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The Eight Escudo of the Illegal Mint of Lima, 1659-1660

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For me the core of numismatics is research and fun. It is also a way to spend time learning and enjoying history, economics and art. Numismatics can also be, as in the case I will expose here, adventure. In a way it was adventure which introduced me to early Peruvian numismatics. Early Lima and Potosí cobs, which are the irregular coins produced hitting the metal discs with a hammer, were so complicated to classify that collectors and students were saying whatever they wanted, many times with much enthusiasm but very little, if any, historical exactitude.

Even when some researchers like the Chilean Toribio Medina had found and published in 1919 important facts about the first period of the Lima mint, in the following years numismatists had forgotten his words and had just followed articles written without consulting the sources.

Risking that I sound too autobiographical, I must say that some years after I had finished my studies of economics in San Antonio, Texas, I decided to go back to school, this time to get a degree in history, with my main goal being to study in a scientific and professional way the history of Peruvian coinage in general and the early Lima mint in particular.

The Lima mint was the first to be established in South America but lasted only a very short time. Authorized in 1565 by King Philip II, it opened its doors during the last days of August 1568 only to close definitely by 1592, after an intermittent production full of trials, accusations and long-lasting doubts as to the usefulness of its existence.

It was clear that Potosí, where the richest silver mine of the Americas was located, was a much better place to have a mint. It could serve the commercial interest of the area and the economic and political interest of the crown. So, by the early part of the 1570's Potosí had a mint and the convenience of the continuation of the Lima *Casa de Moneda* (mint) was losing favor. The silver ore arrived with difficulty and in small amounts, which meant that the costs of production in the capital of the viceroyalty rapidly rose. Formal production stopped in the mid 1580's, but the last reference to its minting is from 1592, when, most probably, leftovers of previous production were processed. The knowledge we have about that last production is indirect, based on the record of tax payments which correspond to "One real per Castilian Mark" paid to the king for the right to produce coins.

In any case, before the end of the 16th century only Potosí produced coins in the whole area of the Viceroyalty of Peru, and the situation continued that way for over ninety years, at least officially.¹

None the less, a terrible fraud which occurred in Potosí's mint before the middle of the 17th century brought an economic crisis that involved the good name of the New World coinage and the honor of the Spanish Government. The fraud, which consisted

¹ Other mints were established in South America during that time. Cartagena (a subsidiary of the Santa Fe mint) began minting in 1621 and Santa Fe (Bogotá) in 1627.

of having reduced the silver content of the Potosí coins by 25%, and even more, produced chaos in the internal markets, not to mention the impact on the Empire's economy and good name.

The assayer of the Potosí Mint, Felipe Ramirez de Arellano and an ex-mayor of the city who was one of the silver providers to the factory, Francisco Gomez de la Rocha, conspired in a criminal association which reduced the amount of silver in the metallic alloy used for the production. When the fraud was discovered by the Spanish merchants in Porto Bello, Panama, a scandal broke out in the markets, both in the New World and in the Old. The Spaniards, merchants, authorities and general public, refused to accept the colonial coins, making little distinction between those produced in the "corrupt" Potosí mint and those minted in Mexico, with the disastrous results that can be imagined.

Spanish merchants had to return home from Panama with their expensive goods unsold, not willing to risk accepting dubious pieces of eight. Merchants in the New World were suffering since they could not buy, with their local money, the goods required by their customers.

The Viceroyalty government took some drastic measures to reverse the situation. The "Rochunas," as the fake coins were called after the name of Gomez de la Rocha, were counterstamped to reduce them by one quarter and more of their face value to adjust them to their real silver content, and the guilty Gomez de la Rocha and his partner Ramirez de Arellano were beheaded and their heads were exposed in cages at the entrance of Potosí.

While the situation in Potosí was being normalized and the bad coinage was consumed, there was monetary chaos in the country. Following the old Gresham law, all the good coin, produced after the discovery and correction of the fraud, disappeared from the local market and was used only for the international trade, while the "Rochunas" were the only coins employed for internal transactions.

In the meantime, Lima was suffering from a coin shortage which had the merchants of the city on the edge of bankruptcy. Several times the businessmen had explained the situation to the Viceroy and he had sent requests to the King to allow the mint to be reopened, but with no results. In August 1658 the merchants of the capital appealed once more, this time to the new Viceroy, Luis Henriquez de Guzman, count Alva de Liste, to reopen the Lima mint and save the day.² The Viceroy resisted, considering that there was no answer from the King, but the arguments were so solid that after the presentation made to him by the two delegates of the Lima Municipal Council, of the economic inconveniences that were affecting the city and the adjacent areas of the capital, he was finally convinced and agreed, without having received the authorization from the monarch, to open the mint in Lima.

