impending crisis over the British establishment in the Falklands was drawing near. Some sign of encouragement to France might well bear fruit in French support for Spain in the future.

1. See below p.262.

5. The Falkland Islands Crisis.

a) The international background: Spain and the Russo-Turkish War.

After 1768 the Corsican question was overshadowed by more important events in the East which required all the attention of the Western chanceries.

A Russo-Turkish war broke out in October, 1768, as a result of Turkey's objection to the growing influence of Russia upon Poland after the election of Poniatowski to the Polish throne, but also as a result of encouragement from France for a Turkish declaration of war. France desired to sustain and intensify Russo-Turkish antagonism in order to divert Russia, first, from Poland, and then, from Sweden.

The first reaction of the Central powers to the outbreak of the Russo-Turkish war was non-committal. Both Prussia and Austria desired peace. But the clear superiority of Russia over Turkey shown in the first year of the war alarmed both courts. Austria feared that Russia might push Turkey too far back, and Prussia resented the disruption of the balance of power in the East. This similarity of views draw them together; they envisaged joint action to neutralise the Empire and to pacify Eastern Europe.¹

1. See the letter of Nugent, the Austrian ambassador in Berlin, of 26 November 1768 with the account of his interview of the 15th with Frederick II, in Arneth, VIII, pp. 562-4.

As for their respective allies, Frederick explained to Russia that his contacts with the Austrians would not damage Russo-Prussian relations; Russia had to rest content with the explanations of her only ally.¹ Kaunitz for his part availed himself of the Franco-Prussian contacts in 1768 in order to silence any objection from France.

These contacts had begun in 1765, allegedly for the purpose of renewing the commercial treaty of 1753, which had expired in 1763; but both France and Prussia visualized certain political advantages being gained by parading their friendship before Europe. Nothing came out of it.²

In June, 1768, a certain Prussian envoy, Meny,³ approached Choiseul with a project for a commercial treaty and proposed the appointment of representatives to negotiate the agreement. Choiseul thereupon permitted discussions at the Hague between the French representative, Breteuil, and his Prussian counterpart, Thulemeyer. Goltz was appointed minister plenipotentiary to Paris and Guines was designed as his French counterpart in Berlin. Four months elapsed, however, before they set off to their respective destinations.⁴

1. Kaplan, pp.114-8.

2. See above pp.1134-5.

3. For Meny, see Corr.de Broglie, II, p.318, no.1.

4. Hammond, R.H., XXV (1884), pp.76-82.

The exchange of diplomatic representatives did not immediately bring about a change of attitude on the part of either Frederick II or Choiseul. Each side found themselves tied by their former treaties with Austria and Russia, and each hoped that the other country would commit herself first. When the first proposals from Prussia arrived in Paris, in June 1768, Choiseul was involved in the Corsican question and it is not difficult to detect some desire on the part of the French minister to make use of them in order to strengthen his position in respect of Britain, while appearing reluctant to come into any agreement with Prussia for the sake of the French alliance with Austria.¹

When the Spanish government was informed by Choiseul of the intended resumption of diplomatic relations between France and Prussia, Grimaldi expressed his uneasiness about a Franco-Prussian rapprochement, for it might impair Bourbon relations with Vienna. On 19 October 1768 he ordered Fuentes to remind Choiseul that Austro-Prussian

1. Choiseul to Breteuil, 25 August 1768; Flammermont, Rapport, pp. 50-1; Breteuil's instructions of the 28th; Recueil, XXIII (Hollande), pp. 290-8. Cp. Corr. de Broglie, II, pp. 148-50; and R. Hammond, "La Mission du comte de Guines à Berlin", R.H., XXXVII (1888), pp. 322-48.

antagonism was the best way of keeping Austria attached to France and that in the present state of affairs the friendship of Austria was the more important to the Bourbon powers if they were to avoid complications in Italy while fighting Britain and Portugal. Grimaldi advised that the exchange of representatives between France and Prussia should not take place unless Austria approved of it.¹ This is yet another example of how Grimaldi tried to strengthen the Austro-French alliance, and of his anxiety whenever France appeared to move closer to Prussia.

Choiseul no doubt was also anxious about Austria's reaction and had already agreed with Fuentes to contact her ambassador in Paris, Mercy, to whom the French minister explained that the exchanges with Prussia were only a means to seek Prussian support against Britain's and Russia's ambitions in the North. The Austrian diplomatist seemed satisfied with the explanation.²

For a while it looked as if the exchange of ministers between Paris and Berlin might not take place; as Choiseul said to Fuentes at the end of October, Frederick II resented

1. Grimaldi to Fuentes, 19 October 1768, A.G.S., Estado, leg^o 4566.

2. Fuentes to Grimaldi, 3 October 1768, A.G.S., Estado, leg^o 4566.

the publicity given to the matter in France and Choiseul's decision to acquaint Austria with the negotiations. A more important obstacle was Choiseul's condition that the negotiations for a commercial treaty would not continue if Prussia meant them to be of a political nature.¹ Grimaldi expressed his satisfaction over these difficulties;² but when the exchange of representatives took place at the beginning of 1769 and negotiations started, Grimaldi did not protest since Mercy seemed at ease after Choiseul's assurances. He suggested on 6 February, however, probably as a counter move, the convenience of a marriage between Louis XV and an Austrian princess as a way to re-affirm Austro-French links.³

Goltz and Guines arrived at their destinations at the beginning of February, 1769, but there seemed little hope of an early success.⁴ Both Frederick II and Choiseul aimed at discovering each other's intentions. The mere resumption of diplomatic relations favoured the Prussian.

1. Fuentes to Grimaldi, 31 October 1768, A.G.S., Estado, leg^o 4570.

2. Grimaldi to Fuentes, 14 November 1768, Ibid.

3. Memoria de Amat, p. 77.

4. Hammond, R.H., XXV (1884), p.82; Flammermont, Rapport, pp.52-4.

He did not wish to enter upon any negotiation of political significance with France, but the resumption of relations with Paris was enough to sow dissension between Austria and France and give Austria a pretext to disregard France's objections to Austria's desire to act with Prussia for the pacification of Eastern Europe.

Frederick II and Joseph II accordingly met at Neisse, in Prussian Silesia, in August. They agreed to neutralize Germany, to work for a prompt pacification of Poland, and for the conclusion of the Russo-Turkish war. Soon after this meeting, they found that they had to exert themselves to stop further expansion of the Russo-Turkish war. A Russian fleet had appeared in the Mediterranean at the end of the year and Frederick II felt that this might give Choiseul the means to engage Spain and to expand the conflict into a world war in view of the tense relations between Britain and the Family Compact countries. They feared that a Russian fleet in the Mediterranean might help to establish Russia as the most influential and powerful nation of the East. Austria and Prussia therefore attempted to bring the war to an end through their mediation from the close of 1769 onwards. The first formal proposal came from Austria in June, 1770; she suggested as the basis for mediation the status quo ante bellum and Russia's evacuation of Poland.

Britain at the time of the outbreak of the war and during its first year was reluctant to adopt a positive attitude. The Grafton administration, in view of the situation in the American colonies, was bent on peace, as they had shown over the Manila ransom issue and the Corsican question. Yet the prestige of Britain and her position in the East had to be considered, and the English government was forced to intervene at least diplomatically in the Eastern question.

Since 1763 the English had sought the friendship and alliance of Russia but the latter had always given as a condition sine qua non for an alliance that English help should be forthcoming if Russia were involved in war with Turkey. Britain did not want to lose Turkish trade, and what came to be known as the "Turkish clause" stood in the way of an Anglo-Russian understanding. When war broke out in the East, Russia requested naval help. Britain tried to parry her by offering her services as mediator; mediation might enable her to maintain British prestige in the East and the balance of power without antagonizing either Turkey or Russia. But in these mediation efforts she had to compete with similar attempts on the part of Prussia, Austria and France.

Throughout 1769 Russia grew more and more confident.

However, she still wished for British help, and to obtain it, was willing to give up the "Turkish clause" in return for subsidies to further Russo-British interests in Stockholm. Britain's parsimonious policies weakened her chances of an understanding with Russia still further. Yet Britain wanted the Russian alliance and hoped to regain their confidence by helping their fleet in its voyage from the Baltic to the Mediterranean at the end of 1769 and beginning of 1770. Britain was prompted not only by her desire to make Russia favour an alliance, but also by the hope of commercial advantages which she expected for the aid given, and by her hostility to France; the presence of the Russians in the Mediterranean might impair France's influence with Turkey.

The aid given by Britain to the Russian fleet gave the French the opportunity to prejudice the Porte against London, and to suggest a Franco-Turkish treaty to guarantee the security of the Levant Seas. This advance was not welcomed in Constantinople, for although the Turks understood the hostile implications of Britain's attitude, they would not do anything to antagonize her and were ready to consider Britain's mediation if necessary. Such a disposition on the part of the Porte led Choiseul to alter his policies. At the end of 1769, he instructed his ambassador

to the Porte, Saint-Priest, to stop encouraging the Turks to a more energetic prosecution of the war and ordered him to work for an alliance with Turkey for the time being.

A change in Turkey's attitude came about as the result of the approach of the Russian fleet to Constantinople. In April, 1770, the Turks breached the idea of a treaty with France to Saint-Priest. The matter was discussed in France and on 16 June 1770 Choiseul wrote to Saint-Priest that he agreed to the conclusion of a treaty of guarantee in return for stipulations in favour of French trade in the Levant. Nevertheless, Choiseul did not show any immediate willingness to send ships to the Levant to support the Turks against the Russians. We shall return presently to Choiseul's attitude and his motives.

In the meantime at Chesne (June 24th), the Turkish fleet was annihilated by the Russian one and the Turks, fearing a Russian attack on the capital, turned for help, especially naval, wherever it could be found, determined not to be hurried into a humiliating peace.¹ France, the country most likely to give such aid, cautiously answered that no help could be given before May 1771. The Porte now

1. For the battle of Chesne and the relatively small rewards which accrued to the Russian side, see W.C. Chapman, "Prelude to Chesne", The Mariner's Mirror, LII (1966), pp. 61-76.

turned to Austria; her mediation was the only one likely to be accepted by both belligerents. Britain's mediation would cause France to want to be included, and France's mediation would never be acceptable to Russia. Furthermore, the fact that Prussia, Russia's ally, was acting in close concert with Austria to bring the war to an end, while France seemed to support the mediation of Austria, made it the more feasible. After the victorious advance of the Russians during the summer, the Porte made a formal request that Austria and Prussia should mediate.¹

The main consequence of Turkey's move was that the influence of Britain and France in the East decreased and that of the Central powers increased. The rivalries between the two countries had contributed to bring it about.

Britain, neglected by Turkey, was now concentrating on limiting or destroying French influence in the Mediterranean. Half-unconsciously, the British government rendered the Russians an invaluable service by preventing France from interfering in the Mediterranean for fear of

1. Pol. Corr., XXX, pp. 103-4, 132-5.

retaliatory British action.¹

It was chiefly this fear that made Choiseul cautious, but other factors also contributed to restrain the French minister.

Choiseul's position was difficult. In the first place, he certainly had grounds which could help him to arouse the nation against Britain. First, the Russian fleet, aided by Britain, threatened France's plan for the Mediterranean, which Choiseul looked on as a Bourbon preserve.² Secondly, the English had acted against the French factory in Chander-nagore, north of Calcutta in West Bengal. In 1768 the French had built a moat around this establishment for the alleged purpose of draining the water. The English authorities in Calcutta, however, argued that the moat was a fortification and therefore a violation of article 11 of the Treaty of 1763. The French refused to fill in the moat, whereupon the Calcutta Council filled it in in May 1769.³

-
1. In June, 1770, a hint from Choiseul that France might send two ships to Morea elicited from Weymouth the response that this would be regarded as a threat to the peace of Europe. For the first two years of the Russo-Turkish war, see "Anderson", pp. 78-159; see also his article, "Great Britain and the Russian Fleet", Slavonic and East European Review, XXXI (1952), pp. 148-63, and Kaplan, pp. 90-130.
 2. Fuentes to Grimaldi, 9 July 1770, no. 509, A.G.S., Estado, leg^o 4575; "Anderson", pp. 336-8, points out that France was on the point of making the Mediterranean a French lake from the commercial point of view, and that only the outbreak of war in 1793 prevented this.
 3. I am indebted for the details of this incident to Mr. Brian Kennedy, who is preparing a thesis on Anglo-French rivalry in India.

Thirdly, Britain's thrust into the Pacific, that is the occupation of the Falkland Islands, and her encroachments in Spanish America were also resented in Paris, especially since British activity overseas emphasized France's slow progress.¹ Last but not least, there were the pacific leanings of the Grafton administration, interpreted by the French as the result of Britain's increasing difficulties in her American possessions, her political instability and the poor state of her finances.²

Furthermore, from a personal point of view, Choiseul may have entertained the idea of war as a means to render his political situation secure. From November, 1768, Choiseul began to feel the opposition of a clique gathered round Louis XV's new mistress, Madame Du Barry. Choiseul, hampered by the open dislike shown to the newcomer by his wife, his sister the Duchess of Gramont, who wanted the position for herself, and his ladyfriends, failed to win Du Barry's confidence. In June, 1769, he was thinking of

-
1. Minor sources of friction between France and Britain, though still of some significance, were the question of French fortifications in Dunkirk and Britain's unfriendly behaviour towards French fishermen in Newfoundland.
 2. Early in 1769 Choiseul for the first time used the American struggle for independence as a counter in his relations with Britain over Corsica; he also advised Grimaldi to establish contacts with the American insurgents for the purpose of trade. Choiseul to Ossun, 7 February 1769 (copy), A.G.S., Estado, leg^o 4571; "Anderson", pp. 265-6.

retiring rather than wait to be dismissed; and by the beginning of the summer of the following year, he pondered in conversation with the Austrian and the Spanish representatives that only a war might secure his political future with the King.¹

But there were also weighty considerations against a full-scale war against Britain at this stage. First, France's navy was not as well-equipped as Choiseul would have liked; in 1763 he stated that France would need 80 men-of-war to fight Britain successfully; in 1771 she had only 64.² As for the Spanish naval forces, Ossun reported in March that she had made good progress in her preparations, but three months later he did not sound so optimistic.³ On the other hand, military and naval preparations in France, should Choiseul have envisaged war, required financial backing but it was not easily accessible to him, for in charge of the Treasury as controller general since December, 1769, was Terray, one of the main political figures of the Du Barry clique; he opposed Choiseul's defence expenditure, emphasizing the bad state of France's credit.

1. Corr. de Mercy, I, p. 59; Flammermont, pp. 139-55; Blart, pp. 143-164.

2. G. Lacour-Gayet, La Marine militaire de la France sous le règne de Louis XV, pp. 419-20. Cp. "Anderson", p. 281.

3. Blart, p. 154; Rousseau, II, p. 69 and note 1.

Secondly, late in June reports of a visit to Port Egmont by two Spanish frigates in February reached Paris. The English secretary of state, Weymouth, explained to the French representative that the Spaniards had only protested in a moderate manner against British presence in the Falklands, but the business world was alarmed by rumours of Spanish violence against the English establishment. Although it was generally believed in London that Port Egmont was not worth a war, it would be difficult for the English government to abandon it without losing face, especially if Spain adopted strong policies.¹ Choiseul realized the danger of war on this score at a time when it would benefit Spain more than France. He no doubt preferred to find out first whether Spain was willing to consider France's interests elsewhere.

Thirdly, Austria might object to a Franco-Turkish treaty. Choiseul speculated that it might be feasible to work out a maritime alliance which would not affect Austria's predominantly territorial interests. The French minister envisaged a treaty of guarantee of the Turkish seas and islands in the Mediterranean in return for commercial advantages. Since Austria was not a maritime power, she would not - it was hoped - object to France's naval

1. Martin-Allanic, II, pp. 996-9.

engagements with the Porte. On the whole, however, Choiseul preferred to wait and see what Austria's next move would be and how the campaign would progress.

Choiseul, therefore, seemed to have no warlike intention at this stage. The international situation was still too fluid. Choiseul now proceeded to sound the Spanish Court. On 19 June, three days after sending instructions to Saint-Priest to initiate preliminary talks for a treaty with the Porte, the French minister wrote to Fuentes a detailed memorandum offering to include Spain in the projected treaty of guarantee with the Turks. He argued that the fact that Turkey was in a difficult plight and needed help urgently would make her more agreeable to grant commercial advantages in the Levant; he also explained how it was hoped that Austria would not object to such a treaty. If Carlos III agreed to join France, Choiseul suggested, France intended to go ahead with the negotiations in Constantinople on behalf of the two Bourbon powers. But the French minister did not mean to precipitate events; the treaty that he was referring to would not involve the Bourbon powers in the present Russo-Turkish war.¹

1. Copy of Choiseul's "Mémoire" of 19 June 1770 enclosed in Fuentes to Grimaldi, 9 July, no. 509, A.G.S., Estado, leg^o 4575. See also Fuentes to Choiseul, 5 July 1770, C.P., Espagne 560, f.17.

On July 7th, Choiseul instructed Francès to lay before the English government a formal complaint at the use of force against the French at Chandernagore. The same day he instructed Ossun to find out from Grimaldi whether Spain would support France in the event of war with Britain over the Chandernagore incident; the time was perhaps ripe for a successful one, Choiseul added. Despite these expressions, Choiseul sounded anxious when he ordered Ossun to enquire in Madrid about the visit of the two Spanish frigates to Port Egmont.¹

It seems therefore that the French minister was now trying to check Spain by bringing home to them that if she expected help from France in the event of a conflict over the Falkland Islands, the latter's^{*} Indian and Mediterranean commitments would have to be recognized. Anticipating Choiseul's reaction to Grimaldi's reply, one might add that the French minister was perhaps adopting this attitude for the purpose of moderating the Spaniards in respect of the British establishment in the Falkland Islands.

Choiseul's offer to include Spain in the projected treaty of guarantee with the Porte was welcomed by the Spanish government, who discussed it at great length.

1. Flammermont, pp.156-7; Blart, pp.164-5.

A commercial arrangement or treaty with the Porte and its nominal subjects the Dey of Algiers, the Bey of Tunis, the Pasha of Tripoli, and the Emperor of Morocco - had since 1718 been a cherished ambition of the Spaniards engaged in the Levant trade and of officials and ministers responsible for the advancement of the Spanish navy.

In this way they hoped to put a stop to the irritating and costly piratical attacks on Spanish commerce of the Barbary corsairs. Despite the general decline of the naval power of the Muslim states during the eighteenth century, the Barbary States, particularly the strongest of them, Morocco and Algiers, could effectively impede or even destroy the trade of nations too weak or too distant to resist their raids. The growth of British and French naval power enabled these countries to protect their shipping, but Spain's trade had been exposed to attack and seizure by the pirates, which - in its turn - had restrained the development of her shipping and increased the difficulties of manning her navy. The French diplomat Favier wrote in 1773 that Spanish shipping in the Mediterranean was rare due to fear of the Barbary corsairs. The Spaniards, he reported, put their trade under the protection of foreign flags.¹

1. Spain "est si gêné, jusque dans son cabotage domestique, qu'il le laisse faire presque entièrement aux autres nations commercants"; quoted in L.P. de Ségur, Politique de tous les Cabinets de l'Europe pendant les règnes de Louis XV et Louis XVI, p. 261.

This state of affairs benefitted Britain's carrying trade; it also helped to prevent the development of Spanish naval power. Consequently, Britain tried to hinder any improvement in Hispano-Muslim relations, while herself maintaining good relations with the Barbary States, in order to safeguard also the adequate provisioning of Gibraltar and Minorca, the places on which the maintenance of British power in the Mediterranean largely depended.

France benefitted from bad Hispano-Muslim relations too. As a consequence of this hostility, she had a considerable share in Spain's coastal trade. Her position with the Barbary States was easier; her traditional alliance with the Turks was an initial advantage in any negotiations with North African rulers. Relations between the Porte and France increased in importance after the commercial treaty of 1740, which gave the French the treatment of most-favoured-nation, the assurance of support in any dealings with the Barbary States and the political advantage of a permanent representation with the Sultan. France also signed a commercial treaty with Morocco, on 28 May 1767, which improved her position still further.¹

1. For Franco-British commercial competition in the Mediterranean and a general survey of the Barbary States in the second half of the eighteenth century, see "Anderson", pp. 23-5, 42-61, and 284-334. See also P. Grillon, "La correspondance du consul... Chénier", *R.H.M.C.*, X (1963), p. 70; and J. Caillé, "L'ambassade du comte de Breugnon à Marrakech en 1767", *R.H.D.*, III, (1961), pp. 245-74.

For commercial considerations as well as those of naval power and prestige, Spain was badly in need of some arrangement with Turkey and the Barbary States; a forcible solution was beyond the possibilities of the Spanish navy.¹ Many believed it was preferable to reach an understanding with the Porte on commercial matters with stipulations that the Turks would use their good offices to prevail upon their nominal subjects, Algiers, Tripoli and Tunis, and the independent state of Morocco to arrange individual treaties with Madrid.

However, progress in this direction was not easy. The difficulties that stood in the way during the first half of the eighteenth century were almost unsurmountable.²

First, there was the immemorial hostility between Christian and Moor, which Spain's territorial holdings in

1. Even in 1775, after the naval reforms carried out during the early part of Carlos III's reign, a large-scale expedition sent against Algiers, the most pertinacious and dangerous of all, ended in complete failure; subsequent attempts to bring her to heel in 1784 and 1785 failed also; below, p. 250.
2. G.E.Lepore, Un capitolo inedito di storia mediterranea, Spagna e Imperio ottomano nel secolo XVIII, pp. 30-3;
M.Conrotte, España y los países musulmanes durante el ministerio de Floridablanca, pp. 60-6.

North Africa and the activities of the Barbary corsairs did nothing to alleviate. Spain had Ceuta, Melilla and Vélez - wanted by Morocco - and Oran and Mers-el-Kebir - wanted by Algiers.

Secondly, the Turks, and in this respect they were not different from any Barbary ruler, sincerely believed that the Christian powers were in need of them and expected to be courted by them. This, apart from considerations of prestige, entailed considerable expense, for the Porte demanded presents and services for any treaty, alliance or concession that the Christian powers asked from her. Any negotiated agreement with Turkey, was a purchased agreement and as such "worth its weight in gold".¹

Thirdly, the naval power of Britain and France represented for Turkey a guarantee against the ambitions of Russia and Austria, whereas the weak state of Spain as a maritime power could not offer a desirable substitute, should the

1. Fuentes' "Observaciones sobre un preyecto de alianza con el Gran Señor", A.G.S., Estado, leg^o 4575. Cp. "Anderson", pp. 327-32, who gives a bright account of the need to give presents as the "indispensable lubricant without which the wheels of diplomatic intercourse could scarcely be made to turn". In this connection see also Grillon, R.H.M.C., X(1963), pp. 75-6, for the cupidity of the Emperor of Morocco.

Porte lose France's long-standing friendship or gain Britain's hostility. The Turks therefore took notice of their reactions and showed reluctance to enter into any agreement that Britain might oppose or France find fault with.

Despite these difficulties, by the middle of the century the hope of a treaty with the Porte and subsequent agreements of peace and commerce with the Barbary States had taken firm root, and Carlos III's arrival in Spain in 1759 spelt the end of objections on moral grounds to a treaty with Muslims still held by some reactionary circles in Spain. "The nation, or at least the most sensible part of it - Fuentes observed - is sufficiently enlightened to be aware of the advantages of such an alliance (with Turkey) and knows that religious differences could never justify to live at war with any other power."¹

As King of Naples, Carlos III had succeeded in signing a commercial treaty with the Porte in 1740, in spite of France's efforts to prevent it, and in spite of the initial

1. Fuentes' "Observaciones...". A similar view was held by Aranda, the leader of the "Aragonese" party, to which Fuentes belonged; Danvila, IV, p. 216.

distrust of Turkey, who feared that Naples might have acted on behalf of Spain.¹ When he came to Spain, one of his first tasks was to initiate negotiations with the Turks on the basis of the Neapolitan Treaty of 1740. Tanucci supported the Spanish case in Constantinople and lent Carlos III the services of the Neapolitan representative there, Ludolf, who was at the time preparing the renewal of the Neapolitan Treaty, due to expire in 1760.

The Austro-French alliance of 1756 had aroused some uneasiness in Turkey, since France had hitherto stood in her eyes as the guarantor of the status quo against Austria's territorial ambitions. For a while Constantinople dallied with the idea of substituting Spain for France. Carlos III seized upon this chance to send a project of treaty of peace, navigation and commerce to Ludolf in the summer of 1760.² Nothing was achieved, however, since as the Seven Years War drew to an end, the Sultan decided to bring these preparatory talks to a close.

-
1. Text of the treaty in Wenck, I, pp.519-28. For the negotiation of the treaty, see Lepore, pp.39-64.
 2. Carlos III to Ludolf, 26 August 1760, A.G.S., Estado, leg^o 4575.

The Turkish ruler alleged that he could not go ahead with the Spanish treaty because France had expressed her opposition and Turkey could not afford to lose France's friendship. Britain's intrigues with the Porte also contributed to the failure; her influence was the more effective since the victories of the English navy in the war reminded Turkey of the power of Great Britain. Finally, the Spanish government failed to insist upon pursuing the treaty as the large sums of money that were required to oblige the Turkish negotiators could not easily be spared. Ludolf did not help matters in this respect; according to Grimaldi, he squandered the money sent to him for the attainment of the treaty.¹

Spain then sought to arrange individual treaties with the Barbary States and succeeded in making peace with Morocco in 1767 to the great discomfiture of Britain, whose representatives in Northern Africa struggled hard to prevent it. Spain also attempted to stimulate anti-British feelings in Morocco in the hope that hostility might endanger the provisioning of Gibraltar and Minorca.²

-
1. Grimaldi to Fuentes, 6 August 1770(confidential);Fuentes to Grimaldi,9 July 1770, enclosing his "Observaciones..."; A.G.S., Estado, leg^o 4575. Cp. Lepore, pp.88-159.
 2. V.Rodríguez Casado,La política marroquí de Carlos III, pp.105-21,153-65;"Anderson",pp.291-300;V.Palacio Atard, "Primeras negociaciones entre España y Marruecos en 1765", Hispania, XI (1951), pp. 658-78.

A treaty with the Porte, however, remained as the best way to improve relations with the Barbary States. When Choiseul in June 1770 offered to include Spain in the projected treaty with the Porte, it was optimistically said in Madrid that the difficulties with which the Turks were faced would make them more agreeable to dealing with the Bourbon powers and less demanding in the question of bribes, presents and services.

Important commercial and naval advantages were expected from a treaty. Friendship with the Porte would help to improve relations with the Barbary States, which would revive Spain's coastal trade and fisheries.¹ It would also enable Spanish merchants, free from the Barbary corsairs, to establish direct trade with the Porte and thus gain a share in the profitable carrying trade. Finally, peace with North Africa would allow Spain to import grain in years of bad harvests, which were frequent.

1. Spain wanted to develop her own fisheries as a means to train sailors and to bring to an end the drain of specie caused by her dependence on English cod and salted fish; an added allurements, perfectly valid from a mercantilist point of view, was the idea of restricting English shipping. Cp. Grantham to Rochford, 11 March 1773, no. 9 (S.P. 94/192), in which the English ambassador in Madrid derides Spain's attempts to control the consumption of fish from abroad by tampering with the catholic principles of fasting and abstinence. For Floridablanca's similar attempts in 1788, see Ehrman, pp. 76-7.

In return for these advantages, Spain would join France to guarantee the islands and seas of Turkey against Russian aggression. Russia must be prevented from sending naval reinforcements to the Mediterranean for should they succeed in reaching the Turkish coasts the fall of Constantinople would not be far off. It was generally assumed that Britain would co-operate in, and benefit from, such growth of Russian influence in the Mediterranean.

The risk of war with Britain was borne in mind; the Spanish government admitted its fears that a treaty with the Porte might be regarded as a challenge to London.¹ But it was argued that Spain was, in any case, likely to be affected by British reaction if France signed a treaty with the Porte alone. Furthermore, it was hoped that it might be possible to act against Russian squadrons entering the Mediterranean without arousing Britain; no doubt Choiseul's explicit desire to avoid involvement in the present Russo-Turkish war reassured Spain in respect of Britain's reaction. If Spain could draw the same commercial benefits as France from a treaty with the Turks, Fuentes

1. Masserano warned his principal on 29 June 1770, no.1897 (A.G.S., Estado, leg^o 6976) about the explosive situation in the Mediterranean: the Danes, who had declared war on Algiers in late 1769, the Russians within striking distance of Constantinople, and the French armaments against Tripoli.

concluded in his "Observaciones", the risk of a conflict with Britain would be well worth taking.

But Choiseul was not so keen on sharing with Spain the commercial advantages that France had gained through years of hard bargaining with the Turks. Fuentes noted that the project of treaty as envisaged by the Spanish government might annoy the French. Surely, he comforted himself, Choiseul could not take exception to the growth of Spanish shipping. Since France could not supply that part of the Mediterranean alone, he argued, it was preferable that the Spaniards should enter markets that were now open to other countries. The Dutch were carrying goods, which came from America, to the Levant ports and the Archipelago; these goods could be supplied by Spain with no harm to French trade.¹

Grimaldi endorsed Fuentes' reasoning and instructed him, on 6 August 1770, to go ahead with the negotiations in Paris for a Bourbon alliance with the Porte. The Spanish minister stressed three main points as to the way to proceed. First, Spain would only sign a treaty that included commercial stipulations for her trade with the Porte and provided for peace with the Barbary States. Secondly, she

1. Fuentes' "Observaciones".

should be kept informed of the progress of the negotiations in Constantinople. Article XXVI of the Family Compact specifically stipulated that both nations should acquaint each other with any contact, negotiation or alliance which they might enter upon and which was of common interest; if a maritime war with Britain followed, Spain would not feel bound to support France if the latter had not entered upon her engagements with the Porte with Spain's full participation in settling the terms. Lastly, Grimaldi emphasized once more that Spain was determined to maintain a friendly intercourse with Austria; her approval must be prior to any treaty with the Porte. Grimaldi believed that the Emperor Joseph, despite the marriage of Marie-Antoinette to the dauphin on 16 May 1770, was not so keen as his mother, Maria Theresa, on the "system of the south"; the present state of affairs in the East made friendship with Austria all the more important as a means to check Prussia and to maintain peace in Italy.¹

Although Spanish expressions to the effect that they were prepared to risk war with Britain for the sake of a treaty with the Porte may have been designed also to gain

1. Grimaldi to Fuentes, 6 August 1770 (two dispatches); Grimaldi to Choiseul, same date, A.G.S., Estado, leg^o 4575.

the full support of Choiseul in the event of a rupture in America, on the whole, Grimaldi was inclined to peace with Britain and prepared to some extent to preserve it; not only in respect of the Chandernagore incident, which might endanger the Family Compact's American emphasis intended by Spain, but also in respect of the impending crisis over the English establishment in the Falkland Islands.

In reply to Choiseul's request early in July for his reaction to the Chandernagore incident, Grimaldi instructed Fuentes that the action taken by the English against the French moat must not be made a casus belli; the incident must be peacefully settled. The Spanish minister argued that France must recover her strength and her credit, and Choiseul's position with the King must also be strengthened before the Bourbon powers could face Britain with reasonable expectation of success. He also suggested ways for Choiseul to get rid of Terray, the controller general, and improve the financial situation of the country; though even if Terray's fall could be achieved and Choiseul's position consequently strengthened, he argued, the Bourbon powers were not yet ready for war against Britain.¹

1. Grimaldi to Fuentes, 31 July 1770, two dispatches: one in Leg^o 4573, and the other in leg^o 4575, A.G.S., Estado.

Regarding Choiseul's enquiry about rumours in London of the visit of two Spanish frigates to Port Egmont, Grimaldi said to Ossun that they had behaved in accordance with the instructions of 25 February 1768, which Choiseul himself had approved. They contained directions, Grimaldi alleged, for the expulsion of the British establishment if it were found to be on the Pacific side of Cape Horn; if, on the other hand, the establishment was on the Atlantic side, the Spanish expeditionary force should only reconnoitre its location and deliver a protest to the British commander at Port Egmont, since Spain's claim to this side of Cape Horn was not well established.¹

The instructions of 1768 could not have been interpreted in America except as an injunction to act against the British, should they be on either side of Cape Horn.² Grimaldi's attempt to interpret these instructions differently shows quite clearly his willingness to preserve peace. His orders of 16 July to Masserano were also

1. Ossun to Choiseul, 23 July 1770; Martin-Allanic, II, pp. 999-1000.

2. Above pp. ~~294~~ 294-5.

pacific in tone and prepared to throw the blame on local officials in case the expulsion had taken place.¹

Choiseul had to agree with Grimaldi that the Chandernagore incident could be settled in London with ease; but he was disappointed at the coolness of Spain in the issue. He further resented Grimaldi's remarks about the state of France and his own position with the King. Choiseul retorted that it was Spain who was afraid of war, and boasted that France was always prepared for any eventuality.² This combative spirit was to prove impolitic, for a few days later he received news from Spain that the expedition to expel the English from Port Egmont had set sail from Buenos Aires and that its objective might have been accomplished already. Choiseul would soon have to seek to moderate Spain rather than rouse her. But before proceeding with the main issue, I should bring to its close the first phase of the negotiations for a treaty with the Porte.

1. Intercepted and deciphered, Add. 32300, ff.106-7.

2. Choiseul to Ossun, 20 August 1770, no. 36, C.P., Espagne 560, ff. 213-4.

On August 26th, Choiseul, having given in to Grimaldi's condition that Austria should be kept informed, instructed Saint-Priest to request the Porte to submit a written draft of the project for a Bourbon alliance for consideration in Paris.¹

But the French minister did not push matters. He became less willing to help the Turks. Spain's dispute with Britain would increase the danger of a full-scale war over issues beyond France's control. He decided to take evasive action at Constantinople and, on 19 September, ordered Saint-Priest to declare to the Turks that French aid in the shape of a sale of ships could not take place until May 1st, 1771, and that the treaty whereby this help was to be stipulated could not be signed unless the present Russo-Turkish war was specifically excluded: it would become effective only after the war. Saint-Priest was, however, to encourage Turkey to continue fighting.²

The Turks for their part were not keen on Spain's inclusion, nor indeed on the treaty with France. Their fear of British action and the prospect of finding in the Austro-Prussian mediation a way out of their difficulties were

1. No. 19, C.P., Turquie 154. Choiseul to Fuentes, 24 August 1770, C.P., Espagne 560, ff.250-2.

2. No. 20, C.P., Turquie 155, ff.41-5.

obstacles. The Turks were even more concerned when they knew that Spain, invited by Choiseul, had expressed her wish to join in the projected treaty; Britain was more likely to join the Russo-Turkish war, the Turks feared, if both France and Spain signed a defensive alliance with them.¹

Late in November, however, Choiseul returned to the idea of acting effectively in support of the Turks. Britain, Choiseul wrote to Saint-Priest on the 30th, appeared inclined to go to war in order to obtain satisfaction from Spain over the Falkland Islands issue; France would have to defend Spain. The continuation of the Russo-Turkish war and the alliance with the Porte were therefore desirable to further France's own interests. The French minister visualized sending a naval expedition to the Levant as well as helping financially the Bar confederates in Poland to divert Russia's forces from the Turkish front.²

During the first stage of the negotiations with Britain over the expulsion from Port Egmont, Spain had no desire to discuss the question of an alliance with the Turks. But

-
1. Saint-Priest to Choiseul, 17 October 1770, no.29, C.P., Turquie 155, ff.119-31.
 2. No. 27, C.P., Turquie 155, f.204. See also his letter of the same date, no.26, ff.199-203, and that of 13 November, no.24, ff.180-5.

when the war seemed imminent in early December Grimaldi suggested to Choiseul that the threatening conflict over the Falkland Islands could be linked with the Russo-Turkish war to the benefit of the Bourbon powers; Britain had ambitious designs, and it did not matter whether war broke out on account of Port Egmont or of Britain's alleged desire to gain an island in the Archipelago and thereby increase her influence in the Mediterranean.¹

It is clear that while Grimaldi upheld French interests in the East in the hope of gaining the full support of France in America, Choiseul meant to widen Spain's conflict with Britain, should it develop into war, to include French interests in the Mediterranean.

After Choiseul's dismissal on 24 December, France's policy towards the Russo-Turkish war remained very much the same; the emphasis on Eastern issues was, however, stronger. But this new development will be examined later, when France tries to draw Spain into the Eastern question after the Falkland Islands crisis.²

1. Grimaldi to Fuentes, 3 and 6 December 1770, A.G.S., Estado, leg^o 4574.

2. See below pp. 263ff.

b) Britain, Spain and France on the brink of war.

While Choiseul was boasting that France was always prepared for any eventuality, Grimaldi was informed that in pursuance of his instructions of February 25th, 1768, the expedition to expel the English from Port Egmont on the Falkland Islands had left Buenos Aires on April 9th, 1770. In a dispatch, which reached the Spanish Court on August 17th, Bucareli, the governor of Buenos Aires, reported that he had been prompted to take action by the threatening language used by the English commander of Port Egmont, Hunt, in December, 1769, when the Spaniards from Puerto Soledad - the former French establishment Port St. Louis - had visited the English for the first time and bade them to leave. According to Bucareli, Hunt had threatened to expel the Spaniards from Puerto Soledad in six months' time.¹

Grimaldi was alive to the seriousness of the situation. Bucareli's action, should it succeed, would be regarded by Britain as a hostile act that would cause her to retaliate or demand satisfaction. As Ossun put it, a practicable basis for negotiation would be difficult to come by; for, on the one hand, Spain could not enter into negotiations with

1. For this section I have drawn ~~almost entirely~~ ^{mainly} from Martin-Allanic, II, pp.1002-1195, unless otherwise specified.

Britain without causing prejudice to her rights to the Falklands; if, on the other hand, Bucareli's action was to be upheld, war seemed unavoidable.

On August 20th the Spanish minister wrote to Masserano and Fuentes that everything should be done to avoid war. It might be possible to soften the first reaction of the British to the news by volunteering an explanation before they were informed from Port Egmont itself. Grimaldi had decided to present the expedition as an undertaking that Bucareli, roused by the threatening language used by Hunt, had planned himself. By absolving the Spanish Court from direct complicity in Bucareli's action, Grimaldi prepared the way for disavowal, sparing the Crown the unpleasant prospect of revoking the official orders of 25 February 1768. However, Grimaldi was reluctant to consider concession by way of satisfaction; in a confidential instruction of the same date, he ordered Masserano to suggest to the English, but only if it were absolutely necessary, that the incident might be negotiated.

Grimaldi also attempted to put the clock back. Hoping against hope, he directed Arriaga to countermand the expedition, had it not accomplished its mission on account of weather difficulties. In Madrid it was thought possible that the advanced state of the season when the expedition sailed from Buenos Aires might have prevented it reaching

its destination. Arriaga wrote to Bucareli reminding him that expulsion must only be undertaken if the British establishment was on the Pacific side of Cape Horn. That is, the Spanish government intended to indicate that Bucareli's action on the Atlantic side of Cape Horn had not been encouraged from Madrid.

When twenty days later the Spanish government was apprised that the expedition had already accomplished its mission, Grimaldi, resisting Aranda who ever since 1763 had been the foremost exponent of the war party, managed to persuade Carlos III that Spain was not a match for the British navy and that she had better attempt to appease the English nation. It was decided, therefore, that Port Egmont should be evacuated, and on September 19th Bucareli was ordered to keep a detailed record of the effects taken from the English at the time of the expulsion to prepare the way for an orderly return of property.¹ He was, however, to remove any sign of former British presence, leaving

1. Masserano reported on June 29th, 1770, that there was a trend of opinion in British naval circles favourable to abandoning Port Egmont; he therefore kept an account of the expenses incurred by the English, should they ask for compensation for leaving their establishment; no.1897, A.G.S., Estado, lego 6976.

only a cross as a symbol and signal of Spanish sovereignty. Bucareli was further instructed to use force if the English retaliated against the Spanish establishment in the Falklands, Puerto Soledad; but if they returned to Port Egmont or founded a new establishment, Bucareli was to ignore them and report to Madrid.¹

But two days later Masserano's reports of his first talks with the English secretary, Weymouth, reached the Spanish government. Britain demanded satisfaction, and behaved from the moment she was informed of the likely expulsion from Port Egmont as if it had already taken place. In early September when Masserano explained to Weymouth that there were reasons to believe that Bucareli, without specific instructions from Madrid, had taken upon himself to use force against Port Egmont, the English minister demanded disavowal of Bucareli's action and restoration of Port Egmont to the status quo ante, and warned that an armament was to be prepared to redress the insult to George III's honour. On the question of right to the islands, however, Weymouth assured Masserano that the British government would not prove difficult if Spain gave the satisfaction

1. Gil Munilla, Malvinas, pp.90-101. Hidalgo, pp.191-7.

required by the English crown.

The Bourbon representatives in London did not believe that Britain was inclined to war, but the weak state of the North administration made it particularly vulnerable to parliamentary opposition. Parliament was due to resume sessions in mid-November and the North ministry was anxious not to offer its enemies grounds for criticism.

Choiseul agreed that Parliament might force the government's hand or bring in an administration less inclined to peace. It was therefore advisable to accept British terms, which he considered reasonable. The French minister saw the issue at stake as a hostile act against Britain in peace time for which Spain had to make amends. The question of right could be discussed in the future, and France would then be willing to uphold Spain's claim to the Falkland Islands; mutual withdrawal was in his view the best solution.

Accordingly, he proceeded to press Spain to accept British terms before Parliament met, stressing the need at all costs to avoid a premature war, while he attempted to persuade Britain to give written assurances that she would disarm if Spain agreed to her demands. But Britain would not disarm before unconditional satisfaction was obtained. Indeed, naval preparations were speeded up.

Spain, however, showed no desire to comply. The

government feared that acceptance of British terms might be construed as tacit admission of Britain's rights to the Falklands. On September 27th Grimaldi sent Masserano his suggestion for a compromise: a convention whereby Spain would accept the return of the English to Port Egmont; the English for their part would later abandon the establishment under the guise, to prevent parliamentary opposition, that it was too expensive. As Bucareli's action could not be disavowed, the Spanish government was willing to express its regret on condition that Britain was ready to put part of the blame on the threatening behaviour of the British commander of Port Egmont, Hunt, who had spurred Bucareli on to action. Spain would further abandon Puerto Soledad so that no discussion over the question of rights in the future should impair Anglo-Spanish relations.

But Britain rejected Grimaldi's compromise. Since September 23rd the English version of the incidents in Port Egmont was known in London. Somewhat stirred by this account of the expulsion, Weymouth argued in conversation with Masserano in the middle of October that not only the terms of Grimaldi's proposals but the manner itself was totally unacceptable. Real satisfaction, i.e. restoration and disavowal, was the minimum required. Weymouth also referred to the armament undertaken and declared that it could only be countermanded when satisfaction had been obtained.

Apprehensive of Britain's positive reaction, Choiseul informed Louis XV of the growing tension and increasing preparations in England; the King agreed that France should not neglect her own navy and army to be prepared for any eventuality, but stressed his desire to avoid war and enjoined his minister to bring pressure to bear on Spain accordingly.

Choiseul proceeded to mollify the Spaniards, insisting first that France was not prepared for immediate action; a period of three months at least was needed to prepare for war. If Spain wanted war, she could precipitate it when the question of right to the islands came under discussion, France would then be fully prepared and well disposed to support Spain. In the meantime, Britain had a right to expect some satisfaction for the insult; while Spain, Choiseul admitted, was entitled to protect her claim to the Falklands. The French minister saw the solution in disavowal and restoration as demanded by Britain in return for a counter-declaration giving assurances on the part of George III of his intention to disarm and to evacuate the islands or to negotiate on the question of right to them.

