CHURCH WEALTH IN PERU: ESTATES AND LOANS IN THE ARCHDIOCESE OF LIMA IN THE SEVENTEENTH CENTURY

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The city of Lima grew from an estimated population of 25,000 in 1610 to 40,000 in 1630 and 80,000 in 1683. In response the coastal valleys north and south of the capital became centres of food production and export commodities. Excellent quality wheat was grown in the veja of Lima itself in the Valley of the Rimac, and in the adjacent Valley of Lurín. There and in the Valleys of Chancay, Huaura, and Cañete, and in Carabayillo and La Barranca several hundred small estates or chacras supplied the city with wheat and maize. These smaller estates would be supplemented by larger properties known as estancias de panllevar, bread-producing lands. The lucrative nature of the trade tended to encourage the accumulation of several estates.

1) For population estimates see Marie Hémer, Le Callao (1615-1618). In: JblLA 2 (1965), p.145-195, especially p.151-152, where the 1610 total of 25,390 breaks down as follows: 10,356 Negroes, the largest single component part of the city’s population; 9,886 persons of Spanish origin; 1,976 Indians, ladinos who wrote and spoke Spanish; and 744 Mulattoes. Besides these there were 894 male religious, 825 female, and 425 convent servants. See also Demetrio Ramos, Trigo Chileno. Navieros del Callao y Hacendados Limeños entre la Crisis Agrícola del Siglo XVII y la Comercial de la Primera Mitad del XVIII, Madrid 1967, p. 22, 28.

2) North of Lima many city residents possessed landed properties in the fertile Callejón de Huaylas, which sent wheat, maize, fruit, vegetables, wine and livestock to Lima. Further north on and near the coast the Valleys of Saña, Lambayeque, and Trujillo had begun to develop and export sugar, rice, wheat and certain manufactures such as soap and hides to Cajamarca, Chachapoyas and Quito. Soon the trade extended along the Pacific coast as far as Central American port of Realejo. In these northern regions of Peru cotton cultivation slowly developed, and a number of obrajes or textile workshops opened up in Trujillo, Lambayeque, and Chachapoyas. Negro slave labour tended Andalusian-derived vines planted in the southern Valleys of Ica, Pisco, and Nazca. The wine was sent to Lima, and thence to Chile or Guayaquil, New Granada, Panama and Central America. See Helmer, Callao, p.169-195; John Lynch, Spain under the Habsburgs, Vol. II, Oxford 1969, p.215-218; Ramos, Trigo Chileno, p.5-31; Rubén Vargas Ugarte, Historia General del Perú, 10 volumes (Lima 1966-1971), Volume III (Virreinato 1596-1689), p.185-186, and Volume IV (Virreinato 1689-1776), p.14-15, 46-47; Robert S. Smith, Datos estadísticos sobre el comercio de importación en el Perú en los años de 1698 y 1699, in: Revista Chilena de Historia y Geografía 99 (1949), p.162-177.
into an hacienda⁸. The owners of such properties would generally reside in Lima, enjoying access to ecclesiastical sources for the financing of their estates. Convents, chantries, pious works, hospitals and religious confraternities in the city heavily engaged in financial transactions with lay property owners and occupied an integral part in the Peruvian economy⁴. The religious orders especially — with the notable exception of the Franciscans, who adhered more closely to their rule — had towards the end of the sixteenth century accumulated extensive properties themselves, sometimes acquired in official repartimientos of land, by purchase, by donation from the faithful, by way of endowment of chantries, through inheritance in wills, or as a result of profession of the religious life by individual members⁸. Until the middle of the sixteenth century the two orders of primary importance were the mendicant Dominicans and a non-mendicant order, the Mercedarians, joined after 1548 by the Franciscans until only well established in Quito, and after 1552 by the Augustinians. Both mendicants and non-mendicants supported themselves chiefly through corporate ownership of real estate, including agricultural lands⁶. In 1608 the religious orders were said to possess one-third of all the landed property in Peru⁷.

³) Lynch, Spain under the Habsburgs, vol. II; Fernando de Armas Medina, Las Propiedades de las Ordenes Religiosas y el Problema de los Diezmos en el Virreinato Peruano en la Primera Mitad del Siglo XVIII, in: Anuario de Estudios Americanos 23 (1966), p. 681-721, especially p. 698-699 where the terms hacienda, estancia and chacra are discussed.
⁴) The Archivo Arzobispal in Lima contains much documentation on these matters. The present paper is based on the Sección de Censos. Work was made possible by a grant from the Graduate School of the State University of New York at Stony Brook for research in the Peruvian archives in the summer of 1969. Elsewhere we have dealt with the role of ecclesiastical finance in the Mexican economy: see my article, The Appropriation of Mexican Church Wealth by the Spanish Bourbon Government — The "Consolidación de Vales Reales", 1805-1809, in: Journal of Latin American Studies 1, 2 (Nov. 1969), p. 85-113; a survey of other writings may be found under notes 1 and 7 of that article. Armas Medina, Propiedades, p. 696-697, cites the Viceroy of Peru's statement of 10 April 1613 that the religious orders traded in commerciable products in the same way as any secular party.
⁸) Armas Medina, Propiedades, p. 694, 701-702.
⁶) James Lockhart, Spanish Peru 1532-1560. A Colonial Society, Wisconsin 1968, p.51-56. Religious orders and secular clerics did not shrink from a prominent role in Peruvian political life. The Mercedarians and part of the secular clergy had given active support to the revolt of Gonzalo Pizarro between 1544 and 1548, while the Dominicans on the other hand had opposed it. Both orders held
A frequent transaction between lay parties and ecclesiastical bodies would be the application by the former for a censo. Mario Gonzalvo has presented us with some Chilean cases of censos\(^8\). The Peruvian examples we shall be discussing here took the following form. The censos consisted of loans issued by ecclesiastical corporations to private lay parties or even other ecclesiastical corporations subject to a mortgage guarantee by the borrower and his regular payment of interest to his creditor. Requests for such loans from convents or monasteries would be addressed to the Majordomo and Administrador of the institution concerned. Requests from Pious Works or chantries (capellanías) would be made to the Juzgado de Capellanías y Obras Pías of the Archdiocese of Lima. Debts would be redeemed and the loan and its obligation to pay interest would be cancelled in the same manner. The redemption of a censo allowed the creditor to reinvest the principal as soon as he chose\(^9\).