The merchant's arguments were centered basically in the fact that the silver bars, which were not coming in important quantities into the city, had different percentages of good metal which made even more difficult their evaluation, and therefore the commerce of the city was practically stopped. That argument was added to the fact

² Luis Henriquez de Guzman held the title of Viceroy of Peru from February 1655 to July 1661.

that the mint, if reestablished would produce a good amount of taxes for the crown. In any case it was made clear that by no means would the Lima coinage interfere with the Potosí production, if that was what worried the Spanish authorities.

On December 10, 1658, the Viceroy Alva de Liste appointed Juan de Figueroa, a member of the City Council, as Treasurer of the Mint and in the following days the other officers to a number of 27 in total, were named. Among them were Francisco de Villegas as assayer whose initial "V" can be seen in all the coins produced by the Illegal Mint during its short existence, and the die sinker Francisco Zamorano.

For over a year the Lima mint produced coins in several values until a furious letter from the king accusing the Viceroy of having taken in his hands rights that only belonged to the crown, brought an end to the well-intentioned production.

The mint worked from early 1659 until April 1660. On 14 February 1659 the Acts of the City Council, as said above, mention that they had to name some officers for the mint that had been founded in the city. That is the earlier reference to the operations of the factory. During its existence the Lima Mint of Alva de Liste produced rough pieces in all the silver values from one to eight reales for 1659.³ For 1660 no two-reales piece has been found.⁴

The Lima silver coins show the Cross on the obverse and the Columns of Hercules over the waves on the reverse. Between the columns, is the inscription "Plus Ultra," and in the first line the value, the date and the "V" of Villegas. Above all, a five or eight-pointed star of the Magi, symbol of Lima and the name of the city "LIMA," that in some of the varieties is reduced to "L.M."

In 1950 Tomás Dasi published his *"Estudio de los reales de a Ocho"* in Spain, and here he presented the drawing of an eight-escudo gold coin of the Illegal Mint.⁵ He was not the first one to mention these coins since Toribio Medina had made an indirect reference in 1919, but Dasi included a drawing of an eight escudo dated 1659. Although the Argentinean Numismatist Humberto Burzio included the coin in his *"Diccionario,"*⁶ several voices were raised saying that it was a fake, or in the best case a fantasy. The discussion lasted for decades without a clue to follow.

Suddenly, in 1990 a Peruvian researcher of colonial economic subjects, the historian Carlos Lazo, produced a study published by Central Reserve Bank of Perú, called *"Las primeras acuñaciones de oro en la ceca de Lima"* (The first Gold Coinage of the Lima Mint). Dr. Lazo during his research in the Peruvian National Archives, had found, mixed with other papers that had nothing to do with the *"Casa de Moneda,"* the whole documentation of the gold production of the Alva de Liste mint. The Bank published Lazo's discoveries, but, believe it or not, there were some Peruvian numismatists, knowledgeable in the study of the coins but not used to doing any research, who denied the credibility of Lazo's work and insisted that there was no proof of the existence of any such coins.

³ Reales is the plural of Real.

⁴ A Lima half real has been reported.

⁵ Dasi, Tomás. *Estudio de los Reales de a Ocho*. Valencia. 1950. 2:163.

⁶ Burzio, Humberto F., *Diccionario de la moneda hispanoamericana*. Santiago de Chile, 1958. 1:311.

Carlos Lazo had found very precise documents which, for the first time, allowed an historian to indicate details so precise as to say that the minting of gold had begun on 10 September 1659 after the Assayer Villegas introduced a first group of 117 *marcos*, 5 *onzas*, 3 *adarmes* in gold bars by order of the Viceroy which was followed by other lots.⁷ Finally, on September 25, the first group of one thousand pieces of eight-escudo coins was delivered to the authorities, and, according to the documents found, all were sent to Spain.

After the first lot was produced with the government gold, all the others were given to the merchants of the city who had introduced their gold bars in the mint. In total there were nine *Libranzas* (lots), all of which included pieces of eight escudo and only four mention pieces of one escudo, and in very small quantities. Lazo has registered the nine *Libranzas* as follows.

Date	Eight escudo	Escudo
25-IX-1659	1,000	
25-IX-1659	150	
21-X-1659	61	
21-X-1659	178	3
21-X-1659	60	2
22-X-1659	29	6
24-X-1659	139	
9-IV-1660	833	5
9-IV-1660	13	
Total	2,463	16

Table 1
Production Quantities of Gold Coins⁸

As an historian myself, I went through the Lazo material with him and there was no doubt as to authenticity of the documents and the minting of the gold coins. He had found names, dates and quantities. It is good to remember here that the high-value coins in the colonial mints were produced for export and that the reason for their production was that they were to be melted once in Spain to produce local coins. That explains why the first batch, produced with gold belonging to the treasury, was sent directly to Spain and the other ones were given to the merchants for their international transactions. There was no use for gold coins, especially in high denominations in the internal colonial markets.

Besides clearing the point as to the existence of gold coins from the Illegal Mint of Alva de Liste, Lazo proved also that after Santa Fe (and its subsidiary, Cartagena), Lima had been the next Spanish mint in the New World to produce gold coins. There are two-escudo coins dated 1622 attributed to Cartagena; and although that might not be definitely established, it is clear that by 1628 both Colombian mints produced two-escudo pieces.