Carlos III's government, Grimaldi replied on November 5th, was still of the opinion that it was dishonourable to disavow an act which aimed at protecting what Spain believed to be hers. As for the restoration of Port Egmont to the status quo ante, whereas France viewed it as reparation for

an injury, Spain feared that it would necessarily strengthen Britain's claim to the Falkland Islands; thus the need to secure assurances for the evacuation of Port Egmont by the English or some other undertaking that the English would not use Spanish satisfaction as a means to put in question Spain's claim to the islands in the future. Regarding the method to secure this guarantee, however, the Spanish government was quite flexible. It was prepared to disavow the expulsion without mentioning Bucareli, and to restore everything to the status quo ante, by means of a declaration; the English in return would agree either to add a third article to the declaration promising to evacuate Port Egmont or to negotiate the question of right, or to sign a counter-declaration, post-dated if necessary, offering to abandon the establishment, or else a separate convention, post-dated and secret, in which case article 2 of the Spanish declaration should contain a reservation of Spanish rights.

Grimaldi's concessions did not meet with Weymouth's approval. On November 23rd the English minister refused to consider any terms other than his original demand for unconditional satisfaction. There were, however, within the English government more conciliatory tendencies on which to work for a settlement that would give Spain some guarantee regarding the question of right.

In his address to the Commons, who had resumed work on November 13th, George III had stressed that his government was resolved to obtain satisfaction from Spain for the hostile act committed against the Crown. But North, his chief minister, told the House on the same day that the intrinsic value of Port Egmont was nil and hinted that it might be evacuated.¹ The King himself wrote to North on the 23rd that Weymouth's bellicose manner had to be checked.² War with the Bourbon powers was not attractive to the English at the time. In the first place, there was the prospect of large expenditure which ran counter to North's campaign of financial retrenchment; the state of the British navy, on the other hand, was not such as to infuse unbounded confidence about the prospect of success.³ Finally, there was the spectre of Chatham, whose successful record as a war minister in the last conflict might force him upon George III as the champion of the honour of the Crown.

1. Parliamentary History, XVI, pp. 1050.

2. Corr. of George III, II, pp. 172-4.

3. Watson, pp. 153-5; Corr. of George III, II, pp. 174-5; Parliamentary History, XVII, pp. 166 and 946. Cp. Mackesy, p. 167, for Sandwich's contention that the navy at the time was a paper fleet.

The Bourbon representatives for their part gathered from the ensuing debates in Parliament that the North administration was quite able to manage a safe majority in the face of hostile motions against their alleged soft tactics in handling the Bourbon powers. Realizing that North did not seem to agree with Weymouth's manner, Masserano and Francès, the French chargé, agreed that the latter should approach him to get round the impasse brought about by Weymouth's stiff attitude. This indirect procedure, it was hoped, might ease the diplomatic tension resulting from the somewhat rigid line into which both Masserano and Weymouth were drawn by reason of their position.

On November 25th Francès complained to North that Weymouth seemed to take no notice of the concessions Grimaldi was prepared to make for the sake of peace. Stretching a little Grimaldi's terms, Francès advanced the view that Spain would accept a reservation of her rights to the Falklands, leaving it to Britain to propose mutual evacuation in her own time. But North insisted on unconditional satisfaction; Britain would not fight for Port Egmont, nor was she minded to keep it, but the insult had to be repaired. If Spain wanted to reach an understanding on this basis, she would have to rely on North's verbal and private promises to evacuate the British establishment in

the Falklands. Rochford, the northern secretary, whom Masserano and Francès saw on November 29th, gave more emphatic assurances regarding their intention to part with Port Egmont, but no formal engagement. The Bourbon representatives were encouraged, however, by Rochford's advice that Francès should continue negotiations with North alone, for Weymouth was suspected of being in contact with Chatham and probably less inclined to conciliatory policies. The position as seen by Francès was that Britain, despite her naval preparations, was prepared to wait for Spain's next proposals.

In the meantime, Weymouth continued to press his colleagues for tougher policies. On 5th December, he visualized an attack on the French East Indies and suggested that Harris, ^{the English} ~~his~~ representative in Madrid, should be recalled. But in the Cabinet meeting of the evening of the 5th he found that his colleagues were very reluctant to be rushed, especially Rochford, who advised the King on the following day that Weymouth should be overruled in the next Cabinet meeting, while there was "the least glimmering hope of (the Falkland Islands dispute) being accommodated".¹

1. Corr. of George III, II, pp. 174-5.

George III agreed that a fresh opportunity should be given to the Spaniards to conform to English demands. But Weymouth was not completely overruled, for George III proposed a compromise plan: the exact draft of a declaration acceptable to Britain should be sent to Spain with instructions to Harris to put it to the Spanish government that he was to leave the country within twenty four hours if Spain did not consent to it. Such measure would enable Masserano to stay in London for some time whereas Weymouth's desire to recall Harris immediately would oblige Masserano to leave London "and consequently entirely shut the door against this irksome affair as every honest and considerable man must wish".¹

In the Cabinet meeting of the 7th, George III's plan was discussed; Weymouth categorically refused to instruct Harris to renew the negotiations, and the rest of the ministry, rather than show the disunion of the administration, agreed to send no messenger at all. Rochford and North comforted themselves with the thought that while relations between Britain and Spain were not yet broken the negotiations with Francès might clear the way for a

1. Corr. of George III, II, pp. 175-6.

settlement. Weymouth for his part told Rochford on the 9th that he could not remain in office if measures proposed by him that concerned his own department were persistently opposed; he said he intended to lay his resignation with the King on the following day, but George III, through Rochford, persuaded him to delay his resignation for a few days. On December 15th, however, Weymouth declined to attend at a conference with Francès that was to be held on the following day, and on the 19th, Rochford and Sandwich kissed hands as secretaries for the southern and northern departments respectively.¹

Meanwhile in Paris the situation was somewhat confused. Choiseul was working for peace, but he could not let Grimaldi's urgings to step up preparations go unheeded. In the last resort, the French minister believed, his country would have to back Spain if she were attacked. At the beginning of November, Choiseul and his cousin the minister of Marine, Praslin, had requested the Council of State to vote them a subsidy of eight million livres to put the navy

1. Corr. of George III, II, pp.176-90, passim; Chatham Corr., IV, p.63, note 1. For a contemporary account of Weymouth's reasons for resigning, see H.Walpole, Memoirs of the reign of King George III, IV, pp. 235-46. It would appear, as Watson, p. 154, puts it, that the main factor was that Weymouth went too far in his bellicosity.

in readiness. The subsidy was granted but only 600,000 livres reached Praslin. Maupeou, the chancellor, and Terray, the controller general, alleged that the Treasury was empty and France's credit exhausted. Louis XV ordered Terray to provide the rest of the subsidy, but made Choiseul promise that he would do all he could to prevent war. Choiseul's credit with the King was already poor on account of the disaffected attitude of the parlements, which he was accused of supporting. Failure to prevail upon Grimaldi for the sake of peace would be used by the Du Barry cabal to persuade Louis XV that his minister would welcome war as a means to strengthen his own position.¹ Furthermore, Austria was expressing her determination to keep away from colonial conflicts and bringing pressure to bear on Choiseul to deter him from measures, e.g. any increase in France's territorial forces, which might threaten European peace. Such a course of action, it was stressed, "pourrait être le seul cas où l'alliance (the Franco-Austrian one of 1756) pourrait crouler".²

1. Flammermont, pp. 164-70.

2. Maria Theresa to Mercy, 2 October 1770, Corr.de Mercy, I, p.61; see also pp. 57-9 and 78-80, and Arneth, Maria Theresia und Joseph II, I, pp.308-319. Frederick II and van Swieten, the Austrian ambassador in Berlin, met on December 30th to neutralize Germany (Pol.Corr., XXX, p.345) and in Vienna Stormont was given assurances that Austria had no intention to be drawn into the colonial struggle (Brown, H.A.H.R., v(1922), p.429, note 234).

Choiseul, bypassing the Spanish government, decided to send a new plan to London with a view to reaching an agreement there which he would later attempt to make Madrid accept. The main point was to get the negotiation started from the British end. With Louis XV's approval, he proceeded to enjoin Francès (December 3rd) to prevail upon Masserano to follow Choiseul's instructions rather than those from Madrid. While the French minister continued to admit that satisfaction for the injury committed against Britain was needed, he still maintained that Spain had a right to protect her claim to the islands. His draft for the Spanish declaration, disavowing the Spanish action and restoring Fort Egmont to the status quo ante, also contained a reservation of Spanish rights; the latter might go in a separate document if Britain so wished. Britain in return would accept the Spanish satisfaction and reservation in a paper to which she herself would give a name. This was as far as Choiseul would go for the sake of peace.

North agreed at a meeting with Francès on the 16th to lay Choiseul's proposals before the Cabinet. The southern secretary, Weymouth, declined to attend this meeting with Francès as well as the Cabinet meeting held later in the day. Weymouth's departure was interpreted by the Frenchman as an encouraging indication of pacific leanings.

Rochford, who took over the southern department, had represented Britain in Madrid and in Paris, and was believed to be more sympathetic towards the Bourbon powers than his predecessor. The Cabinet meeting of the 19th, however, proved itself firm in the anti-Spanish attitude already adopted. It was decided that Harris should be recalled from Madrid and that he was to advise British merchants and ships to leave Spain in order to avoid the embargo which war would inevitably bring.¹ Rochford proceeded to implement these decisions on the 21st; Harris was instructed to withdraw from Madrid six or seven days after sending messengers to Cadiz and other ports of Spain that war might break out.² Rochford also wrote to Harcourt, the French ambassador in Paris, that nothing short of the British terms would be acceptable and that it was therefore improper to listen to any renewal of negotiations through the French Court. Any new proposals had to come directly from Spain, Rochford stated, for she would then be more manageable.³

-
1. W.C.Down, "The Occupation of the Falkland Islands", pp.52-3; C.H.O.P. 1770-1772, p.102.
 2. Falkland Papers, p.29. See also Brown, H.A.H.R., V (1922), p.436, n. 254.
 3. B.D.I., VII (France), Part IV, pp.117-9. Cp. North's expressions to Frances to the same purpose the day before; (Martin-Allanic, II, p.1181).

The change of mind was probably motivated by North's failure to persuade Francès to accept Britain's terms. The English government were aware that any hesitation at this stage would be interpreted as a diplomatic defeat; parliamentary opposition and public opinion would not fail to use it as an opportunity to harass the government more resolutely than ever. It was imperative to have a satisfactory answer from Spain before Parliament met after the Christmas recess (22 January 1771). Furthermore, France remained firm on principle; although she was urging Spain that the British evacuation of Port Egmont should be left for a later date, she was supporting her in demanding from Britain a written recognition of the Spanish claim to the Falklands.¹ The English government had hoped to make France put pressure on Spain, which would explain why the Cabinet was against Weymouth's haste; but when this hope came to nothing, the government decided to go ahead and attempted to rob Spain of French support.

Despite the stiffer attitude, the English government were still hopeful that a pacific solution might be found and kept their decision to recall Harris from the Bourbon representatives for two weeks. North was now prepared to

1. Cp. B.D.I., VII (France) Part IV, p.117; Corr. of George III, II, pp. 186, 190-1.

accept the reservation of Spanish rights demanded by Choiseul, he explained to Francès on December 20th, provided it was phrased in such a way as not to imply recognition of those rights or surrender of Britain's. Neither party's claim need be altered.¹ What the English hoped was to weaken Spanish nerve while holding out hopes to Francès that Choiseul's terms of December 3rd might be accepted if coming from Spain.

But Spanish nerve seemed to be holding out. Early in December Grimaldi insisted on a formal engagement on the part of the British to evacuate Port Egmont at a time to be chosen by themselves, and to tempt France, that is in the hope of making the war, if it proved unavoidable, more palatable to French interests, he suggested to Choiseul that the threatening conflict over the Falkland Islands could be extended to the East.² But when on December 18th he was apprised of Choiseul's plan of 3 December, his reaction was not hostile. Indeed, he put it to the King in Council three days later as the only means to save the situation.

1. Cp. Goebel, pp.326-330. North wrote to George III on December 26th: "We must continue preparing, but I can not yet think, that such a mutual reservation of rights as I mentioned to your Majesty this morning, if properly expressed ought to be rejected" (Corr.of George III, II, p.191).

2. See above p.291.

The position in France, Fuentes had stressed, was not very encouraging; there was a strong peace party which might prevail upon Louis XV to disregard his commitments to Spain; the King himself had already expressed his desire for peace to Carlos III. In Spain, on the other hand, there was the majority of the ministers, with Aranda foremost in his opposition, who were against Choiseul's plan; they believed it to be a surrender of rights to Britain. Carlos III himself was undecided, and preferred to wait and see the outcome of Francès's talks in London. Being a foreigner Grimaldi was obviously concerned about Aranda's insinuations of subservience to France at the expense of Spain's interests, and when he was informed on the 26th of the little progress made by Francès and urged by Choiseul to send instructions to Masserano immediately so that he might be empowered to reach a settlement on the basis of the French plan before Parliament met on January 22nd, 1771, he was not forthcoming.

But somewhat encouraged by Carlos III's rebuke of Aranda's disrespectful language in his attempts to win the King to his warlike views, Grimaldi continued to put the case for peace. On the last day of 1770 it became known in Madrid that Choiseul had been dismissed on the 23rd.¹

1. For a comprehensive account of his fall, see E. Lavissee, Histoire de France, VIII, 2, pp. 385-91. See also Blart, pp. 185-190.

Spanish reaction was immediate. Louis XV, who sent the news personally to Carlos III, protested that Choiseul's fall would not alter France's relations with Spain and that he was prepared to honour his engagements, although France was not in a position for the moment to entertain the possibility of war and would welcome any sacrifice that Carlos III might be willing to make in order to preserve peace. This counsel, together with the fall of the main promoter of the Family Compact, made the Spaniards doubt that the new men would stand by the Spanish alliance. Carlos III's government therefore interpreted Choiseul's fall as the triumph of more pacific tendencies in the French government and, fearing that the Family Compact itself might be in jeopardy if Spain proved too stiff, Grimaldi proceeded on January 2nd, 1771, to send Masserano the instructions requested by Choiseul. That is, Spain was prepared to rely on Britain's verbal assurances that they would evacuate Port Egmont. Regarding the clause reserving Spanish rights to the Falklands, Grimaldi would have liked it included in the Spanish declaration of disavowal and restoration, but was ready to accept a separate document if the English insisted on it. To save face, Masserano was ordered not to negotiate directly with the English ministers until the French representatives should be quite certain that Britain was to agree to Choiseul's plan.

In the meantime in London, long before these instructions reached him, Masserano was astonished to hear on January 3rd that Rochford had ordered Harris to leave Madrid. Masserano, fully supported by the French representatives,¹ demanded that ^a messenger be sent immediately to Madrid to counterorder Harris's recall. After a Cabinet meeting on the 4th, Rochford called at the Spanish embassy on the 5th to tell Masserano that the English government regretted that he had taken Harris's recall so much to heart. Rochford gave again the same assurances that they would be willing to discuss the evacuation of Port Egmont once the Spanish Crown had agreed to redress the insult inflicted on the English King; he maintained, however, that Harris could not be ordered to remain or return to Madrid until satisfaction had been given. He also warned Masserano that ~~was~~ was inevitable if Spain's reply was not in London before Parliament reconvened on 22 January.²

-
1. In addition to Francès, there was Guines, the recently-appointed ambassador to the English Court. Adrien Louis de Bonnières de Souastre, comte de Guines (1735-1806), represented France in London until 1776; for his embassy, see Recueil, XXV-2, Angleterre III, pp.459-79.
 2. Masserano to Grimaldi, 5 January 1771, no.2025, A.G.S., Estado, leg^o 6980; Corr. of George III, II, pp.202-3; B.D.I., VII (France), Part IV, pp.118-9; Letters of Walpole, V, pp.273-4. Cp. Goebel, pp.347-51.

Until Grimaldi's instructions of January 2nd arrived in London Masserano could not make any move. The French were in a similar position, for they fully supported Masserano's justified decision to remain inactive until normal relations between Spain and Britain were restored. On the 5th they wrote to Paris asking for instructions in the event of Masserano's departure from London. The reply reached them on the 14th; they were to accommodate their behaviour to that of Masserano, leaving London if he left. The French government looked upon Harris's withdrawal as a clear indication of the warlike intentions of the British and with a view to see if united action would influence Britain, they declared their intention to support Spain fully.¹

On the 16th Grimaldi's instructions of the 2nd arrived in London. They were accompanied by instructions from Paris directing the French representatives to support Masserano and to act in full agreement with him. The Spanish ambassador and the French representatives agreed to

1. Masserano to Grimaldi 16 January 1771, no. 2035, A.G.S., Estado, leg^o 6980. Cp. Martin-Allanic, II, pp. 1188 and 1196.

demand Harris's recall to Madrid or the appointment of a new ambassador to the Spanish Court before the negotiations for a settlement could be resumed; Masserano was to keep his fresh instructions until the very end of the negotiation, for the uncertainty of the eventual outcome might make Britain more amenable.

On the 17th Francès put to Rochford that the instructions received by Masserano could make a settlement possible, but Britain had to restore normal relations with Spain first. Francès's tone was urgent; he stressed that France was solidly behind Spain. The English secretary of state was still firm in his demand for unconditional satisfaction; he sounded, however, alarmed in his letter to George III on the same day.¹ The King himself was also firm; he instructed North to see him before the meeting with Francès and expressed his view that the French condition should not be complied with until Britain had such terms from Spain as were acceptable.²

The deadlock was solved by North, who in conversation with Francès in the evening of the 17th, proposed that the Spanish project for a declaration, which Masserano had

1. Corr. of George III, II, pp. 210-1.

2. Corr. of George III, II, p. 211.

received, be presented to him. If it were acceptable, orders to Harris to return to Madrid could be antedated to the day on which the negotiations were resumed. This was agreed upon and on the following day Masserano received a copy of Rochford's instructions dated 18th, in which the English secretary, having reasons to believe that Masserano had orders to give satisfaction for the injury inflicted upon Britain in the Falklands, directed Harris to return to Madrid immediately. These instructions were to be sent when the declaration had been decided upon, but before signing it.

Thus the negotiations between Rochford and Francès on the terms of the settlement started on the 19th. As agreed with Masserano, Rochford was not informed how far the Spanish ambassador was allowed to go. On the 21st the texts of the Spanish Declaration and the British Acceptance were exchanged and collated, and after the English ministers were informed of Masserano's authorization to settle the issue, the two documents were signed on the 22nd, just an hour before Parliament met.

The Spanish Declaration, as expressed in the British Acceptance, was a reparation for the insult inflicted upon the British Crown by the Spanish expedition dislodging the British from Port Egmont on 10 June 1770. It contained a disavowal for the action, promised restoration of the

English to the status quo ante, but most significantly with an explicit reservation that the satisfaction given by Spain did not affect her claim to sovereignty over the Falklands.

The British for their part made no reservation of rights, nor did they attempt to demand reciprocal evacuation on the part of Spain of her colony in Puerto Soledad. They had also given explicit assurances, though verbal, that they intended to abandon Port Egmont at a future date. In the light of the Spanish Declaration and the British Acceptance, their promises, however unofficial and confidential, were thought to strengthen Spain's claim to the islands. The restoration of Port Egmont to the British was, in the Spanish view, a mere restitution of possession, and future withdrawal would mean admission of Spain's claim to the better right.¹

The settlement of the dispute shows that the British, from Weymouth's uncompromising terms in mid September until

1. For the negotiations between the 16th and 22nd of January, Masserano to Grimaldi, 23 January 1771, no. 2038, A.H.N., Estado, leg^o 4261, and Francès to Vrillière, 22 January 1771, no. 70, C.P., Angleterre 495, ff. 68-85. Cp. Martin-Allanic, II, pp. 1195-1200; Goebel, pp. 355-63.

the Declaration and Acceptance of January 22nd, had gone half-way to meet the wishes of the Spanish government as a means of preventing war. Spain could not have expected these terms, had it not been for French support during the crisis.

But the dispute did not end there, nor were the clouds of war completely dispelled. Madrid had accepted Britain's terms on the understanding that the evacuation of Port Egmont was to follow. It could be argued that the actual abandonment of the establishment was needed if Spain was to acquire full rights to the Falklands.¹ Furthermore, Grimaldi and Arriaga had always been worried at the obnoxious presence of British subjects so close to the American possessions south of the Equator and to the Strait of Magellan. The reinstatement of the English in Port Egmont was certainly humiliating for Spain's pretension to maintain South America and surrounding waters as a mare clausum. The Spanish government looked on the settlement as wholly dependent on Britain's speedy evacuation of Port Egmont. If it did not take place, Spain would reckon the Declaration a diplomatic failure.

1. This is how Goebel, p. 363, sees the legal situation after the settlement.

When Grimaldi received Masserano's dispatch of 23 January with news that war had been averted and an agreement reached, he rejoiced. No war, however promising, he wrote on February 8th, could be welcomed in view of the large possessions that Spain would have had to protect from the superior English naval force. But the Spanish minister insisted that the settlement of the 22nd would not be accepted unless Britain agreed to fulfil her verbal promises to evacuate Port Egmont. In order to put pressure on the English to evacuate, Spain maintained a state of military preparedness throughout the empire.¹ The French had encouraged Grimaldi to take this attitude, for before the settlement, when they were trying to persuade Spain to drop her demand for a formal engagement on the part of the British to evacuate Port Egmont, it was suggested to him that the British should be told that Spain would not disarm until Britain had fulfilled her promises.² As for restoring normal relations, Harris's withdrawal was still rankling; when he was ordered to return to Madrid, Grimaldi refused to admit him for he had no adequate recredentials; the Spanish minister now ordered Masserano to leave London if Britain did not appoint a representative of ambassadorial rank to Madrid.³

1. Cp. Gil Munilla, Malvinas, pp.139-40 and Hidalgo, pp.233-41.

2. Martin-Allanic, II, p.1773.

3. Grimaldi to Masserano, 8 February 1771, A.G.S., Estado, leg^o 7016. Cp. Martin-Allanic, II, pp.1205-8.

While the question of British diplomatic representation to the Spanish Court was easily solved,¹ the evacuation of Port Egmont was a decision that the English government could not take as easily as the Spaniards might have expected. There was no doubt that they had given assurances to that effect. Indeed, at the time of the signing of the agreement, Rochford, in reply to Masserano's last attempt to obtain a formal promise, had reassured him that he would reply categorically to the question of the evacuation of Port Egmont when he had had time to deal with the Opposition in Parliament. On the following day, the King himself expressed his wish to settle the issue to Spain's satisfaction. Masserano had some reasons to sound hopeful.²

But he proved too hopeful. Irrespective of whether they meant to carry out their verbal assurances, Parliamentary opposition and public opinion had yet to be faced. An hour after the agreement was signed, the Spanish Declaration and the British Acceptance were put before Parliament. The Opposition in both Houses found the settlement far from satisfactory, and the decision of the ministry was subjected

-
1. Thomas Robinson, second Baron Grantham (1738-1786) was appointed as ambassador on January 25th and, while he took up his post in Madrid, recredentials were sent to Harris on February 22nd (Martin-Allanic, II, p. 1218; B.D.R., 1689-1789, p. 137).
 2. Masserano to Grimaldi, January 23rd, no. 2038, and 25th, no. 2039, 1771, A.G.S., Estado; lego 6980.

to fierce attacks. The main line of argument was that the government's failure to uphold Britain's claim to the Falkland Islands justified the action taken by the Spaniards in expelling the English from Port Egmont, since the reservation of Spanish rights without adequate safeguards for Britain seemed to strengthen Spain's claim.

The government, after long debates on 13 and 14 February, managed to prevail over a much weakened opposition with a safe majority; but they did not relish the prospect of having to discuss the evacuation of Port Egmont at a time when not even its restoration by the Spaniards had taken place. There were general rumours that the government had entered upon a secret agreement with Spain detrimental to Britain's honour. If they decided to evacuate Port Egmont now, their decision would be regarded as in fulfilment of a previous obligation to Spain. This explains Rochford's stiff attitude towards Masserano, when the latter returned to the question of right on February 21st.

In pursuance of Grimaldi's instructions of February 8th, Masserano said to Rochford that now that Spain had given proof of her pacific inclination, he hoped Britain would be willing to settle the question of right and disarmament. On the latter the English secretary suggested a tripartite arrangement to disarm on a given date. As for the former, he proved evasive; he said, however, that

the garrison stationed at Port Egmont was to be reduced gradually to prepare for the final abandonment. When pressed by Masserano in subsequent talks, the English secretary suggested that mutual evacuation of the Falklands by means of a verbal agreement could be the solution, for in this way the question of sovereignty remained open. But Masserano rejected this suggestion, for the evacuation of Port Egmont had been promised and only the question of when it was to be effected remained to be settled.

Such irreconcilable views put both countries on the verge of war again. They had not yet disarmed and in the heat of the discussions, Rochford and Masserano exchanged threatening words.

By the middle of March, however, the French government had grown reluctant to support Masserano. They feared the fall of the British ministry, which would bring into power a less conciliatory administration, and were disinclined to put weapons in the hands of the opposition in view of the situation in the Near East.¹ The Spanish ambassador realizing the danger wrote to Grimaldi that they would have to stop pressing the English, leaving the question of Port Egmont for a later date.

1. See below pp. 353ff.

Grimaldi chose to regard the British arguments as a mere postponement. Anticipating that the Spanish establishment in Puerto Soledad would be able to render the British presence harmless, he felt reassured since Rochford had told Masserano that they intended to keep only a small force stationed in the Falklands. Furthermore, the state of military preparedness in Britain, Spain and France, in view of the delicate situation in the Near East, and France's attempts to divert Spain's attention to the East, might involve her in Europe.

On April 9th, 1771, Grimaldi wrote to Masserano that nothing was to be gained from further discussions, and ordered him not to raise the issue of evacuation except to let the English know that Spain relied on Britain's verbal promises to abandon Port Egmont. On hearing of these instructions Rochford expressed his satisfaction that Spain was not minded to press Britain. Rochford gave a fuller promise on this occasion; he said that he would resign office if Port Egmont was not evacuated, and stressed that it would have already been evacuated if parliamentary opposition had not been so strong.

On the question of disarmament it was agreed that the three countries involved were to return to their peace establishments by the end of April. As for the restoration

of Port Egmont to the English as stipulated in the Spanish Declaration of January 22nd, it was carried out in September.¹

Spain's tacit acceptance of Britain's determination not to evacuate Port Egmont for the time being encouraged the North ministry in their desire to let the issue drop out of sight. It was not raised again until 1772, when North, wishing to make economies, suggested the withdrawal of the British troops from Port Egmont. But we shall return to this question presently.

1. Martin-Allanic, II, pp. 1201-45, 1262-5; Hidalgo, pp. 241-58.

6. Anglo-Spanish colonial issues after the Falkland Islands crisis, 1771-1775.

Relations between Britain and Spain in America after the Falkland Islands crisis of 1770-1771 were very much as before. The Russo-Turkish war and the Swedish crisis directed their attention to other parts of Europe, but their careful watch over each other's armament and naval policies shows that they did not intend to be lulled into a false sense of security.¹ Grantham, the recently appointed ambassador to the Spanish Court, remarked on 12 December 1771 that he did not suspect any plan of hostile intentions in Spain since the accommodation of the Falkland Islands issue, but that he could not flatter himself with any real cordiality towards Britain from Spain.²

One may speculate that Britain might have profited by a friendly intercourse with Spain. It could be utilized to undermine France's policies in Eastern and Northern Europe.

1. A.G.S., Estado, legajos 6975, 6980-1, 6984, passim.
J.H.Broomfield, "Lord Sandwich at the Admiralty; Politics and the British Navy, 1771-1772", The Mariner's Mirror, LI (1965), pp. 7-18.

2. No. 25 (private and most secret), S.P. 94/188.

There were some signs of coldness in Franco-Spanish relations, which might be put to good use;¹ but the English government was not inclined to depart from traditional policies. Besides, colonial and commercial differences continued to strain relations between the two countries.²

The English, however, assuming that Spain would be disappointed over the outcome of the last crisis, hoped to work upon it to strain Franco-Spanish relations. Grantham was instructed on 23 May 1771 to use all possible means to weaken the Family Compact and to create a favourable impression towards Britain, dispelling the notion that Britain had wished to engage in war with "the old and favourite ally of (George III's) kingdoms" over the Falklands.³ But these expressions did not represent a genuine attempt

1. See below p. 366.

2. The main source of friction at the time was the illicit entry of British ships in Spanish American ports, see above p. 242. Cp. J.C.Beaglehole, The Journals...of Cook, II, p.908.

3. Grantham's separate and secret instructions, 23 May 1771, S.P. 94/187.

to move closer towards Spain, but rather the desire to keep Franco-Spanish relations strained in order to be able to deal with the Bourbon powers separately. Hence consistent British opposition to any attempt on the part of the French to mediate in Anglo-Spanish disputes.¹

Some improvement in Anglo-Spanish relations, however, may be detected from 1773 onwards. It is shown, first, in Britain's decision in December 1773, to evacuate Port Egmont; it was effected in May, 1774. Although the evacuation was carried out as a domestic measure, that is as part of Britain's economic naval regulations and in such a manner as to avoid the smallest indication that it was in fulfilment of a previous obligation to Spain or that Britain renounced her rights, nonetheless, the English government had since March, 1772,² expressed their wish that the Spanish should accept the evacuation of Port Egmont as the realization of the hopes given to them in the past.³

1. Rochford to Blaquièrre, 2 December 1771, no. 40, S.P. 78/283.
2. Rochford to Grantham, 6 March 1772, no. 7, S.P. 94/189. Masserano to Grimaldi, 17 March 1771, no. 2308, A.G.S., Estado, leg^o 6984.
3. Martin-Allanic, II, pp. 1416-21.

V. eques
They were obviously anxious to relax tension between the two countries, for shortly afterwards the English government showed a similar conciliatory attitude over the ~~Gran~~ Island incident.¹

The Spanish government welcomed the news of the evacuation of Port Egmont. Their main concern had always been the existence of a British force close to the southern tip of the American Continent. Spain had learnt the lesson of her previous disregard for this area, and now embarked on a campaign to build up the defensive system of the south-eastern part of her empire. Buenos Aires became the centre of the new military development in Spain's attempts to strengthen her hold upon the colonies.²

1. Cp. above p. 292.

2. Gil Munilla, Malvinas, pp. 148-51. See also Geobel, pp. 411-29, for the legal consequences of the British evacuation and the bearing on it of the Nootka Sound Convention of 1791; Hidalgo, pp. 271-308, for Spain's watch over Port Egmont and the life in Puerto Soledad until the arrival of the first Argentinian, D. Jewit, in 1820.

a) The Vieques Island incident.

It was not the first time that this small island - to the English known then as Crab due to the abundance of that crustacean - had been the subject of diplomatic negotiations between the two countries. In 1698, 1717, and 1753, the English had made attempts to settle it but were successfully expelled by the Spanish who claimed it as the property of the Crown. Since the latter date the Spanish government had taken good care to survey the island in order to keep away foreign settlers, and from 1763 these surveys were carried out periodically. Not only Britain but also Denmark and France had shown desire to occupy Vieques.

Vieques was rich in timber, and its proximity to Puerto Rico, lying three miles off its eastern shore, made it a desirable base for contraband trade. The island was only twenty one miles long by about nine miles wide and, except for the occasional attempts on the part of Britain and Denmark to settle it, and Spain's periodic surveys, it was deserted.¹

1. B. Torres, "Isla de Vieques", A.E.A., XII (1955), pp. 449-66. For the surveys of the island after 1763, Arriaga to Brimaldi, 20 March 1767 and 10 June 1772, A.G.S., Estado, legajos 6964 and 6984 respectively.

In October 1771 the English schooner "Betsy" was seized and her crew detained by a Spanish coastguard for cutting wood on the island. The governor of Antigua, Sir Richard Payne, send a frigate to Puerto Rico, demanding the immediate release of ship and crew; he asserted Britain's sovereignty over the island. But the governor of Puerto Rico, Miguel Muesa, rejected Payne's demands. Whereupon the colonial authorities referred the issue to their principals in Europe.¹

On hearing of the incident, Rochford proceeded to request information from the colonial office as to whether Payne's assertion of British sovereignty was well founded. The report sent to him by the Commissioners of Trade and Plantations ~~nearly two months later~~, on 21 May 1772, did not throw any light on the matter. It referred to Britain's attempts to settle Vieques in 1698 and 1717, and to Spain's successful reaction against them; it also mentioned a complaint in 1718 to the Spanish government and suggested that had an exchange between the two courts taken place, there should be evidence in the secretary of state's office that might help to substantiate Payne's claim. Rochford

1. Details of the incident may be found in S.P. 94/189-190, and in A.G.S., Estado, leg^o 6984.

was unable to find records, but proceeded as if Vieques belonged to Britain in order to test Spanish reaction.¹

On 16 June Rochford demanded from Grimaldi the restitution of the schooner and cargo, the freedom of the crew and reparation for damages. He argued that such an action against an English ship was totally unwarranted, for Vieques belonged to George III. He accompanied this claim with the request that the Spanish officers in America be restrained, for their vehement attitude might bring on war between the two countries. Rochford, however, was not concerned with settling rights to the island; he specified that he was only interested in the ship and her crew.²

On July 2nd Grantham sent a memorial to Grimaldi in accordance with Rochford's instructions.³ The Spanish minister answered verbally because, he explained, he had not yet received enough information from Puerto Rico, and

-
1. Rochford to Commissioners of Trade and Plantations, 4 April 1772; Commissioners to Rochford, 21 May 1772; Rochford to Commissioners, June 6th; S.P. 94/190.
 2. Rochford to Grantham, 16 June 1772, no.13 (cipher), Add. 24158, ff. 99-102.
 3. Copy of the memorial enclosed in Grantham's dispatch to Rochford of 2 July 1772, no.17, S.P. 94/190.

refused to negotiate the question of satisfaction, since such demands depended upon the question of right. If Vieques belonged to Spain, the English government had no right to protest against the seizure of the British schooner, far less to demand satisfaction and reparation of damages. The heart of the matter, Grimaldi argued, was the sovereignty of the island. He dismissed Britain's claim as devoid of any foundation, and alleged that the English themselves did not sound very confident for they laid before the Spanish government a general claim to the island but did not adduce any kind of evidence to prove their case. He then proceeded to enunciate Spain's titles to Vieques: its proximity to Puerto Rico, the uninterrupted possession as shown by the regular surveys and the military action taken against intruders, and the tacit admission of other powers of Spanish ownership. A copy of the memorial sent to Denmark in 1763 when the Danes approached Madrid with a view to settling the island, was handed to Rochford in order to stress that they accepted Spain's rights and did not proceed with their plan.¹

1. Grantham to Rochford, 9 July 1772, no.18, S.P. 94/190; Grimaldi to Masserano, 14 July 1772, A.G.S., Estado, leg^o 6984. For the memorial sent to the Danes on 20 February 1763, see Arriaga to Grimaldi, 10 June 1772, A.G.S., Estado, leg^o 6984.

Rochford's reply was more temperate than his previous instructions; war was not mentioned and the English minister protested most emphatically that he did not mean to start proceedings to vindicate British rights to Vieques, but only to convince Spain that the English government could not agree to the confiscation of the schooner "Betsy" and the detention of her crew.¹

From the Spanish point of view, however, his proposals amounted to asking Grimaldi to recognize that Spain had no right to protect territories that she claimed as hers if this protection entailed using violence against British encroachments. When Grantham approached Grimaldi at the beginning of September, the Spanish minister repeated that the question of ship and crew had to be seen from the angle of right.²

The situation was very similar to that arising from Bucareli's action against Port Egmont. But the English government on this occasion were not keen on pressing satisfaction for the action taken against the schooner. On 21 September 1772 Rochford was informed from Paris of rumours that Spain was to support France fully if Russia entertained the idea of attacking Sweden.³ To conciliate Spain, Rochford chose

1. Rochford to Grantham, 14 August 1772, no. 15 (cipher), S.P. 94/190.
2. Grantham to Rochford, 3 September 1772, no. 36 (cipher), S.P. 94/191.
3. See below p. 381.

to ignore Grimaldi's refusal to give satisfaction and the issue dropped out of sight for the time being.

But it cropped up once more in 1774, when the commander-in-chief of the fleet stationed in the British Leeward Islands, vice-admiral Parry, visited the island as part of a general round of His British Majesty's dominions in the area. Parry's visit was rumoured to be part of a plan to settle the island with families from Antigua sent by the governor, Payne. The governor of Puerto Rico, Miguel Muesa, protested against the alleged plan, and the issue was once more transferred to be discussed by their respective governments.¹

Pressed by the Admiralty, Rochford had to approach the Spanish government once again. Having no intention of encouraging British establishments on the island, Rochford wrote to Grantham on April 10th, 1774, the question of right was not so important and ought to be avoided. As to the main question, Grantham was to reiterate the English demand for restitution of the Schooner "Betsy", release of her crew and reparation of damages.²

-
1. C.O. 152/54. Enclosures in the report of the Admiralty to Rochford on 15 April 1774, in S.P. 94/195. Escarano's reports from London, in A.G.S., Estado, leg^o 6988.
 2. Rochford to Grantham, 19 April 1774, no.7 (cipher), enclosing copies of his 1772 dispatches; S.P. 94/195.

But Grimaldi, a little apprehensive of formal communications from London, had already decided that he wanted to treat the matter with Rochford in the English capital.¹ Grimaldi wished to avoid a formal negotiation in Madrid because this might bring about the intervention of parliamentary opposition and might consequently make it difficult for Rochford to be accommodating. An informal interview in London between Rochford and Escarano, the Spanish chargé during Masserano's long absences for reasons of health,² would spare Rochford the publicity which might put him in an awkward position. Grimaldi stressed that the English government seemed to accept Spanish sovereignty over Vieques for they had not contested his claim as presented in 1772; they might therefore send positive orders to Antigua for the alleged plan to settle the island to be dropped. To avoid making the government the addressee of his complaint, Grimaldi hinted that the British colonial

1. Grantham to Rochford, 9 May 1774, no.18 (cipher), S.P. 94/195.

2. From August, 1772, to May, 1775; and later from September, 1777, when Masserano returned to Spain, to July, 1778, when Masserano's successor, Almodóvar, arrived in London. Escarano was the secretary to the Spanish embassy in London.

authorities may be held responsible for having gone beyond their instructions; Spain for her part was willing to forgo her right to demand satisfaction for the insult inflicted upon the Spanish Crown by the landing of British warships in Vieques. If Britain agreed to drop any plan to settle Vieques and to withdraw any British subjects that might be there as part of domestic policy, it could not be interpreted as a surrender of rights, since there had been no formal requisition from Spain.

To bring pressure to bear, Grimaldi for the first time referred to Britain's colonial difficulties, insinuating that in view of the seriousness of the situation created by the Boston Tea Party of 16 December 1773, Britain ought to be forthcoming.¹

Thus instructed, Escarano conferred with Rochford. The English minister explained that the instructions sent to Parry contained directions for a general visit to His British Majesty's dominions in that area and that Parry,

1. Grimaldi to Escarano, 2 May 1774, A.G.S., Estado, leg^o 6988.

assuming Vieques to be English, must have visited it as well. Rochford denied any intention of forming an establishment and gave positive assurances that Parry had not been instructed to settle the island. In a second interview and after having consulted with Darmouth, the colonial secretary, Rochford confirmed his previous assurances.¹

The Spanish government expressed its satisfaction to know that the English had stopped acting as if they had a claim, and to avoid meeting the English, if they were in Vieques, the annual visit was suspended.²

The island remained under Spanish sovereignty as a dependency of Puerto Rico until 1898, when the group was ceded to the United States of America.

-
1. Escarano to Grimaldi, May 20th, no. 308, June 7th, no. 316, and 17 June 1774, no. 320, A.G.S., Estado, leg^o 6988. Rochford to Grantham, 10 June 1774, nol 9 (cipher), S.P. 94/195.
 2. Grimaldi to Escarano, 13 June 1774, A.G.S., Estado, leg^o 6988.

b) Balambangan.

As we have already noted England also wished to extend its commerce to the Malayan Archipelago.¹ The original scheme had been designed by Dalrymple, who soon after the Seven Years War managed to sign a treaty with the Suluan authorities (June 1764), whereby Britain could establish commercial entrepôts in Northern Borneo and the neighbouring islands. However, the treaty proved of little consequence for by virtue of the peace of 1763 Manila was restored to Spain and Dalrymple lost the military support of the British provisional government of Manila. The Spanish authorities once more in control of Manila challenged Dalrymple's plans on the grounds that the Suluan Islands were part of the Philippine group and its ruler was an ally and tributary of Spain.

Dalrymple then returned to Britain in 1765 to seek military support for British commercial interests in the area. Dalrymple proposed to the East India Company that an establishment should be formed in Balambangan, a small island north of Borneo; but his proposal did not meet with unanimous support on the part of the Company directors. The majority, however, was fairly favourably disposed to

1. Above p.125.

Dalrymple's ideas though the Warren Hastings crisis prevented them from adopting a forward policy as suggested by Dalrymple, and two years elapsed before they could resume consultations on the question of the settlement. In July 1768 they came to the conclusion that a settlement in Balambangan would give them a convenient foothold to open trade in the area, and proceeded to seek government support for the venture.

But the government proved reluctant to add a fresh complication to their relations with Spain at a time when they were risking war over the Falkland Islands. The East India Company, in the meantime, ordered a survey of the area and of its commercial value, the result of which reached the directors in June 1770 and confirmed them in their desire to go ahead with their plans. They fitted out a ship for that purpose, but before sending it off, they made a last effort to commit the government. Rochford, the then secretary of state for the southern department, refused to back the expedition with the Sultan of Sulu and warned them not to do anything that might be regarded in Spain as an act of hostility. Somewhat handicapped by the government's attitude, the expedition sailed in June 1771 and arrived in Balambangan in December 1773. A settlement was formed, but it was short-lived; mismanagement and the loss of the Suluan friendship put an end to it in

July 1775 and British North Borneo did not come into being for another century.¹

Dalrymple's efforts to interest the East India Company in his scheme for settling Balambangan were reported by Masserano since 1769.² Soon after the settlement of the Falkland Islands crisis there were rumours that the British had accepted Dalrymple's plan.³ The Spanish government did not protest. In the first place, the dispute over the Falklands was not yet over and the two countries were still armed; secondly, Spain's titles to Balambangan were not very solid.⁴ In order to test British governmental attitude, however, Masserano did mention Balambangan in conversation with Rochford, who denied any knowledge of the establishment and gave assurances that the government would not back the East India Company if such a plan were entertained.⁵

1. Harlow, I, pp.80-97.

2. Masserano to Grimaldi, 11 August, no.1674, and 29 September, no.1714, 1769; A.G.S., Estado, leg^o 6975.

3. Masserano to Grimaldi, 8 February 1771, no.2048, A.G.S., Estado, leg^o 6980. Fuentes to Grimaldi, 28 February 1771, no.768; A.G.S., Estado, leg^o 4577.

