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The Decline in the Profitability of the *Carrera de Indias* at the End of the 18th Century: The Case of a Foreign Company (1765-1789)

Raul Wildbolz-Gallego

ABSTRACT: *This article provides some insights into commercial and financial profitability during the period of liberalisation of the* Carrera de Indias *by using unpublished quantitative and qualitative primary sources from investors in one of the most important French-speaking companies in Cadiz:* Cayla, Solier, Cabanes, Jugla et Cie. *An analysis of accounting and epistolary sources from these Huguenot investors established between Geneva and Vaud, in present-day Switzerland, identifies a negative trend in trade-related profitability, in line with existing literature. This decline can be explained by the increase in competitiveness linked to the reformist measures introduced by Charles III of Spain as well as other institutional changes prior to the arrival of the* déspota ilustrado. (**JEL CODES**: N23, N26, N73, N83)

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El declive de la rentabilidad de la *Carrera de Indias* a finales del siglo XVIII: el caso de una empresa extranjera (1765-1789)

Raul Wildbolz-Gallego

RESUMEN: *Este artículo ofrece algunas ideas sobre los beneficios comerciales y financieros durante el período de liberalización de la* Carrera de Indias *utilizando fuentes primarias cuantitativas y cualitativas inéditas de inversores de una de las empresas francófonas más importantes de Cádiz:* Cayla, Solier, Cabanes, Jugla et Cie. *El análisis de fuentes contables y epistolares de dichos inversores hugonotes establecidos entre Ginebra y Vaud, en la actual Suiza, identifica una tendencia negativa en la rentabilidad ligada al comercio, en línea con lo ilustrado por la literatura existente. Este resultado puede explicarse por el aumento de la competitividad vinculado a las reformas introducidas por Carlos III, así como a otros cambios institucionales previos a la llegada del* déspota ilustrado. (**CÓDIGOS JEL**: N23, N26, N73, N83)

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1. Introduction

The Spanish Atlantic trade was concentrated in the port of Cadiz in southern Spain in the 18th century. This city held the geographical monopoly on this crucial trade during the century, making it one of the most important ports in Europe. Nevertheless, in the 19th century, the commercial system centred around Cadiz diminished in importance, transitioning from being a major player in the 18th century international merchant system to a provincial port.

The *Carrera de Indias* literature addresses this topic in relation to the so-called "decline" of the port of Cadiz. This theme has been largely developed since the second half of the 20th century with, for instance, the work of García-Baquero González (1972), but also by more recent contemporary scholars such as Bustos Rodríguez (2005). These studies examined the "decline" of the port of Cadiz starting in the 1790s. García-Baquero dates this phenomenon to having occurred after the British Navy's blockade of 1797 when the King of Spain was obligated to permit Spain's colonies to trade directly with neutral ships from other parts of Europe and the US. According to García-Baquero, Spanish American merchants were accustomed to trade directly with foreigners in their ports of origin, thus diminishing the importance of the Iberian Peninsula prior to the independence of the colonies. Bustos Rodríguez (2005) also cites the Blockade, but he includes the Revolutionary Wars as an important factor in explaining the decline in 1793. These wars provoked a depletion of the city's commercial capital due to the immense financial demands of both the city and the Spanish State through the financing of multiple wars, giving a bigger role to merchant capital (Bustos Rodríguez, 2010, pp. 497–533). More recently, Arnaud Bartolomei (2017) offered a new interpretation of the decline. He argues that the real decline of the port was related directly to the independence process of the Americas after 1820 as Cadiz's trade was able to recover during intervals of peace throughout the revolutionary period (Bartolomei, 2017, pp. 72–73). In addition, by analysing the profitability of French merchants in Cadiz, he also identifies a negative change in their situation in the 1780s, suggesting a more complex story where merchant capital may have played a more relevant role (Bartolomei, 2017, p. 137).

Overall, the main body of literature on the "decline" of Cadiz identifies its loss of economic appeal as beginning in the late 1790s. This perspective is usually linked to a well-developed literature that has quantified the strong performance of the port in the 1780s and early 1790s in terms of volume of trade. This literature was probably initiated by Fisher (Fisher, 1993, pp. 19–20), though later qualified by other scholars (García-Baquero González, 1997; Cuenca Esteban, 2008; Bartolomei, 2017). The liberalisation process that started in 1765 – when trade between Cuba, Santo Domingo, Puerto Rico, and Trinidad and nine ports in the Iberian Peninsula was permitted – culminated in the *Reglamento de Libre Comercio* of 1778 which opened trade between 13 Iberian ports and many more American ports. However, this process and other institutional changes, such as the repeal of the French traders' privileges and other provisions from 1778 are generally not considered. In fact, the calculation of the increase in the volume of trade in the port has, overall, led to a waiver of the study of the situation of its traders. In fact, even though several merchants of the *Consulado* complained about the

reforms both before and after the 1778 decree, these scholars have judged these protests to have been a reaction to the erosion of their privileges (García-Baquero González, 1998). Regarding the foreign houses, others do not identify the increase in the number of bankruptcies in the mid-1780s as having resulted from the decline of the importance of the French houses in Cadiz (Zylberberg, 1993, pp. 343–362).

To better evaluate the performance of the port, understanding the profitability of the *Carrera de Indias* is also essential. Indeed, in addition to the volume of trade, studying real profitability is key to revealing whether or not the performance of agents participating in the port of Cadiz was favourable. While a quantitative increase in goods arriving at and departing from a port might be perceived as an indicator of successful trade, it can be misleading. In fact, such an increase could instead reflect heightened competition in the market, which may have negatively impacted the profit potential of those operating in the port. For example, while it boosted state tax revenues, the rise in trade activity in Cadiz during the 1780s might appear positive in public records but, for the agents involved, it might have been a drawback due to intensified competition in the Andalusian city[1].

Even though there is significant literature about the status of the port at the end of the 18th century, data about the real profitability of the merchants participating in the last years of the *Carrera de Indias* is still lacking. While several works give some qualitative and quantitative insights about the profitability of the merchants in the Carrera, they are limited by their focus and their sources' availability (García-Baquero González, 1976, pp. 499–532; Le Gouic, 2011; Bartolomei, 2017). A major attempt to determine the profitability of the Spanish Colonial system is in the book written by Antonio Bernal in 1992. He used an almost exhaustive database of sea loans from 1760 until 1825. During this period, sea-loan deeds had to be registered in the *Registro de Cambio y Riesgos marítimos* which contains information about 33,819 sea loans (Bernal, 1992, pp. 374 and 420). Despite the breadth of Bernal's study, it is limited by the nature of its source. More precisely, the public source *Registro de Cambio y Riesgos Marítimos* provides only total investment amounts without direct financial profitability data. Therefore, this information had to be estimated using software. However, these estimates are limited as they exclude transaction costs, taxes and other expenses, thus reflecting only gross profitability. Using a completely different research strategy, Chamboredon (1995) was notably able to provide information on the profitability of the important French commercial house Gilly-Fornier in Cadiz. In fact, by using private documentation such as accounting books, he could extract data about the gains and losses of its financial and commercial investments.