The procedure of request went as follows. A property owner would inform the convent Administrator, for example, that it had come to his notice that a certain sum of money, say 20,000 pesos, lay in the convent treasury, or had recently been repaid by a former borrower. The petitioner would apply for a loan of all or part of the sum mentioned in several parts of Peru, though the former lost theirs in 1548. For a detailed account of the evangelisation of Peru, see Fernando de Armas Medina, Cristianización del Perú (1532–1600), Seville 1953; Antonine Tibesar, Franciscan Beginnings in Colonial Peru, Washington 1953; Rubén Vargas Ugarte, Historia de la Iglesia en el Perú, 5 vols., Burgos 1959–1962.

\(^7\) Armas Medina, Propiedades, p. 694–695.

\(^8\) Mario Gonzalvo, Incumplimiento de una ley en 1639: Su fundamentación en la carga de los censos de la ciudad de Santiago y en la noción de “Frontera de guerra”, in: Boletín de la Academia Chilena de la Historia, 76 (1967), p. 61–96, see in particular, p. 69–75, where the various types of censos in operation in Chile are discussed. As in Mexican and Peruvian cases censos-préstamos were subject to a mortgage guarantee. In the case of censos redimibles the borrower would pay back the principal to the censualista, freeing his property from the obligation to pay regular interest, the corridos, on the loan. As elsewhere it was chiefly religious bodies and Indian towns that lived to a substantial measure from the interest from censos. The total value of censos and similar charges on real estate in Santiago came to over 900,000 pesos (of 8 reales) in 1639, the annual interest yield being over 50,000 pesos. The nunneries took the first place as corporate censualistas, followed by the Dominicans and Mercedarians. As in the case of the Peruvian Jesuits the Jesuits of Santiago were themselves debtors, censuarii, from other convents. For other Chilean examples, see Manuel S. Montt L., La Hacienda de San Jerónimo, in: Revista Chilena de Historia y Geografía 99 (1949), p. 92–140.

\(^9\) For specific examples of this procedure see the cases discussed under section II.
tioned, citing the amount, the length of time it was to be borrowed, and the use to which it was to be put. An alternative approach might be through the *Provisor y Vicario General* (vicar general) of the archdiocese. Such a request would then be referred to the treasurer of the appropriate convent or monastery, who would examine the titles and current market value of the petitioner’s property, which the latter hoped to offer as guarantee for repayment of the principal, in order to assure the crediting body of his solvency. After verification, and following consultation with the head of the religious body concerned, usually an Abbess since it was generally the nunneries which were involved, the treasurer, if satisfied, would allow the loan to be paid out to the petitioner.

In Lima as in Santiago de Chile the convents of nuns occupied the predominant role in these censo transactions. As a result elections to the office of Abbess tended to be highly controversial. One Archbishop of Lima, Dr. Fr. Juan de Almoguera complained to Charles II on 10 July 1675 of the party politics involved. He explained to the King that he had previously written to the Pope requesting the suppression of the convents’ right to conduct their own elections. Instead the Archbishop should nominate a suitable candidate to the office of Abbess in order to avoid the turmoil generally involved. He went so far as to declare that even if the archiepiscopal see were vacant, no election should be allowed in any convent. The succession there should automatically pass to the late Abbess’s junior, the Priorress, who would take over the administration of the convent for an interim period until the new Archbishop should select the next Abbess. To justify his position Archbishop Almoguera explained that

10) As above. We should like to posit the view that a close family and/or personal relationship existed between borrowers, i.e. estate owners, and the administrators and nuns, particularly the Abbesses, of the convents offering credit. In other words there was a certain family and personal intimacy and mutual confidence regarding the capital involved. This would indicate a view that private lay owners of capital and real estate regarded the endowment of a chantry or Pious Work or the grant of a daughter’s dowry on entering the religious life as the equivalent to a modern bank deposit. The interest earned paid for the upkeep of the cult involved. The nuns acted as trustees of the family funds. The bank’s credit was, of course, available, subject to customary guarantees, to depositors.

11) The Archbishops political theory on Church-State relations ran as follows, “Di cuenta a Vuestra Magestad de este mi intento porque aunque escribo al Pontífice, si se tomase resolución, habrá de venir a V. Mg. para la confirme, y lo principal, porque en el Real Consejo de V. Mg. se pesen estas causas...”
the archdiocese of Lima contained many convents of nuns, some of which housed the considerable number of three hundred or more fully professed nuns, as distinct from their novices, lay sisters or servants. The total number of women in these larger houses might reach or even exceed a thousand. He stated that such a numerous collection of women, ruled by women “con dependencia suya o por amistad, parentezco o por otros motivos” could hardly govern itself, and was a notorious contribution to the general decline in standards witnessed of late. The chief cause of decline was the turbulent nature of elections to the office of Abbess, due to the involvement of the nunneries in the affairs of sizeable haciendas. A flagrant case came to mind. During the Viceregency of the Conde de Lemos (1667–1672), the city and indeed the entire realm were scandalized by the unruly character of one such election. Since the nuns belonged to some of the principal families of Lima, they obliged their debtors to fall behind them and make common cause with whatever faction their were supporting. Such factional alignments were taken long before Abbeys became vacant. Different colour ribbons would be sported in the head-wear to indicate which party the wearer supported. After election the successful candidate would enjoy public festivities and such entertainments as processions of horsemen. Their Negress and Mulatta servants would broadcast the news in triumph throughout the city with various instruments and banners. Fear of insult or even physical force prevented devout nuns from protesting against these abuses except in secret or in the confessional. In general, however, the nuns of Lima would display valuable rings on their fingers, ribbons, and brightly coloured cloth or silk petticoats. The extremes to which they resorted to resist reform, he said, were unmentionable.