4. Grimaldi to Masserano and Fuentes, 16 March 1771; A.G.S., Estado, legajos 6980 and 4577, respectively.

5. Masserano to Grimaldi, 7 June 1771, no.2130, A.G.S., Estado, leg^o 6980.

The Spanish government was satisfied with Rochford's explanations. But four years later, when Escarano reported that the English had been in Balambangan since December 1773, Grimaldi returned to the issue with a request that the establishment be abandoned. Escarano reported that Rochford was against the continuation of the establishment but did not come out openly in favour of official action, for he hoped that the Company might decide to drop the scheme of their own accord; the English minister, however, was anxious to prevent the Spanish from resorting to force to expel the English from Balambangan. Within the East India Company itself, Escarano added, the continuation of the establishment was not unanimously desired.¹ Encouraged by these reports, Grimaldi suggested the abandonment of the establishment, and to avoid the slightest embarrassment to the ministry, he proposed to negotiate verbally, as they had done on the question of Vieques.²

-
1. Escarano to Grimaldi, 14 October 1774, no. 377; December 13th, no. 409; and 18 March 1775, no. 481; A.G.S., Estado, leg^o 6975.
 2. Grimaldi to Escarano, 22 March 1775, A.G.S., Estado, leg^o 6975.

Escarano had an interview with Rochford on May 4th, in which the English minister assured him that both the government and the East India Company were willing to abandon the Balambangan settlement without making too much noise about it, but they were anxious to prevent the authorities of Manila from taking upon themselves to use force against the establishment as had been the case in the Falklands. Rochford wanted assurances that force would not be used in return for his own assurances that the establishment would be abandoned. But Britain's claim was not surrendered. Rochford queried Spain's case; his contention was that the Spaniards had been granted the territory by the Suluans but the concession had been revoked in 1646, the British presence was therefore no infringement of the Treaty of 1648, article 5 of which prohibited the Spanish to expand in this area beyond their possession at the time of the signature of the treaty. Rochford also contested the validity of Grimaldi's argument that Balambangan was part of the Philippine group and belonged therefore to Spain.¹

1. Escarano to Grimaldi, 5 May 1775, no. 494, and no. 496, A.G.S., Estado, leg^o 6975. Rochford to Grantham, 5 May 1775, no. 10 and no. 11, S.P. 94/197.

Grimaldi for his part was not keen on becoming involved in a long discussion over the question of right to Balam-bangan. In the first place, Spain's claim would not be easy to prove for Britain did not accept the arguments adduced so far; if a point was made of the issue British attitude might harden. In the second place, Spain was not in a position to argue from strength. On 15 July 1775 the armada sent against Algiers arrived in Alicante after being unable to carry out its mission; what had been meant to restore the prestige of Spain's naval forces ended in a humiliating fiasco which was heavily satirized in Spain and in Europe. Furthermore, there was the dispute with Portugal; Britain's attitude towards her traditional ally was not yet known, and the Spanish were uneasy about Britain's possible intervention in her defence.¹ Grimaldi therefore preferred to avoid arguments so as to keep Britain neutral as long as possible, and the assurances requested from London that orders were to be sent to Manila to prevent an armed collision were given. Masserano would continue to uphold Spain's claim as undisputable, but only incidentally was he to touch upon the evidence for Spain's case; he was also to hint at Britain's colonial difficulties to show that

1. See below pp. 450ff.

Spain realized that Britain's position was not particularly strong.¹

Grimaldi's conciliatory attitude was confirmed by his reaction to news from the governor of the Philippine Islands, Simeón de Anda, that the English were determined to go ahead with their plans in the area and were preparing to support the Sultan of Mindanao in his struggle against the authorities of Manila. Grimaldi looked upon this as an act of hostility against the Spanish Crown, but did not change the tone of his instructions.²

Rochford for his part, having made sure that force was not to be used against the English establishment in Balambangan, preferred to postpone any argument until further news was received from the settlement; however, he reiterated his assurances that Balambangan would be abandoned.³ It is probable that Rochford knew of the difficulties with the Sulu authorities, and perhaps

1. Grimaldi-Masserano correspondence, July-August, 1775, A.G.S., Estado, leg^o 6975. Grantham to Rochford, 25 May 1775, no.28, S.P. 94/198. Masserano was back in London since May 26th.
2. Grimaldi to Masserano, 15 and 25 September 1775, A.G.S., Estado, leg^o 6975.
3. Rochford to Grantham, 14 July 1775, no.14, S.P. 94/198. Masserano's reports, July, A.G.S., Estado, leg^o 6975.

hoped that the establishment would come to a natural end, sparing him the risk of antagonizing the East India Company and the Opposition by appearing too conciliatory in his dealings with Spain.

Indeed, the solution of the problem came from Balambangan itself. News of the successful revolt of the Suluans against the British reached London in February, 1776; the settlers were now on the small island of Labuan. Weymouth, who had succeeded Rochford as secretary of state for the southern department in the previous November, communicated it to Masserano, and a few days later, when the East India Company decided to drop the scheme altogether, he showed Masserano the instructions sent to the Far East with directives to abandon Labuan and to give up any idea of new establishments in the area.¹

Although the diplomatic exchanges between Britain and Spain over the Balambangan issue did nothing to affect the final solution to the dispute, both governments showed considerable restraint and some willingness to settle

1. Masserano's dispatches of February and March, 1776, in A.G.S., Estado, leg^o 6975.

their differences in an amicable manner. From the English point of view, the explanation for their conciliatory attitudes in the last two years seems to lie in the growing scale of the struggle with the Thirteen colonies. The chances of keeping the Bourbon powers outside the struggle were slim; as North said to the Commons in January 1774, Britain would soon have occasion to use her utmost force against the combined navies of France and Spain.¹ But the idea of winning the neutrality of those powers in the American War of Independence did occur to the English; in fact they made several attempts to obtain it in the course of the next three years.²

But this conciliatory mood, ~~however~~, did not prevent them ^{Bourbon Powers} from making war as soon as the military victories of the American insurgents gave them ~~Bourbon powers~~ the opportunity to fight Britain with good hopes of success.

1. Parliamentary History, XVII, pp. 945-8.

2. See below pp. 356ff.

PART III

The Family Compact, the Eastern Question and the Swedish Crisis, 1771-1774.

1. Spain attempts to secure a pro-Spanish minister in Paris to succeed Choiseul.

After the Falkland Islands settlement Franco-Spanish relations were somewhat strained. The acceptance of the British postponement of the evacuation of Port Egmont was reckoned a diplomatic defeat for Spain. France's lack of support in March, 1771, which Grimaldi was going to magnify as a means to counter France's endeavours to involve Spain in Eastern and Northern Europe, had been a main factor in bringing Spain to accept the outcome. There was, however, no doubt as to the importance of the French alliance where Spain was concerned, and after 1770 the Spanish Court tried to restore the Family Compact to what it was during Choiseul's ministry, for since 1763 Spain had been able to keep her American interests in the forefront of Franco-Spanish relations without conceding to France the commercial benefits and strategic positions in the Spanish empire, which she expected in return for her support against Britain.¹ Such a state of affairs was due largely to the

1. At the very moment when Spain stood most in need of French support (end of 1770), she continued to express her strong opposition to French ships in Spanish American ports (Martin-Allanic, II, pp. 1043, 1258-62).

peaceful situation in Europe at the time, which shifted the attention of the maritime powers to the situation overseas; but the presence in France as chief minister of the author and foremost advocate of the Family Compact, Choiseul, was held in Spain to have played an important part.

A successor from the Du Barry cabal might not prove as sympathetic towards Spanish interests as Choiseul had seemed to be. Indeed, the attitude of France in March, 1771, and her attempts since the beginning of the year to divert Spain's attention to the East, to which I shall return in the next section, confirmed Spanish fears and prompted the government to interfere in French domestic politics for the purpose of restoring Choiseul to power or, should this not prove feasible, of securing the appointment of a minister likely to continue his policies. Spain hoped to obtain full co-operation from Austria.

Carlos III personally intervened with Louis XV on 2 February 1771 in favour of the fallen minister and on several occasions thereafter he suggested his return to power; but Louis XV, while reassuring the Spanish King that the change of minister did not imply a change of policy towards Spain, retorted that Carlos III's intrusion in the internal affairs of his Court amounted to disapproving of his reasons for dismissing Choiseul.¹ In the meantime

1. Blart, pp.196-200.

Grimaldi, realizing that Choiseul's dismissal would not be reversed, instructed Fuentes to work for the appointment of Vergennes, the former ambassador to the Porte, on whom Fuentes had reported very favourably as likely to continue along Choiseul's lines. But Grimaldi recommended caution, lest they should make an enemy of the future minister.¹

Fuentes seemed to take little notice of Grimaldi's advice. First, he avoided Vrillière, the interim minister in charge of foreign affairs until June 6th² and then he ignored Aiguillon, the future minister, while all the time slighting the royal mistress and deprecating the state of the forces and finances of France. His overbearing manner was in part due to his belief that Austria was in agreement with Spain; this would explain his surprise and disappointment when he learned early in the summer that Mercy, the Austrian ambassador, had attended a rendezvous at Du Barry's rooms.³

-
1. Grimaldi's instructions to Fuentes, April 1771, A.G.S., Estado, leg^o 4578.
 2. Louis Phélypeaux, comte de St. Florentin and duc de la Vrillière (1705-1777), was the Master of the Household to Louis XV. He was succeeded as foreign secretary by his nephew, Aiguillon; See Corr.de Broglie, I, pp.XC,XCII, and 300.
 3. Fuentes to Grimaldi, 3 August 1771, nos. 888 and 897, A.G.S., Estado, leg^o 4579. Cp.A.S.Aiton, "Spain and the Family Compact, 1770-1773", Hispanic American Essays, pp.142-3. For Emmanuel-Armand de Vigneret du Plessis de Richelieu, duc d'Aiguillon (1720-1788), Louis XV's chief minister from 6 June 1771 to 2 June 1774, see Corr.de Broglie, I, pp.XC-XCI, and 113, note 1.

Indeed, Austria no doubt wished to maintain the "system of the south" and was glad to see that Spain was working to maintain things as they were during Choiseul's ministry. But she was not prepared to intervene in the choice of his successor, for the Austro-French alliance rested firmly on the fact that France needed it; and by May 1771 the Austrian government instructed their representative in Paris, Mercy, and Marie Antoinette, the recently-wedded wife of the Dauphin, not to avoid the company of the dominant party and to treat them politely, since they had the King's confidence.¹

At the time Austria was engaged in finding a pacific way to check Russia's advances towards the Danube. From the beginning of the Russo-Turkish war in 1768 there were signs of a rapprochement between Austria and Prussia to prevent the destruction of the Ottoman Empire by Russia; both were afraid to become involved in a general war through their respective alliances with Russia and France, and in August 1769 agreed to work together to end hostilities through their mediation.

1. Corr. de Mercy, I, pp. 125, 183-6, 192-6; Corr. Mercy-Kaunitz, II, pp. 382-5, 391-3; Corr. de Broglie, II, pp. 287-98; cp. Pol. Corr., XXX, pp. 377, 386-7.

Choiseul's moves to promote his own mediation, together with the aid given by France to the Turks and the project of a Franco-Turkish treaty slowly taking shape, were an embarrassment to the Austro-Prussian mediation and might also increase the danger of a general war. When Choiseul fell the Turks had already declared to Austria and Prussia that the Porte would negotiate for peace only through them. The Austrians rather welcomed Choiseul's departure and the ensuing lull in French political activity abroad; it gave them a freer hand in the East, while continuing to make use of the French connection in their dealings with Prussia and Russia.

At the turn of the year, however, Austria was alarmed to hear that Catherine II had conveyed to Frederick II that her terms for peace were Moldavia and Wallachia. Austria would not entertain the idea of having the Russians as her neighbours on the Danube. Furthermore, she suspected Prussian acquiescence to these terms as a *quid pro quo* for some Prussian gains in Poland. She therefore decided to bring home to them that Austria's policies had to be considered; on 6 July 1771 a defensive alliance was signed with Turkey and to accentuate the effect of this treaty on Russia and Prussia, Austria sought to secure French diplomatic support by appearing on good terms with the dominant

party in Paris. The Austrians were still very much pro-peace, however, and the treaty with the Porte was never ratified. It was only a diplomatic feint to press Catherine II to surrender Moldavia and Wallachia to Turkey, and to make Frederick II more amenable to Austria's territorial objectives in Poland.¹

Unlike Austria, Spain made no attempt to humour the dominant party in France. By personalizing the issue of the succession to Choiseul, Fuentes had made it very difficult to discharge his duties, and in November he wrote that friendliness with Du Barry and Aiguillon was a political necessity; he suggested that a new representative to start afresh should be sent to Paris. But Grimaldi argued that it might be taken to imply a change of policy in Madrid and thereby weaken the Family Compact. Besides, there was no adequate substitute for Fuentes at the time. Grimaldi's attitude, however, rather shows a conscious slight towards those who had contributed to bring about Choiseul's fall, and an indirect reference to Spain's disappointment over Britain's postponement of the evacuation of Port Egmont and

1. Corr. de Mercy, I, pp. 57-102 passim; Arneth, VIII, pp. 592-3, note 416; Pol. Corr., XXX, pp. 366-70; XXXI, pp. 188-91, 231-7; cp. Kaplan, pp. 143-5. The text of the Austro-Turkish Treaty is printed in Wenck, III, pp. 820-4.

to her anxiety over France's growing involvement in the East to the detriment of Spanish American commitments.¹

The French minister, Aiguillon, ignored the slight and pretended to maintain a friendly intercourse with Grimaldi via Ossun, the French ambassador to the Spanish Court. The French government did not wish to dispute with Spain: Aiguillon was now trying to find some means of halting Russia's progress in Turkey and in Poland; he might be able to secure Spanish diplomatic support.

1. Correspondence between Grimaldi and Fuentes, November and December 1771, A.G.S., Estado, leg^o 4581. Fuentes remained in Paris until September 1772.

2. Aiguillon seeks to draw Spain into the Eastern question.

The advance of Russia's troops into Turkey and the activities of her fleet in the Mediterranean represented a considerable danger to France's Levant trade; it was known that Catherine II hoped to impose on the Porte freedom of trade in the Black Sea and the cession of an island in the Archipelago as a Russian base, and there were rumours that Russia had offered Britain the island of Melos.¹ The French Court rightly feared that the increase in trade that would follow the presence of the Russians in the Levant would accrue to British subjects.² Furthermore, if Russia managed to force a dictated peace upon the Turks, her growing prestige, power and confidence would encourage Catherine II to try her hand in Poland and Sweden. This might bring about the total annihilation of France's influence in the East and North.

But such action as might effectively hinder Russia's progress, i.e. sending ships to the Levant in support of

1. "Anderson", p.162.

2. B.D.I., VII (France), Part IV, pp.124-5. Cp. Corr. de Mercy, I, pp.98-9, note 1.

the Turks, had always encountered British opposition,¹ and France was not prepared to risk a full-scale war with Britain for the sake of the Turks. Furthermore, France could expect little co-operation from her Austrian ally, who was pursuing her own policies to satisfy her own territorial ambitions.²

Aiguillon had thus very little room for manoeuvre; he embarked, however, upon complicated schemes to check Russia's progress. He took four lines of action which conflicted in more than one respect. First, he attempted to reach an understanding with Frederick II; secondly, constant overtures were made to the British for some form of co-operation in the East, and later in the North; in November 1772, Aiguillon approached even Russia with offers of an alliance; and all the time, he sought to obtain Spanish support. He failed on all four diplomatic fronts.

Aiguillon's feelers to Prussia followed the arrival in Paris of rumours that Austria was negotiating a treaty with the Porte. The prospect of an Austro-Turkish treaty might conceivably make Prussia more receptive to proposals from the ally of her main antagonist, Austria. Furthermore,

1. See above pp. 258-9.

2. Corr. de Broglie, II, pp. 260-2, 277-8.

Aiguillon feared that Austria's belated and rather dubious decision to support Turkey might mean the spread of the conflict, for Prussia would have to support her Russian ally and France, for her part, would be forced to come to Austria's aid.¹

In August 1771 Aiguillon, availing himself of Choiseul's earlier tentative exchanges with the Prussians for a commercial treaty which had been called off in 1769, suggested in conversation with Sandoz Rollin, the Prussian chargé in Paris,² that the negotiations should be reopened and that an alliance between the two countries might be attained. Unlike his predecessor, Aiguillon disclosed his game from the start by letting Frederick II know the price that he was prepared to pay in order to reach an agreement. France was obliged to support Austria, if the latter declared war on Russia and Prussia joined Russia; nevertheless,

-
1. France's fear grew as the summer drew on, for Russia far from being scared by Austria's treaty with the Porte, requested Frederick II to accord ~~Paris~~ 20,000 ⁱⁿ troops, and Austria in turn pressed on with her military preparations; see Fuentes' dispatches from Paris (August/September 1771), A.G.S., Estado, leg^o 4579/4580 passim. Cp. Kaplan, pp.152-5.
 2. He succeeded Goltz, the Prussian ambassador, in July 1770 and remained in Paris until 1784, when he left for Madrid as minister plenipotentiary; Flammermont, Rapport, pp. 54-6.

Aiguillon specified, France would remain neutral in a war occasioned by Austria's desire to prevent Prussia from taking possession of some districts in Poland, to which Frederick II lay claim, or from seizing Danzig. She would only intervene if Austria was attacked in her possessions.

The Prussian King welcomed such advances, for although he appeared quite confident at the beginning of the summer that Austria and Russia might be brought to agree on a policy over Turkey and Poland, later on he was somewhat alarmed by Austria's attitude. The Austro-Turkish treaty of July 1771 he dismissed as highly improbable, but he was not so sure about the attempts of the Austrian ambassador in Paris, Mercy, to make up to Du Barry, and was also worried that Austria might try to obtain subsidies from Spain. Encouragement from the Bourbon powers would make Austria more assertive, which in view of the lack of agreement between Austria and Russia over Moldavia and Wallachia might develop into a general war by the spring of 1772. These territories Austria wished to be returned to the Porte, for she did not want the Russians as neighbours on the Danube; Frederick II suggested that they be given to Poland in compensation for her partition, to which he was now trying to persuade Austria. Aiguillon's approaches might be used to make Vienna more amenable to his plans.

On September 7th, 1771, Frederick II instructed Sandoz Rollin to make it clear that Prussia had no intention to part company with Russia and could not therefore consider entering into any kind of agreement with France; however, he was to encourage Aiguillon to go ahead with his tentative approaches, taking great care not to commit himself lest Austria, or indeed Russia, should suspect that there was something serious going on between Prussia and France.

But Aiguillon for his part was equally seeking some show of encouragement from Prussia, which he could use to improve France's standing, and proposed in November an exchange of representatives of higher rank. Frederick II, somewhat embarrassed at the proposal, emphasized the soundness of his engagements with Catherine II; nonetheless he continued to play along with Aiguillon, but when the latter mentioned the marquis de Pons as the French candidate for the Berlin post, Frederick II dragged matters out alleging that he had not yet chosen a suitable person. By this time the negotiations between Prussia, Russia and Austria for the partition of Poland were well under way.¹

1. Pol. Corr., XXXI, pp.191-629 passim. Cp. Kaplan, pp. 155-65, for the negotiations between the three partitioning powers of Poland in the last months of 1771; and Flammermont, Rapport, pp. 59-71, for the exchange of representatives between Berlin and Paris, which did not take place until late in the spring (1772).

When Aiguillon realized that Frederick II had no intention of listening to his proposals, he turned to Austria with the hope of making up for his move towards Prussia.¹ The Austrians, although quite confident that there was no danger in Aiguillon's escapade, utilized his move towards Prussia, of which they had known through the interception of Sandoz's dispatches,² to silence French protests against the partition of Poland. Aiguillon's move towards Prussia, Kaunitz alleged, had induced Austria to join Prussia and Russia. They would otherwise increase their territories at the expense of Poland and Turkey, while Austria, her position now weakened by Aiguillon's démarche, would be left behind.³

The French minister's failure to influence Prussian and Austrian policy gave impetus to his attempt to work out some kind of co-operation with Britain. Since he had first come into power, he had entertained the idea of this

1. Recueil, I (Autriche), pp. 449-51.

2. It is quite probable that this interception was contrived by Frederick II.

3. Corr. Mercy-Kaunitz, II, pp. 398-408; Corr. de Mercy, I, pp. 246 ff.; Corr. de Broglie, II, p. 320.

improbable task.¹ It was certainly to be desired from the French point of view, for if Catherine II was deprived of Britain's support, France should be able to hinder Russia effectively.

Aiguillon was hopeful that certain aspects of Russia's Mediterranean policy were favourable to a Franco-British understanding, i.e. Britain's uneasiness in respect of Russia's demand for an island base in the Archipelago. He was further encouraged by Britain's explanation in July 1771 that she herself had no intention of accepting an island in the Archipelago from Russia.²

In return for a political understanding with Britain, the French minister seemed prepared to offer to guarantee Hanover and indicated a general willingness to support English policy of opposition to Prussian designs upon Danzig; he also envisaged the negotiation of a commercial treaty which would prepare the ground for a political reconciliation.

During the last months of 1771 while giving hints of

1. B. de Fraguier, "Le Duc d'Aiguillon et l'Angleterre (Juin 1771-Avril 1773)", R.H.D., XXVI (1912), pp. 608-9.

2. B.D.I., VII (France), Part IV, pp. 120-1; "Anderson", pp. 162 and 174-5.

his political intentions, Aiguillon tried to make himself agreeable to Britain by his accommodating attitude over minor colonial disputes and by raising various bones of contention between Britain and Spain, i.e. the Mosquito Shore issue, the alleged erection of a British fort on the river St. John (Darien) and, above all, the question of the British undertaking to evacuate Port Egmont, and then pointing out that France would not support her ally in 'nonsensical' quarrels as she had done under Choiseul, for the present French government believed that Britain, despite Spanish warnings to the contrary, harboured no hostile intentions against the Bourbon powers.¹

But Aiguillon's attempt to ingratiate himself with the English government at the expense of Spain was ill-advised.

-
1. Blaqui re's dispatches to Rochford from Paris, October-December 1771, S.P. 78/283, passim. The English took no notice of the reference to the Mosquito Shore question; as for the alleged fort, they emphatically denied its existence; Corr. de George III, II, pp.304-7. For the Spanish attitude regarding Darien, in the Isthmus of Panama, see M. Luengo Munoz, "El Darien en la geo-pol tica internacional del siglo XVIII", E.A., XVIII (1959), pp.139-56.

The French minister, no doubt in the hope of magnifying the usefulness of his present disposition, mentioned Britain's 'promise' to evacuate Port Egmont not only in conversation with Blaqui re, the British charg  in Paris,¹ but also in an interview he had with Shelburne, leading member of the Opposition, returning from a trip to Italy.²

Rochford was annoyed. Aiguillon's suggestion came at a time when he was hoping to persuade Parliament to evacuate the establishment or, at any rate, to reduce the expense of its upkeep. The Opposition, who in the months following the Falkland Islands Settlement of January 22nd 1771, accused the North administration of having entered upon a secret agreement with Spain to evacuate Port Egmont, might now seize upon Aiguillon's remarks to substantiate their charge. The least the Falkland Islands were spoken of, Rochford instructed Blaqui re on December 27th to warn Aiguillon,

-
1. Colonel John Blaqui re was the secretary to the English embassy in Paris, and in charge of affairs after the departure of Robert Walpole, the minister plenipotentiary; B.D.R., 1689-1789, pp. 23-4, and B.D.I., VII (France), Part IV, p. 107.
 2. Blaqui re's dispatches of December 18th, 1771, S.P. 78/283. Masserano to Grimaldi, 17 January 1772, no. 2268, A.G.S., Estado, leg^o 6984.

the better.¹ Aiguillon promptly apologized for having used the word annoncer, which meant some kind of formal promise, to refer to the British hopes given to the Spaniards with regard to the evacuation of Port Egmont; he explained that the word proceeded from a letter from Guines of 16 March 1771, which had come out in his scandal over his alleged stock-gambling activities while ambassador in London.²

Rochford's rebuke did not discourage Aiguillon, for underneath Britain's anti-Bourbon official policy there was a policy of rapprochement with France which dared not come into the open; it involved a revolutionary break with the traditions of the last forty years. Verbally and privately Aiguillon was led to believe that the two countries might come to an understanding, and on 23 March 1772 he approached Rochford with proposals for concerted action to prevent the partition of Poland.

George III and his ministers dabbled for over a year in a policy of co-operation with France as the only means of preventing the partition of Poland and of neutralizing

1. B.D.I., VII (France), Part IV, pp.122-3.

2. Goebel, p. 410, note 80; Corr. de Broglie, II, p. 310, note 3. For a similar attempt in 1773 to ingratiate himself with Britain, see St. Paul, I, pp. 276.

the danger to Sweden arising from the Russo-Austro-Prussian understanding. But no one would dare suggest it openly. The Opposition, especially the Chathamite party, was firmly behind the officially accepted view that regarded Russia as Britain's natural ally.¹ The English as a whole were prepared to leave Russia to partition Poland for the sake of their expected alliance with that power, and the government's attitude in Paris confirmed this view. In March, July and October 1772 reports from Paris that a French squadron was to operate conjointly with a Spanish one in the Mediterranean, produced warnings from Rochford that Britain would not remain indifferent if France sent ships against the Russians. By the end of 1772 all forms of international co-operation with France seemed inadmissible.² Aiguillon, however, still hoped for an English alliance to restrain Russia and on the eve of the Swedish crisis in the spring of 1773, as we shall see in the next section, he approached Rochford with new proposals.

In the meantime, Aiguillon tried hard to divert Spain's attention to Europe in support of French policies.

-
1. For the views of the parliamentary opposition, cp. D.B.Horn, British Public Opinion and the First Partition of Poland, pp.1-13.
 2. M.Roberts, "Great Britain and the Swedish Revolution, 1772-3", H.J., VII (1964), pp.16-24; see also "Anderson", pp. 171-7.

The emphasis of the Family Compact in the last seven years had been on colonial issues, especially Spanish, but five days after the settlement of the Falkland Islands crisis on 22 January 1771 Louis XV wrote to Carlos III to give the first indication that France now looked on the Russo-Turkish war and its effects as the main concern of the Bourbon alliance. Having settled her dispute with Spain, Aiguillon tried to make the Spanish government believe, Britain had no hostile intentions against Spanish possessions in America and appeared willing to co-operate with the Bourbon powers in checking Russia. The French minister was hoping to persuade Spain that an active policy of support for the Turks needed not result in a full-scale war with Britain; he was also seeking to dispel Spain's suspicions about his own approaches to Rochford. With regard to Austria, Aiguillon was anxious that the apparent good understanding between Mercy and Fuentes in Paris might prove a serious obstacle to his attempt to win Spain for his own plans; for this reason, when the Austro-Turkish Treaty of July 1771 became known, he used it in conversation with Fuentes to alarm Spain about Austria's move as being likely to increase the risk of war, and to show that Vienna was not acting in

accordance with its treaties with France.¹

But the only argument which might conceivably weigh with the Spanish government was his offer to employ his good offices with the Porte for the inclusion of Spain in the projected Franco-Turkish alliance. As we have seen, Choiseul's similar offer in June 1770 had been favourably considered in Madrid.²

The idea of a Franco-Turkish alliance had been resumed by the French in March 1771, after the arrival in Paris of Saint-Priest's reports from Constantinople that the situation was now favourable to proceed with the negotiations for the treaty. Vrillière, Choiseul's transient successor as secretary of state for foreign affairs, continued his policies of secretly and indirectly aiding the Porte while encouraging her to fight on and seeking to sign an alliance that would not include the present Russo-Turkish war.³ As

1. Gil Munilla, pp.179-82; Martin-Allanic, II, pp.1200-1, 1230-1 and 1245; Aiguillon's instructions to Ossun in the summer of 1771, copies of which may be found in A.G.S., Estado, legajos 4575/4582; Fuentes to Grimaldi, 20 September 1771, no.952, A.G.S., Estado, legajo 4580.

2. See above pp.282-4.

3. By indirect aid France meant subsidies given to Sweden and the Polish Confederates, which helped to ease Russian pressure upon the Turkish front; cp. Corr. de Broglie, II, pp. 258 and 262, notes 1-2.

for Spain's role in future negotiations with the Porte, Vrillière departed from Choiseul's policy of at least appearing to act in concert with Spain. Following Saint-Priest's counsel conveyed in his dispatch of December 31st,¹ Vrillière agreed to negotiate, behind Spain's back, an article in the projected treaty with the Porte whereby Carlos III would accept France as permanent delegate to act on his behalf in Constantinople. In this way, France's prominent position with the Turks would not suffer from Spain's efforts to further her own commercial interests and the latter would entirely depend upon the former's good will. Spain was to be informed of the terms for the treaty as envisaged by France, except for the article suggested by Saint-Priest.²

In his instructions to Saint Priest, August 1st, 1771, Aiguillon expressed the same views as Vrillière. His representative in Constantinople would negotiate on behalf of Spain, who would not be a principal to the treaty but become an accessory when it was completed.³ And this, one

-
1. No. 35, C.P.Turquie 155, ff. 230-44. See also his dispatch no.2, 14 February 1771; ff.305-15.
 2. Vrillière to Saint-Priest, 23 March 1771, no.3, C.P., Turquie 155, ff.354-6. See also his instructions of February 3rd, no.33, ff.296-9, and 7th, no.34, ff.302-3.
 3. No. 13, C.P.,Turkie 156, ff.205-10;Aiguillon's new draft of the projected treaty, ff.179-182.

would deduce from his conversation with Fuentes at the beginning of September, on condition that Spain became committed to French policy of indirect aid to the Turks; in fact, Aiguillon suggested that the Turks, whom he alleged to be quite cold with regard to Spain's inclusion in the treaty, might prove compliant with Spanish wishes if Spain agreed to help France subsidize the Polish Confederates in their struggle against Russia, thereby relieving pressure on the Turkish front.¹

But Spain had no desire to become involved in the East. In reply to Louis XV's first suggestions after the Falkland Islands Settlement of 22 January 1771, Carlos III reaffirmed the main principle of Spain's European policy: the preservation of peace by means of the Austro-French alliance making up for the Prusso-Russian understanding and the continuation of Prusso-Austrian antagonism - the Russo-Turkish war and the partition of Poland being only indirectly relevant to Spain in so far as the balance of power in Central Europe was threatened. For Spain's main concern was Britain's colonial designs, and she insisted therefore that the main preoccupation of the Bourbon powers

1. Fuentes to Grimaldi, 5 September 1771, no. 933, A.G.S., Estado, leg^o 4580.

should be to have a navy strong enough to match Britain's; the influence and prestige of the Bourbon powers in Europe would follow from it.¹

Hence Russia's progress and the possibility of subsequent improvements in Britain's strategic and commercial position in the Mediterranean caused some anxiety in Spanish circles. Indeed, the Spanish government was still keen on the idea of a defensive alliance with the Turks, but cautious not to be rushed into it by France without full regard to Spanish interests and views in the present situation.²

On hearing of Aiguillon's proposal for financial support to the Poles, Grimaldi immediately instructed Fuentes to declare to the French that Spain had no intention to buy her inclusion in the projected Franco-Turkish treaty by becoming involved in Poland.³ The way to contain Russia, Prussia and Austria, and thus to restore the balance of power, which made for peace in Europe, was not to enter into new engagements, Grimaldi insisted a few days later, but to strengthen their navies, finances and colonial possessions so as to be

1. Gil Munilla, pp. 179-182.

2. Grimaldi to Fuentes, August 12th, and December 4th, 1771, A.G.S., Estado, leg^o 4575.

3. September 19th, 1771, A.G.S., Estado, leg^o 4575. In addition to Aiguillon's proposal, the Poles themselves pestered the Spanish representatives in Paris from March 1771 to March 1773 with requests for help, but to no avail; A.G.S., Estado, legajos 4579/4587 passim.

able to face Britain with confidence; the prestige of the Bourbon powers thus gained would suffice to maintain French influence in the East.¹

Grimaldi was aiming at avoiding the spread of the conflict to Western Europe. The only war visualized by the Spaniards was a British and maritime one, and to make sure that Britain knew of Spain's intention to remain neutral in the present dispute in the East, the English were given assurances that Spain had no business in the present war as long as the Italian possessions of Carlos III's relatives were secure and his own possessions in America were not threatened.² The move was designed not only to avoid complications with Britain on the Continent but also to give a general indication of peaceful leanings and forbearance with regard to Spanish disputes with Britain; for Aiguillon's attempt to ingratiate himself with the English government at the expense of Spain made the latter's position quite vulnerable for the time being.³

-
1. Grimaldi to Fuentes, 30 September 1771, A.G.S., Estado, leg^o 4580.
 2. Masserano to Grimaldi, 30 August 1771, no.2181, A.G.S., Estado, leg^o 6981; Blaquière to Rochford, 25 October 1771 (Private), S.P. 78/283.
 3. Masserano to Grimaldi, 17 January 1772, no.2268, A.G.S., Estado, leg^o 6984; Fuentes to Grimaldi, same date, no. 14, leg^o 4583.

Aiguillon for his part took little notice of Grimaldi's attitude. He believed that he could bully Spain into subsidizing the loles and on October 11th he said to Fuentes that in view of the fact that the inclusion of Spain was the only obstacle to the treaty from the Turkish point of view and that Spain seemed indifferent to the alliance, France had decided to continue negotiations with the Porte without her.¹

Grimaldi, by now thoroughly annoyed with Aiguillon, reviewed the whole situation and sent the French minister a stiff and clear reminder of Spain's position with regard to the Turkish alliance. In the first place, it was still true that Spain wanted it but it was France who had invited her to join, for Spanish support was needed in the East: therefore it was impertinent to pretend that Spain's share in the projected treaty with the Porte was a special favour from France for which she would have to subsidize the Polish Confederates in return.

If, as France suggested, the main objection to the completion of the treaty was the Porte's opposition to Spanish entry, Spain was quite prepared to let France go ahead alone; in which case Spain would wish to be informed of the Turkish point of view as well as of the exact terms

1. Fuentes to Grimaldi, 26 October 1771, no. 994, A.G.S., Estado, leg^o 4575; C.P., Turquie 156, ff. 319-348, passim.

contemplated by the French, for if the latter, in return for some commercial reward in the Levant, entered into offensive or defensive agreements, or undertakings to supply the Turks with ships or troops - thereby increasing the danger of a Mediterranean war and British intervention, Spain ought to be able to ascertain the measure of her own involvement by reason of her alliance with France.

If, on the other hand, Spain's inclusion in the treaty was desired and she was to be exposed to the same risks as France, she would have to take full participation in the negotiations and share in the same advantages; otherwise the Spanish Court would not feel obliged to bear the consequences of a treaty that had been negotiated without due regard to art. 26 of the Family Compact (it stipulated complete exchange of information regarding future engagements and negotiations with third powers in any way bearing upon their common interests).¹

Aiguillon realized he had gone too far. Immediately after the arrival in Paris of Grimaldi's reply of October 19th, he tried to explain that the suggestion to subsidize the Poles was not meant as a price for supporting Spain's inclusion in the projected treaty with the Porte. The negotiations in Constantinople, he announced, were to be

1. Grimaldi to Fuentes, 21 October 1771, and 4 December 1771, A.G.S., Estado, leg^o 4575.

continued on behalf of the two Bourbon powers and to the satisfaction of both.¹ But the chances of success, he conceded, were slim; in fact, during the last year Saint-Priest had not made any progress.²

The Spanish were quite happy to accept Aiguillon's explanations. The Turkish negotiation was not in the advanced stage that the French minister's earlier expressions had led them to believe, and now that Spain was to take a full part in it, she needed not be anxious about being rushed into any measures contrary to her views.³

Furthermore, the Austro-Bourbon alignment, which Carlos III's government regarded mainly as a stabilizer of power in Central Europe making for peace, had been weakened by Aiguillon's dallying with Prussia and Britain, and by Austria's understanding with Prussia and Russia over Poland. Britain was sure to utilize these differences with a view to undermine both the Family Compact and the Treaty of Versailles.⁴

1. Aiguillon to Ossun, 7 November 1771, C.P., Turquie 156, ff. 399-402; Aiguillon to Saint-Priest, 20 December 1771, no. 2, ff. 446-7.

2. Aiguillon to Ossun, 27 December 1771 (Copy); A.G.S., Estado, leg^o 4582.

3. Grimaldi to Fuentes, 10 February 1772, A.G.S., Estado, leg^o 4575.

4. Reports from Paris and London continued sounding the alarm about a Franco-British understanding until the summer. Fuentes to Grimaldi, 17 January 1772, no. 14, A.G.S., Estado, leg^o 4583; March 9th, no. 61, leg^o 4584. Masserano to Grimaldi, 17 March 1772, no. 2308 and June 12th, no. 2258, leg^o 6984; 17 July 1772, no. 2274, and August 29th, leg^o 6985.

For the first half of 1772 Grimaldi turned his efforts to retrieve Aiguillon from his propensity towards Britain and to patch up the existing rift between Austria and France. Grimaldi stressed the dangers of neglecting their navies and possessions; Britain was their main enemy and France's present disposition would only serve to make her more dangerous in the future.¹

Regarding the Austrian end of "the system of the south", "whatever the bad effects of the present agreement between Vienna, Berlin and St. Petersburg" - wrote Grimaldi on July 14th - "those that were likely to follow from the split between the Houses of Bourbon and Austria could be much worse".²

Spain was aware that Austria had not acted with the consideration towards France that was expected of her by treaty, Grimaldi agreed, but France was not blameless either, for it was her move towards Prussia in the first place which made Austria apprehensive; besides, the partition

1. Grimaldi to Masserano, 17 February 1772, A.G.S., Estado, leg^o 6975; to Fuentes, same date, leg^o 4583, and April 28th, leg^o 4584.

2. To Masserano; A.G.S., Estado, leg^o 6984.

of Poland was by the spring of 1772 a foregone conclusion.¹ The best course, therefore, was to forget past offences and to restore Austro-French relations to their former understanding. Availing himself of the friendly intercourse existing with Mercy in Paris, Fuentes was able to ease the strain on the Franco-Austrian alliance a little.² Aiguillon for his part was quite happy to declare his support for the Austrian connection. It was still essential to France, and especially now that Russia might try to interfere in Sweden to undo the effects of Gustavus III's coup d'état of August 1772. Indeed, the attitude of the French minister towards Spain also became friendly by the end of the summer, giving repeated assurances of his sincere wishes to act in close concert with the Spanish ally in all questions.³

-
1. The Russo-Prussian Convention to partition Poland had been signed on February 17th with the knowledge that Austria would not implement her treaty with the Porte, but would join in the partition. The Tripartite Convention was signed on 5 August 1772 (Kaplan, pp.146ff.) Cp. Corr. de Broglie, II, p.354, note 3.
 2. Fuentes-Grimaldi correspondence, March-August, A.G.S., Estado, legajos 4584/4585, passim.
 3. See Aiguillon's instructions to Ossun from September onwards in A.G.S., Estado, leg^o 4582 (copies).

3. The attitude of Spain to the Swedish crisis.

Although the Swedish revolution of 19 August 1772, and the acute Anglo-French crisis that followed it in the spring of 1773, brought out the attitude of the Spanish government towards continental Europe and its conception of the Family Compact as an alliance that was primarily intended to protect Spanish territories overseas, Spain took a more active part than she had done, or was ever likely to do, in the Russo-Turkish war.

The coup d'état staged by the newly-enthroned King of Sweden, Gustavus III - his father, Adolphus Frederick, had died in February 1771 - after an abortive attempt to conciliate the two main ^{parties} ~~elements~~ of Swedish politics, was the culmination of a long-established struggle between the Hats, supported by the French, and the Caps, supported by Britain, Denmark and Russia, to control power.¹

The events of August were also the fulfilment of France's wishes to have a strong friend in the North as a means to check Russia's expansionist aims and the threat of a 'Northern system', that is, the alliance of Britain, Denmark and Russia. Since 1766 Choiseul had believed that by

1. By 1772 Sweden had become the political market of Europe and all the countries concerned had accepted political bribery as the common currency in the North.

strengthening the Crown, which leaned towards France, he could establish France's influence on firmer grounds and enable Sweden to build up her own defences; thus relieving France of the financial burden. The appearance of a strong monarch, Gustavus III, on the political scene made this possible. But Russia, Denmark, and Britain to a lesser degree, disliked absolutism in Sweden, assuming that it would mean stronger policies abroad and attempts to recover land lost in the early eighteenth century.

The attitude of Russia, and that of her close ally, Denmark was one of restraint. The Turkish war tied Catherine II's hands and she could not entertain any other way of meddling in Swedish politics apart from bidding high for the Caps. But this indecisive course of action, which Britain's refusal to spend money on political bribery as lavishly as the Russians wished made the more inoperative, seemed to have stirred the Empress into more effective policies to force Sweden into Russia's sphere of influence. Furthermore, successive victories over the Turks in 1772 encouraged her to believe that peace in the East could be achieved on her own terms; she could then turn against Sweden. Early in 1773 Catherine II seemed decided on such a course.

As to Britain's attitude, it was determined by contradictory factors. On the one hand, she had to maintain what

remained of the former Russo-British friendship but not at the cost of stimulating the expansionist ambitions of St. Petersburg, which had already won such victories in Poland and Turkey. On the other hand, views of general policy and traditional hostility to France prevented Britain from allowing France, perhaps in co-operation with Spain, to take any measures against Russia. Thus Britain opted for opposing France's decision to send a fleet to the Baltic to support Sweden if she were attacked, while giving Russia to understand that her attitude regarding France was not to be taken as a sign of British approval of Catherine II's schemes, and even encouraging her to believe that Britain might co-operate with France.¹

From the beginning Spain was cautious but actively engaged in the Swedish question. To judge from Aiguillon's effusive thanks in the summer of 1772, she appears to have contributed quite generously to France's political bribery in support of the Hats and the Crown.² Furthermore, at the

1. Roberts, H.J., VII (1964), pp. 1-16 and 19-20; "Anderson", pp. 178-98.

2. Fuentes to Grimaldi, 4 September 1772, nos 230 and 247; Magallón to Grimaldi, 16 October 1772, no. 283; A.G.S., Estado, leg^o 4586. Cp. L.B. de Marsangy, Le comte de Vergennes: son ambassade en Suède (1771-1774), p. 317.

I have found no trace of the actual amount in the Spanish archives; the only figures I have come across proceed from rumours collected by British diplomatists (St. Paul, I, pp. 74-5; Add. 24159, ff. 3-4; Stowe 262, f. 14).

request of the French, who hoped to further their interests in the North, she showed some favour towards Danish ships in the Mediterranean carrying effects of war to Algiers.¹ But she had no desire to be fully committed to a policy of open support as Aiguillon would have liked.

The French minister, rather hastily and prematurely, was suggesting in mid September that the Spanish Court should join France in her declaration to Britain, Russia and Denmark that she would support Gustavus III's coup by all means.² The terms of the proposed French declaration, Grimaldi replied, were too strong and, in any case, Spain had no reason to join France in this measure, for she was not bound to Sweden either by treaty or by immediate interests. However, Spain was prepared to give some indication of support for French policy in the North; Grimaldi would write to inform these Courts that Carlos III recognized the justice of Gustavus III's measures and did not believe that other powers should oppose them or interfere in Sweden's domestic

1. According to the Spaniards it was a violation of article 5 of the Hispano-Danish Convention of 22 September 1757 (printed in Cantillo, pp.458-9 and in Danske Tractater, 1751-1800, pp.151-5), but they promised not to send specific instructions for searching ~~out~~ for those effects as would have been the case otherwise. Fuentes to Grimaldi, 3 August 1772, no.212, A.G.S., Estado, leg^o 4585, and Grimaldi to Fuentes, 22 September 1772, leg^o 4586.