This paper therefore seeks to deepen the study of the evolution of the profitability of the *Carrera de Indias* during the period of the liberalisation of the Spanish Colonial market from 1765 onwards. Emulating the strategy of other scholars such as Chamboredon, this paper addresses this issue using a micro-historical approach, specifically through private sources from a well-known foreign company in 18th century Cadiz: *Cayla, Solier, Cabanes, Jugla et Cie.* Through a review of complaints registered by members of this company, this article aims to illustrate the poor profitability performance in Cadiz in a longer-term perspective i.e. not only after the implementation of the key 1778 free trade reforms but also before these

measures were introduced. We will examine how these actors identified the main cause of this underperformance as the increase in the number of merchants in the Andalusian city which consequently reduced their profits. To assess the validity of these complaints, the article aims to provide longitudinal evidence of the profitability of some investments made through this company. Specifically, we perceive a secular trend in their financial profitability, and poor results in their commercial profitability.

This document embraces the conclusions and results of other studies that identify a decrease in the merchant interest and profitability of activities related to the *Carrera de Indias* within the trade system, but more particularly of the French trade group (Dornic, 1954; Chamboredon, 1995; Le Gouic, 2011; Bartolomei, 2017). Given that foreign capital played such a significant role in Cadiz, poor investment returns may have reduced investors' interest in the *Carrera de Indias* well before the Revolutionary conflicts and the city's blockade in 1797.

To understand the evolution of profitability through an analysis of this foreign company, this paper is organised as follows: the second section gives some contextual elements of the liberalisation of the *Carrera de Indias,* as well as of the company, its investors and its network. It also describes the primary documentation. The third section develops the methodology and the analytical framework. The fourth section studies qualitative and quantitative evidence of the secular trend in investor gains until the 1778 reforms. The fifth section analyses the secular trend in both financial and commercial profitability after the 1778 reforms, and the sixth section concludes.

2. Foreigners in the Carrera de Indias: *Cayla, Solier, Cabanes, Jugla & Cie.*

The participation of foreign capital in the 18th century *Carrera de Indias* was very common. Despite the legal restriction limiting participation in the Spanish colonial market to Spanish nationals, foreigners could easily participate *de facto*. In fact, foreigners were the ones running the show, as 18th-century Cadiz merchants were often merely the *prestanombres* or front men and women of the foreigners. Thus, while many Cadiz merchants acted only as commissioners, the foreign companies were the entities that held and provided the majority of the capital necessary for the good functioning of the colonial trade (Bernal, 1992, p. 353). In other words, foreigners had a hegemonic position inside this economic system[2].

Among the French merchants listed in the *Catastro de Ensenada*, the second most important was *Cayla, Solier, Cabanes, Jugla et Cie.*, the French-speaking company that is the focus of this study. Although most of the members of this company lived in or had direct connections to Switzerland, they were registered at the French Consulate in Cadiz – and thus considered as French –, due to their affiliation with the Huguenots. This protestant sphere, with its primary centres in Geneva and Basel, was created mainly after the abolition

of the Edict of Nantes in 1685. It had an extensive network that mobilised and diversified its capital throughout Early Modern Europe in the most profitable and promising investments of the 18th century such as public finance in France and in various colonial markets, including the establishment of this company in the port of Cadiz (Dermigny, 1959; Lüthy, 1959; Veyrassat, 1977, 2018).

Private documentation for the study of the *Carrera de Indias* is scarce. For the 18th century, Bernal (1992) linked this issue to the hegemonic position held by foreigners in Cadiz. In fact, a different research strategy has been developed by other works focussing on the use of foreign archives to better assess the participation of foreigners and the functioning of Cadiz (Dornic, 1954; Carrière, 1970; Chamboredon, 1995; Le Gouic, 2011; Nogues-Marco, 2011a; Bartolomei, 2017; Kaps, 2017; Brilli, 2022). In the State Archive of Geneva, a private collection titled "*Familles Solier and Budé de Boisy*" contains the documentation of Marc Solier, a former merchant of Cadiz who returned to Switzerland in the mid-1700s and continued his investments from Geneva and Vaud through his company *Cayla, Solier, Cabanes, Jugla et Cie.* [3]. The archive also holds business documentation of his brothers Jean and Jacques Solier. Jacques was also a retired merchant living in Geneva when the documents were created, mainly spanning the period between 1764 and 1787. Most of the records consist of letters between managers of the company and other investors, but there are also other quantitative documents, such as invoices, accounts related to their investments and, notably, their personal accounting journals.

Private documentation on the 18th century Spanish colonial market is scarce, as most records related to the *Carrera de Indias* that have been preserved were those produced by the Spanish State. However, private archives from investors and merchants participating in Cadiz offer an opportunity to study the internal dynamics of the *Carrera*. On the one hand, correspondence may disclose the internal dynamics of the company and the market from the viewpoint of the actors who participated directly in the *Carrera.* On the other hand, accounting and other quantitative information, such as invoices, allows an understanding of the earnings and costs of this commercial system. Public sources, in contrast, do not reflect information about profitability because merchants were reluctant to disclose such data, notably to evade the impact of usury laws (Bernal, 1992, p. 41).

3. Methodology

Therefore, by using accounting books and other quantitative information, it is possible to identify not only the different types of investments by the Soliers, but also their amounts and returns. This enables us to calculate profitability, which can be assessed using the two following measures:

$$\text{NET PROFIT} = \text{TOTAL NET RETURNS} - \text{INVESTED AMOUNT} \quad (1)$$

Then, the profit of an investment (not annualised) is calculated like this[4]:

$$\text{PROFIT}(\%) = \frac{\text{NET PROFIT}}{\text{INVESTED AMOUNT}} 100 \quad (2)$$

It is important to emphasise that the gains and invested amounts presented here are net, meaning that all costs, including transaction-related expenses, are accounted for. This is due to the nature of the primary source itself, as investors' accounting books were required to reflect the actual gains and costs of investments to accurately determine their personal financial situation.

Before going deeper into the analysis, it is essential to distinguish between financial and commercial profitability, as they are associated with two different types of investments, respectively sea loans (*préstamo a riesgo de mar*) and the shipment of goods for sale to the American colonies.

