

The Economic Condition of Spain in the Sixteenth Century

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THE ECONOMIC CONDITION OF SPAIN IN THE SIXTEENTH CENTURY.

THE external events in certain conspicuous revolutionary epochs, by reason of their strong dramatic character, even in an unembellished narrative, appear to satisfy the reader and gain applause for the writer. Spanish history in the sixteenth century furnishes such a series of events. The reigns of Ferdinand and Isabella, Charles the Fifth, and Philip the Second, present abundant material for a brilliant narrative; and in order to produce the dramatic effect desired it is not necessary for the historian to add to the striking achievements of the government the evidence that the nation was, in the meantime, drifting hopelessly to economic ruin. If the historian happens to be more interested in literary art than in social philosophy, this evidence will hardly find place in his account. In this paper, however, it is proposed to indicate briefly some of the economic features of Spanish history which have been found unsuited to the dramatic narrative and consequently neglected.

In the beginning of the sixteenth century Spain stood, in relation to the other nations of Europe, economically higher than she had ever stood before, or has ever stood since. Then Toledo, Cuenca, Segovia, Cordova, Granada, Ciudad Real, Villacastin, Baeza, and other towns flourished as important seats of manufacturing industries. According to so sober and careful a writer as Baralt, "Seville, in which was concentrated the commerce of America, had then, no less than sixteen thousand work-shops and one hundred and thirty thousand workmen employed in making textile fabrics of silk and of wool; the Peninsula had then more than a thousand merchant vessels in all of the known seas, a number very much greater than that of any other nation of Europe at that time; then, finally, the famous fairs of Medina del Campo, Burgos, and Valladolid attracted by

their wonderful riches the merchants of all nations.”¹ While we may accept the general fact expressed in statements like this, we must at the same time admit that the historical references to the economic condition of Spain at the beginning of the sixteenth century have been more or less influenced by the spirit of exaggeration in which writers have described that age of great achievements and of greater expectations.² But after the reign of Ferdinand and Isabella the economic affairs of Spain went into a long decline.

One of the most conspicuous features of this decline was the diminution of the population. Ten years before the discovery of America the population of Spain was 10,000,000. About this time it began to decline, and did not reach this number again until nearly three hundred years later. In 1492, after the expulsion of the Jews, it was 9,800,000. In the next hundred years the population of Spain sank to 8,000,000. During the sixteen years following 1592, years in which the Moriscos were expelled, it fell to 7,500,000; and in 1700 it stood at 6,000,000. Towards the close of the eighteenth century, it rose to 10,000,000, and in 1797 it was 10,500,000. In spite of the marked decline in the total population of Spain in the sixteenth century, the last three quarters of that century were for several of the cities a period of growth and prosperity. Seville became specially conspicuous in this development; but after the transfer of the Casa de Contratacion to Cadiz, the commercial importance of Seville declined,

¹ *Historia de Venezuela*, i. p. 368.

² “The bragging of past commerce, like the boasting of present strength, is pure rhodomontade, but a reference to some bygone period of old and better times is the fond and allowable dream of all who suffer under the evil of the day; and where, however, are the proofs of commercial prosperity? The grandee and the church have indeed left memorials of their indubitable power and magnificance, but where are the remains or even records of roads, canals, docks, quays, warehouses, and other appliances? They are not; while everything that tends to the contrary is evidenced in all Spanish feelings and institutions, their exclusive nobility, their disqualifications, their marble-cold spirit of caste, and still existing contempt; all these obstacles of opinion are more difficult to be overcome than those of natural causes. The bulk of the nation despises trade.”—RICHARD FORD, *Spain*. London 1845, ii. p. 617.

and Cadiz rose rapidly in wealth and population, and became the privileged port of Spain.¹

There appears to be little doubt that the indolence of the Spaniards must be set down among the causes of the decline of the Spanish population and the fall of Spanish industry. Writing in the sixteenth century, Bodin ascribed to the Spaniards an excessive indolence, except in matters of war and commerce; and this appears to have been a current opinion of his times. But certain modern writers of Spain repudiate the idea that the Spaniards of the sixteenth and seventeenth centuries were indolent; at the same time they admit that "the vice of begging bread from door to door was very common in Spain, vagrancy being preferred to useful and continuous work." The laws of Spain in the Middle Ages, moreover, make frequent reference to the fact that men and women who might work were disposed to live by begging; and some of these laws contain commands that "all shall labor and live by the work of their hands, except those who suffer such infirmities or injuries, or such great age as not to be able to work, and boys and girls under twelve years of age." The fact that a law was issued in the last quarter of the fourteenth century, requiring the *alcaldes* of the several towns to compel persons under their jurisdiction to work, indicates that the evils of idleness had already attracted general attention.