Another matter which seriously aggravated relations between the secular and religious clergy was the frequency of lawsuits arising out

12) The Archbishop added, “Nace de aquí una relajación indecible en estos conventos, porque las que votaron por la prelada que sale, tienen licencia general para cuantos desórdenes quieren, con que se les paga el voto, y la prelada no tiene espíritu en labios para hablarles palabra aunque gasten más cambrayes y puntas y profandades de calzados que las seculares más damas no gasten…”

18) Carta del Arzobispo de Lima Dr. Fr. Joan de Almoguera a S. M. sobre administración y necesidades de los conventos de monjas, 10 July 1675, in: Emilio Lissón Chávez, La Iglesia de España en el Perú. Colección de Documentos para la Historia de la Iglesia en el Perú, que se encuentran en varios Archivos, Sección primera, Siglo VII, Vol. V, No. 26, Seville 1956, p. 412–414.
of transactions between lay investors and religious creditors. A distinct body of laws governed each, for the clergy possessed the *fuero eclesiástico*, exempting them from the jurisdiction of the civil courts. Another Archbishop of Lima, earlier in the century, complained to Philip III on 15 March 1610 of the abuses which resulted and the detriment experienced by lay parties. He proposed diocesan cognizance of the religious orders’ cases at law concerning inheritances and legacies both in respect of lay persons and among religious with one another 14.

II.

The following section proposes to discuss a few examples of the type of censo transaction outlined above.

On 30 December 1608 the Public Clerk of the city of Lima registered the title of a censo valued at 2,250 pesos of 8 reales contracted by the *hacienda de viña* (vineyard) in the Valley of Condor. This Pisco estate engaged to repay the loan to the crediting body, the Confraternity of *Nuestra Señora de la Limpia Concepción*, which had been established in the convent of San Francisco in the city of Lima. The successful application of the investment enabled a subsequent owner of the property, Sergeant-Major Muñatones, to approach the Vicar-General of the archdiocese in November 1632 with the object of repaying the principal and the accrued interest of 119 pesos 3 reales. This done, the debt obligation with the Confraternity was liquidated 15.

14) Armas Medina, Propiedades, p. 700-701.
15) Archivo Arzobispal de Lima, sección de Censos, legajo I, (1608-1699), Sargento Mayor Joseph de Muñatones, dueño y poseedor de la Hacienda de Viña... &c. (1632). A former owner of the *hacienda* was Doña Isabel de Benavides, widow and heir of Diego de Mercado. She had applied to Dr. Juan de Cabrera y Benavides, canon of Lima Cathedral, Provisor and Vicar-General of the archdiocese, to redeem a censo of 3,000 pesos in 1603 which her late husband had placed on some houses he owned. The censo had been contracted with a chantry served by a parish priest of the port of Pisco, for whose maintenance the interest payments were set aside. See A. A. L. Censos XI (1603-1884). Da. Isabel de Benavides... &c. (1603). She was probably a close relative, daughter or sister, of Pedro de Benavides, who in 1601 founded the *Colegio Seminario de Santo Toribio* in the city of Lima. As late as July 1735 we find this institution receiving back the principal of a censo from Ignacio de Azevedo y Borja, valued at 1,575 pesos, imposed on his *hacienda* in the *Valle de Chunchanga* in the jurisdiction of the town of Pisco. A. A. L. Censos XVII (1700-1829), Ignacio de Azevedo y Borja... &c. (1735).
A much more complicated case, in which the clerical creditors exhibited a large measure of caution with their funds, came before the Mayordomo of the Monasterio de la Concepción in Lima in March 1636. In the previous year, it turned out, an urban real estate owner, Sebastián Rodríguez, who possessed seven lots of land in the Calle de Santa Catalina, had constructed three houses and a shop. However, to provide timber for the boards and fourteen porches made of bricks, he applied for a censo to the value of 6,000 pesos from whichever convent of nuns could offer that amount. But the site in question already bore previous censo obligations contracted by a former owner. The original owner, Andrés Ruiz de Moya, had sold the land in October 1622 to Lic. Juan de Robles, transferring with it two censos, a principal of 1,350 pesos in favour of the Jesuits of Callao, and 400 pesos pertaining to the Hospital of Santa Ana in Lima. Robles had bought the property for the sum of the two censos plus a cash down sum of 1,500 pesos. In October 1626 Robles sold the property to Rodríguez, together with further censo obligations acquired by him when he had bought additional properties in 1624. The price this time was 5,150 pesos. Now the actual piece of land on which Rodríguez chose to build his house of residence had been acquired from a cleric in 1612 free of any censo obligation. The new owner, however, had proceeded to invest in it the sum of 2,250 pesos secured at censo from the Monasterio de la Encarnación in Lima, and a further 1,500 pesos from a confraternity founded in the Cathedral. The value of the house totalled 10,000 pesos. But in view of the above array of previous censo obligations the Monasterio de la Concepción chose to award Rodríguez only 2,000 pesos of the 6,000 he had requested.

Houses in the city of Lima were involved in the following four censo transactions. On 26 January 1664 the Convento de la Concepción granted a censo of 2,000 pesos to a doctor of medicine, Lic. Francisco de Montiel, after the Abbess has examined the legitimacy of the titles of the houses in which he wished to invest the sum. On these two houses in the barrio de San Lázaro he and his wife jointly undertook to pay an annual interest of 5%.