1. Sea loans: these involved credit extended to another merchant or a ship's captain in exchange for an interest. The unique feature of these loans was that repayment was contingent upon the safe arrival of the ship at its destination, as stipulated in the loan contract. This made maritime risk, along with commercial risk, key determinants of profitability in these investments.
2. Commercial investments: these involved sending goods to the colonies, typically via the *Flotas de Nueva España* or through *registros sueltos* to various ports in the Spanish colonies. The profitability here reflects the net gain from the sale of goods upon arrival in the Americas. However, this analysis does not include data on the commercial profitability of selling colonial goods brought back to Cadiz or other European ports.

In addition to profits calculations, correspondence between the Soliers and the managers of the company is also used to contextualise and interpret the profitability results, and to add further explanatory elements not available through the analysis of the quantitative evidence.

4. Results of the commercial and financial profitabilities before 1778

The most obvious opportunity to invest in the *Carrera de Indias* was through the fleets heading to New Spain. Although the fleets system was temporarily cancelled in 1739, it was reinstated in 1757. These fleets departed every two or three years, or sometimes even less frequently, depending on market conditions in New Spain. As such, they represented an opportunity not to be missed by any actor wishing to invest in the *Carrera de Indias*. Marc Solier and his brothers invested in both commercial and financial ventures related to the fleets. Records confirm the Soliers' participation in the fleets of 1765, 1768 and 1776. These were some of the last fleets before the publication of the 1778 *Reglamento de libre comercio*[5].

Table 1 shows the results of Jean Solier's commercial investment in the 1765 fleet. Jean Solier, one of Marc Solier's brothers, engaged in this type of investment, which involved the direct sale of European goods in Veracruz at the Jalapa fair. Since the Soliers were not Spaniards,

they had to work through a Spanish figurehead. However, as the profitability data show, this investment was not only unprofitable but also highly dependent on the types of goods traded. In fact, commercial investments were significantly impacted by commercial risks and, particularly, market conditions – the balance between supply and demand – in New Spain, thus increasing the volatility of these investments.

Even for cinnamon, the profitability was negative. In fact, there is evidence that the cinnamon to be re-exported into the Americas came to Cadiz from *Rabaud, Solier et Cie.*, another company they owned in Marseille (*Lettres de Solier, Jacques, à son frère Marc*, 1776, 3e liasse p. 76; Dermigny, 1959). Cinnamon could be exported to New Spain either through the Manila Galleon or through Cadiz (Caño and Yuchung, 2022, p. 270). Although usually neglected in the literature, cinnamon was the fourth most important agricultural cargo exported from Cadiz (García-Baquero González, 1976, p. 208). The profitability of this commercial investment was especially high during the American Revolutionary War (see Appendix 1) as the merchants in Mexico were willing to pay more as they expected a decline in supply.

TABLE 1. **Commercial investments in the fleet of 1765**

	Spanish silver reales			
Goods shipped to the Americas	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
24 pieces *peluches* to Almera	3,658.12	3,399.65	-258.47	-7.07
28 bundles of 16 pieces semptiternal, 448 pieces to Sistos and Basoa	15,078.41	17,700.15	2,621.74	17.39
46 bundles of *Rouens* to Cadalso + 46 bundles of *Rouens* to Almera	7,526.88	6,628.82	-898.06	-11.93
39 bundles *Bretagnes légitimes* to Sistos and Basoa	4,683.32	4,544.35	-138.97	-2.97
28 *churlas* of cinnamon[6]	117,799.50	112,840.06	-4,959.44	-4.21
TOTAL	**148,746.24**	**145,113.03**	**-3,633.21**	**-2.44**

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier* (1764-1773) and *Lettres de Banque Concernant La Société Maritime*, (1770, fol. 4) for the last account.

This is only a result from one investment and could not fully reflect the results for the whole fleet. Still, it shows that the profitability of the Soliers was already unfavourable by 1765, nearly 30 years before the Revolutionary era. This point is supported by the correspondence between the managers in Cadiz and the investors in the Lake Geneva region:

> "(...) trading in Cadiz is not the same as it was in the past for foreign companies because of their great number and the bad traders as well as the quantity of Spaniards who trade the merchandise" *(Lettres de Jugla, Jaques à Marc Solier, 1766, p. 8)*[7].

Here two key factors emerge that are essential for understanding the poor performance of investments in the port of Cadiz: first, the increased competition caused by the proliferation of both Spanish and foreign companies (likely French), and second, the influence of "bad traders".

Lamikiz (2010) acknowledges an increase in Spanish actors. Beyond the first abolition of the fleet system in 1739 and focusing more on trade with Peru, he identified growth in the number of actors and ships going to Peru. He explained that along with liberalisation policies enacted in 1765, Spanish ministers increased the number of *permisos* (or licences) for participating in the *Carrera de Indias.* These ministers were not interested in maintaining strict market control in the colonies but to "make colonial trade grow" (Lamikiz, 2010, p. 87). The increased competition from the Spaniards can be seen not only in the increase in the number of actors, but also in their greater economic power. Some authors mention the increasing role of the Spaniards at the expense of foreigners (Bernal, 1992, pp. 366–367; Bustos Rodríguez, 1995, p. 199; Lamikiz, 2023, pp. 6–7). Chamboredon also highlights the increase in competition from Spanish merchants in this period. Indeed, the French company he studies complained in 1768 that Spanish actors had gone from being simple '*Richards*' or capitalists, to being true merchants in the space of 15 years: "(there is) infinitely more money in Spanish markets than ever before" (Chamboredon, 1995, p. 240).

Not only did Spanish merchants became stronger in Cadiz, but foreigners – especially the French – also expanded their foothold. Arriving in 1720, *Cayla, Solier, Cabanes, Jugla et Cie.* was among the first French companies to establish itself in Cadiz after the Treaty of Utrecht (Dermigny, 1959, p. 29). With the arrival of the Bourbon dynasty, French textile goods became increasingly fashionable due to the influence of a French king at the Spanish Court (Stein and Stein, 2003, p. 15). Additionally, the Treaty of Utrecht (1713-1714) proved more favourable to French merchants than to the English ones (Stein and Stein, 2003, p. 23). The Treaty, combined with the abolition of the fleet system in 1739 during the War of Austrian Succession, drew a significant number of French trading houses to the port of Cadiz. By 1738 there were 38 French companies, a number that had increased to 70 by 1778 (Ozanam, 1968, p. 70). Thus, French companies alone had doubled in number, intensifying competition among French traders in the port.

The early-established companies like *Cayla, Solier, Cabanes, Jugla et Cie.* profited substantially in their initial years, amassing significant capital. This firm, alongside other foreign companies in Cadiz, became known as one of the "established and accredited houses" in the city (*Lettres de Jugla, Jaques à Marc Solier*, 1766, p. 8; Chamboredon, 1995, pp. 226–227). It is frequently cited in the secondary literature along with other notable companies such as the Magons, Lecouteulx or Verduc, Vincent (Bernal, 1992, p. 450; Stein and Stein, 2003, p. 15). These companies may have had an oligopolistic position before the 1778 reforms that has materialised in financial investments such as sea loans (García-Baquero González, 1989, pp. 237–239; Bernal, 1992, pp. 435–436). Nevertheless, besides their economic position inside the Andalusian port, they were possibly suffering from this competition. The once-exclusive market environment was evolving, threatening their previously secure hegemony in the port.