2. Magallón to Grimaldi, 18 September 1772, no.258, leg^o 4586.

affairs.¹

The attitude of Austria, on the other hand, was positively discouraging. France's German ally had got the lion's share in the partition of Poland² and it seems that she now intended to secure her gains by keeping peace in the North. If there was a clash with Russia, France would call upon Austria - the more loudly since Prussia's aid to Catherine II was likely to take the form of an invasion of Swedish Pomerania, which Austria, by a guarantee of 1757, was bound to protect.³ Austria would not wish her co-partitioning powers to outgrow her at the expense of Sweden. Her solution was to get France to persuade Gustavus III to restore the Constitution of 1720; that is, to return to the situation prior to Gustavus III's coup. The Austrians professed in October that they did not mean to flout the Treaty of Versailles; however, no encouragement was given to the idea that they would support France in Sweden.⁴ Aiguillon resented the hint of desertion and reacted by accusing Austria of dubious conduct with regard to Poland;⁵ much to the dismay of Grimaldi, who only three

1. Grimaldi to Magallón, October 1772, A.G.S., Estado, leg^o 4586 (written probably at the very beginning of the month).

2. Kaplan, ch. XIII.

3. Roberts, H.J., VII (1964), p. 11.

4. Cp. *Ibid.*, p. 11, note 35.

5. Magallón to Grimaldi, October 28th, no. 294; Ossun to Grimaldi, October 24th; Magallón to Grimaldi, 9 November 1772, no. 324; A.G.S., Estado, leg^o 4586.

months earlier was insisting on the dangers of a split between the Houses of Bourbon and Austria.

A friendly intercourse between the Bourbon powers and Austria was now the more desirable as it might help to undermine the entente between the three partitioning powers. On hearing of the recriminations between Vienna and Paris, Grimaldi stressed the need to be patient with Austria. While Russia, Prussia and Austria had common interests in Poland, the latter would prefer to intimidate France into preserving peace rather than break up the existing understanding between the three eastern monarchies. The Spanish minister suggested that the French ambassador in Vienna, Rohan,¹ should express to Kaunitz verbally and in a friendly tone, as if Aiguillon were asking for advice, that the Swedish revolution was a domestic affair in which no country had a right to interfere. If any power should want to use force against Sweden, it would seem the duty of Europe to stop that power.²

At this stage Spain was only trying to tread lightly. The situation was too fluid. Britain had not spoken her

-
1. For Rohan's mission to Vienna, January 1772 to July 1774, see Recueil, I (Autriche), pp.447-9.
 2. Grimaldi to Magallón, 9 November 1772, enclosing copy of the minute of his verbal answer to Ossun; A.G.S., Estado, leg^o 4586.

mind yet. To drive in his point for circumspection, Grimaldi reminded the French of the Bourbon powers' poor performance on the question of the Falkland Islands and the French allegation at the time that they were not prepared to fight Britain. Furthermore, Grimaldi gave Britain assurances of Spain's peaceful leanings.

In the middle of September the English government was thrown into some agitation. The English representative in Paris, Blaqui re, reported that Aiguillon was believed to be engaged in planning a declaration to Russia to demand the withdrawal of her fleet from the Mediterranean and that Spain was arming to be in a position to join in the declaration. According to Blaqui re, the French minister had taken upon himself to declare to the Danish representative in Paris that Spain supported France's Swedish policy fully.¹

The English resented France's triumph in the North - as exemplified in Gustavus III's successful coup - but they soon came to accept the constitutional change in Sweden. Their policy now was to preserve peace by restraining Russia from attacking Sweden and deterring France from sending a

1. Blaqui re to Rochford, 2 September 1772, no. 43, and September 9th, no.44; see also Saint-Paul to Rochford, 21 October 1772, no.6; S.P. 78/286.

squadron to defend her. On October 9th, 1772, the English government decided to warn the French that Britain would not remain an idle spectator if France broke her neutrality in the Russo-Turkish conflict in any way.¹ Spain was not cautioned; Grantham was sent a copy of the warning to the French with directions to refer to it only if Grimaldi himself mentioned the Swedish crisis and possible French intervention.² Although it was generally believed that Spain would act in close concert with France, it was convenient to treat her as an independent voice in the hope that France might be restrained from that quarter as well.

Spain, Grantham reported in the first half of November, would not take an active part in the Swedish question or against the Russian fleet in the Mediterranean unless forced into it by the need to defend France herself. Effects of war, financial aid, or such other indirect means, might be supplied, Grimaldi specifically stated, but any act of direct support, e.g. sending forces to assist the Swedes, which might eventually draw Spain into the northern conflict in a

1. Roberts, H.J., VII (1964), pp.14,19,22.

2. Rochford to Grantham, 9 October 1772, no.22, S.P. 94/191 (cp. previous instructions of September 11th, no.18, and 18th, no. 19, and those of November 13th, no. 25). It is worth noting in this connection Rochford's attitude on the Crab Island issue; see above p.232.

military sense, was out of the question. The idea of a close Franco-Spanish co-operation on this issue, Grantham concluded, was therefore the creation of Aiguillon himself.¹

Spain for her part was now in a position to evolve a more definite policy with regard to Sweden. To judge from Grimaldi's talks with Grantham and also from reports from London of similar meetings between the Spanish chargé, Escarano, and the English ministers, Britain did not intend to encourage Catherine II in her ambitious designs in Sweden and was even trying to restrain her, thus pursuing a similar objective to that of France, but would not stand for a French fleet in the Baltic and would not listen to any proposal of co-operation from France to halt the Russians.²

In the first place, Spain was concerned to avoid a Franco-British war over the Swedish question, for the Family Compact would be invoked. On December 21st, 1772, Grimaldi

1. Grantham to Rochford, 2 November 1772, no.45, 9th, no.46, and 16th, no.47; S.P. 94/191 (cp. Grimaldi to Escarano, 5 October 1772, Add. 32300, ff. 128-9; intercepted and deciphered).
2. September-December, 1772, A.G.S., Estado, legajo 6985. In his no.83 of December 28th, Escarano informs that North was pressing to cut the navy vote and to reduce the number of sailors in active service (cp. The Private Papers of John, Earl of Sandwich, I, pp. 20-4).

warned France that a French fleet in the Baltic would cause Britain to retaliate. Means other than those regarded as hostile by Britain ought to be afforded to Sweden. He also admonished that Spain might not be bound to assist France in a northern conflict, for article 8 of the Family Compact excluded German and territorial wars from the scope of the alliance.

Grimaldi, rather unrealistically, continued to hold that the Austrians might be persuaded to discourage Russia. Undoubtedly, there was no better check to Russia in Sweden, or indeed in Turkey, than to lessen the Prusso-Russo-Austrian understanding, but Grimaldi himself had admitted earlier on that the three eastern monarchies were welded by their desire to secure their gains.¹ Indeed, Austria continued to insist throughout the winter of 1772-1773 that it was up to France to preserve peace by getting Gustavus III to return to the Constitution of 1720.²

-
1. Grimaldi to Magallón, 21 December 1772, A.G.S., Estado, leg^o 4586 (There is also an undated minute of an instruction to be sent in cipher, which appears to be of the same date as well).
 2. Magallón to Grimaldi, 21 November 1773, no. 342, Aiguillon to Ossun, 1 December 1772 (copy); A.G.S., Estado, leg^o 4586. Magallón to Grimaldi, January 8th, no. 8, and January 22nd, 1773, no. 29, leg^o 4587. Cp. Corr. de Mercy, I, pp. 421, 426; Corr. Mercy-Kaunitz, II, pp. 416-8.

With no encouragement within the 'system of the south', Aiguillon had no option, if he wanted to protect France's political protégé in the North against Russia, but to endeavour to obtain an English alliance or a collusive agreement to stop Catherine II in the Baltic. Aiguillon was led to believe that such an agreement was not impossible, for although official warnings continued to be given to the French that Britain would not tolerate a French armament either at Toulon or at Brest, Rochford unofficially and secretly assured them in December that France might be allowed to send a swift expedition to the Baltic to transport troops to Sweden's assistance. In the hope of English connivance in this regard, Aiguillon decided not to send ships to the Baltic. The Franco-Swedish Convention concluded in February 1773, confirmed the new approach; Louis XV pledged himself to supply Gustavus III with 800,000 livres a year for three years from 1 January 1773 to be used to improve the Swedish army and navy, and promised to send ten to twelve thousand troops (but no ships) in the event of war. In return for French subsidies Sweden engaged to have an army of 47,000 men, and 21 ships in readiness by January, 1776. As to the question of how to get the French units to Göteborg or how to protect the transport ships against the Danish and Russian fleets, it

was believed that Britain might not object to a small escort of French warships, provided they came straight home after seeing the troops safely landed in Sweden.

The expected crisis arrived at the end of March. On the 28th Paris received the news that the invasion of Sweden by Russia was inevitable. Aiguillon had already decided (seven days before) to send a secret agent to Rochford to ascertain British reaction in the event of French intervention in the Baltic and, unbeknown to the secret agent, had turned soon afterwards to an alternative line of action. The pressure on Russia was now to take the form of a French squadron in the Aegean Sea; the orders for the preparation of twelve ships of the line and six frigates were sent to Toulon on March 26th. Aiguillon must have thought that a Mediterranean action was less likely to offend British public opinion; furthermore, Spain might be prepared to support a French squadron in the Mediterranean for the sake of her commercial interests.

But this change of course spoilt any chance there may have been of effective British connivance. With regard to a French squadron in the Baltic, Rochford promised a collusive delay for arming of at least eight days' start of England's to enable France to launch a swift attack on the Russian fleet and return immediately to port. As to an expedition

to the Archipelago, however, Rochford warned the French against it. The English minister rightly believed it would be too late to help Sweden; moreover, he could not forget that Britain had already committed herself to assist Catherine II, if France should attack the Russian fleet in the Aegean Sea. Although the French navy was afforded not eight days' start as promised by Rochford but fifteen,¹ France could not transfer the Toulon squadron to the Atlantic in such a short time, nor indeed prepare a new one in Brest. Official British policy, on the other hand, continued to be voiced in the best anti-French manner, especially by Stormont, whose warnings of retaliatory action Aiguillon began to take seriously by the middle of April; so that by the 16th the French minister sent orders to Toulon to slow down preparations and the squadron was suspended on the 19th. By May 21st the crisis was over.

These transactions had no direct part in averting the Russian threat, for the danger to Sweden was over before the Anglo-French crisis as a result of Russia's attitude which

1. From April 8th to the 23rd, when the British mobilization was made public; it was actually ordered two days before.

began to soften at the end of March. In a broader sense, however, the solution of the crisis could be credited to the British and French policy, to the general belief that they might agree to halt Russia. Indeed, the apparent consensus of opinion between France and Britain on the need to curb the predatory system of the three eastern monarchies might have resulted in some kind of understanding, had it not been for the long-standing antagonism between the two countries. As it was, Anglo-French relations returned to familiar channels. Although the suspension of the French armament had preceded by four days the announcement on April 23rd of the British mobilization, public opinion generally concluded that France had had to climb down in the face of British menaces. The English for their part gave voice to their feelings of triumph by staging a grand review of the fleet at Spithead on June 22nd. The opportunity of a rapprochement was lost, and with it the only chance to influence events in the East.¹

Spain's bearing on the outcome of the Anglo-French crisis was minimal, for the Toulon squadron was ordered to be prepared and suspended before she could act. From the

1. For this episode and some interesting reflections on the logic of an Anglo-French entente to curb Russia, see Roberts, H.J., VII (1964), pp. 22-46.

point of view of the Family Compact, however, it is relevant to stress that Spain, who received the news of the Toulon armament, together with Aiguillon's request for Spain to do likewise, when the French squadron had already been suspended,¹ took steps to solve the Swedish crisis along lines which would halt Russia in the North without committing herself to the conflict in a military sense, least of all if Britain was in any way involved on the other side.

Enlarging on his previous instructions of 21 December 1772, Grimaldi instructed Magallón on April 25th to suggest to the French that Spain might be prepared to support them militarily against Russia and Denmark, as long as Britain remained neutral; otherwise, Spain would contribute towards the defence of Sweden only financially, and indirectly, through France, without treaties or agreement of any kind, as a personal subsidy from friend to friend. This specific pledge of financial aid was not imparted to France or Sweden; it was hoped that a prompt peace might spare the

1. Magallón to Grimaldi, 6 April, no. 86, and 16 April 1773, nos 103-105, A.G.S., Estado, leg^o 4588.

Spanish Treasury this heavy undertaking.¹

The main concern from the Spanish point of view was to find out Britain's attitude. The Toulon squadron, Grimaldi warned the French, ought not to have been ordered without her knowledge, nor without the advice of Spain, for France would not be able to invoke the Family Compact unless she acted in close consultation with her ally.² Grimaldi would have liked France and Britain, and Spain as well, to declare, jointly or separately, to Catherine II their intention to prevent an attack on Sweden; but failing this, Britain should be prevailed upon to permit France to defend Sweden and to stop the Russians in the Mediterranean, but no action was to be taken without a clear undertaking from the British.³ To

-
1. Grimaldi to Llano, 26 April 1773, A.G.S., Estado, leg^o 6703; Grimaldi to Magallón, 25 April 1773, (Confidential), leg^o 4588. Gustavus III had requested financial support from Madrid in the middle of March (Llano to Grimaldi, 18 March 1773, leg^o 6703). Sebastián de Llano y la Quadra, Count of Santafé and Order of Carlos III, served in the first secretaryship of state since 1760; he went to Denmark in 1763, and from there to Sweden in 1772; transferred to Amsterdam in 1789, he died four years later (A.H.N., Estado, leg^o 3416/2).
 2. To emphasize his warning, Grimaldi actually sent Magallón extracts of French correspondence on the Falkland Islands to be shown to the French minister; it was purported to point out that Aiguillon's present haste to uphold Gustavus III was at variance with France's reluctance to support Carlos III in 1771.
 3. Grimaldi's instructions to Magallón, 25 April 1773, A.G.S., Estado, leg^o 4588. (To judge by the number of minutes of the various dispatches of this date, Grimaldi took great care to draft them). Cp. his instructions to Escarano of the same date (leg^o 6986).

make sure, Grimaldi gave Grantham assurances to the effect that France was going to explore every expedient in London before deciding to act, and stressed that Spain had no agreement or treaty by which she could be drawn into the northern conflict. The English ambassador in Madrid, however, observed correctly that Spain would have to arm if Great Britain armed, not on account of the Swedish issue but to defend France.¹ Grantham proved right. On being apprised that Britain had ordered fifteen ships of the line to be fitted out at Spithead,² Grimaldi intimated to the English that Spain would feel obliged to arm an equivalent number of ships unless the present British and French armaments were suspended.³ But the crisis was already over. On May 11th Magallón reported from Paris that the danger of an Anglo-French confrontation in Sweden had passed.⁴

Grimaldi was relieved to hear it. Indeed, he hurried to ensure that no financial commitment to Sweden was undertaken now that the threat to Gustavus III had ceased.⁵ But

-
1. Grantham to Rochford, 27 April 1773, no.15, and April 29th no.16; S.P. 94/192(cp. his letter to Stormont, no.2, of the 27th, in Add. 24177, ff.10-13.
 2. Escarano to Grimaldi, 21 April 1773, nos.140/141, A.G.S., Estado, leg^o 6986. Rochford to Grantham, 23 April 1773, no. 9, S.P. 94/192.
 3. Grimaldi to Escarano, 10 May 1773, A.G.S., Estado, leg^o 6986.
 4. A.G.S., Estado, leg^o 4588.
 5. Grimaldi to Llano, 20 May 1773, and Carlos III to Gustavus III, same date; Llano to Grimaldi, 8 July 1773, no.1; A.G.S., Estado, leg^o 6703.

the Russian threat to the European balance of power still remained. Russia might now turn all her strength against Turkey. In fact, there were rumours that the united fleets of Russia and Denmark were to proceed to the Mediterranean to put the screw on Constantinople. During the Swedish crisis Grimaldi warmed up to Aiguillon's contention that an Anglo-French entente was the only way to set bounds to the system of plunder of the three eastern monarchies. Considering that Spain was minded to ward off a conflict with Britain for the sake of Anglo-French antagonism in Europe, and that the Family Compact was the only connection Spain could look to in a colonial war with England, an Anglo-French understanding on the Continent was desirable. On May 20th Magallón was instructed to approach Aiguillon to insist on the need to find out about British and Austrian attitudes. If France wished, Spain was prepared to act in conjunction with her in Vienna and in London for the purpose of obtaining their support against Russia's expansion.¹

But Britain would not part with her policy of losing an eye in order to blind the French, as Grimaldi put it. There

1. Grimaldi to Magallón, 20 May 1773 (two dispatches: official and confidential), A.G.S., Estado, leg^o 4588.

were certain alliances, Rochford said to Escarano in June, which could not be effected on principle.¹ Aiguillon for his part admitted to Magallón that he was restrained from taking active measures to help the Porte by Britain's absolute refusal to allow anything of this kind.²

Despite Aiguillon's conciliatory manner towards Britain and Spanish assurances to the effect that the Bourbon powers would not engage in any undertaking to support the Turks without first acquainting themselves with Britain's feelings about it,³ the English government remained suspicious of both French and Spanish intentions in the eastern Mediterranean.⁴

The Russo-Turkish war ended in July 1774, The Treaty of Kutschuk-Kainardji established Russia in the Black Sea.

-
1. In pursuance of an earlier hint from Grimaldi to Grantham, Escarano had suggested a tripartite declaration to the Russians; Escarano to Grimaldi, 4 June 1773, no.167(cp. his no.161 of May 21st), A.G.S., Estado, leg^o 6986.
 2. Magallón to Grimaldi, 3 June 1773, no.157(cp. Grimaldi to Magallón of June 21st), A.G.S., Estado, leg^o 4589; Grantham to Rochford, 23 December 1773, no.51, S.P. 94/194; "Anderson", p.187; Corr.de Broglie, II, p.419, note 1.
 3. Grantham to Rochford, June 7th, no.23, and 14th, no.24, 1773 (S.P. 94/193).
 4. Roberts, H.J., VII (1964), p.36; St. Paul, I, pp.307-308, 314; Add. 24159, ff.181-2; Add. 24160, ff.33-46.

Catherine II, therefore, was the main beneficiary from Franco-British antagonism in Eastern Europe.

By now the attention of the western maritime powers was diverted to America. Yet the peace of Versailles of 1783 was not yet signed before France, and Spain also, were trying to secure British collaboration in Constantinople in an effort to save the Turks from Russia and Austria.¹ And in 1787, when the second Russo-Turkish war broke out and France appeared to countenance the Russo-Austrian league against the Sublime Porte, Floridablanca, Grimaldi's successor, resisted French attempts to draw Spain to their side and embarked upon a sustained effort to make peace in co-operation with Britain.² France, by this time, had turned back on her own role of sole protector of Turkey and was psychologically prepared for her partition, in which she expected Egypt as her share of the spoils.³ As for

-
1. Floridablanca to Campo (London), 19 July 1783, (A.G.S., Estado, leg^o 8138); Liston (Madrid) to Fox, 29 September 1783, no.8 (F.O. 72/1). Cp. M.S. Anderson, "The Great Powers and the Russian Annexation of the Crimea, 1783-1784", The Slavonic Review, 37(1958-9), pp.17-41.
 2. F.O.72/10-15 and A.G.S., Estado, legajos 8145-8147, passim. Cp. Garrigues, pp.198-213.
 3. M.S. Anderson, The Slavonic Review, 37(1958-9), p.41; see also his The Eastern Question, p.11.

Spain, her chief minister, Floridablanca, expressed in 1788 that in the event of the collapse of Turkey she might profit by seizing the African coast facing the Spanish peninsula.¹

Indeed, Spain's position in the Mediterranean could not otherwise be much improved. Despite British opposition and French obstructions, Floridablanca managed to sign several treaties of peace and commerce with the Porte and the Barbary States in the early 1780's; but there was no real improvement in Spain's commercial standing, and the situation at the end of the century was, on the whole, no different from that which Grimaldi had hoped to correct in 1770, when he was approached by Choiseul with an invitation to join France in a treaty with the Turks.²

1. B.A.E., vol. 59, pp. 261, 270-2.

2. Cp. Anderson, B.I.H.R., 29 (1956), pp. 91-2; M. Conrotte, España y los países musulmanes durante el ministerio de Floridablanca.

PART IV

The Portuguese question, 1763-1783.

1. The position after the peace treaty of 1763.

The Hispano-Portuguese dispute over the territories to the west of the Uruguay and Paraná rivers, between Río de la Plata and São Paulo, was of long standing. It goes back to the end of the fifteenth century when the two countries signed the Treaty of Tordesillas (1494) to parcel out their respective shares in the newly-discovered American continent. This stipulated that the dividing line between the Spanish and Portuguese territories in South America should be drawn along the meridian at 370 leagues from the Cabo Verde Islands: the territories to the west of this line, which in Spanish eyes run from the east of the mouth of the Amazon to the west of the present town of Santos ^{near} (São Paulo), belonged to Spain, and so did those lands that she could reach by sailing westwards. To the east of the line lay the Portuguese share.

For over a century neither Spain nor Portugal showed much interest in the Río de la Plata area ^{particularly in} (the Banda Oriental), and the dividing line remained undefined.

But in the 1620's and 1630's the Spanish Jesuits from Paraguay tried for the first time to expand their mission

system into the disputed territories, which were uninhabited except for the occasional raids of the slave-hunting Paulistas (bandeirantes) from São Paulo. After a bitter struggle with them, the Spanish Jesuits succeeded by the end of the century in founding the famous thirty villages in the Paraná-Uruguay basin. They introduced large herds of cattle and horses, and started a prosperous group of rural communities. The success of these settlements aroused the interest of the Portuguese authorities, who now claimed these fertile and vast lands as belonging to Portugal by virtue of the Treaty of Tordesillas.

Portugal's concern for the southern boundaries of her dominions in Brazil became discernible with the foundation of Sacramento in 1680, a small colony situated on the northern bank of the estuary of Río de la Plata facing Buenos Aires. The foundation of the colony gave official backing to the slow, but effective, infiltration of the bandeirantes in search of slaves, mineral wealth and Jesuit-claimed livestock. Brazilian colonisation now turned to the rich pasture lands of Santa Catarina and Rio Grande do Sul - where the Portuguese settled Rio Grande, between Lagóa dos Patos and Lagóa Mirim, in 1737 - to fashion the logical complement to the mining regions of Brazil (Minas Gerais, Goiás and Mato Grosso), which had also been the result of a

process of westward expansion, also started in the late seventeenth century, beyond the Tordesillas line.

The boundary treaty of 1750 gave legal status to the new situation on the principle of uti possidetis. Portugal agreed to surrender Sacramento to Spain in return for the seven missions of the Jesuits to the east of the Uruguay river, the recognition of her claim to a large part of the Amazon basin, and the retention of coastal Rio Grande do Sul to the east of a line which ran, according to article 4 of the treaty, from Castillos Grandes along modern Bajé to meet the River Ibicuí and then down river to its main stream, the Uruguay, and following the course of this river northwards.¹

The Treaty met with the armed resistance of the Amerindians of the Jesuit missions to the transference of the seven Indian villages to the Portuguese and Pombal, on coming into office in 1750, used this resistance to return to expansionist policies in the Río de la Plata area.²

1. Cantillo, p.403.

2. Sabastian Joseph de Carvalho e Mello (1699-1782), Count of Oeiras (1759) and Marquis of Pombal (1770), was José I's chief minister from his succession to the throne in 1750 to his death in 1777 (N.C.M.H., VII (J.O.Lindsay), pp.290-1; VIII (J.Lynch), pp. 376-8.

Although blaming the Jesuits for the failure to carry out the 1750 treaty, he was glad of the excuse to keep Sacramento as a basis for southward advance and was willing to return the missions to Spain. In 1761 the two peninsular nations agreed to restore the question of boundaries in the Río de la Plata area to the status quo ante 1750.¹

With the outbreak of the Seven Years War, Spain hoped to find a solution to her dispute with her neighbour. In conjunction with France she first tried to win Portugal to their side as a means to cut off the naval and commercial benefits that Britain derived from her alliance with the Portuguese. But when Pombal refused to be drawn into the war on the Bourbon side or to close Portuguese ports against the English, France and Spain declared war on him. A joint Hispano-French attack on metropolitan Portugal was accompanied by a Spanish campaign to expel the Portuguese from Sacramento and Rio Grande do Sul. The energetic governor of Buenos Aires, Pedro de Cevallos, succeeded in regaining Sacramento and driving back the Portuguese from Rio Grande to the northern end of the Lagóa dos Patos and the lower Jacuí valley.² But Spain's poor performance in

1. C.B.Boxer, The Golden Age of Brazil, pp.237-245, 293-6. Cp.N.C.M.H., VII (J.H.Parry), pp.497-9, and VIII (R.A.Humphreys), pp.411-3.

2. D.Alden, "The Undeclared War of 1773-1777: Climax of Luso-Spanish Platine Rivalry", H.A.H.R., 41(1961), p.59.

metropolitan Portugal and in other battlefields compelled Carlos III to restore all his conquests before news of Cevallos's successful campaign had even reached Madrid.

In accordance with the Spanish interpretation of the Treaty of Paris of 1763, Carlos III agreed to restore the territories conquered in metropolitan Portugal and Sacramento, which had been given to Portugal by the 1713 treaty; but not Rio Grande, and the islands of Martin García, San Gabriel and Dos Hermanas, in the River Plate estuary. Spain also demanded the restitution of Santa Rosa de Mojos which the Portuguese had taken in 1733; she further challenged Portugal's claim to Santa Catarina, and even Paraná,¹ since the 1761 treaty - recognized in the Treaty of Paris (articles 2 and 21) - stipulated that the boundary situation in the Banda Oriental was that prior to 1750, and Spain was therefore in a position to question Brazilian advance on the southern border in the first part of the century.

Carlos III, anxious to secure the integrity of the Spanish American empire, embarked upon a sustained effort to invigorate the governorship of Buenos Aires. It was not

1. In a map of the disputed area among the Grantham Papers, Add. 24160, f. 24 verso, Spain was said to be aiming to push the Portuguese behind the River Tiête.

only Portugal's ambitions in Río de la Plata that emphasized the need to strengthen this vulnerable area, but also the obnoxious presence of illicit British traders in the estuary under cover of their alliance with Portugal and British attempts to pave the way to the Magellan Strait and to the route of the South Seas.¹ After 1763 Cevallos was instructed to secure the northern bank of the River Plate. The defences of Maldonado (Punta del Este) and Montevideo were to be improved, and Cevallos was ordered to defend Rio Grande and the islands of Martín García, San Gabriel and Dos Hermanas against possible attempts of Portugal to take them over.

The retention of these bases would make possible wider plans to expand as far north as the island of Santa Catarina and from there to move southwards to expel the Portuguese from the whole territory between that island and Río de la Plata, thus tightening the grip on Sacramento and keeping the estuary easily under control. Cevallos was also ordered

1. The commercial importance of contraband trade in Sacramento with the Spanish Buenos Aires may be seen in H.E.S. Fisher, "Anglo-Portuguese Trade, 1700-1770", p.88; he stresses the ending in 1762 of this prosperous trade as one of the main factors for the contraction of the Portuguese market for English manufactured goods in the 1760's.

to force the Portuguese out of Santa Rosa de Mojos. This borderland, together with Chiquitos, to the east of the Andes in eastern Bolivia, was mission land and the passage through which the Brazilians seemed minded to expand their own mining areas to reach Peru's mineral wealth. To achieve these plans Cevallos was sent a considerable body of forces and full discretionary powers to obtain financial means from Lima.¹

Pombal for his part was equally determined to expand the boundaries of Brazil, especially the southern one which according to him the 1713 treaty had established on the northern side of the Río de la Plata from Sacramento eastwards.² But, on the other hand, this minister was minded to free his country from the British control of Portuguese trade. Britain's commercial position in Portugal was regulated by a series of seventeenth century treaties,

1. Gil Munilla, pp.107-111. Cp. III, pp.52, 74-5, 89-92 and 203-210.

2. As early as 1741 Pombal, who began his political career as head of the London mission in 1738, made it explicit to the English; Simão José da Luz Soriano, Historia do reinado de el-rei D. José e da administração do Marquez de Pombal, II, p.565. For Portuguese military preparations and objectives in South America after 1763, see Egerton Mss. 525 and C.B., III, chapter vi.

culminating in that of 1703, which had turned Portugal's traders in the main into commissaries for British merchants.¹

In this respect Portugal was in a comparable position to that of Spain. Indeed, their commercial policies in the 1760's, and also those of Naples, were so similar that it was suggested in London that the three countries might be co-operating in a joint campaign to curtail British trade. Pombal's policies, in particular his measures to promote Portuguese trade with the colonies and to improve Portugal's own manufacturing power, had some success as shown by the decline of the English trade in this period;² but in addition to the difficulties encountered by the Spaniards in their attempts to promote their own trade and industry, Pombal had to contend with resolute British traders, naval officers and diplomats, trying to resist his measures. The period under consideration showed a continuous tug of war between Pombal and British trade interest, which strained Luso-British relations considerably. Pombal had to strike a careful balance in his treatment of British trade; however heavily British commercial privileges weighed on

-
1. The latest and most comprehensive contribution to the treaties of 1703 and their commercial background is by A.D.Francis, The Methuens and Portugal, 1691-1708, pp.184-218. Cp. Chapters in Anglo-Portuguese Relations, pp.130-170; Christellow, H.A.H.R., 27(1947), pp.3-23 passim.
 2. "Fisher", pp.77-92, for a detailed account of the marked contraction which Anglo-Portuguese trade underwent in the 1760's.

Portugal's economic resources, she could not afford to alienate Great Britain lest she should be left alone to face a more vigorous Spain.¹

In 1764 Pombal approached Britain to obtain some encouragement for his intention to resist Cevallos's retention of Rio Grande and the islands of Martín García, San Gabriel and Dos Hermanas. His argument was that articles 21 and 23 of the Treaty of Paris stipulated that Spain should restore to Portugal Cevallos's conquests during the Seven Years War; therefore Rio Grande and the islands had to be returned. Pombal tried to scare Britain with stories of Franco-Spanish plans against Brazil. Britain would lose profitable markets in America if the Bourbon powers were allowed to carry out their ambitions.² This approach was to persist throughout the period.

But the English government did not take Pombal's reports very seriously, dismissing them as traditional suspicions of Spain. The Bourbon representatives in London for their part assured Britain that the Portuguese allegations were Pombal's fabrications, while the Spanish tried

1. Cp. J. Lucio d'Azevedo, O Marquês de Pombal e a sua época, pp. 211-3.

2. Cp. Rochford's reports from Madrid in the last three months of 1764; S.P. 94/168.

to find out how far the British were prepared to go to support Portugal's claim.¹

Too much was however at stake for Britain to remain totally uncommitted in Luso-Spanish relations. She had no desire to encourage Portugal to adopt forward policies. In his reply to the Portuguese representative to the Court of St. James, Martinho de Mello, Grenville gave warning that Britain was not to be taken for granted as the guardian of her ally's possessions and ambitions. But he added, for Pombal to draw the opportune moral, that Britain resented the way the Portuguese minister treated British trade; that is, there was a price to be paid in return for Britain's encouragement.² As to the specific point at issue, Britain was not yet prepared to intervene. However, the English ambassador in Madrid, Rochford, was instructed to support and countenance his Portuguese

1. Masserano's reports from London (November-December) and Grimaldi to Masserano, 24 December 1764, A.G.S., Estado, leg^o 6958. Rochford to Halifax, January 1765, S.P. 94/169.

2. Azevedo, pp. 244-8.

counterpart, Ayres de Sá, in whatever may relate to the execution of the Treaty of Paris, but not to join him in any step of importance without particular directions from London. Furthermore, Spain was not to be led to believe that Britain would remain an idle spectator where Portugal was concerned, and this general warning was transmitted to the Spanish government by Rochford.¹

1. Halifax to Rochford, 18 December 1764, S.P. 94/168; Rochford to Halifax, 9 January 1765, S.P. 94/169.

2. Pombal calls the tune for a negotiated settlement.

In the meantime Pombal proceeded to remonstrate with Grimaldi against Cevallos's failure to abide by the Portuguese interpretation of the Treaty of Paris.¹ The Spanish minister replied a month later (6 February 1765) that the territories retained by Cevallos were not comprised in the 1763 treaty as they had been occupied against the stipulations of previous treaties between the two countries. The treaty of 1761, which restored boundaries in the Río de la Plata area to what they were before 1750, had not yet been complied with before the war of 1762. Pombal, Grimaldi argued, was now attempting to find support for his unlawful claim in the clauses of the Treaty of Paris. This treaty was no more than an armistice as far as the question of boundaries in America was concerned. It opened the way to a negotiation of the unsettled issues; it did not assign provinces.² Grimaldi was, in fact, willing to explore the possibilities for an amicable discussion; in March he sent

1. Ceiras to Grimaldi, 6 January 1765; printed in C.B., III, pp. 131-3.

2. Grimaldi to Ayres de Sá, 6 February 1765; printed in C.B., III, pp. 133-7.

instructions to his ambassador in Lisbon, **Almodóvar**, to the effect that no obstacle should be thrown in the way of a pacific settlement.¹

When Grimaldi's riposte of February 6th reached Lisbon, Pombal was already aware of Britain's hint at a price for her support. The Portuguese minister reacted by emphasizing the dangers to Britain if his country was absorbed into the Bourbon side. Pombal enjoined Mello to put the whole case before the English and let them know that Grimaldi, having sent no suggestions for a compromise solution, seemed to him bellicose. Mello was also ordered to stress both the Bourbon threat to British trade in South America and the Bourbon temptations put in Portugal's way to wean her from Britain.²

In compliance with his instructions, Mello plagued English ministers with repeated statements of the justice of Portugal's claim; Britain, his main point was, could not

1. Gil Munilla, p.111. Don Pedro de Góngora y Luján, marquis of Almodóvar, was ambassador in Lisbon from 1765 to 1778 when he was transferred to London; his dossier in A.H.N., Estado, leg^o 3433(1).
2. Oeiras to Martinho de Mello, 16 February 1765; quoted by Azevedo, p.251. Hay to Halifax, Lisbon, 21 February 1765, S.P. 89/60.

fail to see that the 1763 treaty was observed. But his Spanish counterpart, Masserano, was also actively working on Halifax to neutralize the Portuguese's allegations; the way Portugal presented her case, he argued, was based on the assumption that the 1763 treaty was the only one applicable; there were also the treaties of 1750 and 1761, which were equally binding. Halifax gave heed to Masserano; he requested Mello to send him copies of the treaties mentioned by the Spanish ambassador so as to be able to form his own opinion. Mello's delay in fulfilling this request led Halifax to suspect that Portugal might not have a strong case, especially as the English government had in its possession a copy of the note sent to Ayres de Sá by Grimaldi on February 6th (the Portuguese ambassador himself had given it to Rochford).¹

For five months diplomatic activity on this issue dropped. The weakening of the Grenville administration during the spring months deterred Portugal from importuning

1. Enclosed in his dispatch to Halifax of February 9th, 1765, S.P. 94/169. See also Masserano's reports to Grimaldi for March and that of April 12th, no. 432; A.G.S., Estado, leg^o 6958.

London again. But as the Rockingham government settled down, the Portuguese laid their case before the English again.

In September 1765 Mello approached the new secretary of state for the southern department, Conway, bringing with him (as suggested by Halifax in March) copies of all the treaties and communications bearing upon the subject of the Portuguese dispute with Spain. To press Britain, the Portuguese openly stressed that Spain had proposed to them to abandon the English alliance as the best way to sort out Hispano-Portuguese differences.¹

The Rockingham ministry did not prove keener on the idea of supporting Portugal than their predecessors. Moreover, as Pombal continued his commercial policies it was clear to British commercial interests that the Portuguese minister was not prepared to be generous in return for any encouragement he might receive from Britain. The English government naturally sounded Pombal on his intention to pay for British support, but they seemed more concerned about France's possible intervention on the Spanish side. They were already aware of the French support given to

1. Mello to Conway, 10 September 1765, S.P. 100/43; Hay to Conway, Lisbon, 9 October 1765, S.P. 89/60.

Masserano's representations in London.¹ To gain time Mello was told that Britain did not intend to interfere in the Hispano-Portuguese dispute unless France intervened.² But Pombal relentlessly continued his campaign to shake off British commercial tutelage, and Shelburne, the southern secretary under Chatham, wrote to the British representative in Lisbon on 14 October 1766 that an extraordinary and plenipotentiary envoy, W.H. Lyttelton,³ was to be sent to Portugal with instructions to show Pombal how strongly Britain felt on commercial matters.⁴

Masserano kept his principal well informed about the strain in commercial relations between Portugal and Britain. If they continued to worsen, he submitted, there was a good chance of weaning Portugal away from her British ally. Furthermore, Masserano was given to understand that Britain would remain uncommitted as long as Spain kept the dispute with Portugal as a purely Luso-Spanish one.⁵ Pombal's un-

-
1. Rochford to Halifax, 15 April 1765, S.P. 94/170; Conway to Rochford, 19 September 1765, S.P. 94/171. See also Fuentes' dispatches from Paris (March 1765), A.G.S., Estado, leg^o 4560.
 2. Azevedo, pp. 255-6.
 3. Formerly governor of Jamaica.
 4. Shelburne to Hay, 14 October 1766, no. 4; S.P. 89/62 (cp. Conway's previous instructions of 18 February 1766).
 5. Masserano to Grimaldi, 23 February 1766, no. 648, February 27th, nos 651-2 (A.G.S., Estado, leg^o 6960), and 10 January 1767, no. 905 (leg^o 6964).

expected offer in April 1766 to put down the riots against Esquilache, though unaccepted, and subsequent Luso-Bourbon co-operation on the matter of the expulsion of the Jesuits from Spain and Spanish America in March 1767, seemed to correspond with Masserano's expectations. The Spanish government, who were afraid that the Portuguese minister might make good use of Spain's internal difficulties, took the expressions of Pombal's approval of their Jesuit policy as a hopeful token of his willingness to establish amicable relations.¹ The Spanish for their part contributed to this apparently favourable mood by sending in July 1766 a Real Orden to Charcas with directions to drop all hostile preparations against the Portuguese in Santa Rosa de Mojos.²

Confidence grew that a negotiated agreement with the Portuguese over limits in Río de la Plata was possible. Spain showed real desire to make it easy for Portugal to climb down from her interpretation of the 1763 treaty.

-
1. Quadro elementar, VII, pp. 227-9; Azevedo, pp. 257-261. For the Esquilache incident, above pp. ~~24~~5.
 2. Gil Munilla, pp. 113-4 (cp. C.B., III, pp. 122-131, for tentative Spanish plans in 1764-6 to recover Santa Rosa de Mojos). The exclusion of any provisions regarding Portugal in the Spanish war plan sent to Choiseul in November 1766 on the occasion of the Falkland Islands issue, point this way also (see above p. ~~227~~).

Furthermore, the Spanish seemed prepared to accept Portugal's advance westwards beyond the Tordesillas line for the sake of definite and definitive boundaries in Río de la Plata on the basis of recent treaties. Portugal's claim to a large part of the Amazon basin had already been recognized in 1750, but the treaty having been abrogated in 1761 the Spanish might be able to offer to renew their recognition as a new concession in the hope of obtaining acceptance for their interpretation of the 1763 treaty and a permanent peace in America.¹

Despite the Spanish government's inclination to resume negotiations with Portugal on a friendly basis, they felt unable to initiate talks. Grimaldi had challenged Pombal's interpretation of the 1763 treaty on 6 February 1765; it was now up to Pombal to answer it.

The Portuguese minister for his part seemed willing to fall in with Spain's wishes for a negotiated agreement. Britain's reaction to his soundings had not been encouraging; and the military situation in Brazil did not warrant bold policies. But he was not inclined to give up the Portuguese

1. This may be inferred from Arriaga's reports to Grimaldi, 28 December 1766; cit. in Gil Munilla, p. 144.

interpretation of the 1763 treaty. Pombal had to bide his time; he tried to deflect Spanish attention from the disputed points by negotiations for an alliance with Spain which might produce concessions. His congratulations on the expulsion of the Jesuits was part of a programme of gaining the confidence of the Spanish government; and as early as March 1767 he gave Almodóvar to understand that an alliance between the two peninsular nations was looked upon favourably in Lisbon.¹ By May 8 the Spanish ambassador could report to Madrid that both Pombal and José I had spoken to him of Britain's commercial ambitions and of the dangers of the Jesuits' intrigues and plots against Spanish and Portuguese colonial control. Their expulsion from the American continent might induce them to seek support in Britain. José I referred enthusiastically to the advantages of forming a united front against their common enemies and recommended utmost secrecy in order not to alarm them.²

Similar ideas were conveyed to Grimaldi by the

1. Almodóvar to Grimaldi, 8 March 1767, A.G.S., Estado, leg^o 7290.

2. Gil Munilla, pp. 120-1.

Portuguese ambassador to Carlos III, Ayres de Sá y Mello. After several tentative talks with Spanish officials, Ayres de Sá spoke to Grimaldi in June of the need to discuss not only the Jesuit danger but also the question of the alliance between the two countries. Grimaldi, expressing his willingness to consider a rapprochement with the neighbouring kingdom, tried to pin him down as to terms; but the Portuguese ambassador replied that he was not authorized to go any further. Grimaldi did not like Sá's evasive answer. He was afraid that Pombal might be trying to entangle Spain into useless discussions while continuing preparations in America to strike unexpectedly in Rio Grande or some other part of America. Almodóvar was instructed to find out Pombal's intentions before Spain committed herself; he was to point out that an alliance between the two countries, if ever agreed upon, was particularly useful to Portugal and it was therefore up to her to put forward explicit terms.¹

When Almodóvar approached Pombal at the beginning of July, the Portuguese minister gave vent to his aversion for

1. Grimaldi to Almodóvar, 25 June 1767, (cipher), A.G.S., Estado, leg^o 7290.

the Jesuits and spoke of plans to obtain the suppression of the Order from Rome, but of the alliance he said nothing. Almodóvar commented that Pombal's vehement diatribes against the Jesuits were meant to exaggerate their power in order to justify sending reinforcements to Brazil to deal with them effectively.¹

This information reinforced Grimaldi's suspicions. Ayres de Sá had quite plainly stated that the King, his master, rejoiced over the joint efforts of the two countries to wipe out the Jesuits from their dominions because of the obstacles which the Jesuits were likely to have placed in the way of an alliance; but Pombal did not affirm this. Yet Grimaldi was willing to give Pombal the benefit of the doubt. He was encouraged by the friendly tone of Carlos III's private correspondence with his sister Mariana Vitória, José I's wife.²

He chose therefore to blame Almodóvar for what, he wrote on 24 July, must have been a misunderstanding of Pombal's words. The Spanish ambassador was instructed to

-
1. His dispatch to Grimaldi of 7 July 1767 (cipher); cp. his dispatch en clair of July 31st (A.G.S., Estado, leg^o 7290).
 2. This correspondence on the advantages of a political union between the two countries went on from April 1766 to May 1768; A.G.S., Estado, leg^o 7290.

press Pombal for Portugal's terms regarding the alliance and was enjoined to report his talks with Pombal point by point in order to prevent further misunderstanding.¹ In another dispatch of the same date, Grimaldi explained that a Hispano-Portuguese alliance would have to be part and parcel of the Family Compact; for the time being, however, it was preferable to keep France out of these tentative exchanges until such time as the two powers had come to some preliminary understanding.²

An intercepted letter from Pombal to his representative in Paris, Souza, reassured Grimaldi.³ Pombal expressed himself willing to move closer to the Bourbon powers in order to thwart Britain's exacting attitude in commercial matters; as to the reinforcements sent to Brazil, Pombal explained that they were precautionary measures to forestall possible infiltration of the Jesuits in co-operation with Britain.⁴

1. No. 2; A.G.S., Estado, leg^o 7290.

2. No. 1; A.G.S., Estado, leg^o 7290.

3. Vicente de Souza y Coutinho represented Portugal in Paris from 1763 to 1792 (he was promoted to ambassador in 1772); Flammermont, Rapport, pp.488-91.