The habits of idleness appear, however, not to have been confined to a single province of Spain, but many provinces suffered the affliction. Yet we may always except Galicia, Catalonia, Vizcay, Valencia, and a part of Murcia. In the discussions of the times, as well as in the laws, there is abundant evidence that among the Spaniards themselves, of the fifteenth and sixteenth centuries, idleness was regarded as a serious evil, an evil to which in large measure was due the decline in the population and economic standing of Spain. The rich enjoyed in ease the wealth which they had inherited, or derived from the Indies. The poor nobles turned to the church, or followed the

¹ COLMEIRO, *Historia de la Economía Política en España*, ii. p. 13; PRESCOTT, *Ferdinand and Isabella*, iii. p. 463; SCHERER, *Geschichte des Welthandels*, ii. p. 243.

profession of arms, or sought unimportant offices or clerkships under the Government, or became the pages or secretaries of the wealthy, "resigning themselves," to quote the words of Professor Colmeiro, "to suffer hunger, nakedness, and misery rather than humiliate themselves by living by the work of their hands. The common people, inclined always to imitate those of better fortune, followed the evil example of the gentlemen and nobles; and it became fashionable to abhor the mechanical arts and the useful trades as unworthy of persons of intelligence and position."¹ The acceptance of these ideas was followed by thorough-going corruption, in which society was overrun by adventurers and all manner of persons attempting to live without work. Idleness may have been the ideal of the nobility of other countries, but its effect was more disastrous in Spain than elsewhere because of the great number of Spaniards who figured as nobles. The drift towards idleness and impecunious pretension found, moreover, strong support in the laws which in effect rewarded withdrawal from practical affairs and punished application to any form of industry or commerce by making it impossible for those engaged in these occupations to gain social or official distinction.

Although vagrancy in the Middle Ages was by no means confined to Spain, it found here special encouragement in the disturbed condition of society, which prevailed particularly along the Moorish frontier, on account of the long wars between the Christians and the Mohammedans. And the evil which had been thus stimulated went on increasing throughout the sixteenth century. On several occasions attempts were made to abate it. In 1518 and in 1523 efforts were made by the cortes of Valladolid to have the poor confined in their begging to their native towns; and in 1525 the cortes of Toledo sought to have only such persons allowed to solicit public charity as had been licensed to do so by the authority of the ayuntamiento. Similar demands were put forth by the cortes of Madrid in 1528 and in 1534. Lest measures like these should result in hardship to

¹ COLMEIRO, *Historia de la Economía Política en España*, ii. p. 26.

those who sought work and were unable to find it, and in recognition of distinctions which ought to be made among those who sought help, it was proposed that in each town there should be a person appointed to examine the several cases of the poor, and assign to each treatment in accordance with his individual merits and needs.

The inclination of the Spaniards in the sixteenth century to live without work was strengthened, moreover, by extensive and indiscreet alms-giving; and the practice of giving alms was furthered by the emphasis which the church placed on the virtue of giving to the poor. Whatever pious satisfaction the givers may have derived from their indiscriminate charities, it is clear that their action tended to destroy the basis of social prosperity. In addition to the alms given by private persons, the churches, the convents, and the monasteries appeared as endowed supporters of the poor, who, sure of being assisted in their need, lost the main incentive to labor, and fell into poverty and vagabondage. We have no means of knowing the number of the worthy poor at any point of time within the period in question; but there is good evidence to show that, however numerous they may have been, they were far outnumbered by those who had become beggars and tramps because they preferred this kind of a life to a life of monotonous toil.