Related to the increase in the number of actors in the market – and thus competition – there was also a rise in what Jaques Jugla referred to as *bad traders*. The increased competition did not only come from large and wealthy houses but also from smaller merchants which were often debtors of larger houses. With less capital, they were more vulnerable to the strategies of the Mexican *almaceneros* during the fair at Jalapa. These Mexican merchants often delayed their purchases until the last days before the fleet was scheduled to depart for Cadiz. This made Spaniards desperate, with little choice but to sell their goods at much lower prices (Stein and Stein, 2003, p. 132). The smaller merchants were more susceptible to this strategy, which may have led to a general drop in prices, and a decline in the profitability of the *Carrera*. Other struggling traders may have been smaller French merchants who were more willing to accept declining trade conditions, serving as a precursor to the market specialisation observed in the 1780s (Bartolomei, 2017, p. 101).

The increase in competition seems to be reflected in the size of the last fleets. Notably, the fleet of 1776 was possibly the most valuable fleet ever assembled, despite preceding fleets having proven disastrous for merchants due to the overwhelming volume of unsold merchandise at the Jalapa fair (Stein and Stein, 2003, p. 137). For example, even after the official closing of the 1772 fair, nearly one million pesos' worth of goods remained unsold, including some from the 1765 fleet (Stein and Stein, 2003, p. 132).

Another reflection of this competition may be seen in the profitability of the *Carrera* financial investments. Tables 2, 3 and 4 give some insights into the profitability of financial investments – sea loans – during the fleets of 1765, 1768 and 1776[8]. More precisely, we observe a decline in the profitability of these financial investments between the 1765 fleet and the last fleet in 1776. Indeed, the profitability dropped from an average rate of 29.27% in 1765 to 24.24% in 1776, or a decrease of 5%.

This decline can be understood through the reduction in the use of outbound sea loans. In comparing private documents of the Solier with notarial acts of Cadiz, some of their sea-loans contracts can be identified. All identified sea loans were respondentias, and the use of outbound loans declined in the following years. This is important because outbound loans had a significant higher profitability than round trip loans. As stated in the literature – and our primary sources – there were higher earnings related to the currency exchange. While loans in Cadiz were contracted in *pesos sencillos*, outbound loans were reimbursed in America in *pesos fuertes* which had a 33% higher intrinsic value[9]. We can hypothesise that the decline in the capacity of contracting outbound sea-loans may be explained, in addition to the competition issue explained above, by the lower capacity of foreigners to develop trustworthy confident relationships with American actors, which may also be linked to the increase in the number of actors. In fact, as stated recently in the literature, American merchants and commissioners had closer commercial relationships with Spanish merchants (Lamikiz, 2023, pp. 6–7).

Therefore, a secular downward trend can be perceived in the real profitability of financial investments in the *Carrera*, even for the most dominant and largest players in the system who presumably had more market power. For comparison, the interest rate of bills of exchange in Cadiz payable in the main European financial centres (London, Amsterdam and Paris) was

about 8.65% (Nogues-Marco, 2011b, p. 64), which can be considered as the implicit interest of the letter of exchange in Cadiz, while the annualised financial profitability of investing in sea loans was 11.25% in 1765 and 10.55% in 1776. This means that from 1765 to 1776, the opportunity cost of investing in the *Carrera de Indias* compared to investing in the less risky and uncertain exchange market in Cadiz declined (from 2.6% to 1.28%), thus making the *Carrera* increasingly less appealing to investors in Cadiz.

TABLE 2. **Financial profitability related to the Fleet of 1765 (sea loans)**

	Spanish silver reales			
Goods shipped to the Americas	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
2000 piasters sea loan with Sistos (outbound)	16,083.09	20,870.00	4,786.91	29.76
1000 piasters sea loan with Almera (round trip)	8,040.00	10,251.35	2,211.35	27.50
2000 piasters sea loan with Sierra (outbound)	16,090.00	20,864.09	4,774.09	29.67
TOTAL	40,213.09	51,985.44	11,772.35	29.27

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier* (1764-1773). Information about the type of sea loan is extracted from *Protocolos de la notaría 5 de Cádiz* (1765) pp. 16–18 or deduced from the accounting book.

TABLE 3. **Financial profitability related to the Fleet of 1768 (sea loans)**

	Spanish silver reales			
Goods shipped to the Americas	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
Sistos and Basoa (outbound)	16,000	NA	NA	NA
Aguirre (round trip)	8,000	NA	NA	NA
Noble and Miranda (round trip)	8,000	NA	NA	NA
Cadalso (unknown)	8,000	NA	NA	NA
TOTAL	40,208	50,738	10,530	26.19

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier* (1764-1773). The Total is not the sum of all investments above because some additional costs are added. Information about the type of sea loan is extracted from *Protocolos de la notaría 5 de Cádiz* (1768) or deduced from the accounting book.

This decline cannot be explained by a decrease in maritime risk, but rather by an increase in commercial risk[10]. In fact, most of the sea loans were granted to finance the purchase and shipping of European goods to the Americas. Therefore, we should expect that a decline in the commercial profitability in the *Carrera de Indias* would lead to a decrease in the profitability of sea loans[11] in the long-term.

TABLE 4. **Financial profitability related to the Fleet of 1776 (sea loans)**

	Invested Amount				Net Returns					
Collateral and type of sea loan	Lb	S	D	Deci.	Lb	S	D	Deci.	Net Profit	Profit (%)
15 merchant ships of the fleet (sum of possibly six loans; only one of them was outbound)[12]	50,322	14	8	50,322.73	61,766	1	0	61,766.1	11,444.1	22.74

SOURCE: Own elaboration from the data available in *2 Journaux Comptables de Marc Solier et Jacques Solie*r (1776-1787, 1er livre). All amounts are written in French Livres. There is a minor difference in exchange rate: 76 sous per piaster in 1776 while in 1778 (when refunded) it was on 76,5 piasters. The profitability does not change substantially. Information about the type of sea loan is extracted from *Protocolos de la notaría 5 de Cádiz* (1776) or deduced from the accounting book.

NOTE: The 1776 New Spain fleet, commanded by Antonio de Ulloa.