4. Oeiras to Souza, 16 June 1767, copy enclosed in Grimaldi to Fuentes, 31 July 1767; A.G.S., Estado, leg^o 4564. Cp. Quadre elementar, VII, pp.270-71, 274-5; Alexis de Saint-Priest, Histoire de la chute des Jésuites au XVIII^e siècle, 1750-1782, pp.257-63.

The letter may have been meant to be intercepted, Fuentes warned; it may well be designed to rouse Britain to Portuguese support and softer commercial treatment for fear that Portugal might join the Family Compact.¹ But Grimaldi was still prepared to accept Pombal's reassurances about the forces sent to Brazil. He pointed out that the Portuguese expeditionary force was out of all proportion to the threat represented by the power of the Jesuits; nevertheless, Grimaldi was ready to admit, Pombal's exaggerated fear of them could very well be the reason for it. The weakening of Portugal's metropolitan defences, exposing her to retaliatory action from Spain, also seemed to point in the same direction.²

Grimaldi thus showed himself ready to dance to Pombal's tune. No doubt Spain's strained relations with Britain over the Falklands lent weight to the view that it was of the utmost importance to attempt winning Portugal to the Bourbon side in anticipation of a conflict with Britain. Nevertheless, the Spanish government threw caution to the wind in accepting Pombal's pretext for

1. Fuentes to Grimaldi, 19 August 1767, A.G.S., Estado, leg^o 4564.

2. Grimaldi to Masserano, 10 August, 14 September, and 8 December 1767, A.G.S., Estado, leg^o 6965.

building up Brazil's military strength. This enabled him eventually to force Spain to act on the defensive, militarily as well as diplomatically, or to risk weakening herself vis-à-vis Britain by sending a large expedition from the metropolis to redress the balance of power between Spain and Portugal in the Río de la Plata area. Grimaldi failed to see the weakness of his position till it was too late. Pombal's warnings that no European power would allow Spain to launch an attack on metropolitan Portugal unmolested,¹ in addition to Fuentes' to the effect that the Portuguese minister might be bringing France into the Hispano-Portuguese exchanges as a means of putting pressure on Britain, ought to have put Grimaldi on his guard.

Choiseul for his part seemed quite pleased with Pombal's démarche. Although the Portuguese minister did not appear to be well thought of in Paris, the French were prepared to overlook his devious ways for the sake of potential commercial and political advantages.

The French were anxious to improve conditions for their trade in Portugal. They were aware of the main obstacle in the way of a mutually satisfactory arrangement with the Portuguese: the complementary character of Anglo-

1. Gil Munilla, p.121 and note 82, for Pombal's warning in conversation with Almodóvar.

Portuguese trade. Furthermore, Pombal's measures to strengthen his country's economy hit French trade harder than it did the English, for the French derived their commercial benefits, such as fiscal exemptions, mainly from favourable treaties that the Portuguese now managed to circumvent; whereas the English still retained their financial and technical superiority which secured for their products easier access to Portuguese markets. Pombal's most effective line of action from the French commercial point of view was the forcible naturalization of French traders in Portugal; thus they were deprived of the tax exemptions to which they were entitled by treaty. Choiseul hoped to have Franco-Portuguese treaties renewed, especially that of 1667, and the forcible naturalization of French traders stopped.¹ In addition to direct representations to the Portuguese, Choiseul resorted to hired pamphleteers to spread his propaganda that Britain was using Portugal for her own benefit.²

-
1. Jorge de Macedo, A situação económica no tempo de Pombal, pp.101-115; Christellow, H.A.H.R., 27 (1947), pp.17-21, 27-8; Recueil, III, pp.342-353; Quadro elementar, VII, pp.106 ff.
 2. Hay to Shelburne, Lisbon, 25 March 1767, no. 8, S.F. 89/63.

On the political level, Portugal's friendship could be of great assistance in a future conflict with Britain. Debarred from Portuguese ports the effectiveness of the English navy would be considerably reduced. The chances of drawing Portugal out of her British connection were very slim, but Choiseul hoped that some loose convention of Portugal and the Bourbon powers might be practicable. France did not need military or naval aid from Portugal; it was far more important to her that Britain should not be allowed to use Portuguese ports and Choiseul would be satisfied if Portugal's strict neutrality could be obtained. At the end of 1764 he sounded Pombal about joining the Family Compact with the stipulation that Portugal would not be asked to go to war with Britain.¹ The French representative in Lisbon was not hopeful of success,² but Choiseul persisted in his conviction that it was worth while to attempt to gain Pombal's confidence. He was to be disappointed.

-
1. Choiseul to Saint-Priest, 27 November 1764; calendared in Quadro elementar, VII, pp. 159-160.
 2. Fuentes to Grimaldi, 19 August 1767, A.G.S., Estado, leg^o 4564; 26 November 1767, leg^o 7290.

3. Pombal terminates the negotiation (1767).

Indeed, Pombal had no intention to part company with Britain; nor to compromise over boundaries in southern Brazil. In July, 1766, he instructed its viceroy, Cunha, to continue strengthening them. Spain's domestic difficulties (the Esquilache incident) ought to be used to push southwards. The Brazilians were to simulate desire to remain on good terms with Buenos Aires, while surreptitiously continuing their infiltration into Rio Grande do Sul, and any attack or insult from the Spanish was to be countered swiftly and effectively, while trying to make them appear as aggressors.¹ In March, 1767, coinciding with Pombal's first suggestion to Spain that their common attitude towards the Jesuits might pave the way for a political understanding, Cunha was urged to avail himself of every opportunity to push ahead in accordance with the strategy outlined in July 1766.²

Yet the European rapprochement had some effect. On 20 June 1767 Pombal told Cunha not to irritate the Spanish

1. Oeiras to Cunha, 22 July 1766; Revista do Instituto Historico e Geographico Brasileiro, 35 (1872), Part I, pp. 212-5.

2. Mendoza Furtado to Cunha, 22 March 1767; C.B., III, pp. 141-4.

Americans and to refer to Lisbon any disputes which might arise. Pombal also used the apparent cordiality in Hispano-Portuguese relations to approach Bucareli, the governor of Buenos Aires, with a request to raise the blockade of Sacramento: the colony had been severely restricted in its commerce since the Peace of Paris had returned it to the Portuguese.¹ Although Cunha was to adopt a friendly tone in his relations with the Spaniards, he was nevertheless directed to keep territories which he might already have occupied in pursuance of earlier orders and to secure any fort at Rio Grande or Rio Pardo which the Spaniards might have left unguarded under the pretext that the frontiers had to be protected against Jesuit infiltration, specifying that the limit to Portuguese expansion on this front was the northern bank of Río de la Plata.²

Pombal did not lose sight of the need to make Britain well-disposed to his efforts in America. Relations over commercial matters continued to deteriorate but on the political level Pombal saw to it that the English were periodically reassured of his intention to remain Britain's ally.³ At the same time he continued by semi-secret

1. Alden, H.A.H.R., 41 (1961), p. 60.

2. C.B., III, pp. 163-5. For the reinforcements sent from Portugal and the reorganization of Brazil's military force, see R.I.H.G.B., 35(1872), Part I, pp. 227-36, and Alden, H.A.H.R., 41(1961), p. 62, note 23.

3. S.P. 89/62-64 passim.

exchanges with Choiseul to make the rumoured entente between the Bourbon powers and Portugal appear plausible.

In the autumn of 1767 some uneasiness at Portugal's seeming inclination towards the 'system of the south' may be detected in London. But generally speaking the English government paid little attention to the peninsular dispute over the River Ilate boundaries and appeared quite confident of the soundness of their engagements with Portugal. As long as France did not actively interfere, Britain treated Pombal's alarming reports of Bourbon designs to seduce him as an argument of little substance, and showed much more concern in getting redress for her commercial grievances. The English accepted the Jesuit motive of the Hispano-Portuguese rapprochement at its face value.¹

Pombal had no reason in 1767 to feel encouraged by Britain's attitude and had to steer a moderate course. For Spain might send forces to America to redress the balance of power, in which case his plan to push forward

1. S.P. 89/63 passim. Cp., on the other hand, the strong British reaction when it was reported from Paris in the spring of 1772 that a commercial treaty between France and Portugal was being negotiated and Pombal's speedy explanations; Rochford to Walpole, 31 March 1772, no. 4, and Walpole to Rochford, 15 April 1772, no. 11, S.P. 89/72.

step by step without bringing upon himself an open conflict with Madrid would be in jeopardy. On the other hand, he could not evade the alliance issue for ever. He was in effect forced to proceed by the arrival in Lisbon on September 6th of news from Rio de Janeiro that the Spanish had been driven away from the northern bank of the River Grande (this name was also used to describe the river which discharged its waters into the lagôa dos Patos from the north) by Custodio de Sá, military commander of the area, in June 1767 before the conciliatory orders of June 20th had reached him.¹

This act would not seem consistent with Pombal's professions of good will towards the Bourbon powers. Spain might retaliate. Pombal promptly apologized to Spain for the unauthorized attack and offered to restore the state of things in America to what it was before the incident. On September 10th, four days after the arrival in Lisbon of news of it, Pombal instructed Ayres de Sá to disavow the action and to explain to Grimaldi that it had been a shock to him in view of the existing friendly intercourse between

1. Rio Grande or Rio Grande de São Pedro was the name given to the town on the wide outlet to the Atlantic of the Lagôa dos Patos, to the channel itself, and to the area between Lakes Mirim and Patos and the Spanish Jesuit missions.

their two countries; the officer responsible would be brought to Lisbon to answer for his action. At the same time Pombal insinuated that the Jesuits might be the cause of the present friction in the Rio de la Plata area: as they were intriguing in Britain against Portugal, it was also possible that they were stirring up strife between Spaniards and Portuguese in America.

Eight days later Sá sent a memorial to Grimaldi containing Pombal's instructions of September 10th;¹ Grimaldi accepted Pombal's promise to return to "normal" as genuine.² But the alliance negotiations did not prosper; Sá wrote to Grimaldi on 30 September that Pombal had decided to postpone them till after the Society of Jesus had been dissolved by Rome. The argument used was that the alliance negotiations might incite the Jesuits to intrigue with Britain in America; it was preferable to neutralize them as

1. Sá to Grimaldi, 18 September 1767, enclosing copy of José Custodio de Sá (Portuguese military commander in Rio Grande) to Marcelino de Figueredo (governor of Rio Grande), San Cayetano Camp, 28 May 1767, to show that Custodio ordered the attack against Lisbon's instructions; both printed in C.B., III, pp. 145-50. Cp. Gil Munilla, pp. 122-4.

2. C.B., III, p. 151.

a political power, and then the two nations could resume their political discussions.¹ In contrast to these delaying tactics Pombal suggested that the negotiations on the question of boundaries in America should proceed.

Grimaldi pointed to this discrepancy in his October talks with Sá, but to tempt Pombal the Spanish minister hinted, verbally and informally, that he himself would be prepared to recommend Carlos III to solve the dispute on boundaries in Portugal's favour, if she signed a defensive alliance with Spain first.² Spain was now pressed enough to drop her demand that terms should be offered by Portugal. She now put forward terms herself and at Carlos III's suggestion a draft treaty was transmitted via Sá to Lisbon on October 21st, being carried by one of Grimaldi's couriers. This draft project contained full provisions for mutual help in maritime and American wars. As for Europe, the alliance was to be effective if either of the signatories-to-be were attacked by any power in their metropolitan territories. To assuage Portugal's misgivings about parting company with Britain, she was given assurances that she would find

1. Sá to Grimaldi, 30 September 1767; A.G.S., Estado, leg^o 7290. Cp. Gil Munilla, pp. 124-5.

2. Cp. Gil Munilla, p. 400.

adequate protection within the 'system of the south'. A speedy answer was requested. It was hoped that Mariana Vitória's influence in Lisbon might help to produce a positive reply.¹

Spain was, however, prepared to wait. The advantages of a Portuguese alliance in the winter of 1767-1768, when Spain was about to decide on expelling the English from the Falklands by force, were great.² Grimaldi did not seem to want any diplomatic decision on the boundaries at that time. He meant to test how firm the Portuguese alliance with Great Britain was. However, disregarding Fuentes' earlier warning, which he now repeated, and Masserano's that Pombal was trying to hoodwink Spain while pushing ahead with military preparations to gain undisputed mastery over the debated lands in the River Plate, and attempting to induce the English to support Portugal's claims and to make Britain's friendship less onerous commercially by arousing their fears of a rapprochement between the Bourbon powers and Portugal,³ Grimaldi weakened Spain's position still

-
1. Grimaldi to Almodóvar, 21 October 1767; Carlos III to Mariana Vitória, same date; A.G.S., Estado, leg^o 7290.
 2. Cp. Fuentes to Grimaldi, 12 February 1768, and Grimaldi to Fuentes, 2 March 1768, A.G.S., Estado, leg^o 4565.
 3. Masserano to Grimaldi, November 6th, no.1156, and 24th, no.1175, 1767, A.G.S., Estado, leg^o 6965. Fuentes to Grimaldi, 20 November 1767, A.G.S., Estado, leg^o 7290.

further by approaching Portugal in March 1768. His intention was to ascertain Pombal's attitude towards Spain before deciding on the course of action to be followed in respect of the British establishment in the South Seas, but his anxiety no doubt added to Pombal's confidence in his own methods.¹

The Spanish diplomatists were proved right. Carlos III was the first to know, for Mariana Vitória wrote to him on 23 March 1768 that the Portuguese government would not accept Spain's proposals for an alliance. Pombal told Almodóvar that Portugal had no intention to part company with Britain, nor had she any desire to become involved in an Anglo-Bourbon conflict. In Madrid Sá alleged that Portugal had proceeded that far in the belief that only the question of boundaries in America was under discussion; however, he gave hopes that the alliance negotiations might proceed if Spain was prepared to make sacrifices in America as Grimaldi suggested he himself was. Sá did not hesitate to lay before Grimaldi Portugal's terms: all the territories lying north of the River Plate.²

1. Above p. 243.

2. Mariana Vitória to Carlos III, 23 March 1768; Almodóvar to Grimaldi, 3 April 1768; A.G.S., Estado, leg^o 7290. Ayres de Sá to Grimaldi, 14 April 1768, mentioned by Grimaldi in his instructions to Almodóvar of 20 May 1768 (printed by Gil Munilla, pp. 399-400).

But even at this price Spain might not have got the alliance, since Pombal in a letter to Azambuja - who had succeeded Cunha as viceroy of Brazil in November 1767¹ - on 28 January 1768 described the alliance as well as the hope of curtailing or stopping Portuguese expansion as Spanish follies. He also wrote he had no desire to be caught up in the apparently impending war between the Bourbon powers and Britain. Pombal now enjoined the viceroy not to be deceived by the Hispano-Portuguese co-operation over the Jesuits, which was limited to their mutual desire to expel these from their American dominions, and ordered him to press forward towards the River Plate once more. Azambuja should always act on the assumption that Spain was not sincere and harboured hostile intentions.²

Pombal's ostensible wish to discuss boundaries in America was no more genuine than his former suggestion for a political understanding between the two countries - though he would have been glad to get an extension of the Portuguese territories in America at no real cost in commitment to the Bourbon powers. He tried to win Choiseul

1. C.B., III, p. 152.

2. C.B., III, pp.166-7.

for the continuation of the discussion over boundaries. On March 20th he conveyed the Portuguese answer sent to Grimaldi to Paris. France had shown that she would accept Portugal's neutrality in Anglo-Bourbon wars, Pombal stressed; there was no reason, therefore, why an amicable negotiation of the question of boundaries in southern Brazil should entail a reconsideration of the political systems of the countries involved.¹

In view of the Family Compact Pombal did not expect France to support Portugal's claim in America - though he believed that Choiseul would not permit Spain to gain any great advantages in Portugal.² His main reason for approaching Choiseul - against Grimaldi's specific request to solve their dispute amongst themselves - would appear to be his desire to cause some anxiety in British circles. Anglo-French antagonism might serve to prevent Spain from sending forces away from Europe, and Portugal would be able to push southwards in the Río de la Plata area.

Choiseul now realized that the chances of bringing

-
1. Pombal to Souza, 20 March 1768; copy enclosed in Fuentes to Grimaldi of April 30th; A.G.S., Estado, leg^o 7290.
 2. Lyttelton to Shelburne, 26 April 1768, no.50, S.P. 89/65.

Portugal to agree to close her ports to English ships in case of war were very slim; but he did not give up. In August 1768 a new representative was sent to Lisbon, Clermont d'Amboise, with instructions to go on trying to conciliate Pombal.¹

Spain for her part was not prepared to continue the negotiations on the limited lines suggested by Sá. On 20 May Grimaldi wrote to Almodóvar two long instructions. In his no. 2, which was to be laid before Pombal, Grimaldi gave a narrative of the negotiations with Portugal since May 1767, to demonstrate that the Portuguese had been the first to mention an alliance and that his informal and verbal offer of favourable terms on the question of boundaries was conditional on the signature of the defensive alliance.² In his no. 1, Grimaldi expatiated on Pombal's ill will and referred to his approaches to Choiseul as the best proof that Pombal was trying to confuse

-
1. Choiseul to Pombal, 3 May 1768 (Quadro elementar, VII, pp.329-33); Recueil, III, pp.357-68. Fuentes to Grimaldi, 6 May 1768 (A.G.S., Estado, leg^o 7290), and 23 December 1768 (leg^o 4566). Cp. Martin-Allanic, II, pp. 942-3, 952-3.
 2. Printed by Gil Munilla, app.2, pp.394-401. This was also the end of the private correspondence between Carlos III and Mariana Vitória on the subject of the Alliance for the present; see Carlos III's letter to his sister of May 19th (A.G.S., Estado, leg^o 7290).

the Hispano-Portuguese American issue by bringing France into it. Grimaldi concluded that Portugal was firmly anchored to the English alliance and that Spain had to come to terms with this fact.¹ There was no room for a middle course in Spain's relations with Portugal, Grimaldi wrote to Fuentes three days later. Once the prospect of a negotiated agreement had failed, the only solution it was felt in Madrid, was the use of force; rather let force decide in the future than giving away something now. France would have to be informed of this change in policy, but she was to be prevailed upon not to interfere in Spain's relations with Portugal. Spain wanted a free hand, but it would be dangerous to give other nations cause to believe that the Bourbon powers were not in complete agreement.²

One point that emerged quite clearly from the Hispano-Portuguese exchanges in 1765-1768 was Spain's consistent policy to look on the Portuguese issue as her private concern. She visualized a defensive alliance with Portugal as part and parcel of the Bourbon system but wished to sign it

1. A.G.S., Estado, leg^o 7290. Cp. Gil Munilla, p. 126.

2. Grimaldi to Fuentes, 23 May 1768; cp. his confidential instructions of June 25th; A.G.S., Estado, leg^o 7290.

first as a Hispano-Portuguese engagement, to which France would accede later. In this way Spain would prevent the risk of having to defer to the economic interests of France. But the failure to reach a political understanding with Pombal, compelled the Spanish to accept Portugal as Britain's traditional ally, and the only area where Spain might obtain some territorial gains to compensate for losses likely to occur in the expected conflict with Britain over the Falklands. With war as the alternative to a peaceful solution of Spain's disputes with Portugal and Britain, Grimaldi had to consult with the French, as their help would be needed to defeat Portugal in Europe.

On June 13th Grimaldi requested Aranda to prepare a plan for the invasion of Portugal. Grimaldi suggested a rapid action to conquer her, "un Plan de campaña para la mas rapida conquista de Portugal,"¹ to be carried out by two equally strong armies, French and Spanish, which would act separately and independently but to the same end. In specifying that the two armies should act 'independently', Grimaldi was acceding to the request of Choiseul: they both agreed, however, in wanting a plan similar to Aranda's in 1762-3, except for that qualification. Aranda reported two

1. As quoted in Aranda to Grimaldi, 10 August 1768, A.H.N., Estado, leg^o 4414.

months later and, after Carlos III's approval, his detailed plan of operations was forwarded to Choiseul on August 29th.¹

In the view of the Spanish government, therefore, the dispute with Portugal had become part of the conflict looming with Britain. It is understandable that the Spanish should have assumed that Pombal's devious ways and Portugal's activities in southern Brazil, and Britain's occupation of the Falklands, were different stages of a joint undertaking, which threatened the governorship of Buenos Aires. The lack of realism in hoping to halt Portuguese infiltration in America by a war with Britain lay in Portugal's reluctance to take part in another Anglo-Bourbon conflict.² Spain would have to force a war on her as she had done in 1762, and the results of the Seven Years War in regard to the Hispano-Portuguese dispute were not in the least encouraging: Spain had to return her gains in Portugal and Rio de la Plata for losses elsewhere. She also overlooked that France's intentions regarding Portugal were to be reckoned with. Choiseul's belated reply early in 1770 to Aranda's war project of 1768 showed that the French did not intend to leave Spain a free hand in Portugal.³ His reason

-
1. Grimaldi to Fuentes, 29 August 1768; enclosing Aranda's war project of August 10th, with a comprehensive operational plan and maps; A.G.S., Estado, leg^o 4566 (Aranda's report may be seen in A.H.N., Estado, leg^o 4414, and the maps in the Map Collection, 24-X^e-98). See also Fuentes to Grimaldi, 27 June 1768, A.G.S., Estado, leg^o 4566.
 2. Azevedo, pp. 270-1; Quadro Elementar, VII, p. 407.
 3. Fuentes to Grimaldi, 22 January 1770; printed by Gil Munilla, pp. 401-404.

for preferring two independent armies, the French minister explained, was the poor performance of the Spanish troops in 1762; he did not wish to risk French soldiers for lack of coordination between commanders or faulty supply lines in the Spanish camp. But one may assume that Choiseul was also thinking that should a French army succeed in gaining some territories in Portugal single-handed, he might be able to use it for France's benefit in the commercial field. For Choiseul did not envisage territorial gains; nor did he wish Spain to expand at the expense of Portugal. Indeed, his suggestion for slow action to pin down English troops in Portugal, that is a war of diversion, rather implies that he was against the war of expansion suggested by Spain.

But whatever the chances of settling the American dispute in metropolitan Portugal in a war with Britain over the Falklands, which depended in the first place on whether France would be willing to fight over this issue, Spain was badly in need of improvement in her military position in Buenos Aires if she expected to make Pombal more amenable to a negotiated solution. A better navy was of course the best solution; not only in so far as Portugal in Europe was concerned, but also in the wider

strategic necessities of the Spanish American empire. But this was a long term project and Britain would never let go her naval superiority, which indirectly helped her ally. As second best Spain could keep a large body of land forces posted in America's vital points: this alternative was costly.

The Spanish government had not the resources needed in Buenos Aires. Until 1771 Spain's hands were tied by the prospect of war with Britain, and when the Falkland Islands crisis was over, the fear of Britain's hostile reaction to Spain sending a large expedition to Buenos Aires was still felt. Furthermore, the financial means to maintain a large force in the governorship of Buenos Aires were difficult to come by. Since 1763 Spain had tried to make do with the organization of militias throughout the empire, but they were no adequate substitute where a professional Portuguese army would have to be fought. The situation worsened as the Portuguese strengthened their southern defences and grew more and more aggressive. From 1768 to 1774 they stepped up their operations over a wider area: along the Jacui river, Tapes (to the east of the Lagôa dos Patos) and the mission lands. At the beginning of 1774 Vértiz, Bucareli's successor as governor in Buenos Aires, send an expedition from Santa Tecla (modern Bajé),

recently-created fort to serve as operational base for the area, to push the Portuguese back. Although some small success was achieved, the only result of this tentative move was that the Portuguese, alarmed by it, strengthened their own borderland defences and prepared to launch an attack on Santa Tecla. The situation was such that Vértiz, while advising the central government of the impending action against Santa Tecla in the autumn of 1774, requested that no reinforcements be sent to him as there were no means to support them. Vértiz held at the time that 9,000 men were needed to pursue his policy of defence; he only had about 3,000 badly paid troops. The central government for their part did not seem unduly worried. The only aid sent from the metropolis (late 1774) was a ship of the line and a frigate, with several transports carrying a regiment, and additional financial resources from Lima.¹

1. Gil Munilla, pp.189-242 passim; G. Céspedes del Castillo, Lima y Buenos Aires. Repercusiones económicas y políticas de la creación del virreinato del Plata, pp.84-107; Alden, H.A.H.R., III (1961), pp. 62-4.

4. Britain presses Portugal to resume talks (1774).

Meantime in Lisbon, Pombal learnt from the British representative, Walpole, in the middle of June 1774 that Spain was fitting out (in Ferrol) two ships of the line and two transports with 2,400 soldiers to be sent to Buenos Aires.¹ Pombal was afraid lest this force should enable Vértiz to act on the offensive. He used this news to tell Walpole that Brazil could defend herself but should Spain send reinforcements from home, Portugal would need naval support from Great Britain as guarantor of the 1763 treaty, alleging that Spain, probably in co-operation with France, was planning to strip Portugal of her American possessions.² This line of argument or that ~~of~~ the Bourbon powers aimed to draw Portugal into the Family Compact, as I have already indicated, persisted throughout the crisis.

Britain was not alarmed. She preferred to believe that a negotiated settlement of the Hispano-Portuguese dispute was possible, and began to work for one. On 19th July Rochford enjoined Walpole to persuade Pombal to resume talks with Spain. The Portuguese minister was to be reminded that British support, even diplomatic support, carried a price.

1. This convoy must have been the one mentioned above.

2. Walpole to Rochford, 18 June 1774, no.21, S.P. 89/76.
Cp. C.E., III, pp. 292-3.

Rochford alluded to the fact that British ships found little assistance in Portuguese American ports.¹ On the same day he directed Grantham to warn Grimaldi that Britain was minded to see that the terms of 1763 were observed, and Stormont in Paris was told to approach Vergennes with a view to obtain his co-operation for a pacific adjustment.²

But Pombal rejected Britain's suggestion of a negotiated settlement. He said to Walpole that the Brazilians would press on towards the River Plate, as indeed they were instructed to do on 9 July,³ to expel the Spanish invaders from what they claimed to be their lands, trusting that Britain would never allow the Bourbon powers to fulfil their ambitious aims.⁴ At the end of August, Pombal indicated that he would like to see an English fleet blockade Ferrol or, as second best, to have Grantham authorized to enquire about the reasons for the Spanish armament.⁵

1. No. 7; S.P. 89/76.

2. No.13, S.P. 94/195, and No.34, S.P. 78/292, respectively.

3. C.B., III, pp. 293-8.

4. Walpole to Rochford, 1 August 1774, no.28 (cp. Rochford to Walpole, 2 August 1774, no.10), S.P. 89/77.

5. Walpole to Rochford, August 29th, no.33; 31st, no. 34; and September 1st, no.35, 1774; S.P. 89/77.

Through Grantham Rochford learnt that Spain wished the dispute to be regarded as a minor issue likely to be terminated in America as one of those squabbles between Spanish and Portuguese colonial authorities,¹ a view which must be indicative of Spain's desire to keep Britain from supporting Portugal with her naval power.

Rochford did not dislike the prospect of letting them sort out their differences, but feared that unforeseen developments might push matters to the extremity of war. British pressure to restrain her ally might not prove enough. Stormont was, therefore, to insinuate in Paris that a localized dispute over limits in the River Plate need not alarm the peace of Europe. In this way Britain hoped also to restrain France.² At the same time Rochford acted in Madrid and Lisbon. In the former Rochford used the proximity of British dominions to the American localities in dispute as a pretext to enquire whether the preparations in Ferrol were intended against Britain or meant to produce any alteration in the last treaty of

1. No. 30, 1 August 1774; S.P. 94/196.

2. Rochford to Stormont, 21 September 1774, no. 49; S.P. 78/293.

peace.¹ In the latter Walpole was urged to insist that Portugal's lack of consideration towards British commercial and shipping grievances was not the most conducive way to obtain Britain's diplomatic support.²

From Spain came assurances that she was prepared to listen to Portugal but expected her to make the first move. On 3 October Grantham had a long conversation with Grimaldi in the course of which the latter protested that by restoring Sacramento to Portugal Spain had fulfilled her part of the 1763 treaty. It was Portugal, Grimaldi retorted, who was acting contrary to the stipulations of that treaty. Article 21 confirmed previous treaties between the two countries but Portugal now claimed territories - conquered by Cevallos in 1762 - which she had retained against the clauses of the 1761 treaty. Grimaldi's explanations and peaceable expressions, Grantham reported, could be depended upon. He dismissed Pombal's allegations and concluded that the main obstacle to a negotiated settlement had to be overcome in Lisbon, where it was said that a negotiation was worse than a war.³

-
1. Rochford to Grantham, 21 September 1774, no.18;S.P. 94/196.
 2. Rochford to Walpole, 27 September 1774, no.16;S.P.89/77.
 3. Grantham to Rochford, 5 October,1774, nos 42 and 43, S.P. 94/196.

Spain was prepared to negotiate the issue with Portugal, but she was anxious not to have a settlement imposed on her by Britain and France. The Spanish would rather tackle Portugal on their own, provided Britain would be induced to give some indication that she would permit Spain to resort to a limited war. Grimaldi, therefore, following upon his conference with Grantham on 3 October, decided to put this to the test. In London Masserano was to expose Pombal's aggressive behaviour which could only be explained by his confidence in British support.¹ It was hard to reconcile Britain's pacific protestations and Portugal's military build-up in southern Brazil. Spain might feel compelled to resort to force, Grimaldi insinuated, unless Britain restrained her ally. Instructions were also sent to France to sound her attitude on a limited Hispano-Portuguese war.²

1. The recipient of these instructions was not Masserano, who was detained in Paris by gout when on his way back from Spain, but Escarano, the secretary to the Spanish embassy in London and in charge of affairs; Masserano to Escarano, Paris, 11 October 1774, A.G.S., Estado, leg^o 6988.

2. Gil Munilla, pp. 232-8.

Britain had already moved to the extent of pressing Portugal to approach Spain. The day after the arrival in London of Grantham's dispatches of October 5th, Walpole was directed to put Spain's case to Pombal and to prompt him to resume talks with the Spanish Court. Grimaldi's memorial of 6 February 1765, it was admitted, was shamefully evasive, but Portugal had never answered it and thus had failed to put her own case.¹ France was also pressed by Stormont to help, while Grantham was instructed to let Grimaldi know that Britain was trying to moderate the Portuguese policy.² But there were no signs that Pombal might be conciliatory, and Rochford - weary of the Portuguese's bellicose mood - gave assurances to the Bourbon powers in November that Britain was not supporting Pombal's intractability. When Escarano approached him the English minister gave a more specific pledge. He even went as far as to insinuate that Spain might be permitted to seek satisfaction by use of force as long as she limited the area of conflict to the disputed territories in the River Plate.³

-
1. Rochford to Walpole, 18 October 1774, no.17, S.P. 89/78.
 2. Rochford to Stormont, 21 October 1774, no.54, S.P. 78/283; Rochford to Grantham, 25 October 1774, no.20, S.P. 94/196.
 3. Escarano to Grimaldi, London, 15 November 1774, no. 394, and November 18th, no.396; A.G.S., Estado, leg^o 6988.

Regarding France, Britain was quite convinced that she had no wish to interfere as neither Madrid nor Lisbon had informed Vergennes of their differences. Stormont, however, cautioned London that Spain may have determined to strike a sudden blow, and to leave to such events, as must naturally arise, to force her ally to follow.¹ Indeed, Spain herself suspected Pombal of the same designs.² Hence the need to get France to moderate her ally.

Like Britain, France had no desire to let the peninsular quarrel develop beyond the limits of the territorial dispute in America. Vergennes represented to the Spaniards that a specific denial of hostile intentions against Brazil was desirable in order to allay British suspicions; he had inferred from Stormont's language that Britain was sincerely inclined to peace. His plan was to let her urge moderation on Pombal in the hope that Portuguese displeasure might induce that court to have recourse to France as their intermediary with the Spaniards. Vergennes would then be able to keep a restraining hand upon France's ally, and reap some benefit in the shape of improvement of her

1. Stormont to Rochford, Paris, 28 September 1774, no. 85, S.P. 78/293.

2. Gil Munilla, p. 236.

commercial position in Portugal from a grateful Pombal.¹

But Pombal was impervious to arguments for a negotiated settlement, short of Spain restoring all territories taken by Cevallos in 1762. Meantime he continued to play upon Anglo-Bourbon antagonism, and to deflect Rochford's pressure for a reply to Grimaldi's memorial of 6 February 1765 on the question of boundaries, he reverted to the subject of Bourbon attempts to turn him away from Britain. Pombal took a bold line, confident that in the last resort he possessed the means to mollify Great Britain and bring her to his side through redress of her commercial grievances.²

-
1. Stormont to Rochford, 26 October 1774, no.94, S.P. 78/293. Cp. Doniol, I, pp. 31-5, 59.
 2. See Walpole-Rochford correspondence, October 1774 to January 1775, S.P. 89/78-79 passim. Cp. C.B., III, pp. 294-8.

5. The Algiers fiasco causes Grimaldi to induce the second phase of the negotiation: the Franco-English mediation.

Grimaldi for his part became preoccupied with North Africa and had to neglect the Portuguese negotiation. On 19 September 1774 Morocco and Algiers had declared war on Spain in the hope of recovering possession of the Spanish holdings: Ceuta, Melilla and Vélez (claimed by Morocco), and Oran and Mers-el-Kebir (claimed by Algiers). Spain accepted the challenge on October 23rd. Morocco laid siege to Melilla in December, but its garrison, with reinforcements from Málaga, held out. As to the Dey of Algiers, who had undertaken to conquer Oran, he failed even to attempt it. By March 1775 Sidi Mohammed of Morocco was asking for peace, and to propitiate Spain he suggested a joint punitive expedition against Algiers.

Spain seized upon these events as a chance to attempt a definitive solution to the African threat to Spanish shipping in the Mediterranean, e.g. by accepting Moroccan friendship and diverting the large expeditionary force gathered at Cartagena to Algiers, whose ships were the most active in their hostility against Spain's. From the military point of view it was easier to cope with the Dey.

To avoid delays and outside interference, Grimaldi kept these African plans secret from both Britain and France.¹

Behind the naval armaments directed towards North Africa, lay the plan of being prepared in the military and naval sense to use the opportunity for the Family Compact to fight Britain should the unrest in Britain's American colonies grow to revolution. Vergennes was the prime mover in such plans. He warned Spain of the implications of the British decision to announce that commerce with their colonies was to be stopped and foreign ships carrying warlike stores to the insurgents would be confiscated, and formulated a plan to use the opportunity if Britain had a revolt on her hands to reverse the balance of power established in 1763. At the same time Vergennes cautioned Spain against British military and naval preparations, for there was the fear of an attack on the French West India Islands and the colonial possession of Spain if Chatham returned to power.

The Spanish ambassador to the French Court, Aranda, shared these feelings, and he also began to moot war plans and think of territorial compensations. The African

1. V.Rodríguez Casado, La política marroquí de Carlos III, chapter VII.

expedition was in his view a good pretext for having a large armament at the ready in preparation for a war with the English; he hailed the raising of the seige of Melilla as a boost for Spanish morale and prestige abroad. When Vergennes inquired of him in March about the Spanish force at Cartagena, Aranda, who did not know its destination, presented it as evidence that Spain was giving serious attention to her navy, and urged the French minister to do likewise in respect of his forces.

Grimaldi was less carried away than Aranda, and urged caution. On 25 April 1775 he suggested a joint Bourbon request for information as to the purpose of the British concentration of forces in American waters and a demand for adequate assurances for the security of their American possessions. But this found no favour with Aranda and Vergennes who pointed out that such a step would prompt Britain to demand reciprocal guarantees from Spain and France, which would prevent them from bringing their power up to Britain's level. The danger of Chatham's return to power, Vergennes urged, was a reminder of the need to hold themselves in readiness. Grimaldi gave way as he saw the sense of this.¹

1. Doniol, I, pp.140-81 ~~passim~~; J.F.Yela Utrilla, España ante la independencia de los Estados Unidos, I, pp.42-6; and Gil Munilla, pp.244-51.

Spanish armaments and reported French naval preparations¹ alarmed Great Britain. They could not, it was argued, be destined solely against the Moors: an attack on Portugal or Brazil was feared. Grimaldi, concerned to keep his Algiers plan secret both from France and Britain, simply reiterated that his armaments were intended against the Moors. As for the French naval preparations, they proved without foundation.²

Meantime, amidst great expectations, Madrid received the news on 14 July 1775 that the descent against Algiers on the 8th (after a month's delay in Cartagena) had been repulsed and the Spanish expeditionary force, composed of some 20,000 men with forty-seven armed vessels and transports, compelled to withdraw in disarray on the same day. The ships now lay at anchor, relatively undamaged, at Málaga and Cádiz.³ Grimaldi's position was adversely affected; undoubtedly the fiasco contributed to his resignation sixteen months from now.⁴

1. In mid April it was reported from Paris that France intended to arm a fleet seventeen-sail strong in Brest.
2. Escarano to Grimaldi, 19 May 1775, no. 507, A.G.S., Estado, leg^o 6989; Rochford to Grantham, 16 June 1775, no. 13, S.P. 94/198; Doniol, I, pp. 55-6, 80, 112-3; St. Paul, II, pp. 44-155, passim.
3. Danvila, IV, pp. 221-243; Rodríguez Casado, Política marroquí, pp. 235-44.
4. See below p. 483.

Aranda, still influential in government circles, viewed the situation optimistically. African provocations had enabled Spain to get a large armament in readiness for any eventuality.¹ The French minister also played down the fiasco for prestige reasons; Vergennes remarked that the fact that Spain had been able to mobilize 20,000 soldiers was a sign that her military and naval machine was well prepared.²

But Grimaldi saw no consolation in possessing an armament that had failed lamentably before a minor power. This was no encouragement to entertain positive policies regarding Portugal as Aranda was suggesting. In these circumstances, on 17 July, three days after the arrival in Madrid of the news about Algiers, Grimaldi seems to have given some indication to Souza Coutinho³ that he might be willing to reopen negotiations on the question of boundaries in the River Plate. Grimaldi meant no

1. Gil Munilla, pp.249-54; Danvila, IV, pp.243-250.

2. Doniol, I, pp.111-5.

3. In December 1770 he was appointed to the Spanish embassy to succeed Sá, who returned to Lisbon to take charge of the foreign secretaryship (Walpole to Rochford, 14 December 1770, no. 50, S.P. 89/78). The Portuguese ambassador in Paris was his brother.

official move, but Fombal used it as such.¹ Grimaldi's efforts to obtain French help in getting negotiations going once more by pressing Portugal, point in the same direction. This approach to France is evidence of the weakening of Grimaldi's position. It was fraught with danger for that independent policy Grimaldi had tried to pursue.² The interests of France would have to be considered.

In the mediation policy, in which he hoped to be joined by Britain, Vergennes, like Choiseul, wished to obtain some commercial reward in return for his offices as a benevolent broker by inhibiting Spain's territorial claims and by emphasizing Britain's lukewarm support for the Portuguese case. On the other hand, Vergennes was already preparing the ground for an eventual understanding with the Americans, who had had their first armed encounter with British troops in June. Vergennes wanted to have the Spaniards well disposed towards a policy of intervention in American affairs. On 20 August 1775 he recommended that

1. Grantham reports that it was Souza who went to see Grimaldi on July 17th to offer a conveyance of any dispatches for Lisbon with the Portuguese messenger from Rome; but he knows nothing of what went on between them, except that Lisbon sent instructions to Madrid which were proposed to Grimaldi on 12 August (29 November 1775, no. 63, S.P. 94/199).

2. Cp. Gil Munilla, pp. 255-7, 261-3.

several thousand troops and some ships of the line be sent to Buenos Aires to redress the balance of power and referred to the possibility of seeking friendship with the American insurrectionists. However, he did not wish to be hurried into war with Britain until the chances of winning it were more than even: least of all to strengthen Spain at Portugal's expense. Having exerted military pressure on Portugal in America, taking good care not to adopt measures of such consequence as might induce Britain to intervene, Vergennes would then try to make Spain "relâcher de l'exactitude rigoureuse de ses anciennes frontières".¹ Aranda supported Vergennes' recommendation to send reinforcements to Buenos Aires whole-heartedly, and warned Grimaldi against Pombal.²

But French hopes and Aranda's counsel were to some extent circumvented by the direct negotiations which began on 12 August - five days after Spain had solicited France's help as mediator - when Souza announced in Madrid that he had been authorized to propose an amicable settlement of

1. Recueil, III, pp.371-380. Cp. Doniol, pp.116-328 passim; Quadro elementar, VIII, pp. 99-116.

2. Gil Munilla, pp.265-6, 406-7; Yela, I, pp. 46-9.

their differences in the Río de la Plata area. While these negotiations lasted, Souza suggested, the Brazilian authorities would be ordered to cease all hostility against the Spanish Americans, and these in turn were expected to be given similar instructions. Grimaldi, without any formal guarantee from Lisbon, did not hesitate to send these instructions to Buenos Aires the same day.¹ Grimaldi still clung to the hope that a pacific settlement was possible.

The Portuguese minister had no intention to hold his hand. Souza's opening to Grimaldi on 12 August was followed on the 26th by an instruction to the governor of Brazil, Lavradio, pressing him to expel the Spaniards from Rio Grande without delay in pursuance of his earlier instructions of 7 July 1774. Spain had suffered a serious set-back in Algiers, Pombal observed, which had made her solicitous of an amicable discussion with Portugal.² On the one hand, Pombal understood that the Spanish armament

1. Ibid., p.265; C.B., III, pp.337-8.

2. C.B., III, pp.338-41. Cp. Alden, H.A.H.R., 41 (1961), p.66.

now back in Spanish ports might be sent to Buenos Aires; a pretence to negotiate might prevent this. On the other hand, if a real negotiation was started, the possession of the territories under dispute would enable Pombal to negotiate from strength as would his allegation that Spain had solicited Portugal on July 17th. Meanwhile, he needed time for his tactics could only succeed if Britain was seen to be giving Portugal some encouragement. He was playing on Spain's fears that this might be the case. But he needed reassuring, for Britain's involvement in North America might make her reluctant to embolden Portugal.

On August 23rd, three days before Lavradio's instructions, Pombal had a conference with Walpole, in which the Portuguese minister alleged that Grimaldi, accommodating as to terms, had invited Portugal to settle their boundary disputes on July 17th; he requested British diplomatic support to secure the restitution of the territories conquered by Cevallos in 1762 as stipulated, according to the Portuguese interpretation, by article 21 of the 1763 treaty. He also raised the old story of the Bourbon threat to Portugal now that Britain was deeply involved in America.¹

1. Walpole to Rochford, 2 September 1775, no.42 (cp. Pinto to Rochford, London, 27 September and 8 October 1775), S.P. 89/80.

