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Maltese Entrepreneurs in Spain 1750s-1850s

Some Lessons for the Present¹

The transfer of technology is often cited as an important component of economic development and Cipolla has pointed out that through the ages migrants have been the principal agents for the transfer of technology.² But migrants were, and are, responsible not just for the transfer of technology but for the transfer of commercial know-how, financial capital, entrepreneurial spirit and a great deal more besides. The role of foreign craftsmen, sailors, merchants, financiers and professionals in the rise of classical examples of economic development, such as the Northern Netherlands and later of England, has been amply demonstrated.

Early Modern Spain was reliant for much of its entrepreneurial and technical skills on foreigners who staffed its standing army and much of its navy, and manned the munitions, shipbuilding, luxury goods and other large enterprises promoted by the state. They were also largely responsible for its financial and commercial networks. In the eighteenth century and earlier, Genoese, Dutch, French, English and other foreign merchants dominated Spain's external trade. But much of domestic commerce was also in the hands of foreigners, particularly in the prosperous Kingdoms of Valencia and Murcia, and Andalusia.³ This was especially the case for retailing which in the eighteenth century underwent a veritable explosion. In Malaga and Valencia, two of the most prosperous cities on Spain's Mediterranean littoral, the number of textile retail outlets underwent a three-fold increase in the space of a few decades.⁴

As I have shown elsewhere eighteenth-century Maltese traders made a contribution totally out of proportion to their numbers to the development of Spain's domestic market, but like most of the foreign merchants in Spain most eventually retired to their country.⁵ But there were exceptions.

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Typically starting from very modest levels some eighteenth-century Maltese merchants in fact laid the foundations for veritable fortunes in the nineteenth century. Far from the overwhelming influence of the trade with the Americas present in Southern Andalusia some of the sons and grandsons of lowly Maltese pedlars and shop-keepers became prominent actors in the economic life of nineteenth-century Murcia and Valencia.

In the former kingdom we encounter the Cachia, Seiquer, Sicluna, Cadorna and Camilleri in the city of Murcia,⁶ the Butigieg in Cartagena⁷ and the Borja and Casha in Lorca.⁸

In the Kingdom of Valencia, on the other hand, we find the Cutajar in Alicante⁹ and the Attard, Mifsud, Piscopo, Busutil, Formosa and Caruana in Valencia.¹⁰

By far the most prominent of these fifteen or so families were the Caruanas of Valencia and it is their saga which we shall be looking at here.

The Caruanas

The founder of the dynasty, Antonio Caruana y Brignone, was born in 1753,¹¹ in Senglea, a harbour town in Malta and long a breeding ground of sailors and merchants. His mother's family, the Brignone, had been associated with the Spanish trade for several generations.¹²

A maternal great-grandfather, Pablo Escarfonti, had in fact been a brigantine captain to Spain, while his maternal grandfather, Pedro, also a merchant, had died in Valencia. Two uncles, Joseph and Juan Brignone, were both members of the Cloth Retailers Guild in Valencia and it was to the former, that is Joseph, that Antonio was apprenticed in 1768 together with an elder brother, Pedro Pablo, who had been operating in Spain since 1751, even before Antonio's birth.

Though Pedro Pablo and his brother Antonio were both apprenticed in the Gremio de Mercaderes de Vara, or Cloth Retailers Guild, of Valencia on the same day, their career paths subsequently diverged. Pedro Pablo, the elder brother, continued in the cloth retailing line and appears as a fully-fledged member in 1793¹³ and 1805.¹⁴ In the latter year he contributed four times as much as his brother Antonio to the Compulsory War Contribution levied in Valencia. In 1805, he decided to retire to Malta and after winding up his company took up an 80% stake in a new company run by his son Juan Maria and a relative, Luis Ciappino.¹⁵ This company eventually went bankrupt as

a consequence of the general debacle of the Napoleonic invasion of Spain.