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16) A. A. L. Censos XVI (1607–1684), Sebastián Rodríguez... &c. (1635).
17) A. A. L. Censos XVII (1700–1829), El Licenciado Francisco de Montiel... & c. (1663).
fessional person, the Master Stonemason, Manuel de Escobar, was granted a censo valued at 2,000 pesos by the Provisor and Vicar-General, Pedro de Villagomes. It had come to his notice that such sums of money existed in the Convento de la Encarnación's caja de tres llaves. He explained that he had already spent over 7,000 pesos on six houses which he possessed at the corner of the Hospital of San Bartolomé, and which were still unfinished. The Abbess and Provisor set the interest rate at 5⁰/₀ per annum ¹⁸. On 3 July 1672 Doña Isabel de la Parra, widow of Captain Manuel Rosado, was granted a censo of 600 pesos from a chantry established in the Convento de la Santísima Trinidad. In this case the chantry's beneficiary examined the title of the house in which the applicant wished to invest the sum. Its value, she claimed, exceeded 12,000 pesos, but was already burdened with previous censo obligations to a total of 5,630 pesos en favor de diferentes personas, that is, contracted with various private parties. The builder, however, put the value of the house at 9,500 pesos in a statement made to the crediting body on 17 May 1672 ¹⁹. Lastly, Captain Juan Merino de Arévalo, Knight of the Order of Santiago, tutor and guardian of the minor, a novice in the Monasterio de Santa Clara, Doña Josepha de Mendoza y Arias, applied for license from the monastery to take her dowry on entering the religious life at censo. Merino de Arévalo had purchased for the sum of 30,000 pesos the houses which his ward had inherited from her grandfather, Mariscal del Campo Joseph de Mendoza y Costilla, and which had been put up for auction. These properties were already burdened with previous censos. The new owner wished to invest the value of his ward's dowry, the sum of 3,195 pesos, in his houses. An auto of the Audiencia granted the request at 5⁰/₀ interest on 23 January 1675 ²⁰.

¹⁸) Ibid, Manuel de Escobar, Maestro Albanil... &c. (1666).
¹⁹) Ibid, Doña Isabel de la Para, viuda del Capitán Manuel Rosado... &c. (1672).
²⁰) A. A. L. Censos XV (1590–1692), Juan Merino de Arévalo... &c. (1674).

The novice's grandmother, Catalina Arias de Ugarte, was a niece of a former Archbishop of Lima, Hernando Arias de Ugarte, who had been elevated to that office on 19 January 1628. He was a native of New Granada, who had qualified in law at the Spanish peninsula University of Salamanca, and later, as a judicial official of the Crown, held the post of Oidor in the Audiencias of Panama, Charcas, and Lima before admission to the priesthood. He had previously occupied the sees of Santa Fé de Bogotá and Charcas. See Vargas Ugarte, Historia General del Perú, vol. III, p. 49–53, 95, 113, 239; and Fred Bronner, La Unión de las Armas en el Perú, Aspectos Político-Legales, in: Anuario de Estudios Americanos, XXIII (1966), p. 1141 n. 30.
A chantry was involved in the case of Pedro González de Mendoza, owner of a chacra and various other lands in the Valle de Ate, called Limatambo, who requested 4,900 pesos at censo. The object was to pay back the principal of another censo, valued at 3,375 pesos, owing to the Indian Hospital (Hospital de los Naturales) de Santa Ana in the city of Lima, and with the remainder of the sum to make improvements on the said property, which he now described as an hacienda. He explained that he had heard that a previous borrower, the Alférez Real (Royal Sheriff) of the Lima Cabildo (municipal council), Antonio de Sandoval, had recently repaid such a sum to the chantry of which the beneficiary was an Indian woman, Doña María Huacha, and the patron, Gabriel de Acuña y Egues. This request was granted on 26 September 1684, and the sum was received from the Treasurer of Lima Cathedral, the Knight of the Order of Calatrava, Gabriel Someano.

In two more of the coastal valleys further censos were redeemed. In November 1683, the Conde de Lurigancho, General Luis de Santa Cruz, paid back the principal of 4,000 pesos leased from a chantry founded by his grandmother, María de Hinojosa. The sum, which he had invested in his chacra, house and orchard in the village and Valley of Lurigancho, went into the treasury of the Lima archdiocesan Juzgado de Capellanías y Obras Pias. All interest payments had been honoured, and no sum was outstanding. In 1688 the three Eloza Bravo brothers stated that on their father’s hacienda de panllevar, known as the Hacienda de Mazo, situated in the Valle de Huaura, a censo obligation had been contracted to the value of 10,000 pesos. The crediting body had been the Hospital de Nuestra Señora de la Candelaria in the Villa de Carrión de Velasco in the same Valley of Huaura, approached by an ancestor, Diego de Eloza.

21) A. A. L., Censos XVII (1607–1684), Pedro González de Mendoza . . . &c. (1684). Sandoval had held a censo on his Haciendas de Acaray in the Valley of Huaura. González de Mendoza was the grandson and heir of Pedro de Prado, who with his wife, Florencia de Cotán, had on 8 November 1617 undertaken to pay annual interest of 150 pesos (5 ½%) on a censo of 3,000 pesos negotiated with the Hospital de Santa Ana. As guarantee they had offered their persons and their possessions, namely some houses in which they resided in the city of Lima, a chacra and tierras de panllevar within the city limits. These lands they had purchased on 3 July 1610, inheriting a previous censo of 2,000 pesos principal with interest payable to the Monasterio de la Encarnación. See ff. 3–20.

22) Ibid, General D. Luis de Santa Cruz, Conde de Lurigancho . . . &c. (1683).
Bravo, Regidor (municipal councillor) of the Cabildo of Lima. The heir to the property, Francisco de Eloza, freed the estate from its obligations, including outstanding interest payments, on 18 January 1688 23.

A property heavily bound by censos was the Hacienda de Cacahuasi, in the valley of the same name, adjacent to the Valle de Ate. Various obligations were outstanding. In 1719 the Mayordomo and Administrador of the Monasterio de Nuestra Señora de la Concepción in Lima stated that his convent held a censo of 20,000 pesos on the estate, an obligation which had been contracted back in the year 1662. At that time the interest rate had been only 3% per annum in accordance with, he explained, the Audiencia’s decision to reduce censo interest rates because of the sterility of the soil. The owners of the estate had defaulted on interest payments to the monastery to a total of 1,357 pesos 2 reales up to 19 July 1719. Besides that there existed a further censo obligation of 8,000 pesos contracted with the Dominicans of the silver-mining city of Potosí in Upper Peru, and 7,000 pesos with the Dominican Convent of Santa Rosa in Lima itself. In view of the total state of indebtedness of the property the Administrator of the Monasterio de la Concepción was anxious to obtain an injunction against the owner in order to secure the enactment of the terms of the mortgage guarantee on the censo 24.