Attempts were made at various times to discriminate between the deserving and the undeserving mendicants. In the cortes, in 1523, 1525 and 1534, it was proposed to prohibit begging, except under license, but the plan was never executed in Castile. Local provisions were, however, adopted in certain cases. In Zaragoza, for example, the privilege of asking alms was granted to those who were incapacitated for work, and these were made known to the public by means of a medal, while those who begged without a license were expelled as vagabonds. But these precautions were not effective; no provision had been made against the transfer of the medals. Under Charles the Fifth and Philip the Second, from 1523 to 1565, on no less than eight occasions, the central government issued laws or ordinances con-

cerning the control of beggars by the police ; and this policy of restriction became a political and moral question on which different parties held widely divergent views. "The theologians and the moralists thought they saw the cause of Christian charity compromised, and sallied forth in defence of the liberty of begging." Principles and arguments were formulated and urged for and against restriction, and the question at issue appears to have made a profound impression on the nation, and called out numerous remedial projects. Of these, none seems to have been more generally approved than that advanced by Perez de Herrera, which provided for the establishment of poor-houses, through which efforts were to be made "to distinguish and separate the true from the pretending paupers, to succor the needy, to give proper education to orphan and abandoned children, and to reform fallen women." The plan received the support of the Government, and at the close of the sixteenth century there were indications of favorable effects. Although the means at hand for carrying out the plan were inadequate, yet, under its influence, "many false mendicants returned to their trades, others applied themselves to agricultural occupations, others to domestic service, and others entered the army."¹ If, in the seventeenth and eighteenth centuries, the evils of pauperism again increased, it was in large measure due to the indolence and inefficiency of those wielding the governmental authority. The reluctance to work, the consequent poverty, and the ease with which a living could be had by begging must be set down among the causes of the decline of the population and of economic production in Spain in the sixteenth century.

The men and the wealth consumed by Spain in her foreign wars in the sixteenth century constituted an important draft on her resources. Of the thousands who annually left the Peninsula very few ever returned. Among the nation's losses we count not only those who were carried away to the wars in Africa, Germany, Italy, and the Netherlands, but also those who were drawn to the Indies by the love of adventure, missionary zeal, or the

¹ COLMEIRO, ii. p. 39.

desire for gold. We have no exact statistics of those who went to America, but Jose del Campillo, a minister of Philip the Fifth, who had extensive knowledge of the affairs of the Indies, estimated the number at fourteen thousand a year for the three hundred years of the sixteenth, seventeenth and eighteenth centuries. Both those who went to the foreign wars and those who went to the Indies were men in their best years, and for their number represented, therefore, the maximum loss to the nation. The fact, however, that a part of the wealth acquired in the Indies was employed to purchase lands in Spain, and to improve their cultivation, helped to offset the loss by emigration.

One of the conspicuous signs of decay in the economic condition of Spain was the decline in agriculture. Seeing the impending evil, and seeking to avert it, the Government had already, in the thirteenth and fourteenth centuries, undertaken to exempt from seizure animals and implements employed in cultivation, as well as the products of the land, except in favor of the king, the lord of the district, or the owner of the land. These privileges were enlarged and confirmed by Ferdinand and Isabella. Philip the Second decreed, in the last decade of his century, that, in case of debt under contract, the farmer's oxen, mules, or other working animals, agricultural implements, and seed, should not be liable to seizure, nor should the farmer himself be imprisoned during the months from July to December. The critics of this legislation maintained that there was evident need of this encouragement, but affirmed that it did not go far enough; that the immunity from imprisonment should have been made perpetual, there being need that it should cover the seedtime as well as the harvest. But, in spite of protective legislation, the decline of agriculture was persistent, and it was held by foreigners and Spaniards as well that this was not the fault of the land, but the fault of the people.

The miserable condition of the farmers began to be observed in the early part of the century in question, and in 1578 Juan de Arrieta "contrasted the ancient fertility and abundance of Spain with the total destruction of agriculture." In the beginning of

the seventeenth century the wretched condition of those engaged in agriculture was brought publicly to the attention of the cortes ; and in 1619 the Council of Castile, describing the state of the realm, said that "the houses were falling into decay, and no one returned to rebuild them, the agricultural districts were becoming deserted, and the inhabitants were disappearing and leaving the fields abandoned."

