

## **Basque Politics and Economic Independence in the Bourbon Reform Era: The Caracas Company's Trade between Guipúzcoa and Caracas**

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This article examines the economic independence of the Basque country in the 18<sup>th</sup> century based on the example of the Caracas Company and its trade between Guipúzcoa and Caracas.

The Spanish Empire experienced important reforms in the 18<sup>th</sup> century. Prior to the war of the Spanish Succession (1701-1714), the political system was the “composite monarchy (monarquía compuesta)”. It has been argued that this system collapsed as a consequence of the transition to the Bourbon dynasty because Felipe V, the first king of the dynasty, introduced administrative centralization during the war. At the same time, the Atlantic trade of the Spanish Empire went into decline. The king and his government needed to deal with contraband-trade and private traders through a reorganized trade system and administrative reform in the colonies.

The Caracas Company was an answer to these problems. The Company was established in San Sebastián (Donostia), in Guipúzcoa, and given the exclusive right by the king to conduct trade in Venezuela. Moreover, the Basques were keen stockholders. Guipúzcoa had been dissatisfied with the traditional Spanish trading system, namely the restrictions of trading ports and the fleet and galleons system. The authorities and Guipúzcoa thus had a common interest in the establishment of this company.

As a consequence, the Basques obtained a greater degree of autonomy from the Spanish monarchy that had been seeking centralization. The Company held exclusive privileges; this meant that the Basques acquired new privileges in addition to the ones they had held since the 13<sup>th</sup> or 14<sup>th</sup> century. It will be suggested in this article that the “composite monarchy” continued regardless of the reform period.