The owner of the property at the time of the original negotiation of the censo had been Captain Martín Sánchez de Aransamendi, a resident of Lima. He had purchased the property on 25 September 1658 from Bernardo de Melindes for the sum of 70,000 pesos. The sum had in fact been paid, and no outstanding obligations remained between the two parties. The property, however, was changing hands frequently. Melindes himself had only just acquired it from Pedro de Bedoya on 28 June 1657. Sánchez de Aransamendi did not retain the property in his possession for long, for on 15 March 1659 he transferred it to Lic. Gonzalo Pantoja de Heredia, commissioner (comisario) of the Inquisition in the city of Chachapoyas. Pantoja made use of the property during his lifetime, and on his death he

23) A. A. L. Censos XI (1603–1884), Br. D. Ignacio de Eloza Bravo por mí y en nombre del Licenciado Antonio de Eloza y D. Francisco Eloza, mi hermano, . . . &c. (1688).
24) A. A. L. Censos XVII (1700–1829), Mayordomo y Administrador del Monasterio de Nuestra Señora de la Concepción . . . &c. (1719).
bequeathed it to a chantry which he had founded in the *Convento de San Francisco* in the same city. This estate, then, had changed hands four times in less than two years.

In 1662 Sánchez de Aransamendi had been in need of the sum of 30,000 *pesos* for investment in his *chacra* and other lands in the Valley of Ate. He has received notice that the convents of nuns, the *Monasterios de la Concepción* and *Encarnación* in Lima, possessed such sums, which might be available as *censos*, The *Provisor* of the archdiocese duly sent the petition for funds to the Abbesses of both convents. They commissioned two experienced assessors to examine the property's titles and value. These men were themselves local estate owners, a Knight of the Order of Santiago, Bernardino de Perales, who also possessed an *hacienda* in the Valley of Ate, and the Chancellor of the *Audiencia* of Lima, Captain Juan Cívico de la Cerda, *hacendado* of the Valley of Carabayllo. The property, known at that time as the *chacra de la Caja del Agua*, constituted 54.5 *fanegadas* of land or about 87 acres, plus a further six *fanegadas* on the hillside of the Río Isienegas, which were not cultivated, but used to gather firewood. An orchard accounted for a further *fanegada*. The estate possessed twenty-three Negro slaves at its labour force. Each *fanegada* was valued at 1,200 *pesos*, making a total value of 80,000 *pesos*, including slaves and work animals. This figure represented an increase of 10,000 *pesos* over the sale price in 1658.

The applicant received a *censo* valued at 20,000 *pesos* from the *Convento de la Concepción* under the following terms. The borrower and his heirs undertook the obligation to keep their lands cultivated and their buildings in good repair, so that the property could appreciate in value and the *censo* be well employed. Should these conditions not be complied with, the Abbess and convent could order the maintenance of the property at the owner's expense. During the period the loan was operative the property could not be sold or alienated in any way, unless to a person of known means and reputation, in whose trust the obligations of the *censo* would be secure and from whom the principal might fully be redeemed. The parties, in any

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25) Ibid, first *expediente* (1662), ff. 2-7 vta. The estate reached the hills which formed the boundary of the *chacra* formerly possessed by Esteban Pérez Menacho; on another side it reached the Royal highway to Huarochiri; then to the *chacra* and lands of the Lima *Regidor*, Joseph Delgadillo Sotomayor; and lastly the lands of the widow of Blas Ernani, formerly public clerk (*escribano*) of the *cabildo* of Lima. ff. 13 vta.-14.
case, should undertake to inform the Abbess beforehand. Any such transactions would be nullified should the above prerequisites not be fulfilled. The borrowers undertook to repay the principal either cash down or in two instalments, including all interest right up to the final day.\(^{26}\)

During the period, 1662–1717, however, the value of the property dropped from 80,000 pesos to 35,000. We are able to piece together some of the details. In December 1712, a former prior of the Dominican Convent of Santa Rosa in Lima, Fray Antonio López, Censor of the Inquisition, sold the estate, now recorded as a possession of the Convent and described as the *chacra* and *tierras de panllevar Santa Rosa de Cacahuasi*, to Fray Clemente de Castillo, a fellow Dominican and Doctor and professor of the University of San Marcos. The price had fallen to 45,000 pesos, in addition to which outstanding *censo* obligations were owing. Castillo for his part complained that the *hacienda* could neither render profits nor enable him to cover his general working costs or pay the interest on his *censos*. The reasons he gave were the "calamity of the times", and the fact that the lands were saturated by the floods which had inundated them. Excessive expenses would be necessary for their recuperation, which he could not afford. Therefore, he solicited a buyer for the *hacienda*. A further evaluation of the property took place when another cleric, Dr. Francisco Fernández de Córdoba, offered to buy the lands. This time the total value had dropped to 35,000 pesos. In consequence, the council of the Lima Dominicans was convened on 29 December 1717 to discuss the issue of sale at a figure lower than the purchase price. The friars pointed to the advantage for the convent if they sold to Fernández de Córdoba in view of his assets, which, they hoped, would be able to put the estate in working order, especially since he proposed to employ his considerable Negro slave labor force on the estate. Therefore, the Prior of the Convent of Santa Rosa, Dr. Fray Tomás de Espinosa of the University of San Marcos, gave his consent to the reduction of the original sale price of the property, and authorised sale to Fernández, anxious especially to secure the 7,000 pesos *censo* which the same convent held over the estate.\(^{27}\)

The Jesuit Order in Peru was heavily involved in land ownership,

\(^{26}\) Ibid, ff. 15 vta.–20 vta.