Coming back to Antonio, Pedro Pablo's younger brother and the "hero" of our story, we find that he moved away from cloth retailing very early on, because after his acceptance as an apprentice to his uncle he never appears as a fully-fledged member of the guild. In fact he seems to have opted for an altogether different career path because in 1778, ten years after he was apprenticed to his uncle, he leased a house in Calle de la Bolseria, in the parish of San Juan del Mercado, for 75 Valencian libras per annum for four years and described himself as a "*fabricante de medias de telar*".¹⁶

But it must have taken a while for him to get established in manufacturing because his 1,360 reales contribution to the 1799/1800 war levy was only around a fourth of what his elder brother Pedro Pablo paid for his two textile shops.¹⁷

Prospects must, nevertheless, have started looking brighter quite soon after, because on the 4 September 1803 he was appointed "Inspector del Colegio de Fabricantes de Medias de Seda de Valencia."¹⁸

In 1806 we have information that he was exporting his products to Malta and an 1807 report mentions that he was employing many people. He had made considerable advances in the quality of his products after securing foreign technical assistance and investing more than 15,000 reales.¹⁹

The report further pointed out that Don Antonio's products were equal to and even superior to foreign, imported ones while other factories were having to cheat their customers to survive. In recognition of his achievement Don Antonio was allowed to place the royal coat-of-arms over his *casa fabrica* and it was recommended that he be given half the salary of a vocal of the Junta Particular de Comercio de Valencia and a special prize.

In 1818, one year before his death, Don Antonio Caruana is described as "*un noble maltes*" living at Calle Cabezas No. 8, in the parish of Santos Juanes.²⁰ The social aspirations of the family were already becoming evident even though it was to be several generations before they would become a reality.

Don Antonio's sons - Peregri, Antonio and Josep - continued building on their father's success. In the period 1855 - 1867 they were amongst the principal beneficiaries of disentanglement, acquiring sixteen

agricultural properties and five urban ones for a total sum of 1,341,650 reales, a huge amount. They in fact bought the largest number of urban properties, although in terms of value they spent marginally less than Vicent Chapa, the most important buyer of urban property from disentanglement in the city of Valencia.²¹

The eldest of the three brothers, Peregrí, who had been involved in his father's manufacturing concern, became a particularly active figure in the economy of nineteenth-century Valencia. Apart from property speculation he was also the driving force behind the project to establish Valencia's first issuing bank and was heavily involved in railway and potable water development.²² He also found time to become a militia captain and prominent in local politics.

Thus were the economic foundations laid for the social ascent which would culminate in the acquisition by Don Antonio's great great grandson, José Caruana y Reig, of the Barony of San Petrillo, by marriage to Vincenta Gomez y Salvador, tenth Baroness of San Petrillo. Don Antonio's dream had finally come true.²³

The Caruana, Formosa, Busuttill, Piscopo, Mifsud, Attard, Cutajar, Casha, Borja, Butigieg, Camilleri, Cadorna, Sicluna, Seiquer and Cachia families are clear vindication of Eva Morowska's claim that first generation migrants often accumulate economic and human capital which, once released by the relaxation of the attitudes of the host society, is used by following generations to move into the mainstream society in a spectacular display of accomplishment.²⁴

In the case of these families of Maltese origin the display of accomplishment was so spectacular that the sons and grandsons of men who had been described as living in huts rather than houses and whose dress and diet had been labelled as miserable were within decades prominent members of the elites of Spanish cities like Valencia, Murcia, Alicante, Lorca and Cartagena. But what was happening back in Malta in the meantime?

Nineteenth-Century Malta

In contrast to the picture drawn by Boisgelin and others of a dynamic business class in eighteenth-century Malta²⁵ and the situation we have just described for nineteenth-century Maltese entrepreneurs abroad, British officials and visitors in early nineteenth-century Malta frequently accused local businessmen of lacking enterprise.²⁶ Other Englishmen in fact countered that the depression in the island's

commerce had much more to do with the colonial government's own policies concerning duties, quarantine charges and regulations, etc.²⁷

The fact of the matter is that the entrepreneurial spirit is not a phenomenon that can easily be conjured up by government decree. It is like a delicate flower which will only bloom given the right conditions. Entrepreneurs tend to be relatively footloose. They are willing to pursue profit opportunities wherever they may lead. This was true in the past and has become more so today: politicians and administrators disregard this basic fact only at their own peril.