But Britain was not in a position to encourage Portugal. The American insurrection was making increasing demands on her resources, and she had no wish to be seen to connive at Pombal's policies, for fear of provoking the Bourbon powers. Indeed the English were prepared to give assurances that Britain did not contemplate attacking French or Spanish possessions in America; in November 1775 Rochford suggested a tripartite understanding, with mutual guarantees by France, Spain and Great Britain.¹ Reports from Madrid and Paris confirmed Rochford in this disposition; according to Grantham and Stormont the Spanish and French Courts were inclined to find a pacific solution to the Portuguese issue; it was Pombal who had to be forced to be reasonable.²

Rochford argued for peace more resolutely than he had done in the previous winter. The Portuguese were told that it was utterly impossible for Britain to give them any assistance at this moment and that they had to find

1. Yela, I, pp. 55-6; Gil Munilla, pp. 283-4.

2. Grantham to Rochford, 21 September, no. 52, and 9 November 1775, no. 58 (S.P. 94/199); Stormont to Weymouth, 1 November 1775, no. 22 (S.P. 78/297).

some expedient to accelerate an accommodation. Both Grimaldi and Vergennes were acquainted with this move, and Rochford urged that France should also use her influence with Spain in a peaceful direction.¹

In Madrid Grimaldi soon began to grow anxious. Pombal's evasiveness and the active measures suggested by Vergennes and Aranda roused him from his passive waiting. In October he held several meetings with his colleagues to decide whether to remain on the defensive but well prepared to counter any sudden attack, to send an expedition to Buenos Aires, or to wage preventive war against Portugal and, by implication, Britain. Aranda was foremost in advocating war on Portugal, while adopting defensive measures in the River Plate. But if negotiations with Portugal could be started, he still insisted that military pressure in Brazil was necessary, and indicated that Britain, in view of her involvement in North America, might turn a blind eye to a Spanish expedition to Buenos

1. Rochford to Stormont, 3 November 1775, no. 13 (S.P. 78/297); to Grantham, November 7th, no. 23 (S.P. 94/199); to Walpole, same date, no. 23 (S.P. 89/80).

Aires if it were done discreetly. The minister of war, Ricla, suggested an offensive war in the peninsula with France's support; in return for the conquest of Portugal, Vértiz in Buenos Aires would help the French to conquer Portugal's American possessions. Cevallos, the governor of Buenos Aires during the Seven Years War, gave an opinion more akin to Grimaldi's. He advised against aggressive measures either in Portugal or in Brazil since either would immediately draw Britain to Portugal's support and Spain was not prepared. It was preferable to bide time while military and naval efficiency was improved, and Britain's power was diminished, surreptitiously supporting the American insurrection. Then, Spain should be in a position to attack metropolitan Portugal with the help of France and extract from her advantageous terms in America.

By order of Carlos III Grimaldi transmitted these views to Aranda on October 18th to be discussed by the French King and his ministers. His own counsel was to remain on the defensive but well prepared in Spain, while waiting for Pombal's next move. He still wished that the mediation of France and Britain should proceed, and his one positive suggestion was to press Pombal for a negotiated solution by stationing several regiments along the Portuguese border and parading some ships of the line and frigates

before Lisbon.

While waiting for the French reply Grimaldi, aware of Pombal's efforts to draw British support, demanded an answer on November 20th to his proposal of September 17th (following Portugal's own suggestion on August 12th which Grimaldi had already complied with) that hostilities should be suspended before negotiations on detail began; on the 24th he reiterated this demand in the most urgent manner.¹

One may speculate on whether Grimaldi was not now in a position to force Portugal's hand rather than hope, as he seemed to be doing, that the Portuguese build-up in the Río de la Plata area might justify his appeals to Britain to restrain her ally or to allow Spain to do it herself in America. No doubt there was the serious risk of British intervention, if Spain decided to send an expeditionary force to Buenos Aires; on the other hand, the English had clearly indicated that they might turn a blind eye to a Spanish action in America if confined to the disputed areas between Spain and Portugal. France's exclusion

1. Gil Munilla, pp. 254-5, 269-78, 407-414.

from such an enterprise might be deemed adequate guarantee in Britain's eyes that Spain would not go beyond it.

By his procrastination Grimaldi was playing Pombal's game. For as time went on, the larger the expedition required to redress the balance of power between Spain and Portugal in the River Plate would be, and this in turn made it the more likely that British suspicions would be aroused when the time came; especially as growing French concern in the struggle of the American colonies against Britain would make it more difficult for Spain to keep the two issues separate. A slow but steady flow of troops towards Buenos Aires might have been the best method to thwart Pombal's policies. Eventually, Spain would find a solution; but it was imposed upon her at a time when she was not able to obtain all the benefits she may have expected.

French reaction to the Spanish communication of 18 October once again showed that Spain would not be encouraged to rise at the expense of Portugal. Vergennes had no desire to acquire new territories - his objectives were more limited than Choiseul's - but only to retrieve France's position in the European balance and to expand her trade; new conquests might transfer the jealousy provoked by the spectacle of Britain's recent successes to

France. he was biding his time and was quite determined to prevent the Portuguese issue from rushing things. As for an attack on Portugal, he argued that Spain had no legitimate grounds to start a war. Vergennes recommended Spain to be moderate towards the Portuguese, and should war prove inevitable, he favoured an attack on Portugal, keeping the gains on deposit to use as compensation for losses elsewhere.¹

The English government for their part became ever more positive in their refusal to Pombal's requests for support; Pombal kept on insisting that France was fully committed to Spain.² Weymouth, since 9 November Rochford's successor in the southern department,³ was, like his predecessor, a little anxious about France's attitude; but reports from the Bourbon Courts reassured him that the only obstacle in the way of a negotiated settlement was the obduracy of the

-
1. Doniol, I, pp.306-12; Gil Munilla, pp.415-6. Cp. Patterson, pp. 37-9.
 2. Walpole to Rochford, 19 November 1775, no.51, and Weymouth to Walpole, 5 December 1775, no.25; S.P. 89/80.
 3. M.A.Thomson, The Secretaries of State, 1681-1783, p. 180. For a short while the Bourbon powers, remembering Weymouth's attitude in 1770, were apprehensive of the new appointment; Masserano to Grimaldi, 14 November 1775, no. 127 (A.G.S., Estado, leg^o 6991); Gil Munilla, p. 276; Doniol, I, pp.236-8.

Portuguese minister. Grantham from Madrid expressed his view that Spain was entitled to a declaration of non-aggression from Portugal in view of the fact that Grimaldi had given such a declaration on Spain's behalf,¹ and Weymouth instructed Walpole on December 12th 1775, to get Pombal to give explicit assurances to Spain, while promising diplomatic support to achieve a negotiated solution acceptable to Portugal. Grantham was also informed so that he might help in Madrid to procure the explicit answer demanded by Grimaldi.²

British pressure eventually told on Pombal. On December 14th Souza was directed to inform Grimaldi that a ship had been ordered to set sail for Rio de Janeiro with instructions to stop hostilities against the Spaniards and to bring matters back to what they were before July 17th. Souza himself had to take the blame for the delay because he had not acquainted Lisbon, until November 27th, so it was alleged, with the Spanish instructions sent to Vértiz on August 12th to suspend hostilities.

-
1. Weymouth to Stormont, 17 November 1775, no.14 (S.P. 78/297); to Grantham, no.24 (S.P. 94/199); Grantham to Rochford, 29 November 1775, no. 63, (S.P. 94/199); Masserano to Grimaldi, 8 December 1775, no. 146 (A.G.S., Estado, leg^o 8133).
 2. Weymouth to Walpole, 12 December 1775, nos 26 and 27 (S.P. 89/80); to Grantham, no.26 (S.P. 94/199). Cp. B.D.I., VII (France), Part IV, p. 149.

This statement, transmitted to the Spanish government on December 10th, was objected to as it established July 17th as the opening of the present talks and indicated that a ship had been ordered to set sail, not that she had been dispatched. With Grantham's assistance, Grimaldi prevailed upon Souza to accept a more satisfactory draft on the 21st which stated that a ship had been dispatched,¹ and omitted the date July 17th at the cost of ignoring the question of mutual restoration of territories. Souza also accepted Grimaldi's counter-declaration of December 22nd that the Spanish orders of August 12th for ceasing hostilities had been sent to Buenos Aires on the understanding that the Portuguese troops "no obrarian contra las Españolas, ni procedería á nuevas Usurpaciones de Territòrio". Both sides now settled down to detailed negotiations since Souza had received authorization.² Some delay was caused by Portugal's objecting to the wording of the notes exchanged between Grimaldi and Souza, especially the appearance of the word 'usurpations' in Grimaldi's note.³

-
1. In fact, this ship was not dispatched until 15 January 1776 (Alden, H.A.H.R., 41 (1961), pp. 67-8).
 2. A copy of Grimaldi's note is enclosed in Grantham to Weymouth, 14 March 1776, no.8 (S.P. 94/200). See also Grantham's dispatches of 11 December, no.65; 21st, no.66; and 28 December 1775, no.67 (S.P. 94/199). Walpole to Weymouth, 10 January 1776, no.2 (S.P. 89/81). Cp. Gil Munilla, pp. 282-3.
 3. Grantham to Weymouth, 18 January 1776, no.2 (S.P. 94/200); Stormont to Weymouth, 14 February, nos 13 and 14 (S.P. 78/298).

Fombal was in any case anxious to spin out the negotiations in the hope of improving Portugal's bargaining position. He first suggested (24 January 1776) a meeting of a congress in Paris to adjust the dispute by the mediation of Paris and London. Britain was requested to propose and sponsor his suggestion~~s~~ in Madrid and Paris. He followed this by an intensive diplomatic campaign against Grimaldi, whom he accused before Vergennes of trying to involve France in a war. At the same time he tried to put the suggested mediators at loggerheads by telling Weymouth that France planned to help the insurgent colonies.¹

Neither Britain nor indeed France wished to commit themselves before Spain expressed her views on the proposed congress. The former, although willing to concur in the measure, would have preferred France to handle Spain alone. France for her part intimated that she would agree to mediate jointly with Britain, but that Portugal would have to broach the subject in Madrid and, should Spain prove agreeable, she could then make an official proposal to France.²

-
1. Walpole to Weymouth, Lisbon, 24 January 1776, no.5 (S.P. 89/81); Quadro elementar, VIII, pp.111-160 passim.
 2. Weymouth to Walpole, 20 February 1776, no.3 (S.P. 89/81); Weymouth to Stormont, 16 February, no.11, and 23rd, no.13; Stormont to Weymouth, 21 February, no.17, and 23rd, no.21 (S.P. 78/298). Quadro elementar, VIII, pp.162-6.

6. Spain decides to use force.

Before these exchanges were known to the Portuguese government, news from South America brought the negotiations to a halt, which was to prove final. In the previous summer a Spanish merchantman and a frigate had been detained, searched and, after some hardship, released by the Brazilian authorities. Furthermore, on 28 October 1775 the Spanish post of San Martin, which had been established to keep a watch on the Portuguese at Rio Fardo, was attacked and its garrison, cattle and effects taken away, by Pinto Bandeira.

On 12 February 1776 Grimaldi declared that no further negotiation on the question of boundaries could proceed until full restitution be made and satisfaction given to Spain. Pombal answered on the 29th that it was the hostile activities of the Spaniards that had provoked the Portuguese to retaliate in San Martin in a defensive action.¹ He further observed that the maritime incidents and the attack on San Martin could not have been prevented, even if there had been a formal suspension of hostilities following upon

1. Walpole to Weymouth, 6 March 1776, no. 10; enclosing the Portuguese account of these incidents (S.P. 89/81). Cp. Gil Munilla, pp. 289-90; C.B., III, pp. 341-6.

the talks of July 17th and August 12th, for it usually took the post three months to arrive in America. Pombal therefore saw no need to delay the discussion of the question of boundaries and now formally proposed a congress at Paris to Grimaldi. The Spanish minister accepted on condition that Portugal first gave satisfaction for the incidents and secondly that Spain was allowed to submit a statement of her case in reply to Portugal's memorandum, submitted by Souza to the Spanish Court on January 16th but withdrawn soon afterwards.¹ On March 17th Pombal, ignoring Grimaldi's conditions, reiterated that the question of limits be deferred to the joint examination of Britain and France not as mediators but as arbitrators. Here was a new point, which again altered the whole aspect of the foregoing talks between the two countries, and therefore added new obstacles. Yet Grimaldi accepted this change in the status of Britain and France, but added to the two conditions mentioned above that Portugal should make the proposal directly to Spain or through a third party (France or Britain), and a term of no more than six months was fixed for the congress to reach its conclusions.²

-
1. Walpole to Weymouth, 6 March 1776, no.10; Pinto to Weymouth, 7 March 1776 (S.P. 89/81). Some of these papers are printed in St. Paul, II, pp.339-44. Cp. Gil Munilla, pp.285-7.
 2. Grantham to Weymouth, 18 March 1776, no.9(S.P. 94/200); Stormont to Weymouth, 27 March 1776, no.38(S.P. 78/298). Cp. Gil Munilla, pp. 287-9.

Meanwhile, Pombal intensified his efforts to pre-dispose Britain and France in his favour. He was aware that Britain because of her own North American troubles might not pay as much attention to Portuguese interests as otherwise would have been the case.

Pombal in his memorandum wanted to focus attention on article 21 of the 1763 treaty; building his case on the Portuguese interpretation of this article he sought to secure Rio Grande de São Pedro, now about to be seized. But he indicated his willingness to sacrifice his claim to the northern bank of the River Plate, the length of coast from Cape Santa Maria to Castillos and all the 'profitable' territories extending as far north as the River Ibicuí, in return for the 'worthless' seven missions east of the Paraguay. These terms were, in fact, those of the 1750 treaty. Pombal desired the renewal of this treaty to make use of the article 25 which established a mutual guarantee and defensive alliance between the two signatories in South America; this suggestion might not be welcome to France because it was incompatible with similar stipulations in the Family Compact of 1761. For this reason this demand may have been forwarded in order

to spin out the work of the arbitrators.¹

Spain also worked out her terms, to be submitted to the arbitrators. Going back to the demarcation line of the Treaty of Tordesillas of 1492 (as suggested by Aranda), Grimaldi proposed that a panel of experts from the Academies of Science of Paris and London should draw the meridian referred to in 1494. Pombal, who maintained that the 1494 treaty had been abolished by that of Utrecht, could not be expected to relish this; the Spanish proposal might be taken as an attempt to question Portugal's territorial gains in the heart of Amazonia. The position of Spain in the Philippine Islands and that of Portugal in the Spice Islands (Moluccas) would also have to be included in the discussions.²

-
1. Walpole to Weymouth, 16 March 1776, no.12; 23 March, no.14; Pinto to Weymouth, 7 and 26 April 1766 (S.P. 89/81). Stormont to Weymouth, 13 March 1776, no. 32; 20 March, no.34 (S.P. 78/298). St. Paul, II, pp.337, 348-56; Quadro elementar, VIII, pp. 172-224 passim.
 2. By the Treaty of Zaragoza of 1529 Carlos V pledged all his rights in the Moluccas to Portugal for 350,000 ducats in cash. The Philippine Islands had been settled by Spain in 1565. According to the 1494 treaty Spain could claim what she reached by sailing westwards and the Portuguese what they found by going to the east. There was never a demarcation line in the Pacific like the one in the South Atlantic (N.C.M.H., II, pp. 568-9, 604-12).

It is likely that Grimaldi was no more in a hurry to reach a decision than Portugal, for at this time the question of using force against the Brazilians was once more debated in Madrid. It was envisaged, first, laying waste Sacramento, demolishing the town and obstructing its port, so that it could never be restored to its former position as a military and commercial bridge-head to Buenos Aires; whatever the diplomatic outcome of the present dispute. It was feared that Britain, because of the benefits she obtained from trade in the colony, might object to letting Portugal part with it; there was also the 1713 treaty which had given Sacramento to Portugal. Secondly, the Spaniards planned to occupy Santa Catarina Island to stop Portuguese infiltration in Rio Grande do Sul. There was hope that the Brazilians might eventually be forced to withdraw to the northern bank of the River Iguazú.¹

No speedy progress was likely to be made and Britain in particular was beginning to grow anxious about

1. Gil Munilla, pp. 285, 291-300, 319.

the deadlock. Throughout the spring of 1776, the English were kept well informed of French secret support to the American insurrectionists, naval preparations, and unofficial relations between the French government and representatives of the insurgent colonies, as well as of Spain's financial contribution. Some of the reports stressed Aranda's important role in persuading Vergennes to be prepared to go to war against Britain. Further, there were also reports of naval activity in Spanish ports and large forces along the Portuguese border.¹

New pressure was therefore put on Lisbon.² Towards the middle of May Pombal, giving up his demand to discuss the maritime incidents and the attack on the Spanish port of San Martin in 1775 as part of the negotiations on boundaries, sent instructions to his representative in Paris conveying the draft of a note to be discussed with Vergennes before offering it to Spain as satisfaction.

-
1. Add. 34413 passim; St. Paul, II, pp.329-435 passim; Quadro elementar, VIII, pp.167-219 passim. Cp. S.F. Bemis, "British Secret Service and the Franco-American Alliance", A.H.R., 29 (1924), pp.474-95; J.P.Boyd, "Silas Deane; Death by a kindly teacher of treason", William and Mary Quarterly, 16 (1959), pp.165-87.
 2. Weymouth's instructions to Walpole, April 1776, S.P. 89/81.

But Vergennes thought it insufficient; he suggested that a satisfactory document would have to contain reparation for the damage, disavowal, and a promise to punish the officer responsible for the seizure of the Spanish ships in the summer of the previous year. The French minister, who was now quite stern in his support for Spain in preparation for a joint intervention in the North American conflict, also suggested that the question of satisfaction be arranged in Madrid between Souza, Ossun and Grantham to speed things up; the latter would first make the application to Pombal through Walpole, who would in turn transmit Pombal's answer to Grantham; the instrument of satisfaction would then be drafted in Madrid and submitted to the Spanish government as soon as assurances that it would be acceptable were received from them. This procedure brought great pressure to bear upon Pombal. Not only was his suggestion for arbitrators disregarded, but the mediation was now to take place in Madrid, improving the Spanish position. Yet Britain approved of it, which shows her conciliatory attitude towards the Bourbon powers.

Spain for her part seemed now decided to let force have the last word. On 22 June 1776 the Portuguese ambassador in Madrid, Souza, agreed to give satisfaction for the last incidents in America (reparation and disavowal),

to reprimand Lavradio, the viceroy of Brazil, and to punish the officers responsible for the seizure of the two Spanish ships. Grantham believed that the Portuguese offer was adequate; Grimaldi now insisted on a public act of atonement to make an example and in token of Portugal's sincerity. The Spanish minister might have accepted the Portuguese offer, Grantham observed, but news from America reached Madrid on the night of the 23rd and on the 24th he suspended the negotiations till the 27th when the Court and government should be back in Madrid from Aranjuez.¹

Talks which had hardly got going ran aground for the last time. The Spanish government was apprised on June 23rd 1776, that the Portuguese had occupied Santa Tecla (March 25th), and coastal Rio Grande de São Pedro (April 1st), and attacked some Spanish vessels. The occupation of Rio Grande took place on the very day that Pombal's

1. Weymouth to Grantham, 28 May, no.11, and 29 May 1776, no.12 (S.P. 94/200); Grantham to Weymouth, Aranjuez, 20 June, no.23, 24 June, no.24, and 19 July 1776 (from Madrid), no.30 (S.P. 94/201). St. Paul, II, pp. 381-435 passim; Quadro elementar, VIII, pp. 224-251 passim.

instructions sent on January 15th, 1776, to suspend hostilities reached Rio de Janeiro.¹

Pombal attempted to assuage Spain and the prospective mediators on July 6th; he offered his apologies to Grimaldi through Ossun and Grantham, and excused the action by the fact that his instructions had not reached Brazil in time.² But it was obviously too late. Grantham observed that the time for Spain to use force against the Portuguese in southern Brazil had, in his opinion, come; he expected troops to be sent to Buenos Aires immediately. Perhaps thus armed, Grantham remarked, Spain might still be prepared to carry on the negotiations.³

Spain had no intention of resuming talks with Lisbon before her military position in the Rio de la Plata area was considerably strengthened. In the second part of July the Spanish ministers worked out the plan for action. In addition to the expeditionary force to be sent to Buenos Aires, a naval force to intercept any succours that might be sent to Rio de Janeiro was to

1. Gil Munilla, pp. 291, 300-1; C.E., III, pp. 346-394.

2. Grantham to Weymouth, 15 July 1776, no.29 (S.P. 94/201. Cp. Gil Munilla, pp. 301-2; Quadro elementar, VIII, pp. 251-9, and XVIII, pp. 406-9.

3. Grantham to Weymouth, 27 June 1776, no.25, and 1 July 1776, no. 27 (S.P. 94/201). Cp. St. Paul, II, pp. 435-6.

patrol the waters between the Canaries and Lisbon, and troops were to be posted along the Portuguese border to oblige them to keep their forces in reserve in the peninsula.¹

Cavallos was appointed to command the expedition; his instructions were signed on 4 August 1776. His commission was not only as commander-in-chief, he was also the first viceroy of Buenos Aires. The expedition did not actually sail till 13 November.² It was composed of some 10,000 men, with seven ships of the line, eight frigates, seven armed vessels and one hundred and sixteen transports.³

During these months Spain kept aloof in her relations with France and Britain. There was relief at the news of July 19th from Masserano that he was given to

-
1. One may add here Spanish permissive policies in regard to American privateers, especially if they brought in Portuguese prizes, in Spanish American ports, which were nominally closed to all foreign ships (Yela, II, pp. 18 and 24-5).
 2. Gil Munilla, pp. 309-20; for the foundation and importance of the new viceroyalty, Ibid, ch. VIII, and Lynch, pp. 40-5.
 3. Grantham's reports in November, 1776, S.P. 94/202.

understand that Britain would not take it amiss if Spain sent troops to Buenos Aires to redress the balance of power in the River Plate.¹ But Britain was still suggesting that negotiations might be possible and desirable if Pombal agreed to restore everything to its state prior to 17 July 1775; Weymouth urged Pombal to do this.²

Opposition to the Spanish decision to resort to force came rather from their own ally, France, who kept trying to restrain Spain from offensive measures to gain some rewards from a successful mediation; her desire to keep Spanish forces in reserve for a battle with Britain, on the other hand, must not be discounted.

Reserve therefore was essential to success; specially in view of France's growing disposition to join the Americans in their struggle against Britain. Premature involvement, or the appearance of it, would endanger Spain's freedom of action regarding Portugal. Indeed,

1. Gil Munilla, pp. 305-7.

2. Weymouth to Grantham, 30 August 1776, no. 17 (S.P. 94/201). For Weymouth's efforts to prevail upon Pombal, S.P. 89/83 passim.

when Vergennes heard of the Portuguese attack on Rio Grande, he immediately attempted to link the peninsular dispute with the American rebellion. On July 8th he insinuated to Spain the advantages of initiating conversations with the insurgent colonies. Five weeks later news of the American Declaration of Independence of July 4th arrived in Paris. This, together with the evacuation of Boston by Howe's army in March, gave the French minister a favourable impression of the fighting capacity of the colonies. The occasion seemed ripe. On August 31st, Vergennes presented the case for war to the King in Council, and eight days later it was transmitted to the Spanish government. Vergennes proposed that Spain should open hostilities against metropolitan Portugal. Britain would then be forced to support her ally, and France in her turn would join the conflict as Spain's auxiliary. Vergennes' proposal reached Madrid accompanied by Aranda's wholehearted approval. The impetuous ambassador in Paris still believed that France's disposition might be made use of to annex Portugal.

Grimaldi was reluctant to adopt such a course of action. He preferred to keep Spain uncommitted in Britain's colonial conflict and to keep his own dispute with Portugal separate. His attitude towards the Americans during the first half of 1776 shows that he was more anxious to secure

Spain's possessions in America than to weaken Britain's hold over hers. Spain had much to lose in a general war; furthermore, the rise of an independent state in North America would be no less of a threat than Great Britain. From the Spanish point of view, it seemed wiser to exhaust both the colonies and the metropolis. In March, Grimaldi decided to give secret assistance to the colonies; four months later his first million of livres tournaises was forwarded to Paris to match Louis XVI's recent gift of another million. This was meant as a secret subsidy to keep the insurrection going; Grimaldi took care not to commit Spain to any financial contract with the colonies, and the transaction was conducted through France.

When Vergennes' proposal reached Grimaldi, the Spanish minister replied (8 October) that long term American resistance could not yet be relied upon. In principle he was for war, but a further period of waiting could enable the Bourbon powers to ensure success. As for Portugal, Grimaldi warned that in such a war Spain would aim to annex her neighbour. For Cavallos' expedition would prove sufficient to obtain satisfaction in the Americas. In view of Vergennes' attitude in November 1775 against it, this attempt to pin the French minister down may have been intended to halt the French

desire for war, leaving Spain free to settle with Portugal in America. If so Grimaldi scored a success. Vergennes now argued for peace. His desire to avoid hostilities was, of course, influenced by Washington's rout at the battle of Long Island (27 August 1776).¹

That Grimaldi, however anxious Spain as a whole may have been to obtain Portugal, was at this time restricting his objectives is clear from his repeated assurances to Grantham that no attack on metropolitan Portugal was intended; though willing to refer the dispute to a future mediation, Grimaldi meant only to reinstate Spain in Rio Grande do Sul before she was prepared to resume negotiations with her neighbour. These assurances were meant also to counteract Aranda's warlike attitude in Paris.²

For their part British statesmen went out of their way to reassure Spain that the arming of thirty ships of the line in the autumn of 1776 had been prompted by

1. Doniol, I, pp. 231-688, passim; Yela, I, pp. 63-108; Gil Munilla, pp. 302-42.

2. Grantham's reports from July to December, 1766; S.P. 94/201-202.

France's naval preparations and was in no way connected with the Spanish expedition to the River Plate. In fact, the English warned Lisbon that their naval dispositions were not to be taken as encouragement for her unjust quarrel.¹ These mutual explanations point to a certain rapprochement in Anglo-Spanish relations, both attempting to restrain their respective allies.

News from Lisbon was also encouraging. At the beginning of December the Portuguese King was reported to be ill. This weakened Pombal's position as Mariana Vitória had greater influence on business. Indeed, his own political career was tottering. Should the King die, he would be the first casualty of the new regime. Making use of this opportunity Grimaldi sent Cevallos two more ships and a frigate with instructions to proceed immediately to Santa Catarina Island and conquer it.²

1. Masserano's reports during the autumn of 1776, specially no. 380 of 8 November and no. 388 of 15 November, A.G.S., Estado, leg^o 6995; B.D.I., VII, (France), Part IV, pp. 153-4; Weymouth to Grantham, 17 January 1777, no. 1, S.P. 94/203 (Cp. Gil Munilla, pp. 325, 344-7). For British pressure on Pombal, see Weymouth's instructions to Walpole, October 1766 (S.P. 89/83).

2. Gil Munilla, p. 326.

Pombal was still working for official British support. On May 2nd, 1776, it was enacted in London that all trade and intercourse with the insurgent colonies was absolutely prohibited to foreigners.¹ Portugal was the only country² who in compliance with British request, pledged her word not to trade with the American colonies and agreed to close her harbours to American vessels. On July 5th Pombal also reverted to his allegations against the Bourbon powers, and offered to launch an attack on Spain if Britain would agree to blockade Brest and Cadiz.³ But all was in vain; Britain did not wish to give Spain a good excuse to support the American insurrectionists, who were at the time pressing the Bourbon powers to come to their help.

With Franklin, who arrived in France in December 1776, came Congress' authorization to make such offers as might be necessary to secure immediate military and naval

-
1. Statutes at Large, 16 George III, c. 5.
 2. S.F. Bemis, The Diplomacy of the American Revolution, p. 115 (quoted in future as Bemis).
 3. Walpole's reports to Weymouth from August to October, 1776 (S.P. 89/83); S.P. 89/92, ff. 305-312; Add. 24162, ff. 141-2; Quadro elementar, XVIII, pp. 406-7; Gil Munilla, pp. 418-9.

assistance from the Bourbon powers. The acceptance of these proposals meant the recognition of American independence and subsequent war against Britain. Vergennes, who was not yet decided on a course of open support, answered that he had to consult with France's ally. Grimaldi, after a ministerial meeting at the end of January, stressed to Vergennes the need to strengthen Bourbon defences in America rather than entertain offensive views.¹

Spain continued to give verbal encouragement and secret assistance to keep the insurrection going; she also resisted British attempts to persuade her to stop trade with the insurrectionists and to close her ports to their ships and prizes.² France was also unsuccessfully approached.³ But no official support which the Americans might utilize to compromise Spain in the opinion of London was given, and Spain tried to be discreet in those measures

1. Yela, II, pp.49-64; Doniol, II, pp. 218-25.

2. Bemis, pp. 45-55; Yela, I, pp.70-2. Grantham suggested in August 1776 that Spain might follow Portugal's example (her edict of 5 July 1776), but Spain showed no desire to discuss the matter (Grantham to Weymouth, 19 August 1776, no.41, S.P. 94/201).

3. Stormont to Weymouth, 31 July 1776, no. 57, S.P. 78/299.

that might seem to point otherwise; as exemplified in her attitude regarding British general proposals for some kind of agreement to disarm, and the attempt on one of the American commissioners in Paris to go to Spain to deal directly with the Spanish government.

Following Britain's decision at the end of 1776 to bring thirty-six ships of the line into commission at home, the Bourbon powers expressed their concern. The English, while reassuring Spain that their armament had been prompted by French naval preparations and was in no way meant to encourage Portugal in her dispute with her neighbour, suggested that France and Britain might come to an agreement on disarmament. Neither Masserano, who was the recipient of this suggestion, nor Grimaldi, thought it practicable; it was, however, transmitted to France, who would not hear of it. Grimaldi was glad to let it appear that it was France who had opposed it, much to Vergennes' annoyance. As for his part, Grantham was led to believe, the Spanish minister would like to induce such explanations as would restore confidence between Britain and the Bourbon powers.¹

1. Masserano's reports, January-February 1777, in A.G.S., Estado, leg^o 6996 (cp. Doniol, II, pp. 146-56, 201-10, 230-5, 331-3). Weymouth to Grantham, 17 January 1777, no. 1, and Grantham to Weymouth, 10 February 1777, no. 6 (S.P. 94/203).

Later on, in March, the Americans tried to commit Spain to a policy of support. One of their commissioners in Paris, Lee, was sent to Spain to deal directly with the Spanish government. Grimaldi, on his way to Rome, managed to turn him back in Burgos, explaining that since France and Spain were acting in complete agreement there was no need to proceed to Madrid; Lee should be able to carry out his mission in Paris with the French government and Aranda.¹

This was, in fact, Grimaldi's last intervention. Weary of the office and under heavy criticism for the Algiers fiasco and his conduct of the Portuguese negotiations, Grimaldi had for the last few months been requesting Carlos III to allow him to resign and to retire to Italy. Early in November 1776 Carlos III accepted his resignation, as well as his counsel to appoint José Moñino, Count of Florida-blanca, as his successor. Grimaldi remained in Madrid until the arrival of Floridablanca on 18 February 1777 from Rome, where he had successfully represented Spain since 1773 to be succeeded now by Grimaldi himself.²

1. For this incident Yela, I, pp. 161-80.

2. Above, p. 33, n. 1.

7. Floridablanca in charge of the Portuguese negotiation: the treaties of 1777 and 1778.

While Floridablanca pursued broadly the same aims as Grimaldi he was more positive in laying long term plans to profit from the American insurrection. The broad front of Spain's foreign policy at the time consisted in pressing forward for a quick and satisfactory settlement of the Portuguese question, taking care not to arouse Britain while force was used against Portugal and avoiding France's interference, and in the meantime keeping the insurrection going by secret means in the hope of making full use of the possibilities posed by Britain's colonial struggle.¹ Like Grimaldi, he was alive to the dangers of a powerful nation growing on the northern border of Spain's American possessions. From the Spanish point of view, it was preferable to wear them both down; and then, through a Franco-Spanish, or solely Spanish, mediation to get them to make peace on the basis of a truce which would bring something short of independence for the colonies and leave

1. For Floridablanca's attitude regarding British proposals for limitation of armaments, see his instructions to Masserano of March 5th, April 7th, and May 18th (A.G.S., Estado, leg^o 6996), and June 3rd, 1777 (leg^o 6997). Cp. Bemis, p.20, note 11, for Vergennes' opposition to any such agreement. For Floridablanca's intention to avoid French interference in the Portuguese question see his instruction to Aranda of March 5th, no.4, in A.H.N., Estado, leg^o 4072(1).

them and the mother country still hostile to each other. In return for her mediation Spain might obtain Gibraltar or Minorca, or might regain what she had lost in the 1763 treaty.¹

As to Portugal, the situation was now ripe. In view of Britain's apparent disregard for the Portuguese case, the Cevallos expedition, which was feared by the Brazilian authorities,² would be all the more pressing upon Lisbon. Furthermore, José I died on February 24th, and on March 4th the first act of government of his daughter and heir, Maria I, was to remove Pombal, the main obstacle to an understanding between the two peninsular countries.

Twenty days later, the new Queen wrote to her uncle, Carlos III, that the negotiations between their two countries could now be resumed and brought to conclusion. Through her mother, the Queen Dowager, she advanced proposals for hostilities in Buenos Aires to cease, and suggested a political and commercial convention on May 3rd.³

1. Yela, II, pp.182-5, 189-93; Doniol, II, pp.297-301.

2. Alden, H.A.H.R., 41 (1961), pp.70-2.

3. Maria I to Carlos III, 24 March 1777; Mariana Vitória to Carlos III, April 12th and May 3rd; A.G.S., Estado, leg^o 7421.

The speed of this move seems to indicate a desire to halt action by Cevallos. In his reply to his sister on May 16th, Carlos III stressed that, however conciliatory Spain was prepared to be, Portugal should bear in mind that she had provoked her neighbour who was entitled to satisfaction. Carlos III also urged prompt and specific instructions to be sent to Souza, and great secrecy to be kept in their dealings.¹ The Spanish minister stressed to his representative in Paris, Aranda, that Spain was now in a good position to adjust the question of boundaries, and to obtain commercial advantages and some kind of political understanding with Portugal, as long as no third power was given an opportunity to strengthen Portugal's position or to weaken Spain's.²

The armistice in America solicited by Portugal was signed in Aranjuez on June 10th and instructions to cease hostilities were dispatched on the following day, while the Portuguese foreign minister, Ayres de Sá, agreed to conduct negotiations in Madrid through Souza as suggested

-
1. A.G.S., Estado, leg^o 7421 (partly printed in C.B., III, pp.475-6); see also Carlos III's letters to Maria I of April 4th, and to Mariana Vitória of April 24th.
 2. Floridablanca to Aranda, 11 June 1777, nos 1 and 2, A.H.N., Estado, leg^o 4072(1), and 19 July, no.11, leg^o 4072(2).

by Carlos III, promising to observe the secrecy enjoined.¹ By the time of the signature Floridablanca had already been apprised that Santa Catarina Island had fallen to Cevallos on February 20th. In fact, on June 6th, he recommended discretion to the Spanish representative in Lisbon.² Portuguese fears that Spain would want to keep the island were, all the same, aroused: the loss of this island would threaten the territorial contiguity of Brazil and leave the whole area of Rio Grande do Sul and Santa Catarina in a very difficult position. Maria Vitória accused her brother of double-dealing.³ Carlos III for his part hurried to give assurances that he would retain the island only as a means to secure Portugal's acquiescence.⁴

1. The French representative in Lisbon, Blosset, and his English counterpart, Walpole, had in fact been given evasive answers to their attempts to interfere. Sá to Souza, 27 May 1777(A.G.S.,Estado,leg^o 7417); Floridablanca to Almodóvar, June 11th, and the latter's report of June 15th(leg^o 7312); cp.Add.24163, ff.163-4. See also C.B.,III, pp. 477-8.
2. A.G.S.,Estado,leg^o 7312. The Portuguese were not apprised of the events in America until June 19th, according to Almodóvar's report of the 24th(leg^o 7312).
3. In a letter of 29 June (A.G.S.,Estado,leg^o 7421).
4. Carlos III to Mariana Vitória, 10 July 1777; C.B.,III, pp. 476-7.

While the bases for a boundary settlement with Portugal were prepared, Floridablanca had to turn his attention to France where Vergennes had returned to the plan of weaning Portugal away from her British connection. In fact, the French minister was advising Spain to compromise on the subject of territorial claims, and hoped to participate in the Portuguese settlement in order to get it decided speedily in a way which suited his war policy. Vergennes would be satisfied if Portugal was persuaded to maintain a neutral position by giving to France equal facilities as were given to British ships and goods.

Vergennes was now in favour of all out war with Britain, following American offers in the spring to secure an alliance with the Bourbon powers. Since Louis XV gave his consent to war on 23 July 1777 only on condition that Spain agreed, Vergennes had to persuade Floridablanca that the time had come to act openly in support of the Americans and that the Portuguese issue had to be arranged accordingly. Reports from Madrid referred to Floridablanca's reserve towards France on the subject of Portugal and his inclination to believe that Britain had no wish to antagonize the Bourbon powers. To overcome this disposition, Vergennes reverted to the danger of a British attack in American waters and alleged that the English government was hostile to Cevallos'

victories as going beyond Grimaldi's assurances that the expedition was not intended to make new acquisitions. The American commissioners in Paris for their part quite unrealistically offered Spain to help her conquer Portugal.¹

But Floridablanca, secure in his knowledge that Britain was prepared to let Spain free to tackle Portugal in return for her forbearance in respect of the war against the insurgent colonies, was unwilling to fall in with Vergennes' plans.² Only France's presence in the negotiations between Spain and Portugal would stir Britain. Accordingly he tried to moderate France's apparent disposition to throw in her lot with the Americans in the next winter. Indeed, his assurances to Grantham that Spain was minded to keep France at bay, were accepted by the English as clear proof of the Spanish minister's pacific

1. Yela, II, pp.122-9; Doniol, II, pp.434-73, 508-9 and 605; Vergennes also expected a favourable settlement of the boundary dispute in Guiana from his intervention in the Hispano-Portuguese negotiations. For the American offer to help conquer Portugal see Bemis, p.52, note 24.
2. See Masserano's reports of June 1777 (A.G.S., Estado, leg^o 6997) for British lack of concern when it became known in London that Santa Catarina had been taken. For Spanish reports from Paris of Vergennes' intentions regarding Portugal, see Aranda to Floridablanca, 22 June 1777, no. 1056 (A.G.S., Estado, leg^o 7417); cp. Heredia (Aranda's secretary) to the minister of Justice, Roda, 21 June 1777 (Gracia y Justicia, leg^o 778).

leanings, and of his intention to reach a fair settlement with the Portuguese without French interference.¹

Floridablanca was still anxious to settle the Portuguese question as soon as possible in order to be in a better position to profit by Britain's colonial difficulties. Therefore, on August 8th, 1777 (the same day that he sent Vergennes his pacific reaction on the latter's war proposal) Floridablanca instructed Almodóvar to negotiate a preliminary treaty on the American boundaries with secret provisions for a definitive one of territorial limits, alliance and commerce. A draft of the treaty was given to Souza, who was intimated that Carlos III demanded a response to his offer of renouncing the island of Santa Catarina in the interests of a fair and speedy settlement. Having had no reply from Lisbon for a month, the Spanish minister threatened that Carlos III was prepared to wait no longer.²

-
1. Weymouth-Grantham correspondence from May to August 1777 (S.P. 94/203-204 passim); cp. Bemis, pp.56-7. See also Walpole's reports from Lisbon in the summer of 1777 (S.P. 89/84 passim).
 2. Almodóvar to Floridablanca, 17 August 1777, A.H.N., Estado, leg^o 2458; Floridablanca to Ayres de Sá, September 10th, and to Almodóvar, September 19th (A.G.S., Estado, leg^o 7417). I have not been able to find the Spanish projected articles for the treaty, nor indeed the Portuguese reaction (enclosed in Sá's letter to Souza of September 17th, of which copy in A.G.S., Estado, leg^o 7419). There is a legajo (Estado, leg^o 7320) in Simancas which very probably contains these documents; unfortunately it has been mislaid. I have therefore assumed that the final draft was more or less what Floridablanca proposed now, except for one or two points.

The limits proposed by Floridablanca were in part consistent with Cevallos' achievement. After taking Santa Catarina Island, Cevallos had been diverted from Rio Grande de São Pedro by an unseasonably early storm. He then turned his efforts to Sacramento, which fell to him on June 4th, and proceeded to demolish the citadel and to block the harbour as instructed. The signing of the armistice in the peninsula, news of which reached Cevallos on August 10th,¹ prevented him from making another attempt against Rio Grande, which therefore remained in Brazilian hands.²

Floridablanca suggested that Sacramento should return to Spain and Rio Grande de São Pedro should stay with Portugal. The sacrifice of the island of Santa Catarina was said to be motivated by the failure to take Rio Grande, for the former would have been too vulnerable a target in wartime without the latter. But it would appear from the criticism levelled against this decision

1. C.B., III, p. 478.

2. Alden, H.A.H.R., 41 (1961), pp. 72-3. News of the fall of Sacramento reached Europe at the beginning of September.

that Floridablanca's main consideration was to facilitate a settlement .¹ In return for Santa Catarina Island Portugal was asked to give up the seven missions to the east of the Uruguay river and to be excluded from the Plate and Uruguay basins behind a line from the southern end of Lagoa Mirim (Chuy) to the River Pepiriguazú where it discharges its waters into the Uruguay. Beyond this point the demarcation line was renewed as defined in the boundary treaty of 1750.

This preliminary treaty of limits went beyond America. ~~Portugal~~ ~~Spain~~ engaged to renounce all claims to the Philippine and Molucca Islands derived from the treaty of Tordesillas of 1494 and the Act of Sale of Zaragoza of 1529, and ^{she also} ~~Portugal~~ agreed to transfer to Spain Annobon and Fernando Poo in the Gulf of Guinea to give her direct access to the slave trade.

Floridablanca further sent to the Portuguese government several separate and secret articles connected with the defensive treaty. They contained a mutual and

1. See Egerton 373, ff.2-37, for a virulent attack on Floridablanca's account of the treaty with Portugal in his memorial to Carlos III on 10 October 1788 (B.A.E., vol. 59, p.308). Floridablanca alleged that it was Cevallos who had advised to sacrifice the island; but his critics maintained that Cevallos had always been in favour of keeping it.

reciprocal guarantee of possessions and frontiers in the South American continent, and a mutual undertaking not to support in any way each other's enemies in warlike operations. In case one of the two signatories should be engaged in war, the other should observe strict neutrality. In peacetime, the treaty would also include a mutual undertaking not to give aid to foreign ships, friends or neutrals, or admit them into American ports if known to be engaged in contraband trade with the other.