\(^{27}\) Ibid, second *expediente* (1717–1718), ff. 28–34.
slave ownership and censo transactions. Early in the 1680's the Jesuits of the Casa de la Virgen Santísima de los Desamparados in Lima acquired the Hacienda de San Juan de la Pampa in the Valley of Huaura. This estate had been sold in 1658 by Captain Juan Infante to Francisco de Paredes for the sum of 215,000 pesos, of which 42,000 had been borrowed at censo and 65,000 paid cash down, with the remainder payable in instalments. The censualistas had assessed him for a debt of over 60,000 pesos. In order to pay off his obligations, he had eventually been obliged to put his property up for auction, but no higher price than 100,000 pesos was offered, which the Audiencia considered a low price. It therefore ordered Infante to remain in possession along with the censo obligations on the understanding that he was to repay his debt within six years. In August 1683 the Audiencia nominated new evaluators, who assessed the property at 154,454 pesos, showing clearly its decline in value since 1658. In such circumstances, Infante donated the property to the Jesuit Casa de los Desamparados, with the result that the Fathers granted him the grace of the 60,000 pesos in credit obligations. All these censo debts the Jesuits undertook to assume, and honoured them to a real. Besides that they also repaid 16,000 pesos on the outstanding debt obligation on the purchase of the estate. Moreover, they improved the functioning of the hacienda by the addition of eleven Negro slaves. Thereafter, the censos on the property enjoyed full security, and the regular payment of their 4,5% interest per annum.

Of these censos the sum of 40,000 pesos was repaid to the Monasterio de la Encarnación in 1685 from the censo invested in the Hacienda by Padre Ramírez. The sum had been on loan from the Monasterio de la Encarnación, at which his sister, Doña Nicolasa Ramírez professed under the black veil. On 17 October 1685 the Provisor and Vicar-General of the archdiocese granted this nun's request on behalf of the Jesuit administration of the Hacienda that 23,590 pesos of the above 40,000 should be reinvested in the property in the form of another censo. Of the new sum 13,590 pesos would be used to pay off older censo obligations, namely 5,250 pesos to the Convento Grande de Santo Domingo and 4,792 pesos 4 reales to the Monasterio de la Santísima Trinidad, and so on.

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88) A. A. L. Censos XV (1590-1692), Capt. Juan Infante ... &c. (1658).
89) Ibid, Doña Nicolasa Ramírez, religiosa profesa ... &c. (1685).
Under Jesuit management the Hacienda de Huaura, also known as the Ingenio de Huaura, became one of the Society's leading sugar-producing estates. After the catastrophe of the Lima earthquake of 1687, sugar rather than wheat began to dominate Peru's export trade. Sixty per-cent of the sugar plantations were located in the Valleys of Santa and Rimac in the vicinity of Lima. The Lima Jesuits owned eleven out of fifteen coastal haciendas, thus controlling the core of Peru's main agricultural export commodity. Sugar plantations, moreover, accounted for approximately half the landed holdings of the Jesuits. The Jesuits tended to purchase neglected estates, develop them, define their boundaries, and invest in Negro slave labour.

We have seen this in the case of the Hacienda de San Juan de la Pampa, and can add that the Lima Jesuits also borrowed extensively from the city's convents by way of censos. This practice continued into the eighteenth century, for on 19 August 1706 Dr. Juan de Soto Cornejo, canon of the Lima Cathedral and Provisor, Vicar-General, granted a further censo request from the Superior of the Jesuit Casa de los Desamparados, Padre Alonso Mejía. The latter had received notice that the sum of 3,000 pesos had been repaid to a Congregación de Nuestra Señora, situated in the Jesuit College of San Pablo in Lima. The censo had been placed on some houses in the city by the same Nicolasa Ramírez mentioned above. Padre Mejía wished to re-employ the capital in the Hacienda de San Juan de la Pampa, offering to mortgage the other haciendas owned by his House as guarantee of repayment of the principal. In 1720 a further censo of 2,000 pesos at 4°/o was placed on the same estate with the Convento.


\textit{Nuevo of Lima} as the crediting body. This time the owner of the property was the \textit{Colegio Máximo de San Pablo} \(^{83}\).

This College had become an owner of landed property in the seventeenth century principally as a means of paying off the considerable debts accumulated by the Society of Jesus in its early years in Peru \(^{84}\). Between 1632 and 1634 the Jesuit Province of Lima acquired the \textit{Hacienda de Villa}, which, when put in operating order, was expected to render sufficient profit to overcome the Province's heavy debts. But in general rural properties did not yield appreciable income unless they were extensively worked by Negro slave labour and put over to the cultivation of sugar. These prerequisites were fulfilled on the estate, and on 28 May 1637 the Procurator of the Province reported to the Prior General that the estate possessed 134 male and female slaves and 60 yokes of oxen, and had been planted with sugar cane to the value of 30,000 \textit{pesos} with six mills to refine it. At the same time the \textit{hacienda} grew wheat, maize and beans for common subsistence. Nevertheless, despite all that, a further report on 25 May 1638 explained that the property was not yielding up to expectation. In the financial year, 1637–1638, expenses had exceeded the value of produce by 568 \textit{pesos}. The sale of the property was advised. The \textit{hacienda} faced small prospects of recuperation, because a general lack of demand existed for sugar and sugar-based alcohols, owing to their abundance and consequent low price. The Society, however, kept the property in the hope the economic situation would improve. However, by 1641 the estate's position was no better. The Jesuits, nevertheless, still remained in possession until their expulsion from the Spanish dominions in the latter part of the eighteenth century \(^{85}\).

The debts of the \textit{Colegio Máximo de San Pablo} were considerable. At the end of 1638 the College owed 114,979 \textit{pesos}, in addition to which a further 63,582 \textit{pesos} was accounted for in the form of \textit{censos}. Most of these debts were due to the recent purchase of the

\(^{83}\) A. A. L. Censos XI (1603–1684), Padre Nicolás de Figueroa . . . &c. (1720).