Other works focusing on private evidence such as Chamboredon, but as well as Dornic[13], show evidence that may reflect a secular tendency in the profitability of these foreign companies even before 1765. Dornic detailed the complaints of Antoine Granjean – a Lyonnais merchant in Cadiz – about the market's poor conditions, especially in the late 1760s (Dornic, 1954, pp. 318–324). Chamboredon shows quantitative data about the overall profitability share of the sea loan investments, showing how profitability declined from around 24% between 1769 and 1772, to around 18% between 1776-1778 (Chamboredon, 1995, p. 451), affirming that he observed a decrease of the interest rates in the whole period he studied (1748-1786) (Chamboredon, 1995, p. 397). Overall, commercial investments in European goods did not clearly decline, though they remained unpredictable (Chamboredon, 1995, p. 454). For Veracruz, however, he affirmed that profitability dropped between 1750 and 1765 despite the fleet system's reintroduction (Chamboredon, 1995, pp. 430–432). Using fiscal sources, Bustos-Rodríguez notes a decline in foreign merchants' profitability from 1753 to 1773, at least relatively to Spaniards (Bustos Rodríguez, 1995, pp. 198-201).

5. Results of the activity after 1778

Although the liberalisation of the *Carrera de Indias* began in 1765 with the first decree of free trade, it was the *Reglamento de Libre Comercio*, published on 12 October 1778, that had a significant impact on the actors participating in the port of Cadiz. While the new regime might appear beneficial for the Andalusian port considering its role as the *entrepôt* of the *Carrera de Indias* and the subsequent increase in commercial activity, these circumstances were primarily advantageous to the government due to the rise in fiscal revenues. However, this picture is somewhat misleading from the perspective of the merchants and other investors – especially the foreigners – who were key players in the *Carrera*.

"Free Trade" was perceived as a negative shock to the already declining returns of the investments that *Cayla, Solier, Cabanes, Jugla et Cie.* could make in Cadiz. More specifically,

in November 1778, Jean Jugla – the company's manager in Cadiz until 1771, and brother of Jaques Jugla, one of the managers of the company – wrote an extensive letter to his uncle Marc Solier, a major investor in the company who lived on the shores of Lake Geneva, complaining about the poor performance of Cadiz and the bleak outlook he foresaw after the proclamation of the *Reglamento de Libre Comercio*.

Before delving into the analysis of this qualitative evidence, it is important to highlight a key aspect related to the nature of the documentation used in this study. Complaints about the impact of the *Reglamento* are not new in the literature (e.g.: García-Baquero González, 1998; Baskes, 2013; Bartolomei, 2017), but what is particularly interesting here is the nature of Jugla's correspondence. While earlier literature mainly relied on public documents created by merchants of the *Consulado de Cadiz* who were lobbying to preserve the old merchant system, this study presents private correspondence – with no intention of defending their private interests in front of a public institution – that also reflects a negative image. Of course, this correspondence could also be biased given Jean Jugla's desire to defend his previous management of the company, and the actual management of his brother. However, it is important to note that he was also an investor in the company and therefore had a vested interest in justifying his business practices. Furthermore, in the past, he had had no qualms about heavily criticizing the management of a company in Amsterdam, run by another of his brothers *(Lettres de Jugla, Jean à Jacques et Marc Solier*, 1769-1770, pp. 17 and 25).

Jugla's letter of November 1778 appears to be an outburst of his frustration over Cadiz' already deteriorating economic situation in Cadiz, coupled with even bleaker prospects following the publication of the *Reglamento.* Specifically, he lamented the impossibility of accumulating a fortune in Cadiz, contrasting it sharply with the prosperous "good old days":

> "You have made your fortune [Marc and Jacques Solier] and that of Mr Verdun and Mr Cabanes in five years [...].
>
> I have been overburdened with work since 1756 until 1771 and if I had not won a prize, I would be miserable; my brother has worked in the company since the same year of 1756 until now and he has nothing [...] The sea-loan premiums for Lima were around 70% in hard currency in 1749, 50 and 51; the goods gave hope of large profits; all of Europe was eager to participate [...] the trade in fruits from the Indies and in materials was advantageous, there were few competitors and many facilities; in five years you could earn more than 500 thousands piasters, so the interest of 1/5 in the house made a man's fortune..." *(Lettres de Jugla, Jean à Jacques et Marc Solier, 1778, p. 38)*[14].

By the time he arrived in Cadiz, competition in the port had intensified to the point that profitable investments to provide for substantial capital accumulation were scarce. This reinforces the argument laid out in the previous section: neither commercial nor financial investments were yielding performances to equal previous returns. There was also increasing volatility in their profits, potentially driven by rising competition. While his uncle and the other colleagues had managed to amass considerable wealth within five years, he saw no comparable

improvement in his economic position after nearly 15 years. While Jean Jugla may have been exaggerating in his letter (perhaps to elicit his uncle's sympathy) it still provides a telling picture of the decline in profitability of some of the economic activities in Cadiz.

Another striking detail presented in this excerpt is the profitability of sea loans – likely expressed as at a nominal rate. Jean Jugla noted that for the years 1749-1752, just after the War of the Austrian Succession (1740-1748), the interest rate on sea loans for Lima reached 70% (*Lettres de Jugla, Jean à Jacques et Marc Solier*, 1778, p. 38). This can be compared with data in Table 5, which shows the net profitability of a sea loan for Callao de Lima in 1767. In that year, the average net profitability was 37.45% indicating a nearly 100% decrease in profitability over 20 years[15]. Other less reliable data show that the real profitability probably declined further as the gross interest rate for a round-trip loan was 29% in 1776 (*Comptes divers et papiers d'affaires*, 1778, p. 177)[16]. These findings align with other secondary evidence, that estimates an even a lower profitability (Bernal, 1992, p. 495) and affirms that the interest rate for Peru declined, especially compared to other destinations, in relation to the competition from Peruvian merchants (Chamboredon, 1995, p. 397; Lamikiz, 2023).

TABLE 5. **Profitability of sea loan to Callao de Lima**

	Spanish silver reales			
Borrower(s) and type of sea loan	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
Francisco Montes and Francisco de Aguirre 38% (round trip)	8,046.00	11,037.21	2,991.21	37.18
Francisco Tavernillo Escagadillo and Joseph Villanueva y Pico 22% (outbound)	8,042.00	11,065.26	3,023.26	37.59
Felix Almera 22% (outbound)	8,043.00	11,066.03	3,023.03	37.59
TOTAL	24,131.00	33,168.50	9,037.50	37.45

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier*, (1764-1773). Information about the type of sea loan is extracted from *Protocolos de la notaría 5 de Cádiz* (1767) or deduced from the accounting book.

Jean Jugla did not stop there. He went further in explaining the bad economic performance of their investments before the introduction of the *Reglamento*:

> "The poor success of overly extensive ventures [...] led to a fall in the price of goods in America and in wholesale premiums in Spain; foreigners began to lose interest in this trade, which nevertheless continued until 1760, but always in decline." (*Lettres de Jugla, Jean à Jacques et Marc Solier*, 1778, p. 38)[17].