Some lessons for the present

The Caruanas of Valencia, who originated within the merchant milieu of Senglea, established themselves as retailers in Spain and subsequently responded to new opportunities and moved into manufacturing, property, utilities and banking. They and dozens of other Maltese established in nineteenth-century Spain, are fine examples of our tiny nation's entrepreneurial spirit and offer us a picture which contrasts sharply with the image projected by those who, like the British before them, have more recently criticized our entrepreneurs for failing to fit into some pre-conceived notion of what entrepreneurs should be.

Lino Spiteri, for example, has spoken of the Maltese entrepreneur as being "an almost unknown breed".²⁸ John Chircop, on the other hand, castigated the Maltese middle classes of the nineteenth and early twentieth centuries for failing to become "a national bourgeoisie with industrial objectives as had been the case in north western Europe"²⁹ while Mario Vella has referred to "a proverbial lack of entrepreneurship"³⁰ and an inability to promote what he refers to as "genuine development",³¹ although the latter term is never quite defined. Although criticism has been most vociferous from those "on the left" similar comments have also come from centre-right critics as well.

It has become common to equate industrialization with economic growth, and developing countries and their leaders have generally assumed that they will have to industrialize. Regrettably, those who slavishly adopt a crude development-by-stages model often risk losing sight of the special characteristics of individual cases which do not easily fit into their models, but as Kemp has pointed out, "It is doubtful whether the experience of the early industrializing countries is of much relevance to today's developing countries."³²

Eighteenth-century England modernized by using accumulated commercial wealth while Germany had to recur to banks to finance its modernization.³³ Russia, on the other hand, initiated its industrialization process at the end of the nineteenth century with the help of state fiscal resources. The roads to modernization are clearly many but much depends on the size of the economy.

In Europe, large countries such as France, Germany or Italy have been able to afford industrial policies which had clearly non-economic goals, such as national security or glory, or economic objectives but with ineffective but expensive policy instruments.

Small countries could not afford the indulgence of the industrial policies of the large, though this was not always recognized. Greece, Portugal, Spain and Ireland all crippled themselves at some time or other by adopting policies that ignored the fact that they had to be internationally competitive in order to survive and instead attempted import-substituting industrialization using tariffs, licensing and subsidies.

In Malta, both major political parties, perhaps inevitably, succumbed to the same temptation of promoting and protecting enterprises which had no chance of surviving and have frittered away precious resources and time which could have been better used de-industrializing.

Because post-independence governments were weak and inexperienced and excessively pre-occupied with mimicking former colonial masters, they also put the cart before the horse and constructed a comprehensive and modern social welfare system, which although laudable in itself paid little heed to what our antiquated micro-economy could afford.

The fact of the matter is that once in power even those who espoused 'genuine development', whatever that may be, and criticized our entrepreneurs for failing to metamorphose into the desired bourgeoisie, merely continued where their predecessors-in-office had left off. i.e. nurturing a foreign-owned manufacturing base which centered essentially on attractive fiscal conditions and a docile, malleable and inexpensive (albeit increasingly less so) workforce. The key question is, of course, is there any other way? Autarchy perhaps? I doubt it. With the passage of time, the scope for "independent" national economic policies has become more and more circumscribed, even for large countries. In the case of our own micro-economy, options have always been limited anyway.