The depression of agriculture was further intensified, particularly in Southern Spain, by the overthrow of the Moriscos of the Alpujarras, and their transportation to other parts of the country. After this event the landowners of Andalusia learned that their lands had become worthless, since they were deprived of their industrious cultivators. The domains of the Crown, after the failure of an attempt to colonize them with Christians, were sold in 1597, as costing more than they yielded. But defeat and exile were not enough to break the attachment of the Moriscos to their homes in the Sierras, and, "in spite of the penalties of death and slavery with which the law menaced them, many of them resumed their old occupation amongst the vines, the olives, and the sheepfolds of the secluded Alpujarras. In Castile, Aragon, and Navarre, the Moriscos, notwithstanding the grinding taxation and the intermittent persecution to which they were exposed, increased and multiplied, and became, in the country, the most industrious and successful husbandmen, and, in the towns, the most skillful and prosperous artisans."¹ But whatever hopes of prosperity for Spain were based on the skill and industry of the Moriscos were destroyed by their expulsion in 1610.

The number of the Moriscos expelled from Spain has been variously estimated, the estimates ranging from 300,000 to 3,000,000,—500,000 being the number accepted by many writers. Besides those who went into exile, Spain "had few that were industrious, or that were skilled in most of her profitable manufactures," and for this reason the loss was irreparable. "With the Moriscos the last of the productive workers disap-

¹STIRLING-MAXWELL, *Don John of Austria*, i. p. 285.

peared from Spain, and in Southern Spain, which they had occupied, there remained only the memory of the once flourishing agriculture and industry. At a single blow the industrial force of Granada was destroyed, the desolated land remained without cultivation, the Vega, celebrated as a paradise, was turned into a desert, so that the few colonists sent thither scarcely found means of support, and famine was not uncommon in the most favored land of Europe. The roads built by the Moors went to ruin; the excellent system of irrigation dried up; and the splendid aqueducts which conducted the snow-water from the Sierras were broken and destroyed.”¹

In 1618, a few years after the expulsion of the Moriscos, a commission called to propose a remedy for the ruinous condition of the kingdom, began its memorial to the king with the following lamentation: “The depopulation and want of people in Spain are at present much greater than ever before in the reigns of any of your Majesty’s progenitors; it being in truth so great at this time, that if God do not provide such a remedy for us as we may expect from your Majesty’s piety and wisdom, the Crown of Spain is hastening to its total ruin; nothing being more visible than that Spain is on the verge of destruction, its houses being in ruins everywhere, and without anybody to rebuild them, and its towns and villages lying like so many deserts.”²

It was of great importance for agriculture that the means of irrigation which the Spaniards found established in the districts taken from the Moors should be maintained and even extended. But the conquerors in this matter appear as inefficient successors of the conquered. Their attempts in this direction were few and ineffectual. The year after the fall of Granada, Ferdinand and Isabella granted to the city of Ecija the privilege of taking water from the Genil for irrigation, and at the same time they made various provisions for preserving the ditches made by the Moors, but the later condition of this region indicates that these provisions were not attended with great practical conse-

¹ SCHERER, *Geschichte des Welthandels*, ii. p. 243.

² GEDDES, *Miscellaneous Tracts*, p. 163.

quences. In 1496 the sovereigns approved a contract agreed upon between the city of Logroño and one of its citizens, under which the latter was to advance the money necessary to construct means of using the water of the Ebro for irrigation. But fruitful efforts in behalf of irrigation appear to have ended with the reign of Ferdinand and Isabella. In 1529, Charles the Fifth began the imperial canal of Zaragoza, but sixty years later it was far from complete, and in the middle of the seventeenth century, it had been filled up and almost entirely destroyed. Another project was favored by the Emperor, in 1532, by which the waters of the Tagus were to be used to irrigate the Vega of Colmenar de Oreja. But even these feeble efforts were not kept up during the last half of the century, during which period the subject of irrigation appears to have passed from the attention of both king and cortes, and been neglected by the people.

The privileges enjoyed by the sheep owners who were represented by the council of Mesta, were not without importance for the agriculture of Spain, particularly for the agriculture of Estramadura. When the Moors had been expelled from this province, the cities were razed and the inhabitants were destroyed or driven into exile. Peace followed the war, but it was the peace of desolation. "Vast tracts previously in cultivation were then abandoned, and nature, here prolific, soon obliterated the furrows of man, resumed her rights, covered the soil with aromatic weeds, and gave it up to the wild birds and beasts. . . . Only a small portion of the country was recultivated by the lazy, ignorant, soldier conquerors; and the new population, scanty as it was, was almost swept away by the plague of 1348, after which fifty whole districts were left unclaimed. . . . These unclaimed, uninhabited pasturages at last attracted the attention of the highland shepherds of Leon, Segovia, and Molina de Aragon, who drove down their flocks to them as to a milder winter quarter; hence by degrees a prescriptive right of agistment was claimed over these commons, and the districts at last were *retazados*, or set apart and apportioned. This feeding