The new boundary line was substantially that of the boundary treaty of 1750, which had confirmed Portugal's extensive territorial claims in Amazonia and in the Banda Oriental, except for the seven Indian villages to the east of the Uruguay river. Pombal's consistent efforts to reach forward to the northern border of the Río de la Plata were therefore thwarted; but so was Spain's desire to expand as far north as Santa Catarina. Eventually, in 1801, a successful Portuguese campaign to retake the seven missions restored the situation to what it was when Pombal rose to power in 1750.¹

The compromise thus reached was the result of their mutual realization that no benefit to either country was

1. Alden, H.A.H.R., 41 (1961), p. 74, note 76.

derived from their endless squabbles in the American area. Furthermore, a permanent settlement in the South American continent need not alter their European connections. Indeed, Spain herself was unwilling to enter into a defensive alliance with Portugal for fear that the defence of her colonies might become the responsibility of her already strained resources.¹ The terms proposed by Floridablanca point to Spain's desire to stabilize the situation in America; cooperation between them would guard their possessions from commercial competition or territorial ambitions of others. Portugal was also alive to this need. Britain had expressed in the past some desire to gain a foothold in the River Plate; she would become a dangerous neighbour.²

But Portugal was anxious not to offend Britain because of her need for her naval support in Europe. For this reason Souza was ordered to introduce a clause in article 2

-
1. Cp. "Instrucción Reservada", para. 376 (B.A.E., vol.59).
 2. There is a paper in A.G.S., Estado, leg^o 6963, undated and unsigned (probably from Pinto, the Portuguese representative in London, in 1780) in which on the occasion of some talk of a British attack on Buenos Aires it is argued that Britain ought to be kept from South America. Cp. Saint-Priest, p.260, for Portuguese opposition to a similar project by Cathcart in 1740.

of the separate and secret ones to safeguard previous engagements with Britain. On September 22nd, 1777, Florida-blanca agreed to this though he asked in return for a mutual disclosure of any secret articles or treaties in conflict with their present stipulations, and pressed for a speedy signature of the preliminary treaty of limits in terms not far short of an ultimatum.¹

The Preliminary Treaty of Limits and its Separate Articles were signed in Madrid on October 1st,² Florida-blanca insisting that the secret articles should be kept from Britain and France lest these powers might put obstacles in the path of the definitive treaty. The Preliminary Treaty was to be published once it was ratified.³

-
1. Floridablanca to Souza, 23 September 1777, and to Almodóvar, 23 and 26 September, A.G.S., Estado, leg^o 7419. Carlos III to Mariana Vitória, September 26th, leg^o 7421.
 2. The Spanish and Portuguese texts are given in Calvo, III, pp. 130-67, and Ferreira, III, pp. 230-67, respectively.
 3. Floridablanca to Almodóvar, 1 October 1777, and to Aranda, October 23rd, A.G.S., Estado, leg^o 7314.

In effect, Vergennes was already pressing to be included in Spain's political exchanges with Portugal. Availing himself of Sá's suggestion to Blosset that a defensive alliance between the Bourbon powers and Portugal need not be more difficult than the present pacification between Spain and Portugal as long as it did not conflict with her mercantile and political engagements with Britain, Vergennes instructed his representative in Madrid on October 17th to put it to Floridablanca that France wished to pursue that suggestion. By virtue of the Family Compact, Vergennes argued, France was implicitly included in any reciprocal guarantee that Spain may have contracted with Portugal.¹ Vergennes suspected that something of a political nature had been signed in addition to the preliminary boundary treaty.

Floridablanca agreed with Vergennes in principle but, reluctant to let France's own proposals endanger Spain's political understanding with Portugal, rejoined that France's premature involvement might scare Lisbon off on account of Britain's probable opposition to a tripartite arrangement.²

1. Doniol, II, pp. 604-6 (A copy of these instructions was submitted to Floridablanca; A.G.S., Estado, leg^o 7411, doc. 26). Vergennes may have also been encouraged to pursue this suggestion by Portugal's willingness to come to a mutual agreement on the subject of the right of escheat, which was abrogated in both countries on 21 April 1778; Ferreira, III, pp. 292-9.

2. Doniol, II, pp. 606-8.

Vergennes' allusion to a secret guarantee was interpreted by the Spanish minister as conclusive evidence that Portugal had informed France of the secret articles and was therefore willing to admit the French into the talks. Not an entirely unpalatable conclusion considering that Ayres de Sá, though denying Floridablanca's veiled allegations, continued to express some willingness to discuss France's participation. Unlike most of his colleagues Ayres de Sá was not pro-English.

On November 2nd, 1777, Floridablanca sent detailed instructions to his representative in Lisbon, Almodóvar, to prevent France's accession to the negotiations before they were completed. Ayres de Sá was reminded that Spain had requested secrecy; no formal complaint was made, however, lest the Portuguese should take it amiss. If they decided to admit France to the negotiations, Floridablanca proposed that Portugal could either negotiate with France separately or include her in the main hispano-Portuguese negotiation. Spain herself preferred to invite France to accede later, when she and Portugal had signed their definitive treaty. Floridablanca cautioned Almodóvar to express this preference in a guarded manner for it was important not to give the Portuguese a handle to strengthen their negotiating position with the threat of French intervention. Floridablanca stooped to the

deceit of insinuating that France was also in favour of acceding later. He was now in earnest to get the matter of the alliance settled. In fact, he invited Portugal to suggest the terms.¹

Portugal for her part was not anxious to become committed to the Bourbon powers as a group or to annoy Spain in view of the critical situation in Franco-British relations. For this reason it was suggested that there would be no specific reference to France as prospective accessory, but only a general provision for the accession in the future of other powers. Availing himself of Floridablanca's lax attitude as to the terms of the alliance, Ayres de Sá proposed simply strict neutrality if one of the signatories was involved in war and a mutual guarantee of their possessions in Europe and in South America where they confine with each other.²

As to Vergennes, he soon let the matter drop for he was not in a position to exert pressure on Spain. On December 17th he had promised to the American commissioners

1. Correspondence between Floridablanca and Sá in November 1777, in A.G.S., Estado, leg^o 7411, documents nos 25, 27, 31-33.
2. Floridablanca's minute of the state of the negotiation with Portugal, 25 January 1778; A.G.S., Estado, leg^o 7411, no. 37.

recognition of the United States and a treaty of alliance, and he was now hoping to persuade Spain to join France in such an alliance.¹

Thus unhindered, Spain and Portugal signed a definitive treaty of limits, friendship, alliance and commerce on 24 March 1778.² The treaty, also called a treaty of neutrality, contained, first of all, a mutual undertaking not to support in any way each other's enemies in warlike operations and to keep each other informed of any other treaty or engagement in conflict with their present stipulations (art. 2). They further engaged themselves to guarantee mutually their possessions and adjacent islands in Europe. In respect of South America the mutual guarantee included their possessions and islands, and their frontiers as established in the preliminary treaty of October 1st, 1777; as well as the Atlantic coast from the Orinoco river to the Magellan Strait. The two signatories also agreed to help each other against any attack

-
1. Floridablanca's minute of a talk with Montmorin (Ossun's successor since November 1777) on January 16th, 1778, A.G.S. Estado, leg^o 7411, no. 36; cp. Doniol, II, pp. 608-9, and Bemis, p. 60. For Vergennes' dissatisfaction over the Portuguese negotiations, see Aranda to Floridablanca, 7 March 1778, A.G.S., Estado, Libro 179.
 2. The Spanish and Portuguese texts of the treaty are given in Cantillo, pp. 547-52, and Ferreira, III, pp. 268-91, respectively.

or invasion (this clause was, in fact, article 25 of the 1750 treaty). In case one of them should become involved in war outside the scope of the mutual guarantee, the other would have to observe the most strict and scrupulous neutrality. Finally, previous treaties with third powers were specifically safeguarded (articles 3 and 4).

As regards commerce, Spain was granted the same position as Britain in 1667 and provisions were made to re-examine the tariffs and customs duties of the 1668 treaty, which regulated trade between the two countries (articles 7-12). It was also stipulated that neither partner would allow into American ports foreign ships aiming to trade with the other power (art. 5).

Floridablanca seemed elated by the conclusion of the treaty.¹ Apart from the benefits derived from a friendly understanding in South America, it was hoped that Britain's maritime opportunities in the southern Atlantic might be reduced and British warships might even be excluded from

1. See his letters to Aranda of 24 March 1778, in A.G.S., Estado, Libro 179.

Portuguese ports in time of war.¹ Without port facilities in Portuguese American waters in time of war or peace, the range of the English navy in Spanish America would become considerably smaller and so would British commercial infiltration. This in turn would lessen Spain's dependence upon France for support; she should now be able to face the opportunities posed by the American revolt more confidently.

However, the new situation was not as advantageous as Floridablanca would have liked to believe. He himself had admitted as much in conversation with Montmorin in January. In effect, we have already noted how Spain limited her objectives for the sake of a settlement with Portugal. France would not allow Spain to conquer Portugal, Floridablanca said to Montmorin; it was therefore preferable to join her in the hope of obtaining, at least, her neutrality in case of war with Britain.² Reports from

-
1. The English representative in Madrid in 1783, Liston, admitted that this stipulation was clearly implied in art.2 of the 1778 treaty (his report no.5 to Fox of 11 September 1783, F.O. 72/1, f.649).
 2. Minute of Floridablanca-Montmorin talk on 16 January 1778; A.G.S., Estado, leg^o 7411, no.36. Spain still nursed dynastic claims to Portugal and successive marriages were arranged in 1785 (Ferreira, III, pp.324-347, 362-409) to promote an eventual reunification of the two countries; but death shattered the hopes for this outcome, which was otherwise unlikely to be tolerated by Britain and France; see B.A.E., vo.59, "Instrucción Reservada", paragraphs 163, 375 and 378.

Lisbon were also diffident; the position of British trade made it difficult for the Spaniards to obtain the commercial advantages, e.g. opening of Portuguese markets to Spanish goods through the reduction of import duties; on the political level Fernán Núñez, Almodóvar's successor in Lisbon since September 1778, expressed his belief that Portugal would lean towards Britain if she had to decide in a war between that country and Spain. The Portuguese ministry, including the chief minister marquis of Angeja, was on the whole pro-English, Fernán Núñez reported, with the exception of the foreign minister, Ayres de Sá, who was more independent in his policies.¹ The Spanish hoped to counteract English influence in Lisbon through their friendly relations with the Portuguese Queen and her confessor.²

-
1. 26 February 1779, A.G.S., Estado, leg^o 7322 (cp. Almodóvar's dispatch of 28 September 1777, leg^o 7417, and Floridablanca to Souza, 30 September 1777, leg^o 7323). The instructions of Carlos José Gutiérrez de los Ríos, count of Fernán Núñez, of 21 September 1778, A.G.S., Estado, leg^o 7317; his credentials in A.H.N., Estado, leg^o 3421(2).
 2. Fernán Núñez's instructions, see note above. Cp. Hillsborough to Walpole, 9 December 1780, secret and confidential (S.P. 89/87), for reports that Spain may be trying to bribe the Portuguese Queen's confessor.

Portugal had her own reasons for welcoming the treaty with Spain, since her neutrality in the impending maritime conflict between Britain and France, and probably Spain, was thus relatively secure. The memory of the Seven Years War reminded her of the danger of becoming a pawn in the Anglo-Bourbon conflict. The Portuguese did not mean to be ranged on the side of the Bourbon powers, but rather to ward off Spanish territorial pretensions and the French conception of a war of diversion in Portugal.

Indeed, the British were not alarmed by either the commercial or the political clauses of the Hispano-Portuguese treaty, of which copies were sent to London by Sá with assurances of the Portuguese intentions to honour their engagements with Britain. Portugal was seen to have weakened her dependence upon Britain a little, but art. 4 of the treaty safeguarded their previous arrangements; there was no stipulation in the treaty, concluded Walpole, that might prevent Britain from calling on her ally of 1703 if Spain decided to wage war on her.¹

1. Walpole to Weymouth, April 13th, no.12, and May 5th, no. 14, 1778, S.P. 89/85; Grantham to Weymouth, 19 April 1778, no. 25, Add. 24176, ff. 76-7.

8. Hispano-Portuguese relations during the American War of Independence.

The value of the treaty of 1778 can be assessed once Spain had entered the American War of Independence. On 6 February 1778, Vergennes had signed a treaty of defensive alliance with the American commissioners. Although hostilities between Britain and France did not begin for a few months, this meant war. France's precipitate action in joining the Americans without waiting for Spain's concurrence gave Floridablanca a welcome pretext to remain outside the war while exploring the possibilities of attaining some of Spain's objectives from Britain, first, through peaceful means and failing these, through full participation in the war.

Spain had no desire to be rushed into war. In the first place, she was reluctant to encourage rebellion in the American Continent, which might easily spread to her own restless dominions. In the second place, Spain with her vast overseas possessions had far more to risk than France. At that moment she also had such hostages on the seas as Cevallos' expeditionary force on its way back from the River Plate and the annual treasure fleet.¹

1. Bemis, pp. 61-7.

when Spain was apprised of the French formal notification to Britain on 13 March of the treaty with the Americans, she hinted to France that a casus foederis would not arise for there had been no previous consultation.¹ To Grantham, who approached Floridablanca on the subject, the Spanish minister gave specific assurances that Spain had had no part in France's decision and therefore was not bound by the Family Compact.² This, Floridablanca warned his representative in London on the very day of the signature of the treaty with Portugal, was not to be taken as a denunciation of their alliance and friendship with France, but simply as a refusal to join her in an act of such consequence because she had not secured Carlos III's prior consent. Indeed, Floridablanca insinuated, Spain's future policies would depend on Britain's attitude; there was in his instruction to Escarano a guarded invitation to Britain to give Spain such advantages as might induce her to continue these policies.³

-
1. Yela, I, pp. 329-30 (Cp. pp. 269-304 and II, pp. 188-195).
 2. Grantham to Weymouth, 24 March 1778, no. 14, and his "most secret" dispatch of the same date; S.P. 94/205.
 3. Floridablanca to Escarano, 24 March 1778; A.G.S., Estado, leg^o 7000. Cp. Yela, I, pp. 338-69, for Floridablanca's steps to neutralize Aranda's bellicose attitude in Paris.

Weymouth accepted Floridablanca's assurances but suggested that he should give proof of his pacific protestations by disarming the Cadiz fleet. He also asked that Floridablanca would speak out on the advantages Spain expected to gain from her neutrality.¹

Floridablanca was prepared to sell Spanish neutrality and good offices as mediator for Gibraltar and possible Minorca - Spain would give Oran and Mers-el-Kebir in return; other compensations envisaged were Florida, and British withdrawal from Honduras Bay and the Mosquito Shore.² But Britain, overconfident that she could beat the Family Compact as she had done in the Seven Years War, failed to offer the specific positive bribes expected in Spain. Gibraltar was the least acceptable of the Spanish suggestions. There were some members of the English government (Hillsborough, North, and Stormont, who was to become secretary of state for the North in October 1779) who would seem to have been prepared to discuss Gibraltar.³ The

-
1. Weymouth to Grantham, 8 April 1778, no. 6 (cp. also his confidential instruction of the same date); S.P. 94/205. See Yela, I, pp. 346-7, for Escarano's account of his own interview with Weymouth.
 2. Floridablanca's instructions to Almodóvar of 30 May 1778 on his appointment to London to negotiate the mediation; A.H.N., Estado, leg^o 3456(1). Almodóvar arrived in London on July 13th (Escarano to Floridablanca, 14 July 1778, no. 201, A.G.S., Estado, leg^o 7001).
 3. Mackesy, pp. 315-8, 371-2. See also Voltes, pp. 199-207.

English ambassador in Madrid, Grantham, kept on reminding his principal until the eve of the Anglo-Spanish ~~war~~^{war} in June 1779 that Spain may have been persuaded to remain neutral, for she was averse to American independence.¹ In August, 1778, he suggested that some relaxation of British behaviour regarding Spanish shipping might induce Spain to give a more specific declaration of neutrality which would be a safeguard against the two countries drifting into war.² Grantham was, in fact, suggesting that Britain ought to maintain, at least, a pretence of talks on the subject of Spain's expectations. But to no avail.

George III was quite opposed; likewise he was against Floridablanca's proposal that the American colonies be recognized as independent de facto during the peace negotiations which he hoped to bring about through his mediation. The then secretary of state for the south, Weymouth, whose hostile attitude towards Spain we have

-
1. See, for instance, his dispatch, one of the last from Spain, in this vein of 27 May 1779, no. 29 (S.P. 94/208).
 2. S.P. 94/206; see his "most confidential" dispatches of August 7th, 1778, cp. Weymouth to Grantham, 25 August 1778, no.18, S.P. 94/206, and to Walpole, 13 October, no.14, S.P. 89/85.

seen during the first months of the Falkland Islands crisis, was also against any kind of compromise and thought that Spanish neutrality could be bought with fair words only. Furthermore, public opinion was behind the more militant elements in the government.

The growing awareness that Britain was not forthcoming made Floridablanca turn to France once more. But he kept the door open to Britain, for it was hoped that France might be frightened into promising to secure all Spanish desiderata and to accept Spanish strategy in the war. Floridablanca's hand was considerably strengthened when Vergennes, after the indecisive battle of Ushant (27 July 1778), realized that Spanish naval aid was essential to defeat Britain. The French minister now became a more eager suppliant for Spain's help and Floridablanca was able to force the French minister to accept Spain's every objective in the Franco-Spanish Convention of Aranjuez of April 12th, 1779; Gibraltar, the river and fort of Mobile, Pensacola and Florida, British withdrawal from Honduras and Mosquite Shore, and Minorca. As to the strategy of the war, Vergennes was made to agree on a descent on England rather than a diversionary attack on Ireland as he himself proposed. He also agreed to continue fighting until Gibraltar was conquered. Spain entered the war on

June 21st.¹ The immediate cause of their decision, the Spanish alleged, was the high-handed treatment meted out to Spanish ships by British commanders and admiralty courts.²

In this war, Floridablanca wrote in 1788, the benefits derived from the Portuguese friendship were remarkable. Britain had been thwarted in her projected expedition against the River Plate by the protests of Portugal; Spain had been able to elude English privateers by bringing American treasure in Portuguese ships; and Portugal had been prevailed on not to harbour English ships, thus depriving them of a base from which to prey upon shipping from Spanish America.³

-
1. Patterson, pp.39-54; P.Voltes, "Irlanda en la estrategia franco-espanola de 1779", Boletin de la Real Academia de la Historia, 143(1958), pp.21-42. Cp. Bemis, pp.77-87. Gibraltar was not conquered, but its danger together with the fear of a Franco-Spanish invasion of England (it did not materialize), contributed to draw British navy's strength into the defensive which in turn caused Britain to lose the initiative in American waters to the advantage of the Bourbon powers (Machesy, pp.512-4).
 2. There is a summary of all the cases (27) laid before the English from January 1777 to May 1779 (S.P.98/208, ff.567-74); there is also a list of Spanish ships or goods (11) proceeded against in the High Court of the Admiralty (ff. 253-9). Grantham reports Floridablanca as saying that the number of prizes taken by the English in the West Indies amounted to a hundred (17 May 1779, no.25). Cp. P.Voltes, "Los incidentes marítimos hispano-británicos como antecedentes de la guerra con Inglaterra de 1779-1783", Revista General de Marina, 152(1957), pp.264-76.
 3. "Memorial", p.308, and "Instruccion Reservada", para.377 (B.A.E., vol59).

Such a favourable view of Portugal's conduct during the war was however due to Floridablanca's motive; he was writing an account of his administration to Carlos III in answer to criticism levelled against his policies. The real situation was somewhat different. Portugal's conduct shows some determination to make use of the war for the purpose of curbing British political and commercial dominance in her own interest. But this policy also helped Spain, which lends some weight to Floridablanca's interpretation.

In this respect Portugal's opposition to British plans to operate in America, whether Spanish or Portuguese, benefitted Spain.¹ The more so since Portugal, having undertaken to guarantee Spanish American possessions, might become involved in the war to protect them. However, Floridablanca was incorrect in giving Portugal's protests as the main reason for Britain's decision not to go ahead with a project for an expeditionary force against Buenos Aires. This project was dropped when the rupture with the Dutch Republic (December 1780) compelled the English to divert the expeditionary force, which was ready to sail to South America, to seize and keep the

1. See above p. 494, note 2.

Cape of Good Hope which was Dutch and constituted with Ceylon, also Dutch, a formidable threat to sea communications with India.

As for the subsequent British occupation of the Island of Trinidade or Trinidad in the South Atlantic, some 800 miles to the eastward of Rio de Janeiro, in October 1781 by Commodore Johnstone, it did draw rejoinders from Spain based on the mutual guarantee for their American possessions to the danger of a British cruising base on the Cape Horn route to the Pacific. The Portuguese government complained against the occupation of an island, which they claimed was theirs, and the new foreign minister, Grantham, who had already been apprised of the conflicting evidence as to its suitability for a permanent settlement, complied with the Portuguese representation immediately; the whole enterprise being Johnstone's own scheme to avoid returning home from one of his **expeditions** empty-handed.¹

As for Floridablanca's claim that Portugal rendered

1. A.H.N., Estado, leg^o 4533(2) passim; Grantham to Pinto, 19 July 1782, F.O. 63/3. For the larger issues behind these South American adventures, that is British commercial strategy in the eastern seas and the sea-route to India, see Harlow, I, pp.106-25; cp. also Mackesy, pp.373-6.

a service of considerable importance as the safe carrier of Spanish treasure from America and was prevailed on not to harbour English ships, it was certainly exaggerated.

On 5 July 1776 Portugal had formally agreed to comply with the English regulation of May 2nd prohibiting all trade and intercourse with the insurgent colonies.¹ During 1778-1779 the English were quite satisfied with the Portuguese attitude towards their privateers, prizes, and warships, and with the exclusion from Portuguese ports of American vessels. The English government for their part saw to it that the Portuguese were given satisfaction whenever British naval officers infringed the regulations in their ports, which was quite a normal occurrence.²

But as the war proceeded pressures were building up on Portugal. She was by no means hostile to Bourbon shipping in her ports.³ But the Bourbon powers were more

1. Above p.480.

2. S.P. 89/85-86 passim.

3. On 17 September 1780 (No.24,S.P. 89/87) Walpole reported that four French privateers and twice the number of prizes had been seen in the Tagus estuary; see also his dispatch no.12 of 20 May for British concern over the arrival in Lisbon of a Portuguese warship carrying Spanish treasure, other effects and passengers from Spanish America, and A.G.S.,Estado,lego 7327 for the Spanish treasure ship "Buen Consejo" and the protection which she was given in Lisbon (cp.Harlow,I,p.390, note 125).

interested in depriving Britain of port facilities in Portugal, for they themselves had no need of Portuguese ports. They were also concerned about English treatment of French and Spanish property in Portuguese bottoms. Spain and France, having insufficient merchant shipping of their own, relied heavily on neutral carriers. They therefore desired the principle 'free ships, free goods' to be universally established as well as a narrow definition of contraband to enable them to receive supplies of raw materials. Britain, on the other hand, had a merchant fleet sufficient for her needs and a fighting navy; consequently, she treated enemy property on neutral ships as rightful prize and attempted to enforce as wide a definition of contraband as possible.¹

The Bourbon powers wished to convince Portugal to accept their interpretation of neutral rights and contraband trade. They therefore welcomed and fully supported Russia, the prime mover of the armed neutrality, when in the spring of 1780 she invited Portugal to join the other neutral trading nations. But in July Portugal refused to

1. For a discussion of the question of neutral shipping and neutral rights, and Spain's attitude to them, see I. de Madariaga, Britain, Russia and the Armed Neutrality of 1780, pp.57-95 and 156-185 passim.

join the neutrals. The Bourbon powers then re-doubled their efforts to prevail upon Portugal not only to adapt her maritime principles as regards neutral shipping to those of theirs but also to close her ports to British privateers, to prevent the sale of their prizes in Portuguese ports, and to allow British warships entry only through stress of weather and to prevent them from establishing a permanent station off the Portuguese coast. The French insisted on the Spaniards to step up their pressure on Portugal, since they were justified in demanding her not to support British warships as contrary to article 2 of the Hispano-Portuguese treaty of 1778.¹

Lisbon was anxious lest she might be drawn into the conflict as in 1762. She had to make some appeasing gesture to the Bourbon powers. On the other hand, the reaction of Britain was feared. Portugal, therefore, tried to steer a middle course. Quite suddenly and unexpectedly as far as the English were concerned, on September 9th, 1780 the Portuguese published the decree of August 30th

1. Floridablanca-Fernán Núñez, April-August 1780, A.H.N., Estado, legajos 4539(2) and 4452. P.Fauchille, La Diplomatie française et la Ligue des Neutres de 1780, pp.556-62 (quoted in future as Fauchille). Cp. above p.501, note 1, for Liston's similar interpretation of article 2.

refusing admission into their ports to the privateers of belligerent nations and their prizes, and laying those that were already in Portuguese ports under embargo. But despite Sá's assurances to this effect, the decree contained no reference to the alleged practice of British warships stationing off the Portuguese coast; Sá explained that Britain might not tolerate this. However, some attempt had already been made to give satisfaction to the Bourbon powers in this respect as well, as the British reaction to the decree showed.¹

Walpole reported the measure to his principal on September 17th. Despite Portuguese explanations to the effect that the decree had been issued to avoid applications of a more serious nature from the Bourbon powers, which the foreign secretary hopefully admitted as proof that the Portuguese may not intend to enforce it against English ships, Walpole indicated that the measure was hostile to the British, stressing that Bourbon ships had no need of Portuguese ports and emphasizing the sudden and

1. Fernán Núñez to Floridablanca, 12 September 1780, A.H.N., Estado, leg^o 4539(2); Floridablanca to Fernán Núñez, September 8th and 22nd, and Fernán Núñez to Floridablanca, October 10th, leg^o 4452. Cp. Fauchille, pp. 563-5.

unexpected manner in which it was promulgated; it gave Britain no chance to make her case, nor indeed to salvage some of the ships from the embargo.¹ There was also some apprehension that the Portuguese might be persuaded to decree against the stationing of British warships in or near their ports; Pinto had already remonstrated against the presence of Commodore Johnstone and his squadron in the Tagus estuary for some weeks early in 1780,² and Sá was now expressing doubts as to the port facilities enjoyed by British ships for over a century. But the secretary of state for the southern department, Hillsborough, although alleging that Johnstone had not been permitted to return to Portuguese waters since Pinto's representation, instructed Walpole to expostulate with Sá about his insinuation lest he might be encouraged to make a point of it.³ Future complaints (March 1782) against

1. Walpole to Hillsborough, 17 September 1780, no.24, S.F. 89/87.

2. Cp. Mackesy, pp. 313-8.

3. Hillsborough to Walpole, 13 October 1780, no. 5, and December 9th, no. 6; in his secret and confidential instruction of the same date, the secretary of state expressed his fears that Spain might be attempting to bribe the Portuguese Queen's confessor to obtain a decree against entry of British warships.

the tolerance shown to British warships in Portugal would seem to indicate that the Lisbon government was not prepared to have a serious quarrel with Britain on this issue.¹

with respect to British treatment of French and Spanish property in Portuguese bottoms, however, the Portuguese were beginning to feel their way towards eventual acceptance of the maritime principles of the other neutral trading nations. In fear of a strong British reaction to their decree of August 30th against privateers and pressed as they were by the Bourbon powers and Russia, the Portuguese sounded the Spanish government as to what protection the Bourbon powers would afford them if they were to express their adhesion to the maritime principles of the neutrals. On October 4th, 1780, Floridablanca replied that Carlos III was resolved to respect their ships, except for those carrying enemy property falling under the narrow definition of contraband which both the Bourbon powers and the neutrals accepted. But if Britain persisted in treating Bourbon property in Portuguese ships according to her much wider definition of contraband, Carlos III was prepared to enter

1. A.H.N., Estado, leg^o 4533(2).

into a detailed convention with Portugal to protect her against Britain and compensate for any damage she might suffer as a result.¹

There seems to have been no response. Britain's reaction to the Dutch decision to join the league of neutrals - it resulted in war in December - must have confirmed Portugal in her intention to tread lightly while the war was on.² Furthermore, the English tried to win the Portuguese to their wide definition of contraband by allowing free entry in Britain to Portuguese merchandise and produce in Portuguese ships; they seemed to succeed for the Portuguese agreed to incorporate the British definition of contraband in article 1 of the trade regulation of May 8th. But the Bourbon powers returned to threats, and Lisbon agreed to annul art. 1 on 23 August 1781.³ Britain was quite anxious and apprehensive of a change in Portugal's amicable disposition.⁴ However, it

1. Floridablanca to Fernán Núñez, 6 October 1780 (four enclosures), A.H.N., Estado, lego 4552. Cp. Fauchille, pp.566-9.
2. Cp. Fauchille, pp.569-70.
3. Floridablanca to Fernán Núñez, 31 August 1781, A.H.N., Estado, lego 4533(1); Fauchille, pp.572-4.
4. Hillsborough to Walpole, 16 November 1781, no. 13, F.O. 63/2.

was not until 24 July 1782 that Portugal agreed to accede to the league of neutrals.

By this time the risk of war was more remote, since peace talks were already going on in Paris.¹ In addition, Portugal wished to participate in the discussions of the neutral powers in order not to be excluded from their commercial agreements, to profit from new connections and to open up fresh markets.² By acceding to the league, she also hoped to promote commercial relations with Russia with whom she had started to trade quite recently: wine, fruits and vegetable oils in return for raw materials for her navy.³ Portugal now agreed to admit France into her treaty with Spain of 1778; the accession took place on 17 July 1783, but it did not bring to France the commercial advantages expected for so long, firstly, because of the well entrenched position of British trade, and also because Spain was not willing to encourage French trade in Portugal.⁴

-
1. In August Vergennes made fresh proposals to enter the Hispano-Portuguese Treaty of 1778, but Portugal still maintained that she could risk war if she agreed to it; Floridablanca to Fernán Núñez, 27 December 1782, A.H.N., Estado, leg^o 4531.
 2. Fernán Núñez's dispatches to Floridablanca of 6 June 1782, A.H.N., Estado, leg^o 4533(2).
 3. On 20 December 1787 Portugal signed a commercial treaty with Russia (Ferreira, III, pp. 428-71). This trade was based upon the same lines as the Spanish trade with Russia, and was therefore noted with uneasiness; José del Río (Consul in Lisbon) to Floridablanca, 12 May 1778, A.H.N., Estado, leg^o 4429. Cp. Fauchille, pp. 575-6.
 4. Recueil, III, pp. 395-406.

Portugal appears to have benefitted by the treaties with Spain more than her neighbour did. First and foremost, Portugal managed to impose on Spain her interpretation of the 1763 treaty, repairing the losses of the Seven Years War. Pombal's ambitious aim to reach the River Plate had to be abandoned; nevertheless, Portugal regained recognition for her extensive territorial claims in Amazonia and in the Banda Oriental, which had been withdrawn in 1761. Furthermore, the American settlement was achieved at no extra cost in terms of political commitment to the Bourbon powers in Europe; thus Portugal succeeded in maintaining her neutrality, avoiding a repetition of the Bourbon invasion of the Seven Years War. By playing on British fears of a possible connection between her and the Family Compact, Portugal was in a position to challenge Britain's commercial predominance; an opportunity of which Portugal failed to make full use for fear of the English reaction. Portugal did manage, however, to open a breach in Britain's unique commercial status; but this achievement is not so remarkable if we bear in mind that Britain, and indeed France, were already moving towards unrestricted trade and eventually agreed to help implement it in the Anglo-French commercial

treaty of 1780.¹

From the Spanish point of view, the gains in America were helpful in that there was peace, at last, in the border lands between Brazil and Spanish America, and they had co-operated in keeping Britain away from South America during the American War of Independence. But the political advantages which Spain had hoped to get in Europe were limited. Apart from her dynastic claims to Portugal, which Spain still nursed,² the main objectives in a rapprochement with her neighbour had been to deprive Britain of Portuguese support and to reduce her own dependence upon France. No doubt Spain improved her diplomatic position in Europe as a consequence of the Portuguese friendship;³ but on the whole the conduct of Portugal during the American War of Independence does not seem commensurate with Spain's favourable disposition towards Brazil after Cevallos' successful campaign in 1777. It is my contention that the

1. For the changing situation of Anglo-Portuguese trade in the 1780's, see Ehrman, pp. 5-16, 70-5, 90-2, 148-51.

2. Cp. above p. 501, note 2.

3. Liston (San Ildefonso) to Fox, 29 September 1783, no. 8; F.O. 72/1, Liston to Carmarthen, 5 December 1784 (confidential), F.O. 72/3. Cp. Ehrman, pp. 149-174 passim.

reason for this is to be found in Spain's procrastination and passivity in the face of Portugal's purposive policies, which in turn were chiefly due to the fear, always alive, of having to defer to the specific requirements of Anglo-French relations.

CONCLUSIONS

The purpose of this study -as indicated in the title- has been to survey Anglo-Spanish relations from 1763 to 1783 and assess the influence of the Spanish alliance with France, that is, the Family Compact of 1761, on these relations. Such a research-project seemed justified since historians of British foreign policy in this period have concentrated on Anglo-French relations and have assumed -as did many contemporary British statesmen- that Spanish foreign policy in this period was dominated by France. This assumption was in part founded on the fact that the Bourbon powers hoped to reverse the verdict of the 1763 treaty, and much effort by British diplomatists -not always followed up by their principals in London- was spent in attempts to divide the Bourbon powers, or at least to deal separately with them, in the hope of minimizing the power of the Family Compact. However, it was not fully realized by the English that the needs of the Bourbon powers did not always coincide, and that Britain might have explored more purposefully and consistently opportunities for playing them off against each other.

It is possible to distinguish three broad phases in Anglo-Spanish relations in the period examined. The first extends from the Treaty of Paris of 1763 to the settlement

of the Falkland Islands crisis in 1771, when Spanish colonial interests loomed large. The second takes us to 1775, the eve of the American War of Independence: during these years there was a general relaxation in Anglo-Spanish relations in America and a shift of attention from America to Europe. The third ranges from the Hispano-Portuguese negotiations leading to the settlement of their dispute in the River Plate (1774-1778) to the part taken by Spain in the American struggle against Britain (1778-1783).

For the whole period the Spanish objectives in 1761 are significant. At the time of Carlos III's arrival on the Spanish throne (1759), the main concern in Spanish governmental circles was America. The signing of the Family Compact of 1761, and the subsequent entry of Spain in the Seven Years War, were primarily caused by her desire to stabilize the situation in the Americas on the basis of the balance of power between France, Britain and Spain. The attack against Portugal and her American possessions in the River Plate in 1762 was, as far as Spain was concerned, part and parcel of this main objective. Spanish territorial claims to metropolitan Portugal were also considered, as were the strategic implications of a territorial war in the Iberian peninsula: it was believed that Spain could perform better in this area, and might thus be able to make up for probable losses elsewhere.

The result of the Seven Years War was far from what Spain had hoped for. Not only did she fail to obtain any of her objectives, but also France seems to have made use of Spain to spare her own losses. The French cession of Louisiana was no consolation, for Britain was allowed access to the Gulf of Mexico: she continued to enjoy the right to navigate the Mississippi and acquired from France that part of Louisiana east of the river. Furthermore, Spain was hastened into peace without having had a chance to explore fully the possibilities of an attack on Portugal. Most important of all, Spain was now left to face up to the British threat in America single-handed, without the counterpoise of French Canada.¹

The Peace Treaty of 1763 demonstrated the extent of Spain's defeat. She would now have to think twice before embarking again upon a war with Britain, and would have to make drastic reforms in the defence of an empire which had outgrown the capacity of its administrative and military machinery. In this, respect, the French were the only support she had; indeed there was close co-operation between France and Spain in defensive matters, but Spain was concerned lest she should have to pay France too high a price for her support. Spain had to resist French solicitations for a large share in the Spanish and Spanish American trade, and the

1. See above pp. 17-21.

occupation of strategic bases in America and in the Pacific (the Falklands, Juan Fernández, and the Philippine Islands) -allegedly to help Spain to protect her colonies against the British threat- , while having to rely very heavily on French diplomatic and military support.¹

Hence Spain tried to win new friends to free herself from total dependence on the Family Compact. Her efforts in this direction were also intended to stabilize diplomatic relations elsewhere in order to be able to concentrate all her attention on the main task of facing British challenge in America.

She first approached Austria. Their co-operation in Italy during the Seven Years War promised well,² but with Italy at peace, there was little they could offer each other to make an alliance mutually advantageous. After the peace treaty of 1763 these two powers showed signs of willingness to move closer together, Austria in particular hoping to obtain support in Germany and in the East; yet basically they were not prepared to promote each other's divergent interests. Austria made it clear, not only to Spain but also

1. See above pp. 55-68.

2. In this respect Spain had been able to make good use of the Family Compact; see above pp. 21-27.

to Britain herself, that she was in no way concerned with the Anglo-Bourbon struggle. Spain, for her part, was averse to involvements in Central and Eastern Europe.

By 1765 it was quite obvious that the chances of making any progress in their negotiations for a political understanding of some kind were nil. Yet friendly relations were still deemed desirable, both in Vienna and in Madrid. From the Austrians' point of view, a friendly intercourse with Spain might be used as leverage to assert their interests in respect of their alliance with the French; while the Spaniards regarded it as a means of keeping secure the possessions of the Italian branches of the House of Bourbon, and of maintaining general peace in Germany on the basis of the Austro-Prussian antagonism, to free their attention from Europe. ¹

A second line of approach on which Spain embarked to lessen her political dependence on France for support against Britain, was in the direction of Portugal. Both countries could profit from an alliance to settle their differences in America and strengthen their position vis-à-vis their respective allies. To achieve closer links, Spain was prepared to compromise; but Pombal, the Portuguese chief minister, had no more desire than Austria to make an enemy of Britain.

1. See above pp. 90-119

Although he was trying to weaken Britain's commercial position in Portugal, Pombal nevertheless realized that he was in a strong position because neither Britain nor France would allow Spain to aggrandize herself at the expense of Portugal and, in the last resort, he had the means to bring Britain to his side through redress of her commercial grievances. Furthermore, Spain's friendly approaches did not altogether dispel Portuguese suspicions of her real intentions; after all, Spain had launched an attack on Portugal and her colonies in 1762, and was now upholding her interpretation of the 1763 treaty, which endorsed Cevallos's campaign in the River Plate.¹ By 1768, Spain was made to realize that there was no hope of weaning Portugal away from Britain, and she had to resign herself to the hope that outstanding Hispano-Portuguese problems would have to be solved during that war with Britain which Spain considered inevitable.

Like France, who ejected British saltrakers from the Turk's Islands(in the southern extremity of the Bahamas) in June, 1764, Spain decided to test Britain soon after the 1763 peace treaty. Article 17 of the Treaty of Paris had left unsettled the question of limits in the logwood cutting area in Honduras Bay, and at the beginning of 1764, the Spanish

1. See above pp. 399-402

enforced their restrictive interpretation of this article, confining British cutters within the Belize River and the New River. They found, however, that Britain was determined to leave the cutting areas unspecified to facilitate further expansion. The feeling of the then head of the English government, Grenville, was that the best way to maintain the British interpretation of the 1763 treaty was to take a strong line with Spain. He was proved right, for in September of the same year both the Bourbon powers -Spain following France- gave in; they were too weak to risk military conflict.¹

Despite this setback, Spain tried again to achieve a solution favourable to herself in the Manila ransom issue. When Manila was taken in October 1762 by the English, the island authorities to prevent it from being pillaged agreed to pay a large sum, half of which was to be drawn on the Spanish Treasury. Since the autumn of 1763, the English government had claimed this money from Madrid. The Spanish refused to pay, but by the spring of 1766 their position began to weaken and the Family Compact seemed to offer no help in this issue. The French, anxious lest the anti-Bourbon Pitt might return to power and thus increase the danger of a

1. See above pp. 135-145.

serious dispute with Britain, urged Spain to pay up. In search of support and to deflect the renewed pressure put on her by the Rockingham administration, Spain suggested in June 1766 that the Manila ransom issue should be referred to the arbitration of Prussia. To no avail, however, for neither Prussia, nor indeed Austria, whose detached attitude towards Spain was made absolutely clear, ~~were~~ in the least inclined to be embroiled in Anglo-Bourbon differences.¹ These rebuffs made Spain more dependent on the Family Compact.

It was at this time that the Falkland Islands question came to the forefront of Anglo-Spanish relations. The stakes were high: the British were challenging Spain's monopolistic claims to maintain *Americana* as a mare clausum. At the end of August, 1766, the Spanish were informed that the British Cabinet, now headed by the anti-Bourbon Chatham, had decided to send an expedition to strengthen their recent establishment on the West Falkland Island, Port Egmont, in the South Seas. The first reaction from Madrid was quite firm: Carlos III would not allow such an establishment and would resort to force, if necessary, to prevent it. The Spanish had a strong case. Although it could be argued that article 8 of the Treaty of Utrecht of 1713, which they had invoked to support their monopolistic views, did not go beyond those

1. See above pp. 155-191.

territories and islands already occupied by them at the time of the signature of that treaty (therefore excluding the Falkland Islands), the fact that the first occupant of those islands, France, surrendered her establishment in the East Falkland, St. Louis, in May 1766, gave Spain a good basis to claim undiscovered or unoccupied adjacent islands and to American waters on either side of the Horn, and made her confident that France would give whole-hearted support to her protest in London.

But Choiseul, anxious lest Chatham should use Spanish firmness as a pretext to precipitate war at a time when France was unprepared for military action, acted as moderator rather than as the staunch ally of Spain. He worked for a compromise solution hinted at by the English themselves: the Manila ransom money was to be paid in return for British withdrawal from Port Egmont. This suggestion, however, was not welcome to either disputant. Spain rightly feared that payment of the ransom could be construed as compensation for the British withdrawal, whatever provisions to the contrary were written into a settlement, and would consequently impair her exclusive claims. Britain was only prepared to accept the quid pro quo as long as she was assured of her right to navigate both the Atlantic and the Pacific on either side of the Horn, and/or of her right to settle

unoccupied islands in those waters.

With France not giving unqualified support, Spain became resigned to accepting the French compromise, but only if it were the sole alternative to war. She hoped to delay a decision till France was better prepared; this was a sensible policy, considering Choiseul's promise of support in two or three years' time. To minimize the effect of the difference of opinion between himself and the French minister, Grimaldi, the Spanish chief minister and foreign secretary since 1763, explained to Choiseul in January 1767 that they differed only in that the French minister believed Britain to be prepared to go to war for the sake of the Manila ransom money. He himself did not think she would, and therefore did not intend to pay. Grimaldi was, however, willing to take the risk of war as an important Spanish principle was at stake, trusting that France would feel obliged to support Spain in such a war.

Grimaldi's supposition that London did not want to risk war proved correct. Britain did not press for an answer from Spain. She did not want to sacrifice the claim to the Falklands, already weakened by the French handing over of their establishment, for the Manila ransom money; the passage of time would strengthen it. But most of all, Britain had no wish to test the strength of the Family Compact. Indeed from January 1767 onwards, the

passive policies of the British government caused the Bourbon representatives in London, Masserano and Guerchy, to say that Britain had neither the means nor the inclination to engage in war. These pacific leanings, chiefly explained by Chatham's removal, the increasing importance of the American conflict, and the arrival in power of the peace-loving Bedfordites, who wished to preserve peace in Europe in order to carry out their chosen American policies, together with Choiseul's promise to be prepared to support her in two or three years' time, encouraged Spain to stop British infiltration in the South Seas by direct action.

By the beginning of 1768, the Spanish government was apprised of the exact location of the British establishment in the Falkland Islands and the transference of the French establishment on the East Falkland Island to Spain had actually taken place in April 1767. The situation seemed ripe for action and in February 1768 Spain decided to use force to expel the English from Port Egmont.