Notes

- ¹ This paper was originally read at the 'Maltese Elites and Economic Development in Historical Perspectives' conference held in Malta on 26-28 November 1998 organized by the Malta Development Corporation in association with the Department of History of the University of Malta.
- ² Carlo M. Cipolla, *Before the Industrial Revolution, European Society and Economy 1000-1700*, (London 1993), 156.
- ³ Carmel Vassallo, *Corsairing to Commerce: Maltese Merchants in Eighteenth Century Spain*, (Malta 1997), 131-132.
- ⁴ *Ibid.* 175.
- ⁵ *Ibid. passim.*
- ⁶ Juan Bautista Vilar, *Bases sociales y economicas del Cantón Murciano*, (Madrid 1973), 106.
- ⁷ Maria Teresa Pérez Picazo and Guy Lemeunier, *El proceso de modernización de la región Murciana (Siglos XVI - XIX)*, (Murcia 1984), 283.
- ⁸ Maria Teresa Pérez Picazo, 'El comercio Lorquino en la transición del Antiguo al Nuevo Regimen (1780-1850)' in *Areas No 2 Year 1982*. pp 44-69, (Murcia 1982), 45-69.
- ⁹ Juan Bautista Vilar, Orihuela. *Una ciudad valenciana en la España Moderna*, (Murcia 1981), 222.
- ¹⁰ Pere Molas i Ribalta, *Comerç i Estructura Social a Catalunya i València als Segles XVII i XVIII*. (Barcelona 1977), 374 and Vassallo *Corsairing to Commerce*, 287.
- ¹¹ Jose Caruana y Reig, *Temas de antaño*, (Cmpl.) Francisco Almela y Vives, Valencia 1956, *passim* and Alberto y Arturo Garcia Carraffa, *Enciclopedia Heraldica y Geneologica Hispano Americana*, (Madrid 1976), Tomo 24, 263-268.
- ¹² Archivo Municipal de Valencia (AMV), Tribunal de Comercio (TC), Gremios, Caja 56, Año 1768 *passim*.
- ¹³ Archivo Reino de Valencia (ARV) Protocolo 6106 Notario Fernandez Gonzalez, Año 1793 *passim*.
- ¹⁴ AMV, Lonja, Caja 116 No. 13.
- ¹⁵ Archivo Historico Municipal de Barcelona, Fondo Comercial B-166, Libro Mayor Caruana, Ciappino y Compania f.1v .
- ¹⁶ ARV Protocolo 8165 Ximenez, Jose Años 1778-1779, ff.115v-116v.
- ¹⁷ AMV, Lonja, Caja 79 Doc. 4 f.36.

- ¹⁸ Archivo General de Simancas, Consejo Supremo de Hacienda, Legajo 368, Expediente de Antonio Caruana y Brinioni... unpaginated.
- ¹⁹ Ibid.
- ²⁰ AMV, Censos, Parte Moderna, Seccion Primera-A Clase 1a SB 1812-1818.
- ²¹ Anaclet Pons Pons, *La Desamortització i els seus beneficiaris: un procés de canvi de propietat a les comarques centrals dels Pais Valencià (1855-1867)*. Unpublished Doctoral Thesis, (Universitat de Valencia, 1987), 324-349.
- ²² Clementina Rodenas, *Banca i Industrialització. El Cas Valencià* (Valencia 1978), 240 and Clementina Rodenas, *La Banca Valenciana. Una aproximación histórica*, (Valencia 1982), 16-22.
- ²³ Garcia Carraffa, *Enciclopedia Heraldica*, 263-268.
- ²⁴ Eva Morawska, 'The Sociology and Historiography of Immigration.' in *Immigration Reconsidered. History, Sociology and Politics*, (ed.) Virginia Yans McLaughlin, (New York and Oxford 1990), 203-206.
- ²⁵ L. de Boisgelin, *Ancient and Modern Malta*, (Malta 1805), 115 and for a more recent assessment Vassallo, *Corsairing to Commerce*, (Malta 1997), 131-1 *passim*.
- ²⁶ Charles Price, *Malta and the Maltese. A Study in Nineteenth Century Migration* (Melbourne 1954) pp. 22-26.
- ²⁷ Michela D'Angelo, *Mercanti inglesi a Malta 1800-1825*, (Milano 1990), 264-270.
- ²⁸ Lino Spiteri, *The Development of Industry in Malta*, (Malta 1969), 11.
- ²⁹ John Chircop, *Underdevelopment. The Maltese Experience 1880-1914*. Unpublished M.A. Dissertation, (University of Malta 1993), 197-198.
- ³⁰ Mario Vella, 'That Favourite Dream of the Colonies: Industrialization, Dependence and the Limits of Development Discourse in Malta' in *Maltese Society: A Sociological Inquiry*, (ed.) Ronald G. Sultana and Godfrey Baldacchino, (Malta 1994), 74.
- ³¹ Ibid., 75.
- ³² Tom Kemp, *Historical Patterns of Industrialization* (London and New York 1995), 22.
- ³³ Richard Sylla, 'Finance and Economic Growth: Three decades post-Cameron.' in *Finance and the Making of the Modern Capitalist World, 1750-1931*, (ed.) Clara Eugenia Núñez. Proceedings Twelfth International Economic History Congress. Session B9. (Madrid 1998), 11.