⁷ Marco (mark), onza (ounce) and adarmes (one sixteenth ounce) are Spanish units of weight.

⁸ Lazo García, Carlos. *Las primeras acuñaciones de oro de la ceca de Lima*. Cuadernos de Historia Numismática N° 1. Lima, 1990. Banco Central de Reserva del Perú. Sección Numismática.

Nonetheless, at the time of Lazo's research, it was considered that the mint in Mexico City, which had produced its first gold coins in the year 1679, was the second to produce coins in that metal in the Americas.

A few years later, in 1992, I was contacted by a salvage group that had discovered a sunken Spanish ship right in front of Jupiter Island off Palm Beach, Florida. They had dated the shipwreck to the second half of the seventeenth century and one of their dating elements was the quantity of pieces found from the Illegal Lima Mint. I offered to stop by on my way to Europe the following month and check the material if they would allow me to dive on the wreck, which they immediately accepted. My misconception about the shipwreck was great. I found neither swordfish cutting boards nor skeletons lying between chests full of coins and jewels. What I saw were just some cannons and an anchor in the sands; but if I had had time, maybe I could have found a coin or two. The small ship they found (an *aviso*, a small lead ship) had ripped her bowels in some rocks, supposedly during a storm and all its contents had been scattered on the sea floor. The broken wood probably drifted away to the coast. But that is another story.

In their office, the Jupiter Island Team, showed me the recovered coins, which were authentic and in many cases in very good condition. Just to see them was worth the trip, but I had never expected the final outcome and what I was to learn about the gold coins of Alva de Liste. While discussing the Illegal Lima production and its special style of coins, the director of the team mentioned that he had seen a gold piece of this mint in Madrid at the Museo del Banco de España.

Two days later I was at the door of the museum and had an appointment with Dr. Teresa Tortella, the director of the museum who took me directly to the gold coins. The museum had not one but two gold eight escudos. One dated 1659 and the other 1660. These are the only two years when the mint produced its coins. A sign next to the pieces gave the usual details followed by the indication "Doubtful Authenticity." It was obvious that they were neither fakes nor fantasies and so I told the director.

How those coins came to be at the Banco de España was the next logical question. Suddenly I remembered I had seen something while reading about the final reopening of the Lima mint in 1684. In 1683, after so many years without a mint, Lima succeeded in getting the king's authorization to establish a new "Casa de Moneda." On January 7, 1684 the Limenian José de Mugaburu wrote in his *Diario de Lima* (Lima Diary) that the new mint had begun its production that day.⁹ The setting of the factory had taken some three months since the arrival of the permission on October 8, 1683. We know the date because Mugaburu had written that on that day a Real Cedula (royal decree) authorizing the establishment of the new Lima mint had arrived in the city.¹⁰ The Viceroy, Duque de la Palata in his *Memorias de Gobierno* gives the seventh of October as the day the Real Cédula arrived.¹¹

⁹ Mugaburu, Joseph. *Diario de Lima 1640 – 1694*. Lima, Concejo Provincial de Lima, 1935. p. 231.

¹⁰ Ibid. p. 228.

¹¹ Fuentes, Manuel A. *Memorias de los Virreyes que han gobernado el Perú durante el tiempo del coloniaje español*. Tomo II. Don Melchor de Navarra y Rocafull Duque de la Palata. Lima, Librería Central de Felipe Baillo, 1859. p. 148. "Finalmente resolvió Su Majestad la fundación de casa de moneda en esta ciudad, y por despacho de 6 de henero de 1683, que recibí a 7 de octubre me mandó que lka fundase...."

The first new coins were minted in 1684, but in the process of organizing the factory, *el arca de tres llaves*, a safe box with three keys, where all the equipment used at the time of Alva de Liste's mint had been kept, was opened on 16 October 1683 and "two doubloons of eight escudos with their certificates signed by the Assayer Villegas" were found and immediately delivered to the Viceroy.

The end of the story might be just speculation until new evidence surfaces, but I find it logical that the Viceroy would have sent the coins to the *Consejo Real de Indias* (Royal Council of the Indies) in Seville, whose economic section, the *Casa de Contratación* (House of Trade), would have kept them and later passed them on to its successor, the Bank of Spain.



Philip IV, 8 Escudo, Lima, 1659 assayer V. 36.28 mm, 26.97 g



Philip IV, 8 Escudo, Lima, 1660 assayer V. 35.50 mm, 26.67 g

Obv: •PHILLIPVS•IIII•D•G•HISPANIARVM• around periphery. Central design is a shield with pillars on either side, crown above. Mint mark L over 8, both left of central design, assayer V over 8, both right of central design.

Rev: Cross of Jerusalem and legend around •ET•INDIARVM•ANO 1659 (1660 on second coin).