Indeed, the publication of the *Reglamento* would not be helpful to its profitability as he stated:

> "[...] The business of Cadiz must become even more difficult, in view of the freedom of trade for America granted to the various Ports of the Kingdom [...]." *(Lettres de Jugla, Jean à Jacques et Marc Solier*, 1778, p. 38)[18].

Despite its negative results in 1779 (Bartolomei, 2017, p. 133), the company and its investors profited from the American Revolutionary War. As shown in Appendices 1 and 2, both commercial and financial profitability not only became positive, but reached high levels. This resurgence reflects their continued hegemonic position in Cadiz. They had sufficient capital reserves to sustain their investments throughout the war, allowing them to weather potential losses. Ultimately, it was only the wealthiest who could realise profits during this period. As noted by one of the company's managers: "You have to do a lot of business to win anything today [...]"*(Lettres de François de Mellet*, 1780, p. 15)[19].

During and after the war, the company's returns did not show a real improvement; rather, the wartime gains turned out to be more of an illusion than a substantive increase in the company's financial stability. Some investors even expressed a desire to withdraw their capital *(Lettres de Jugla, Jean à Jacques et Marc Solier*, 1782, p. 62). Additionally, other investors decided to renew their investments in the company only if it transitioned from a *société commanditaire simple* into a *société commandite par actions*, or a fully limited partnership company. This restructuring was likely intended to mitigate the higher risks in Cadiz.

In fact, as shown by Baskes (2013) and Lamikiz (2010), the 1778 reform disrupted the institutional arrangement previously created by the Castilian merchants to control competition and manage the high uncertainty and risk associated with long-distance trade. To them, the new liberal regime broke the old system's increasing uncertainty and risk in the *Carrera de Indias* (Lamikiz, 2010, p. 186; Baskes, 2013, pp. 67–68). Even if the change in the societal organisation of the French speaking company helped to limit the impact of heightened risks, it was viewed unfavourably by the company's managers in Cádiz. In their opinion, it reduced their potential earnings and limited their ability to accumulate capital, making their financial outlook less favourable than in the past (*Lettres de Jugla, Jean à Jacques et Marc Solier*, 1782, p. 62). In addition, in the mid-1780s when the crisis was general and most of the bankruptcies appeared in Cadiz (Zylberberg, 1993, pp. 344–356; Baskes, 2013, p. 119), they were even losing money (*Lettres de Jugla, Jaques à Marc Solier*, 1788, p. 7).

Together with the issue of increasing competition, foreign merchants – especially the French –faced challenges from the protectionist policies enacted in Spain. These policies were introduced by King Charles III to stimulate Spanish industrial development. As part of these state-led initiatives, there were some failed attempts to establish industries, including in Cadiz (Bustos Rodríguez, 2010; Bernal, 2015, p. 50). These protectionist policies may have had a significant impact on foreign merchants' profitability as their trade was primarily based on goods imported from outside Spain which became subject to increasing restrictions.

More specifically, the *Reglamento* of 1778 included provisions to limit the volume of foreign merchandise traded between Europe and the Spanish colonies. In particular, it stipulated that only 33% of a cargo's merchandise could be of foreign origin. Following this change

of regulation, the company's managers faced increasing challenges in shipping their merchandise and conducting business in general. In 1789, François de Mellet – another manager of the company – complained to Marc Solier about the implementation of this policy:

> "[The Spanish consulates have not prescribed] any rules other than that of ordering that 2/3 of the value of the cargoes should be made of products and effects of the Kingdom of Spain and 1/3 foreign goods [...] it must be very detrimental to our position and considerably reduce our sales [...]." (*Lettres de François de Mellet*, 1789, p. 24)[20].

In addition, some of the other privileges that the French (merchants and goods) had in Cadiz disappeared during this period (Le Gouic, 2005, p. 99; Bartolomei, 2017, p. 17). As a result, their profitability prospects declined greatly. This is reflected in our case study: commerce was no longer favourable to the foreigners, as Jean Jugla noted that "[...] this trade [...] in goods for America only suits the Spaniards, who almost never bought from foreigners except on 18-month terms" *(Lettres de Jugla, Jean à Jacques et Marc Solier,* 1778, p. 38).[21]

According to Jean Jugla it seemed that the commerce in Cadiz was no longer sufficient for the foreigners who had invested there. The Spaniards, who were more favoured by the institutional arrangements of Charles III and faced lower opportunity costs in investing in the *Carrera* compared to foreigners, were the most interested in continuing. In fact, Spanish merchants may have had less capital and were not as well connected in important networks as the Huguenot which limited their ability to diversify their investments. This institutional arrangement, combined with rising competition from Spanish merchants, led to market specialisation: while foreigners – especially the less important ones – used their transnational networks to source European goods, the Spaniards exported them through the *Carrera* (Bartolomei, 2017, p. 101).

A reflection of the disinterest among foreigners is the decrease of market concentration in the sea-loans market. Between 1779 and 1825, Bernal identifies a reduction in the number of people dealing with more than 100,000 pesos and the disappearance of those who had participated in more than 20 sea-loan contracts – the so-called "front men" (Bernal, 1992, p. 435). These large creditors, mainly foreigners, transferred their capital out of Cadiz or the *Carrera* to more attractive investment opportunities with better profit-risk ratios. As shown by Bartolomei, sea loans diminished in importance in French companies' portfolios, from at least the end of the 1770s (Bartolomei, 2007, p. 58). However, the overall interest of these big foreign companies in the *Carrera* had waned even before the reforms of 1765 (Bartolomei, 2017, p. 100).

Therefore, as shown in other works, the Swiss company and its investors generally followed the negative trend reflected in the large number of bankruptcies in the port as well as in the decrease in the profit shares and price markups of the big French houses[22] (Zylberberg, 1993, pp. 344–356; Chamboredon, 1995, p. 150; Bartolomei, 2017, pp. 130–137). As a result, although the *Carrera* had become less attractive to foreign capital, more passive investments such as insurance companies continued, which explains why the Soliers and some other

foreigners remained until the early 19th century (Baskes, 2013; Bartolomei, 2017). In any case, this was probably particularly detrimental to the port and its economic system, given that capital flowing from all over Europe had been crucial in sustaining economic activity in the Andalusian port.

6. Conclusion

Through a micro-historical perspective and business documents from three investors living in Switzerland, this study aligns with recent literature in illustrating that investment profitability – mainly financial – in the port of Cadiz was low even before its "decline" in the 1790s and the *Reglamento* of 1778. The complaints of the managers regarding the economic situation in the city and the poor performance of the investments associated with the company highlight a negative economic trend in the commercial and financial investments in the Andalusian port, well before the Revolutionary wars and the 1778 reforms.