\(^{84}\) Armas Medina, \textit{Propiedades}, p. 710–711, speaks of the college's considerable properties by the second decade of the seventeenth century, in particular a sugar \textit{hacienda} and mill with an \textit{estancia}, which yielded a revenue of 10,000 \textit{pesos}. Besides this two \textit{chacras}, one called San Juan, a sugar mill, a vineyard in the Valley of Ica, and an \textit{estancia de ganado mayor} or cattle estate yielded a further 17,800 \textit{pesos}.

\(^{85}\) Rubén Vargas Ugarte, Historia de la Compañía de Jesús en el Perú, 5 vols., Burgos 1963–1965, vol. II (1621–1699), Burgos 1963, p. 55–54, 119–120.
Hacienda de La Calera for 60,000 pesos, and the costs involved in putting the Hacienda de Villa in good working order, which involved borrowing at censo and the costly purchase of 170 Negro slaves. By 1644 the debt had risen to 436,304 pesos, of which 180,782 pesos were destined for the repayment of principal on the censos. Therefore, in order to offset the difficulties of the Hacienda de Villa, and in view of the drop in sugar prices to only 8 pesos per arroba in Lima when they fluctuated between 10 and 12 pesos in Potosí, the Jesuit Fathers acquired the Hacienda de Jesús María in Tolima in the early 1640’s. This estate was situated across the Pilcomayo and Cachimayo rivers in Upper Peru forty-five leagues between Potosí and the pampas. Despite its considerable distance from main centres of sugar consumption such as Cuquisaca and Potosí, the Jesuits hoped its annual estimated production of 3,000 arrobas would be capable of overriding the obstacle of distance.

The Jesuit College of San Pedro in Lima also possessed property and negotiated censos. One for the value of 10,000 pesos had been placed on its hacienda through a former archdeacon of Lima Cathedral, Dr. Luis Segarra de Guzmán. The Procurator of the College reported in 1694 that the principal of this loan had now been repaid. Since the interest had been used for the maintenance of Segarra’s nieces, the principal of whom was Doña Juana de Segarra y Perales, a close relative (daughter or wife) of the Regidor and Alcalde Ordinario of the Lima Cabildo, Gaspar de Perales y Saavedra, the termination of the censo by the Jesuits now threatened the nieces with loss of income. As a result the late archdeacon’s brother, their other uncle, the Governor Pedro Segarra de Guzmán, requested the employment of the principal in his haciendas situated in the jurisdiction of the city of Ica. These estates, he declared, were entirely free at that time of any other censo or mortgage obligation. The request was granted on 2 December 1694.

In censo transactions the Inquisition sometimes acted as the credit party. In 1718, for example, the widow, María Jacinta Martínez

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36) Ibid, vol. II, p. 54, 119–120.
37) A. A. L. Censos I (1608–1699), Gaspar de Perales y Saavedra . . . &c. (1694). In 1632 the Jesuit Province of Lima consisted of 21 Houses, 11 colleges, and 476 persons. In 1644 the latter figure fell to 450, and in 1654 to 422, but, by 1696, however, the number of persons had risen to 498, of whom 248 were priests. Vargas Ugarte, Historia de la Compañía de Jesús en el Perú, vol. II, p. 53, 107–108, 307.
Romero, owner of the sugar-cane hacienda in the Valley of Polán in the jurisdiction of Pisco, possessed a censo valued at 4,000 pesos taken from the funds of the Inquisition in Lima. The widow rented the estate to a tenant or tenants, and earned an income of 1,500 pesos per year in consequence. Besides that she had added a further thirty fanegadas de tierras (forty-eight acres). The estate had formerly been wheat-producing (de panllevar) but had now been turned into a sugar plantation with refinery. As a result she had invested large sums of capital in its equipment and development. For such purposes she had contracted the censo with the Inquisition on 22 October 1715. However, her position was so precarious that she was anxious to bolster her obligations with the Inquisition by securing a further censo contract with the Monasterio de Santa Rosa for the sum of 6,000 pesos at 4\%o, of which 4,000 would be used to pay off the former principal. This request was granted by the Vicar-General under the proviso that should the widow and her two daughters die and the property change hands, the interest rate would be increased to 5\%o.

A further case involved another widow, Doña Micaela de Orellana, widow of Mariscal de Campo Juan de Sandoval y Guzmán. In 1725 she applied for the sum of 2,250 pesos as the principal of a censo, for she had heard that such a sum had been paid back into the caja de tres llaves of the Lima Inquisition by Dr. Cayetano de Mendiguren, priest, pertaining to a chantry of which the Abbess of the Monasterio de la Encarnación was patroness. The widow had inherited the sugar-producing and refining Hacienda de Copacabana in the Valley of Carabayllo and other aggregated haciendas situated in the Valley of Pachacamac from her late husband. He had purchased them at an auction held at the Inquisition of the properties of Doña Petronila de Salamanca, which had been necessary in order to extricate her from debt, for the sum of 104,000, of which 50,000 pesos had been paid in cash and the remainder taken in censo from the Inquisition. The present widow’s request was granted at 4 %o on 15 February 1725.

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88) A. A. L. Censos XVII (1607–1684), María Jacinta Martínez Romero... &c. (1718). The Inquisition in Lima had been established in 1570, a year earlier than in Mexico City, in accordance with Philip II’s Royal Decree of 25 January 1569. Clarence H. Harling, The Spanish Empire in America, New York 1947, p. 203.
89) A. A. L. Censos XI (1603–1884), Doña Micaela de Orellana... &c. (1725).
III.

Some words are necessary on the question of interest rates. During the period under discussion, and according to the documents referred to, the interest rate on censos in the archdiocese of Lima oscillated between 3% and 5%. We should like to put forward the view that the rate of interest reflected agricultural conditions and land values. Moreover, both wheat and sugar production depended greatly on external trade conditions. Since the Peruvian wheat trade, so important during the first three-quarters of the seventeenth century, operated under severe fluctuations depending on demand in its Pacific coastal markets, upon the erratic arrivals of the Castilian fleets at Portobelo, and upon unpredictable weather conditions, it was natural for prices and interest rates to fluctuate accordingly. In the seventeenth century the price level of wheat might fluctuate from 16 to 32 reales per fanega, a wide span which must have seriously affected the confidence of producers and investors, and would have forced the poorer classes to nourish themselves with other commodities than bread.