Before putting the necessary measures into effect, Grimaldi wanted to make quite sure that Spain could count on the full and explicit support of her ally. Such an assurance was given him on March 15th by Louis XV via the Spanish ambassador in Paris. France suffered, as much as Britain, from Spanish claims of monopoly in the South Seas. Nevertheless, France had to resist British

aggrandizement at the expense of Spain, or else she would not be able to count on an ally in her plans to reverse the 1763 treaty. French policies at this moment were also influenced by the need Choiseul felt of the Family Compact: Genoa's cession of Corsica to France, which was negotiated during the first months of 1768, made the French minister anxious to call on the Spanish should Britain react strongly against the French annexation of Corsica. As it happened, Britain's passive acceptance of the French triumph in the Mediterranean only served to strengthen the feeling in Paris and Madrid that she was not in a position to entertain hostile views against the Bourbon powers.¹

But two years later, when the Spanish expulsion of the British was effected, French support for Spain had weakened.² The reasons for this were several. The expulsion took place on 10 June 1770; when the news of this arrived in Europe in the middle of September, Choiseul was no longer firmly in the saddle. His political future was uncertain; and the Russo-Turkish war, which had broken out in October 1768, threatened to spread throughout

1. See pp. 247-258

2. In addition to the time needed to furnish the ships, it would seem that the main reason why it took so long to put the Spanish decision into effect was the desire in Madrid to fall in with Choiseul's timing of the showdown with Britain for 1770; see above pp. 243-46.

Europe. Choiseul found himself obliged to urge Grimaldi to play down the Port Egmont issue. In respect of the Spanish claim to the Falklands, however, the French minister continued to give full support.

Grimaldi realized that satisfaction for the act of violence against the British establishment in time of peace was due, but he was anxious lest satisfaction might impair Spain's monopolistic claim to South American waters and adjacent islands. Both Bourbon powers, therefore, maintained a temporizing attitude, hoping for better times to press their case.

Britain for her part proved easier than might have been expected over the Port Egmont affair. Initially the secretary of state for the South, Weymouth, threatened war if immediate and unconditional satisfaction was not given, but, as the autumn of 1770 wore on, the head of the administration, North, showed signs of a pacific turn of mind in his exchanges with French diplomats. War would endanger his campaign of financial retrenchment which became all the more urgent as the conflict with the thirteen colonies widened. At the same time the state of the British navy was such that he had no unbounded confidence about the prospect of success in a head-on collision with the Bourbon powers. Finally, in the background there was the fear of Chatham's return to power.

With his record as war minister during the Seven Years War, he would be recalled to champion the honour of the Crown if war seemed probable.

North's pacifism gave an opportunity for Choiseul to suggest a compromise which was weighted in Spain's favour. This compromise was, in fact, the basis for the settlement of 22 January 1771, a month after the French minister's dismissal from power.

Spain had to give satisfaction for the act of violence committed against Port Egmont, but she obtained a written reservation of her rights to the Falklands and a clear, though verbal, undertaking from the British that Port Egmont would be evacuated. From the point of view of prestige, the outcome would seem to have gone against her; she had to climb down in the face of a British challenge. But her claim to the islands, was protected in writing, while Britain failed to obtain a similar safeguard for her interpretation of the position in the South Seas. This Spanish victory was only possible because Choiseul had strongly supported a settlement which safeguarded Spanish rights and had been able to use North's pacific inclination to secure it.¹

1. See above pp. 292-317.

Spanish and French historians have held, generally, that France let Spain down; it has further been maintained that Choiseul's fall on 23 December 1770 was the sign of France's defection.¹ Yet France's explicit support for Choiseul's compromise plan continued after his fall, from December 1770 to 22 January 1771.² The contention that Spain from now on was going to pursue a more independent line in response to the alleged French defection is also inaccurate;³ we shall find the Family Compact operative in the 1770's.

1. Renaut, pp. 448-9; Rousseau, II, pp. 77-81; Blart, p. 203; Gil Munilla, Malvinas, pp. 153-4; Hidalgo Nieto p. 213.
2. The American historian of the Falkland Islands (1927) Goebel, pp. 340-6, though still referring to the French base desertion of their ally, points out that Spain benefitted from Choiseul's fall in that the diplomatic control of the situation passed from Paris to Madrid. Martin-Allanic in his recent contribution on the subject of Bougainville navigateur et les decouvertes de son temps (1964), pp. 1182-1200, has by implication referred to the important part played by the Family Compact in helping Spain to obtain a compromise solution. But the large extent of French support, before and after Choiseul's fall, has never been stressed before.
3. Renaut, pp. 448-9, argues that the alliance was practically dead after December 1770. See also A.S. Aiton, Hispanic American Essays, pp. 134-49, and Gil Munilla, Plata, pp. 171 ff.

Nonetheless, there was a wave of anti-French feeling in Madrid after the 1771 settlement, which Grimaldi himself may have encouraged to divert criticism from the government; but it was chiefly directed against those who had brought about Choiseul's fall, since he was thought of as a sincere supporter of the Family Compact. It was realized that Choiseul in supporting Spain had been aiming at restraining Britain in America and in the South Seas, but his attitude, whatever his motives, had in the end been to Spain's advantage. The loss of the minister, with whom Fuentes, the Spanish ambassador in Paris, and Grimaldi maintained a very friendly intercourse and correspondence, contributed to a fear that his successors might not have Spain's colonial interests so much at heart. Indeed, these apprehensions were increased when France's attention was diverted to the Russo-Turkish war and the Swedish crisis of 1772-3.

This shift of attention in French politics, however, has been shown not to be due to a change of policy on the part of the new ministers, but rather to the increasing tension in Europe. The French felt themselves obliged to turn to the East in the hope of curtailing the growth of Russian power at the expense of Turkey and Sweden. Grimaldi, intent on safeguarding Spanish interests, often

complained that France had given only half-hearted support to Spain during the Falkland Islands crisis, but he did this as part of his general policy of restraining France from provoking a conflict with Britain in Europe. Grimaldi was against war in Europe because Spanish interests were not affected.

In the last resort, Spain would have intervened to defend France just as France, it could be assumed, would have come to Spain's rescue if she had become embroiled in war with Great Britain in America. Yet the Spanish preferred to avoid getting involved in Europe. This attitude became explicit when Gustavus III's coup d'etat on 19 August 1772 and Russia's opposition to the strengthening of the Swedish monarchy threatened to engage Britain and France in war with one another.

A desirable solution from the Spanish point of view was the plan proposed by Aiguillon, Choiseul's successor, to obtain British co-operation in deterring Russia from meddling in Sweden. Spain, in fact, was quite active from October 1772 to April 1773 trying to restrain her ally from interfering without prior consultation with Britain. Furthermore, the English representative in Madrid, Grantham, was apprised by Grimaldi of his efforts to restrain France and of his pacific intentions. But this attempt to obtain

British collaboration with the Family Compact was in the end unsuccessful. For a brief period George III and some members of the government -the southern secretary Rochford amongst them- toyed with the idea of reaching some kind of political understanding with France to check the predatory system initiated by Russia in league with Austria and Prussia. But nobody else dared to advocate openly co-operation with the traditional enemy, France, and no attempt was made to pursue Spain's assurances to Grantham.

There was no doubt, Grimaldi concluded after the Swedish crisis, that Britain was prepared to risk her own standing and influence in Europe for the sake of preventing the Bourbon powers, and especially France, from increasing theirs. This very opposition to France in Europe and to Spain as France's ally served to cement the Family Compact and to make co-operation between Britain and Spain impossible.¹

In respect of her relations with Spain in America, on the other hand, from 1774 onwards Britain attempted to relax tension in various ways. No doubt her troubles with the thirteen colonies were responsible for this conciliatory attitude. First, the evacuation of Port

1. See pp. 346-395

Egmont in May 1774 which, although carried out as a domestic measure, was nonetheless intended to please Spain. This could be interpreted as the realization of the oral promise given to Spain in the past. Similarly, Britain's restrained manner over the Vieques Island and the Balambangan incidents show her in a pacific mood.¹ In fact, by the end of 1775 Britain was clearly courting Spain in the hope of securing her neutrality in respect of the American struggle. She would have been glad to come to some agreement for the exchange of mutual guarantees of their respective American colonies. She was also giving clear signs that she would not encourage her ally, Portugal, in her dispute with Spain in the River Plate.²

This dispute had dragged on since the peace treaty of 1763, with the two parties putting forward their different interpretations of the clauses of that treaty which stipulated the restoration of the territories conquered by Spain in the Iberian peninsula and in the River Plate in 1762. During the first stage of the dispute (1763-1768) Britain gave some support to the Portuguese interpretation in the hope of getting redress

1. See pp. 326-345

2. See pp. 456 ff.

for her commercial grievances. But when the dispute flared up again in 1774, after a long lull induced by the Anglo-Spanish tension in America, she began to exert a restraining influence on Portugal. As the North American conflict widened, and France appeared more and more willing to risk war with Great Britain, to keep Spain neutral the British became willing to sacrifice their support of Portugal. For the opposite reason - in order to gain Spain's collaboration in a war with Great Britain-France was not prepared to exert restraint on Spain in the Portuguese issue, though she tried to participate in the formulation of the Spanish objectives for the sake of her own commercial and political interests in Portugal.

Spain used the opportunity of being courted by both Britain and France to the full. She used Britain's sacrifice of Portugal to embark on a military campaign in the River Plate in the summer of 1776. Santa Catarina Island fell to the Spanish expedition under the command of Cevallos in February 1777 and Sacramento in June. Spain enforced a settlement on Portugal, which restored Sacramento and the seven missions to the East of the Uruguay river to her. Santa Catarina was returned to Portugal, who also kept Rio Grande de São Pedro.

While this was being effected, Spain restrained France's military ardour in North America so as to keep

Britain's goodwill. Finally, by playing on France's need of her as an ally against Britain, Spain kept Paris out of her negotiation with Portugal.

But the terms of the settlement with Portugal were not as favourable as might have been expected in the circumstances. The new boundary line established in the preliminary treaty of October 1st, 1777, was substantially that of the boundary treaty of 1750, which had confirmed Portugal's extensive territorial claims in Amazonia and in the River Plate. Yet it was a considerable victory for Spain in America, for the Spaniards could not have possibly thought of going back beyond the situation in 1750.

Spain disposed of the Portuguese interpretation of the 1763 treaty and managed to establish a fixed and permanent southern boundary to Portuguese expansion at a considerable distance from the northern bank of the River Plate, with a mutual and reciprocal undertaking to guarantee their respective colonies and frontiers in America. In Europe Spain, in the definitive treaty of 24 March 1778, settled for an agreement of neutrality in respect of a war between herself and Great Britain.

This was far from the aims of the middle 1760's to wean Portugal away from the British connection and linking her politically to Spain, but it was a significant gain in that Britain was later restrained from using Portuguese and Brazilian ports freely in her war against the Bourbon powers.

Grimaldi did not make full use of the opportunities. He realized that he could not revive pre-1763 hopes and plans; neither Britain nor France would permit him to go too far. Nevertheless, he is partly responsible for not getting as good a bargain as the circumstances seemed to make possible. He was too cautious, and this enabled Pombal to take the initiative most of the time. Grimaldi's successor after February 1777, Floridablanca, who was in charge of the negotiations in their last stage, was also anxious to get the treaties safely signed in order to be free to exploit to the full the American War of Independence.

On the very day that the treaty with Portugal was signed (24 March 1778), Floridablanca instructed his representative in London to give the English to understand that Spain might remain neutral in the Anglo-French conflict if Britain offered some considerable territorial

gain. With France already committed to the American struggle for independence and in serious need of naval support, Spain was in a better bargaining position to profit by the Family Compact of 1761 than she had ever been. Floridablanca, first, tried to sell her neutrality and her good offices as mediator to Britain. Spain had no wish to help consummate the independence of the American colonies; nor was she prepared to help bring about the total destruction of Britain to the advantage of the French, or viceversa. But she was intent on obtaining some of her objectives: Gibraltar was the most important, but Minorca, Florida, and British withdrawal from Central America were also envisaged. Spain was prepared to give Oran, Almansa and Mers-el-Kebir (in North Africa) in return for Gibraltar and Minorca, and London was given to understand that the terms were negotiable. But the English government refused to make any offers to secure Spain's neutrality and did not accept her terms for a settlement in America through her mediation. Failing to get more than fair words from the English, she turned to France; and Floridablanca was able to frighten her into promising to secure all Spanish desiderata. On 21 June 1779 Spain

entered the Anglo-French war on France's side.

Britain's attitude from April 1778 to May 1779 would seem to have been short-sighted. Had she been prepared to consider Spain's proposals, France would not have been able to stand up to the British navy and Britain would have probably retained most of her colonies. Furthermore, the Family Compact might not have survived. Spain's expectations for the negotiation of peace were quite high; but Britain ought to have explored the possibilities of an understanding with Spain by maintaining, at least, a pretence of talks on the subject of her expected compensation. This is indicative of the failure of British governmental circles, and most of all of British public opinion, to realize fully the differences and suspicions within the Family Compact and to play upon them for the purpose of dividing the Bourbon powers. The late 1770's had been particularly favourable for this kind of exercise.

Britain's main reason for not responding to Spanish proposals was overconfidence. Furthermore, I would venture the hypothesis that, on the whole,

Britain did not wish to put herself under constraint by agreeing to some political understanding with Spain. Friendship with that country would inhibit her from trying to get whatever she could in Spanish America. As it happened, Spain's entry in the war caused Britain to lose the initiative in American waters. Gibraltar's danger(it was besieged by a combined Franco-Spanish force), and the fear of a Franco-Spanish invasion of England, contributed to draw the British navy's strength into the defensive in Europe.¹

In the peace treaty of 1783 Spain gained more than France in terms of territory; not Gibraltar, which had gallantly resisted the joint Franco-Spanish descent, but Minorca and West Florida, which she had captured, and East Florida, which she had not. In return she restored the Bahamas to Britain, and acknowledged the British right to cut Honduras logwood, but within well-defined boundaries as desired by Spain since the negotiations of the 1763 treaty.²

1. See above p. 509, note 1.

2. See above pp. 149-154.

Although in retrospect, we find that Spain's contribution to the American struggle for independence was a dangerous precedent for her own colonies, and that the presence of the United States in the Mississippi, with their right to navigate it to the Gulf of Mexico inherited from the English in the peace treaty, became an avenue of penetration into Mexico itself; nevertheless, as regards the objectives set out in 1763 in respect of Britain, Spain had met with considerable success by 1783.

The requirements of the Bourbon powers during these twenty years did not always coincide. Both were militarily weak (but rearming) and mindful of the need for each other's support against Britain. At times of unpreparedness or when particular interests loomed large (France in the early crises in the 1760's and Spain in the later peace period) each put pressure on the other to sober down. But the Family Compact remained a corner-stone for both and flourished in the War of American Independence, when some of their important aims were fulfilled.

The Family Compact did not come to an end, officially, until February 1793, when Revolutionary France drew Britain and Spain together for the purpose

of preserving the established political order. Yet had it not been for the excesses of the Revolution, from a diplomatic point of view Spain would still appear to have been in need of the French alliance as the only support available against Britain imperial and commercial designs. As exemplified in the Nootka Sound controversy of 1790 Pitt, like his father in 1766,¹ challenged Spain's exclusive claims in the Pacific, reiterating the principle of freedom of trade and navigation. While the two countries were moving towards a military and political alliance against France, Pitt unsuccessfully strove to make this conditional upon a trade agreement which would give Britain free access to the markets of the Spanish empire.²

Looking back on the period here examined, it was clear that Anglo-Spanish rivalry overseas formed the back-cloth to their diplomatic relations in Europe. Spain strove, successfully on the whole, to preserve

1. See above pp. 201 ff.

2. Harlow, II, pp. 441-71; Ehrman, pp. 172-3.

her vast possessions and claims, and in this received qualified support of France, herself competing with both Spain and Britain for territorial and commercial gains in America; while Britain was prepared to accept strained relations with Spain, until her own American conflict forced her to make concessions to Spain. Whatever advantages Spain gained, she gained either by the support of France or by exploiting the Family Compact. Great Britain's reluctance to make real sacrifices to buy Spain off in the 1770's remain inexplicable in retrospect, but at the time it was consistent with the general desire to extract whatever advantages could be gained from Spain and her possessions overseas.

B I B L I O G R A P H Y

A.- UNPUBLISHED DOCUMENTS

(i) Public Record Office

State Papers(Foreign)

Austria, S.P. 80/202-3

France, S.P. 78/253, 268, 272, 281,
283, 286, 292-3, 297-9

Portugal, S.P. 89/60, 62, 64-5, 72, 74,
76-87, 92.

100/43
Sicily and Naples,

S.P. 93/19-24

Spain, S.P. 94/165-208

Intercepted Correspondence(Northern De-
partment)

S.P. 107/101

Précis(Southern Department),

S.P. 109/77

Foreign Office Papers:

Portugal, F.O. 63/2-3

Spain, F.O. 72/1, 3-7, 10-15,
93/99/3,
185/1-2

Chatham Papers: P.R.O. 30/8/94, 349

Manhester Papers: P.R.O. 30/15/9-10.

(ii) British Museum

Add. MSS 9242, 9252 (Come Papers)

Add. MSS 24158-9, 24162-3, 24176-7 (Grantham
Papers)

Add. MSS 32300 (Intercepted Spanish Corr.)

Add. MSS 32429, 32950, 32952, 32955, 32958,
32967-8, 32971, 33024 (Newcastle Papers)

Add. MSS 34413 (Auckland Papers)

Add. MSS 35425 (Hardwicke Papers)

Add. MSS 47559, 47561-2 (Fox Papers)

Egerton MSS 373

Stowe MSS 262

(iii) Bodley Library (Oxford)

Lyell MSS empt. 37 (Rochford's notebook)

(iv) Archives des Affaires Etrangères (Paris)

Correspondence Politique,

Angleterre, vols 471, 495

Espagne, vols 544-6, 560

Turquie, vols 154-6

(v) Archivo General de Simancas(Valladolid)

Estado: Legajos 4551-89, 6099, 6325-8,
6500-3, 6703, 6833, 6054-
7021, 7290, 7312, 7314,
7317, 7322-3, 7327, 7417,
7419, 7421, 7411, 8133,
8134, 8138, 8141, 8145-7,
8162, 8183.

Libros 156, 179, 331, 339

Gracia y Justicia: Legajo 778

(vi) Archivo Histórico Nacional (Madrid)

Estado: Legajos 2510, 3413-4, 3416-7,
3421-2, 3427, 3433, 3439,
3446-7, 3449, 3452, 3455-8,
3477, 4072, 4168, 4227-32,
4261, 4414, 4429-30, 4452,
4531, 4533, 4539, 4952

Orden de Carlos III: Libro 114, C @ B,

Expediente 3.

B.- PUBLISHED DOCUMENTS

(i) Collections of treaties

Calvo, C., Colección completa de los tratados ... de la América Latina, 3vols., Paris, 1862.

Cantillo, A., Tratados, convenios y declaraciones de paz y de comercio.. de la Casa de Borbón desde el año 1700 hasta el día, Madrid, 1843.

Danske Tractater 1751-1800, Copenhagen, 1882.

Davenport, F.G. and Paullin, C.O., European Treaties bearing on the History of the United States and Its Dependencies to 1648, 4 vols., Washington, 1917-37.

Dumont, J., Corps Universel Diplomatique du droit des gens, 8 vols., Amsterdam and The Hague, 1726-31.

Ferreira Borges de Castro, J.,
Collecção dos tratados, Convenções, Contratos e Actos Publicos.. entre.. Portugal e as mais potencias desde 1640 até ao presente, 30 vols., Lisbon, 1856-1879.

Kenkinson, C., A Collection of all the Treaties of Peace, Alliance, and Commerce between Great Britain and other powers, 3 vols., London, 1783.

Martens, G.F. de, Recueil des principaux traites de l'Europe... depuis 1761, 7 vols., Gottingue, 1791-1801.

Wenck, F.A.G., Codex juris gentium recentissimi, 3 vols., Leipzig, 1781-1795.

(ii) Published collections and documentary histories

Archives of British Honduras, ed. J.A. Burdon, 3 vols., London, 1931-5.

British Diplomatic Instructions, 1689-1789, vol. VII, France, part IV, 1745-1789, ed. L.G. Wickham-Legg, Camden Society, vol. 49, London, 1934.

Calendar of Home Office Papers, 1760-1765, ed. J. Redington, London, 1878. "

Calendar of Home Office Papers, 1770-1772, ed. R.A. Roberts, London, 1881.

Colección de documentos inéditos para la historia de España (112 vols., Madrid, 1842-1895), Vol. 108.

Colección de documentos relativos a la historia de las Islas Malvinas, 3 vols., Buenos Aires, 1957- .

Documentos referentes a la guerra de la independencia y emancipación política de la Republica Argentina, Campaña del Brasil, Antecedentes coloniales, 3 vols., Buenos Aires, 1931-1941.

Journal of the Commissioners for Trade and Plantations from 1704 to 1782, 14 vols., London, 1920-38.

La España de Carlos III de 1764 a 1776 según los embajadores austriacos, ed. M.C. Velazquez, Mexico, 1963.

Papers relative to the late negotiations with Spain; and the taking of Falkland's Island from the English, London, 1777.

Parliamentary History of England from the earliest period to the year 1803, 36 vols., London, 1806-1820.

Politische Correspondenz Friedrichs des Grossen, eds. J.G. Droysen and others, 45 vols., Berlin, 1878-1938.

Quadro elementar das Relações politicas e diplomaticas de Portugal com as diversas potencias do mundo, ed. Vizconde de Santarem, 9 vols., Paris, 1842-1876.

Recueil des instructions données aux ambassadeurs et ministres de France,

Vol. I (Autriche), ed. A. Sorel, Paris, 1884.

Vol. III (Portugal), ed. V^{te} de Caix Saint-Aymour, 1886.

Vol. X (Naples et Parme), ed. J. Reinach, 1893.

Vol. XII bis (Espagne), eds. A. Morel-Fatio et H. Léonardon, 1899.

Vol. XXIII (Hollande), eds. L. André et E. Bourgeois, 1884.

Vol. XXV-2 (Angleterre, iii), 1689-1791, ed. P. Vaucher, 1965.

Relação das instrucções e ordens que se expedirem ao Conde da Cunha, Revista trimestral do Instituto Historico, Geographico e Ethnographico do Brasil, vol. 35 (Rio de Janeiro, 1872), part I.

(iii) Letters, Journals, Dispatches and Memoirs

Additional Grenville Papers, ed. J.R.G. Tomlinson, Manchester, 1962.

Colonel St. Paul of Ewart, soldier and diplomat, ed. G.G. Butler, 2 vols., London, 1911.

Correspondence of John, Fourth Duke of Bedford, ed. Lord John Russell, 3 vols., London, 1842-6.

----- of William Pitt, Earl of Chatham, eds. W.S. Taylor and J.H. Pringle, 4 vols., London, 1838-9.

Correspondence secrète du Comte de Mercy-Argenteau avec
l'Empereur Joseph II et le Prince de Kau-
nitz, eds. A. Arneth and J. Flammermont,
2 vols., Paris, 1889-1891.

Correspondence secrète du comte de Broglie avec Louis XV,
eds D. Ozanam et M. Antoine, 2 vols.,
Paris, 1956.

Correspondence secrète entre Marie-Thérèse et le C^{te} de
Mercy-Argenteau, eds. A. Arneth et M.A.
Geffroy, 2 vols., Paris, 1874.

Choiseul, Duc de, Mémoires du... 1719-1785, ed. F. Cal-
mettes, Paris, 1904.

Floridablanca, Conde de, Obras originales del Conde...
y escritos referentes a su persona, Biblio-
teca de autores españoles, vol. 59, Madrid,
1849.

Maria Theresia und Joseph II, ed. A. Arneth, 3 vols.,
Vienna, 1867-8.

Memoria de gobierno del Virrey Amat, eds. V. Rodríguez
Casado y F. Pérez Embid, Sevilla, 1947.

New Letters of David Hume, eds. R. Klibansky and E. C.
Mossner, Oxford, 1954.

Nicolini, F., Amici e corrispondenti francesi dell'abate
Galiani, Vol. I, Napoli, 1954.

Spencer, F., The Fourth Earl of Sandwich: diplomatic
correspondence, 1763-5, Manchester, 1961.

The Correspondence of King George III from 1760 to Decem-
ber 1783, ed. J.W. Fortescue, 6 vols.,
London, 1927-8.

The Grenville Papers, ed. W.J. Smith, 4 vols., London,
1852-3.

The Jenkinson Papers, 1760-1766, ed. N.S. Jucker, London,
1949.

The Journals of Captain James Cook on his voyages of dis-
covery, ed. J.C. Beaglehole, 4 vols.,
Cambridge, 1955- .

The Private Papers of John, Earl of Sandwich, 1771-1782, eds. G.R. Barnes and J.H. Owen, Navy Records Society, vol. 69, London, 1932.

Viviani della Robbia, E., Bernardo Tanucci ed il suo più importante carteggio, 2 vols., Florence, 1942.

Walpole, H., Journal of the reign of King George the Third from the year 1771 to 1783, ed. D. Doran, London, 1859.

----- Memoirs of the reign of King George the Third, ed. D. Le Marchant, 4 vols., London, 1845.

----- The letters of.., ed. P. Cunningham, 9 vols., London, 1857-9.

C.- SECONDARY WORKS

Acton, H., The Bourbon of Naples(1734-1825), London, 1957.

Anderson, M.S., The Eastern Question, London, 1966

Antón del Olmet, F., El cuerpo diplomático español en la guerra de la Independencia, 6 vols., Madrid, n.d.

Arneth, A., Maria Theresia und siebenjährige Krieg, 1756-1763, 2 vols., Vienna, 1885.

-----, Maria Theresia's Letzte regierungzeit, 1763-1780, 4 vols., Vienna, 1886-9.

Azevedo, L. de, O Marquês de Pombal e a sua epoca, 2nd edition, Lisbon, 1922.

Bédarida, H., Les premiers Bourbons de Parme et l'Espagne (1731-1802), Paris, 1928.

Bemis, S.F., The Diplomacy of the American Revolution, London, 1935.

Blart, L., Les Rapports de la France et de l'Espagne après le Pacte de Famille, jusqu'a la fin du ministère du Duc de Choiseul, Paris, 1915.

- Bourguet, A., Le Duc de Choiseul et l'Alliance Espagnole,
Paris, 1906.
- Boxer, C.B., The Golden Age of Brazil, 1695-1750,
Berkeley, 1962.
- Brooke, J., The Chatham Administration, 1766-1768,
London, 1956.
- Burns, Sir A., History of the British West Indies,
London, 1954.
- Burrell, Sir A., Reports of Cases determined by the High
Court of Admiralty and appeal therefrom..
1758-1774, London, 1885.
- Calderón, J.A., Belice, 1663(?) - 1821, Sevilla, 1944.
- Cambridge History of the British Empire, Vol. I (1929).
- New Cambridge Modern History, Vols. II (ed. G.R. Elton,
1958), VII (ed. J.O. Lindsay, 1957), and
VIII (ed. A. Goodwin, 1956).
- Carutti, D., Storia della Diplomazia della Corte di Sa-
voia (1494-1773), 4 vols., Turin, 1875-80.
- Céspedes del Castillo, G., Lima y Buenos Aires. Repercus-
iones económicas y políticas de la creación
del virreinato del Plata, Sevilla, 1947.
- Coloma, L., Retratos de antaño, 2 vols. Madrid, 1943.
- Conrotte, M., España y los países musulmanes durante el
ministerio de Florida Blanca, Madrid, 1909.
- Corona, C., José Nicolàs de Azara, Zaragoza, 1948.
- Coxe, W., Memoirs of the kings of Spain of the House
of Bourbon, from the accession of Philip V
to the death of Charles III, 2nd edition,
5 vols., London, 1815.
- Craton, M., A History of the Bahamas, London, 1962.

- Danvila, M., Reinado de Carlos III, 6 vols., Madrid, 1893-
(1896).
- Daubigny, E., Choiseul et la France d'outre-mer après le
Traité de Paris, Paris, 1897.
- Desdevises, G., L'Espagne de l'Ancien Régime. Les insti-
tutions, Paris, 1899.
- Doniol, H., Histoire de la participation de la France à
l'établissement des Etats-Unis d'Amerique,
5 vols., Paris, 1886-1892.
- Ehrman, J., The British Government and Commercial Nego-
tiations with Europe, 1883-1793, Cambridge,
1962.
- Ellis, K., The Post Office in the Eighteenth Century,
London, 1958.
- Fauchille, P., La Diplomatie française et la Ligue des
Neutres de 1780, Paris, 1893.
- Fernán-Nuñez, C.J. Gutiérrez de los Ríos, Conde de,
Vida de Carlos III, eds. A. Morel-Fatio
and A. Paz y Melia, 2 vols, Madrid, 1898.
- Fernández Duro, C., Armada española desde la unión de
los reinos de Castilla y Leon, 9 vols.,
Madrid, 1895-1903.
- Fitzmaurice, Lord, Life of William, Earl of Shelburne,
2 vols., London, 1912.
- Flammermont, J., Le Chancelier Maupeou et les Parlements,
Paris, 1883.
- , Rapport à M. le Ministre de l'Instruction
Publique sur les Correspondences des agents
diplomatiques étrangers en France avant la
Révolution, Paris, 1896.
- Flassan, G. de R. de, Histoire générale et raisonnée de
la Diplomatie Française, 7 vols., Paris,
1811(2nd. edition).

- Francis, A.D., The Methuens and Portugal, 1691-1708,
Cambridge, 1966.
- Garrigues, E., Un deslíz diplomático. La paz hispano-turca,
Madrid, 1962.
- Gil Munilla, O., Malvinas(El conflicto anglo-español de
1770), Sevilla, 1947.
- , El Plata en la política internacional,
Sevilla, 1949.
- Goebel, J., The struggle for the Falkland Islands, New York,
1927.
- Haring, C.H., The Buccaneers in the West Indies in the
XVII century, London 1910.
- Harlow, V.T., The Founding of the Second British Empire,
1763-1793, 2 vols., London, 1952-1964.
- Hidalgö, M., La cuestión de las Malvinas, Madrid, 1947.
- Hilton, R., Four Studies in Franco-Spanish Relations,
Toronto, 1943.
- Horn, D.B. (ed.), British Diplomatic Representatives,
1689-1789, Camden Society, vol. 46,
London, 1932.
- , British Public Opinion and the First Partition
of Poland, Edinburgh, 1945.
- , The British Diplomatic Service, 1689-1789,
Oxford, 1961.
- Kaplan, H.H., The First Partition of Poland, London, 1962.
- Lacour-Gayet, G., La Marine Militaire de la France sous le
regne de Louis XV, Paris, 1910.
- La Force, J.C., The Development of the Spanish Textile
Industry, 1750-1800, Berkeley, 1965.
- Lavissee, E., Histoire de France, 11 vols., Paris, 1900-11.
- Lepore, F., Un capitolo inedito di storia mediterranea,
Spagna e Impero ottomano nel secolo XVIII,
Florence, 1943.

- Luz Soriano, Simão José da,
Historia do reinado de el-rei D. José e da
administração do Marquez de Pombal, 2 vols.,
Lisbon, 1867.
- Lynch, J., Spanish Colonial Administration, 1782-1810,
London, 1958.
- Macedo, J. de, A situação económica no tempo de Pombal,
Porto, 1951.
- Mackesy, P., The War for America, 1775-1783, London, 1964.
- McLachlan, J.O., Trade and Peace with Old Spain, 1667-1750,
Cambridge, 1940.
- Madariaga, I. de, Britain, Russia and the Armed Neutrality
of 1780, London, 1962.
- Marsangy, L.B., Le Comte de Vergennes: son ambassade en
Suede(1771-1774), Paris, 1898.
- Martin-Allanic, J.E., Bougainville navigateur et les dé-
couvertes de son temps, 2 vols.,
Paris, 1964.
- Morel-Fatio, A., Études sur l'Espagne, Deuxième série,
deuxième édition, Paris, 1906.
- Namier, Sir L., Crossroads of Power, London, 1962.
- Olaechea, R., Las relaciones hispano-romanas en la segunda
mitad del siglo XVIII: la Agencia de Preces,
Zaragoza, 1965.
- Oliveros, M.T., María Amalia de Sajonia, esposa de Carlos III
Madrid, 1959.
- Olson, A.G., The Radical Duke, Oxford, 1961.
- Palacio, V., El Tercer Pacto de Familia, Madrid, 1945.
- , Las embajadas de Abreu y Fuentes en Londres,
1754-1761, Valladolid, 1950.
- Pares, R., War and Trade in the West Indies, 1739-1763,
Oxford, 1936.

- Pares, R., Colonial Blockade and Neutral Rights, 1739-63,
Oxford, 1938.
- , George III and the Politicians, Oxford, 1953.
- Parry, J.H., The Spanish Seaborne Empire, London, 1966.
- Patterson, A.T., The Other Armada. The Franco-Spanish
attempt to invade Britain in 1779,
Manchester, 1960.
- Prestage, E., (ed.), Chapters in Anglo-Portuguese Relations,
Watford, 1935.
- Ramsey, J.F., Anglo-French Relations, 1763-1770,
Berkeley, 1939.
- Rashed, Z.E., The Peace of Paris, 1763, Liverpool, 1951.
- Renaut, F.P., Le Pacte de Famille et l'Amérique: La Poli-
tique Coloniale Franco-Espagnole de 1760 à
1792, Paris, 1922.
- Rodríguez Casado, V., Primeros años de la dominación espa-
ñola en la Luisiana, Madrid, 1942.
- , La política marroquí de Carlos III,
Madrid, 1946.
- y F. Pérez Embid,
Construcciones militares del virrey Amat,
Sevilla, 1949.
- , La administración pública en el reinado de
Carlos III, Oviedo, 1961.
- , La política y los políticos en el reinado
de Carlos III, Madrid, 1962.
- Romano, R., Le Commerce du Royaume de Naples avec la
France et les pays de l'Adriatique au XVII^e
siècle, Paris, 1951.
- Rousseau, F., Règne de Charles III d'Espagne, 1759-1788,
Paris, 1907.

- Ruville, A., William Pitt, Earl of Chatham, 3 vols., London, 1907.
- Saint-Priest, A., Histoire de la chute des Jésuits au XVIII^e siècle, 1750-1782, Paris, 1846.
- Sala Balust, L., Visitas y reformas de los colegios mayores de Salamanca en el reinado de Carlos III, Valladolid, 1958.
- Schipa, M., Il Regno di Napoli al tempo di Carlos di Borbone, Napoli, 1904.
- Ségur, L.P. de, Politique de tous les Cabinets de l'Europe pendant les règnes de Louis XV et Louis XVI, 3 vols., 3rd edition, Paris, 1802.
- Sherrard, O.A., Lord Chatham and America, London, 1958.
- Tapia, E., Carlos III y su época, Madrid, 1962.
- Thomson, M.A., The Secretaries of State, 1681-1783, Oxford, 1932.
- Villiers du Terrage, M. de, Les dernières années de la Louisiane française, Paris, 1904.
- Voltes, P., Carlos III y su tiempo, Barcelona, 1964.
- Wandruszka, A., Leopold II, Vol. I, Vienna, 1964.
- Watson, J.S., George III, 1760-1815, Oxford, 1960.
- Williams, B., The Life of William Pitt, Earl of Chatham, 2 vols., London, 1913.
- Williams, G., The British Search for the Northwest Passage in the Eighteenth Century, London, 1962.
- Yela Utrilla, J.F., España ante la independencia de los Estados Unidos, 2 vols., Lerida, 1925 (2nd. edition).

D.- ARTICLES AND THESES

- Aiton, A.S., 'The Diplomacy of the Louisiana Cession', American Historical Review, 36(1930-1), 701-20.
- , 'A neglected intrigue of the Family Compact', Hispanic American Historical Review, 11(1931), 387-93.
- , 'Spanish colonial reorganization under the Family Compact', Hispanic American Historical Review, 12(1932), 269-80.
- , 'Spain and the Family Compact, 1770-3', Hispanic-American Essays(ed. A. Curtis Wilgus, North Carolina, 1942), 134-49.
- Alden, D., 'The Undeclared War of 1773-1777: Climax of Luso-Spanish Platine Rivalry', Hispanic American Historical Review, 41(1961), 55-74.
- Anderson, M.S., 'British Diplomatic Relations with the Mediterranean, 1763-1778', Ph.D. Thesis, Edimburgh, 1952.
- , 'Great Britain and the Russian Fleet, 1769-1770', Slavonic and East European Review, 31(1952), 148-63.
- , 'Great Britain and the Barbary States in the Eighteenth Centruy', Bulletin of the Institute of Historical Research, 29(1956), 87-107.
- , 'The Great Powers and the Russian Annexation of the Crimea, 1783-4', The Slavonic Review, 37(1958-9), 17-41.
- Artola, M., 'Campillo y las reformas de Carlos III', Revista de Indias, 12(1952), 685-714.
- Bemis, S.F., 'British Secret Service and the French-American Alliance', American Historical Review, 39(1924) 474-95.

- Bernard, M.G., 'Liste des secrétaires d'Etat espagnols de l'avènement des Bourbons jusqu'en 1808', Revista de Archivos, Bibliotecas y Museos, 52(1956), 387-94.
- Bourguet, A., 'Le Duc de Choiseul et l'Alliance espagnole. Un ultimatum franco-espagnol au Portugal (1761-2)', Revue d'Histoire Diplomatique, 24(1910), 25-38.
- Boutry, M., 'L'alliance autrichienne et la diplomatie secrète', Revue d'Histoire Diplomatique, 19(1905), 276-300.
- Boyd, J.P., 'Silas Deane; Death by a kindly teacher of treason', William and Mary Quarterly, 16(1950), 165-87.
- Broomfield, J.H., 'Lord Sandwich at the Admiralty; Politics and the British Navy, 1771-1772', The Mariner's Mirror, 51(1965), 7-18.
- Brown, V.L., 'Anglo-Spanish Relations in America in the Closing Years of the Colonial Era, 1763-1774', Hispanic American Historical Review, 5(1922), 325-483.
- , 'Spanish claims to a share in the Newfoundland Fisheries in the Eighteenth Century', Canadian Historical Association, Annual Report(1925), 64-82.
- Caillé, J., 'L'ambassade du comte de Breugnon a Marra-kech en 1767', Revue d'Histoire Diplomatique, 3(1961), 245-74.
- Chapman, W.C., 'Prelude to Chesne', The Mariner's Mirror, 52(1966), 61-76.
- Christellow, A., 'French interests in the Spanish Empire during the ministry of the Duc de Choiseul, 1759-1771', Hispanic American Historical Review, 21(1941), 513-37.
- , 'Great Britain and the Trades from Cadiz and Lisbon to Spanish America and Brazil, 1759-1783', Hispanic Historical American Review, 27(1947), 2-29.

- Coquelle, M., 'Le Comte de Guerchy, ambassadeur de France à Londres, 1763-1767', Revue des Études Historiques, 1908(Sept-Oct), 432-72.
- Down, W.C., 'The Occupation of the Falkland Islands', Ph.D. Thesis, Cambridge, 1927.
- Ellis, K.L., 'British Communications and Diplomacy in the Eighteenth Century', Bulletin of the Institute of Historical Research, 31(1958), 159-67.
- Farriss, N.M., 'Ecclesiastical immunity in New Spain, 1760-1815', Ph.D. Thesis, London, 1965.
- Fisher, H.E.S., 'Anglo-Portuguese Trade, 1700-70', Ph.D. Thesis, London, 1961.
- Fraguier, B., 'Le Duc d'Aiguillon et l'Angleterre(Juin 1771-Avril 1773', Revue d'Histoire Diplomatique, 26(1912), 607-27.
- Gipson, L.H., 'British Diplomacy in the light of Anglo-Spanish New World issues, 1750-57', American Historical Review, 51(1946), 627-48.
- Grillon, P., 'La correspondance du consul général, Louis Chénier, chargé d'Affaires de France au Maroc (1767-82', Revue d'Histoire Moderne et Contemporaine, 10(1963), 64-76.
- Hammond, R., 'Le Rétablissement des relations diplomatiques entre la France et la Prusse après la guerre de Sept Ans', Revue Historique, 25(1884), 69-82.
- Herrero, J.M., 'Notas sobre la ideología del burgués español del siglo XVIII', Anuario de estudios americanos, 9(1962), 297-326.
- Kamen, H., 'Melchor de Macanaz and the foundations of Bourbon power in Spain', English Historical Review, 80(1965), 699-716.

- Luengo, M., 'El Darien en la geopolítica internacional del siglo XVIII', Estudios Americanos, 18 (1959), 139-56.
- McAlister, L.N., 'The reorganization of the Army of New Spain, 1763-1766', Hispanic American Historical Review, 33(1953), 1-32.
- McLachlan, J.O., 'The Uneasy Neutrality', Cambridge Historical Journal, 6(1938), 55-77.
- , 'The Seven Years' Peace and the West Indian Policy of Carvajal and Wall', English Historical Review, 53(1938), 457-77.
- McLeish, J., 'British Activities in Yucatan and on the Mosquito Shore in the eighteenth century', M.A. Thesis, London, 1926.
- Martin, M.A., 'Diplomatic relations between Great Britain and Spain, 1711-4', Ph.D. Thesis, London, 1962.
- Morel-Fatio, A., 'La golilla et l'habit militaire', Bulletin Hispanique, 1904, 604.
- Muñoz, J., 'Ideas sobre comercio en el siglo XVIII español', Estudios Americanos, 19(1960), 47-66.
- Muret, P., 'Les papiers de l'abbé Beliard et les relations commerciales de la France et de l'Espagne au milieu du XVIIIe siècle', Revue d'histoire Moderne et Contemporaine, 4(1902-3), 657-72.
- Olaechea, R., 'En torno al ex-jesuita Gregorio Iriarte', Archivum Historicum Societatis Iesu, Extractum e vol. 23(1964).
- Palacio, V., 'Política italiana de Carlos III; la cuestión del Placentino', Hispania, 4(1944), 438-63.
- , 'El equilibrio de América en la diplomacia del siglo XVIII', Revista de Estudios Americanos, I(1950), 461-79.
- , 'Primeras negociaciones entre España y Marruecos', Hispania, 11(1951), 658-79.
- , 'Tribunales británicos y presas de barcos durante la guerra de los Siete Años', Revista de Archivos, Bibliotecas y Museos, 60(1954), 105-10.

- Rambert, G., 'La France et la politique commerciale de l'Espagne aux XVIII^e siècle', Revue d' Histoire Moderne et Contemporaine, 6(1959), 269-88.
- Roberts, M., ' Great Britain and the Swedish Revolution, 1772-3', The Historical Journal, 7(1964), 1-46.
- Rodríguez Casado, V., 'Comentarios al Decreto y Real Instrucción de 1765', Anuario de Historia de Derecho Español, 13(1936-41), 100-35.
- , 'Política exterior de Carlos III en torno al problema indiano', Revista de Indias, 5(1944), 227-66.
- , 'La Revolución burguesa del siglo XVIII español', Arbor, 18(1951), 5-29.
- , 'El ejército y la marina en el reinado de Carlos III', Boletín del Instituto Riva Agüero, 3(1956-7), 129-56.
- Russell, N.V., 'The reaction in England and America to the capture of Havana, 1762', Hispanic American Historical Review, 9(1929), 303-16.
- Torres, B., 'La isla de Vieques', Anuario de estudios americanos, 12(1955), 449-66.
- Voltes, P., 'Los incidentes marítimos hispano- británicos como antecedentes de la guerra con Inglaterra de 1779-1783', Revista General de Marina, 152 (1957), 264-76.
- , 'Irlanda en la estrategia franco-española de 1779', Boletín de la Real Academia de la Historia, 143(1958), 21-42.
- Wilson, A.M., 'The Logwood Trade in the Seven^{te}enth and Eighteenth Centuries', Essays in the History of Modern Europe, ed. D. McKay, New York, 1936.
-