This work has identified an increasing level of competition before 1778. Some institutional aspects are recognized as contributing to the rise in competition in the Spanish Atlantic during the second half of the 18th century. Following the reintroduction of the fleet system, supply control mechanisms remained largely ineffective. In 1765, the Spanish Crown increased the number of *permisos* for Peruvian trade but, more importantly, Spanish merchants became more competitive. A key example is the final fleet of 1776, likely the most valuable despite oversupply issues in previous *flotas*. Additionally, the port became more attractive, particularly to French merchants. The privileges granted to them by the Utrecht Treaties had contradictory effects. While these privileges initially allowed for greater profitability for early French entrants, over time they became a major draw, thereby increasing competition in Cadiz's market. In fact, the high profitability in the early years of the Cadiz monopoly attracted too much capital, which ultimately reduced the market's profitability.

Indeed, the increase in competition before 1778 is reflected in the qualitative evidence primarily derived from the managers of the company in Cadiz, who complained about the poor results and the growing competition in the port. Furthermore, quantitative evidence concerning the profitability of commercial and financial investments is provided here. The poor sales during the 1765 fleet likely reflect high competition and challenging commercial conditions, whereas the same goods became profitable amid reduced competition during the American Revolutionary War. The importance and increase in commercial risk associated with the expansion of competition is also reflected in financial investments. More specifically, this article has presented data on the real and net profitability of sea loans extended to merchants and shipowners operating in the New Spain fleets of 1765, 1768 and 1776. It has identified a gradual reduction in profitability, which cannot be attributed to a decrease in maritime risk. Instead, as commercial gains diminished, debtors could only afford to pay lower premia on their sea loans, leading to a decrease in the profitability of financial investments in the long-term.

After 1778, even though the war led to high profitability for the *Cayla, Solier, Cabanes, Jugla et Cie.* investors, the destruction of the *status quo* by the *Reglamento de Libre Comercio* of 1778 further intensified competition in the market. Commercial risk became too high and profitability declined. In addition, foreign companies suffered even more due to the abolition of their commercial privileges and the protectionist policies that limited the amount of foreign goods traded in the *Carrera de Indias.* The Swiss company began to see disinterest from their investors and was forced to change its legal form to try to manage the increasing risks despite the further reduction in its ability to increase profitability.

The decline in the profitability of Cadiz's merchants in the late 18th century was not an isolated event but part of a broader crisis linked to the end of mercantilism. Some scholars describe this as a commercial revolution (Bartolomei, 2017, p. 101; Veyrassat, 2018, pp. 218–220) marked by declining profitability in cities like Orléans and Lyon, thus leading to capital concentration in hubs such as Paris where economies of scale were greater (Bergeron, 1999).However, further research is needed to fully understand this shift. Analysing Cadiz's merchants' profitability and trajectories through private sources and comparing these to other traders, would be a valuable approach to deepening our understanding of this phenomenon.

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Appendix 1: Commercial results during the American Revolutionary War

Invested Amount					Net Returns					
Goods sent to the Americas	**Lb**	**S**	**D**	**Deci.**	**Lb**	**S**	**D**	**Deci.**	**Net Profit**	**Profit (%)**
56 (or 54) churlas of cinnamon embarked into the fleet of Ulloa (1776)	5,700	0	0	5,700.0	9,477	45	13	9,479.3	3,779.3	66.30
First Pacotille under 9 ships[23]	4,036	0	0	4,036.0	6,804	39	15	6,806.0	2,768.0	68.63
Second pacotille for Veracruz (Dic. 1781-1782?)[24]	3,825	17	0	3,825.8	5,044	31	21	5,045.6	1,219.7	31.88
TOTAL	13,561	17	0	13,561.9	21,325	113	43	21,330.9	7,769.0	57.29

SOURCE: Based on data from *2 Journaux Comptables de Marc Solier et Jacques Solier* (1776–1787), all amounts are in French Livres. In the first investment (1776), the exchange rate was 76 sous per piaster, with an average return rate of 74.83, leading to a 3.43% decline in profitability. For the second investment (1780), the rate was 77 sous per piaster, with an average return of 74.8, causing a 4.95% decrease. In the third investment (1782), the rate was 75 sous per piaster, with an average return of 73.07, resulting in a 3.98% decline in profitability.

NOTE: Three investments are included here: 1776 New Spain fleet, commanded by Antonio de Ulloa and Free Registers to Veracruz in 1780 and 1782. All amounts are in French Livres.

Regarding the commercial results, it is important to note that they may be biased. All the investments presented here were made through the *pacotilles* system, meaning the portion of the cargo allocated to the ship's captain was not taxed. Consequently, the actual profitability of a similar investment during the same period could have been significantly lower due to taxation.

Appendix 2: Sea loan for Veracruz during the American Revolutionary War (1781)

	Invested Amount				Net Returns					
Types of Sea loan	**Lb**	**S**	**D**	**Deci.**	**Lb**	**S**	**D**	**Deci.**	**Net Profit**	**Profit (%)**
Hull and keel of the ship St. Charles (*San Carlos*) for the Marquis of Reparaz at 75%	2,334	17	9	2,334	3,840	6	0	3,840	1,506	64.52

SOURCE: Own elaboration from the data available in *2 Journaux Comptables de Marc Solier et Jacques Solier* (1776-1787, 1er livre).

NOTE: Free register sent to Veracruz in 1781.

Appendix 3: Sea loans for Cartagena de Indias

	Spanish silver reales			
Type of Sea loan	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
Ship Xavier (1763)	4,024.00	5,342.00	1,318.00	32.75
Ship St. Joseph	8,043.18	10,705.24	2,662.06	33.10
TOTAL	12,067.18	16,047.24	3,980.06	32.98

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier* (1764-1773).

NOTE: Cartagena (1763-1764).

Appendix 4: Sea loans for Havana (Cuba)

	Spanish silver reales			
Type of Sea loan	**Invested Amount**	**Net Returns**	**Net Profit**	**Profit (%)**
St Tenon (Havana)	8045	9878.26	1,833.15	22.79

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier* (1764-1773).

NOTE: Ship to Havana (1767).

The sea loans in Appendices 3 and 4 are possibly bottomry. Nevertheless, the accounting book does not allow us to identify more clearly the type of loans there or in the notarial sources.