In the transaction of 1662 the Monastery of Nuestra Señora de la Concepción authorised a censo of 20,000 pesos at 3%, an interest rate prescribed by the Audiencia in response to the "sterility of the soil". This lower level of interest might enable estate owners more readily to meet their obligations to their creditors. It might also imply that in times of agricultural crisis those living off the interest on invested capital, widows, nuns, chantry priests and others, would face a cut in their standard of living. In 1683, on the eve of the great wheat crisis along the Peruvian coast, the Hacienda de San Juan de la Pampa paid an interest rate of 4.5%. This crisis was seriously aggravated by the earthquake of 1687 – in fact, a series of them along the coast between October 20 and December 2. The Archbishop of Lima estimated the damage at 150 million pesos. In Callao three hundred persons perished when the port was engulfed by a tidal wave. As a result of the earthquakes and the panic they engender-

40) Ramos, Trigo Chileno, p. 21–31.
41) A. A. L. Censos XVII (1700–1829), see notes 25–27.
42) A. A. L. Censos XV (1590–1692), see note 28.
43) Ramos, Trigo chileno; Vargas Ugarte, Historia General del Peru, vol. III, p. 381–382.
ed, the population of Lima dropped by tens of thousands due to deaths and migrations into the countryside. The wheat price rose to unprecedented heights of between 25 and 30 pesos per fanega. Between the 1680's and the 1720's a profound crisis in Peru's coastal wheat production gave supremacy in the trade along the Pacific to the north and later central valleys of Chile.

It seems that the Real Acuerdo in Lima held on 17 May 1707 sanctioned the reduction of censo interest rates, though this may not have been for the first time since the crisis broke. In cases of 1718, 1720, and 1725 interest rates of 4% were agreed on between negotiating parties. In the middle of the 1720's, however, a revival of Peru's coastal agriculture could be discerned. But in the middle of the 1740's further requests for reductions in censo interest rates were registered. The British appearance in the Pacific led to the isolation of Peru from its Quito and New Granada markets. Moreover, the Metropolitan Government in Madrid was attempting to revise Peru's commercial relations with Spain by the ending of the traditional fleet system to Portobelo and Callao in favour of registros sueltos or licensed ships via Cape Horn after 1742. Against this background the heirs of the Marqués de Zelada de la Fuente, Francisco de Proleón and his brothers, conducted repeated negotiations in the middle of the 1740's with the Abbess of the Convento de Santa Catalina in Lima on the subject of the reduction of their interest rate from 5% to 4%

Into the strained economy of the 1740's came the earthquake of 28 October 1746, which stirred up fears of a repetition of the crisis of the 1680's onwards. In Lima over a thousand died, and more still in both Lima and Callao in the epidemic that followed. In Callao 5,000 persons were said to have perished in the earthquake, the epidemic and ensuing tidal wave out of a total population there

44) Ramos, Trigo Chileno, p. 33–53; Robert S. Smith, Datos estadísticos, states that the import of over 7,125 metric tons of wheat and flour in 1699, of which about 6,600 came from Chile and the rest from Cañete, Pisco and Huacho, probably represented about 90% of Lima's needs. After the earthquake of 1687 the wheat price in Lima rose to between 25 and 30 pesos. The rapid assimilation of the Chilean product was evident by the drop in price to 8 or 9 pesos.

45) A. A. L. Censos XI (1603–1684), see notes 33 and 39; A. A. L. Censos XVII (1700–1829), see note 38.

46) Ramos, Trigo chileno, p. 68–71. A. A. L. Censos XVII (1700–1829), Don Francisco de Proleón y los demás mis hermanos... &c. (1745).
of 7,000. As a result the Real Acuerdo once more authorised a reduction in censo interest rates.

A few final remarks. The practice of reducing censo interest rates in response to economic conditions seems to have been known in neighbouring areas of South America – our sparse amount of data does not permit us to say anything more positive than this. Apparently, the prostration of agriculture in the area under the jurisdiction of the Audiencia of Quito in the 1720’s, for example, owing to lack of export demand for its products, the prolonged drought of 1723 and freezing in 1724, prevented estate owners from honouring their censo obligations. As a result they were faced with the prospect of abandoning their properties to the charge of the censualistas, for the value of their products could never hope to cover even their interest commitments. Therefore, the Cabildo of Quito requested a lowering of interest rates. This problem seems to have recurred in Quito, for a petition of the Ayuntamiento on 21 September 1823 led to a reduction of interest rates on censos from the normal 5 % down to 3 %. During the Santander régime in New Granada in the 1820’s, the clamour against high censo interest rates extended even to the pro-clerical factions in the Congress in Bogotá. All regions of the new republic were affected by the demand for lower rates of interest, or payment of them in kind, or even for a reduction of the principal itself.

47) Ramos, Trigo chileno, p. 72.
48) A. A. L. Censos XVII (1700-1829), Marqués de Lara, Contador Mayor del Tribunal y Audiencia Real de Cuentas del Perú ... &c. (1755). The house of the Marqués, on which a censo of 3,800 pesos principal was owing to the Monasterio de la Concepción under a contract signed on 7 December 1725, had been damaged in the earthquake of 1746. The original interest rate of 5 % was, in consequence, reduced to 3 %. On 23 October 1755 the Marqués was able to pay back his debt.
49) Isaac J. B a r r e r a , Quito Colonial: siglo XVIII, comienzos del XIX, Quito 1922, p. 37-38. Unfortunately, B a r r e r a does not name the sources for his remarks.
50) David B u s h n e l l , The Santander Régime in Gran Colombia, Delaware 1954, p. 224-225. “Ecuador and Panamá had long enjoyed the special privilege of paying only 3 % instead of the usual 5 % on their censos.” The general stagnation of Ecuador’s economy due to shifting patterns of trade and the shortage of specie that resulted pressed heavily on the local censuatarios. See B u s h n e l l , Santander Régime, p. 225.
51) Ibid.