Appendix 5: Annualised returns

Annualised returns are not employed in this study, as they are highly sensitive to uncertainties such as the timing of fleet departures and arrivals in Cadiz or Veracruz. They may distort results by understating profitability in long-term successful investments and mitigating losses in unprofitable ones. Furthermore, sea loan contracts in the Carrera de Indias seldom specified interest in annualised terms, except when repayment was delayed beyond a vessel's return. The literature on the *Carrera de Indias* similarly does not typically express profitability in annualised terms. Nonetheless, average annualised returns have been calculated using IRR for comparative purposes where data permit:

Investment	Annualised profitability (%)
Commercial Investment	
1765's fleet[25]	NA
1776's fleet and American Independence War	12.82
Financial Investment	
1765's fleet[26]	11.25
1768's fleet	11.8
1776's fleet	9.93
Free Registers to Lima (1767)	NA
Expedition to Cartagena (1763-4)[27]	NA
Expedition to Havana (1767)	12.38

SOURCE: Own elaboration from the data available in *Journal Comptable de Jean Solier*, (1764-1773), *2 Journaux Comptables de Marc Solier et Jacques Solier* (1776-1787, 1er livre) and *Pièces comptables diverses (n.d.)*.

Notas

1. See Baskes (2013) for a similar interpretation but which focuses on the evolution of the risk and uncertainty after the approval of the *Reglamento de Libre Comercio.*
2. The 1763 update of merchants' rents from the *Catastro de Ensenada* reveals that the French acquired 1.32 times more profits than the Spaniards, even though there were more Spanish merchants (*Actualización de las rentas de eclesiásticos y comerciantes naturales y extranjeros,* 1763, pp. 210–214).
3. Although he no longer resided in Cadiz, he remained a significant investor in the company, holding shares and making additional investments in the Carrera de Indias through his firm. However, he and his brother were no longer the managers or *gérants* of the company. Instead, his nephew had been relocated to Cadiz to take over the company's daily management.
4. Analysis focuses on non-annualised profitability, matching historical investment practices and avoiding distortions from unpredictable events like fleet arrivals. Annualised returns are provided in the appendix.
5. We cannot see their investments of 1772 because of some issues with missing data.
6. This amount was not invested solely by Marc Solier, as he shared it with several Swiss investors. It was not possible to isolate Marc Solier's individual share of the investment.
7. Own translation. The original citation is : [...] le comerce à Cadix ne soit pas de même qu'autrefois pour les maisons étrangères à cause de leur grand nombre et des mauvais negociants ainsi que de la quantité d'Espagnols qui tirent les merchandises.
8. All investments presented are participations of the Genevan investors to a sizeable loan extended to a *Carrera de Indias* merchant.
9. The difference between outbound and round trip loans may not be as spectacular as it can be stated in the literature – at least for this foreign company. When returning the *pesos fuertes* the merchants had to pay high taxes such as *indultos*, *guardacostas*, *consulado, almirazgo, iglesia* or freight costs (representing from 14.8 to 12.8% depending on the year) and other costs. These costs significantly reduced their ability to achieve high arbitrage profitability.
10. Maritime risk is highlighted here because sea loans were only payable if the ship safely reached its destination. The low volatility observed in sea-loan rates for the same destination underscores the significance of maritime risk. Consequently, while maritime risk is a key determinant of the profitability of sea loans, it is not the sole factor influencing their returns.
11. Bernal also identified that commercial profitability, along with the availability of silver currency in Cadiz, was the primary determinant of the financial profitability of sea loans (Bernal, 1992, p. 497).
12. This amount was not invested solely by Marc Solier, as he shared it with several Swiss investors. It was not possible to isolate Marc Solier's individual share of the investment.
13. We should in any case reconsider the conclusions of Dornic because it seems that the actor he focused on, was not probably as important in Cadiz as the Soliers or the Gilly, and the merchant mainly dealt with silk products.
14. Own translation. Original in French : Vous avez fait vôtre fortune [Marc et Jacques Solier], celle de Mr Verdun et de Mr Cabanes en cinq ans [...].

J'ai été accablé d'ouvrage depuis 1756 jusqu'en 1771 et si je n'eusse gagné un lot, je serai miserable ; mon frère tient la rame depuis la même année 1756 jusqu'à présent et il n'a rien [...] Les primes de grosse pour Lima étoient aux environs de 70% en monnaie forte en 1749, 50 et 51 ; les marchandises laissoient espérer des gros prôfits ; toute l'Europe s'empressait a y participer [...] le commerce des fruits des Indes et celui des matières étoient avantageux, il y avait peu de concurrens et beaucoup de facilités ; vous gagnates en cinq ans plus de 500mpiastres ainsi l'intérêt de 1/5 dans la maison, faisoit la fortune d'un Homme.

15. It is important to note that we are comparing net profitability with gross profitability (interest rates). However, as shown in Table 5, the gross interest rate is also provided. Interestingly, this gross rate (38%) is not significantly different from the net profitability rate (37.18%).
16. I believe it is a round trip sea loan because it was reimbursed in *pesos sencillos*.
17. Own translation. Original in French: Les mauvais succès des entreprises trop vastes [...] occasionnerent une baisse sur les prix des marchandises en Amérique et sur les primes de Grosse en Espagne; les Etrangers commencerent à se degouter de ce commerce qui se soutint pourtant jusqu'en 1760 mais toujours en déclinant.
18. Own translation. Original in French: [...] Les affaires de Cadix doivent dévenir encôre plus difficiles, vû la liberté de commerce pour l'Amerique accordée aux divers Ports du Roÿaume [...].
19. Own translation. Original in French : [...] ce commerce [...] des marchandises pour l'Amérique ne convint qu'aux Espagnols qui n'âcheterent presque plus aux étrangers, qu'à 18 mois de terme.
20. Own translation. Original in French: [Les consulats espagnols n'ont pas prescrit] d'autres règles que celle de composer les Chargements 2/3 de la valeur en produits et effets du Royaume d'Espagne et 1/3 de la valeur en marchandises étrangères [...] elle doit nuire beaucoup à nôtre place et réduire considérablement nos ventes [...].
21. Own translation. Original in French : [...] ce commerce [...] des marchandises pour l'Amérique ne convint qu'aux Espagnols qui n'âcheterent presque plus aux étrangers, qu'à 18 mois de terme.
22. Chamboredon's evidence of the overall profitability of *Fornier et Cie.* shows a declining tendency: while the profit share was about 3.78% in 1769, in 1785 after the American Revolutionary war, the profitability declined to 2.23% despite the increase of the importance of the company.
23. This amount is not only invested by Marc Solier, as he shared this investment with several Swiss investors. It was not possible to distinguish easily the sole investment of Marc Solier.
24. Idem.
25. Due to insufficient data, the average return for the cinnamon investment could not be calculated. The annualised returns for the other commercial investments in this fleet were −3.08%, 7.07%, −5.27%, and −1.28%, respectively.
26. To calculate the annualised profitability, we did not use the date recorded in the accounting book (April 1766), as it was not realistic. Instead, we used the dates observed for other investors in their current accounts with the company.
27. Due to insufficient data, the average return for the investment in the ship *Xavier* could not be calculated. The annualised return for the sea loan on the ship *St. Joseph* was 14.68%.