their flocks at the expense of others exactly suited the national predilection for self, and as the profit of the wool was great, and long one of the most productive staples of Spain, the flocks naturally multiplied, and with them their encroachments. As the owners were powerful nobles and convents, the poor peasants in vain opposed such overwhelming influence."¹ Gradually the population of Estramadura increased, resulting in contests between the wandering shepherds and the resident cultivators. In 1556, a compromise was effected, and the privileges of the Mesta were defined and legally established. Conspicuous among these privileges two may be cited: one was that the permanent residents were prohibited from plowing land that had not been cultivated hitherto; the other was that they were prohibited from extending their enclosures. The privileges of the Mesta suggest the hunting privileges of a mediæval aristocracy. They discouraged agriculture, and those who opposed them found it easy to argue that they "doomed to barrenness some of the finest districts of Spain."

An effective obstacle to agricultural progress existed also in the practice of entailing estates in behalf of the eldest son, and of bestowing lands in mortmain on churches and monasteries. The fact that the Christian kings of Spain were, during several centuries, engaged in extending the borders of their kingdoms at the expense of the Moors, placed at their disposal, on every occasion of advance, a certain amount of confiscated land. These acquisitions were at first made part of the domains of the crown, and were used in different ways by different kings. Some were disposed to retain them as part of the royal patrimony; by others they were conferred upon persons who had rendered distinguished services in the wars of the conquest, or given to churches, monasteries, or hospitals, or transferred to local organizations for the common good of the inhabitants. Grants made to persons were at first for life; and if they passed from father to son, it was not by virtue of a law of inheritance, but by reason of successive confirmations made by the Crown in

¹ FORD, *Spain*, ii. p. 517.

favor of successive generations. Later they became hereditary and inalienable. As early as 1260, estates were entailed by Alfonso the Tenth, in such form that the holders "could not sell, or exchange, or mortgage, or alienate them in any manner whatsoever." Although excuses may have been found for the existence of entailed estates while the aristocracy was powerful and rendering the Crown great service in war, it is difficult to justify that extension of the practice which we observe in the sixteenth century, when the comparatively poor were ennobled, and thus confirmed in their idleness, and made ridiculous in their unsupported pretensions. This practice is noteworthy for its evil effects on the agriculture of the country. In bringing honest work into contempt, and in setting up numerous models of indolent and worthless lives, its influence was so great that in 1552 the cortes of Madrid was moved to repudiate the privileges which the king was accustomed to grant to persons of little distinction and small wealth, to entail property to the prejudice of the younger children and to the injury of the nation.

It is noteworthy that even throughout the sixteenth century when no will was effective in public affairs but the will of the monarch, the cortes retained its formal organization and continued to raise its voice against political abuses, although usually ignored. It protested against the excessive accumulations of wealth in the hands of churches and monasteries, and petitioned that the relatives or those who should give or sell property to ecclesiastical institutions or persons might reclaim it under certain conditions within four years. The king yielded to the solicitations of the cortes in this matter so far as to declare void all purchases and donations by which the extent of the royal jurisdiction was diminished. But these restrictions were of little avail, particularly when men supposed that additional chances of eternal salvation might be had by enriching religious institutions. The higher clergy were counted among the nobles, and participated in their worldly ambitions. The magnificent temples, the construction of which absorbed immense wealth, made an important drain on the capital of the nation, a greater drain,

in fact, than the immediate destruction of an equal amount ; for whatever was expended on churches and buildings for housing the religious, drew after it other amounts for the maintenance of these buildings and for the support of many persons not engaged in the productive work of the country. The control of some of the higher clergy over the material resources may be seen in the fact that the archbishop of Toledo, in the time of Ferdinand and Isabella, "held jurisdiction over fifteen principal towns and a great number of villages," receiving an annual income of eighty thousand ducats, which in the reign of Philip the Second had risen to two hundred thousand ducats. At this time, moreover, according to the assertion of the cortes, more than one-half of the landed property of the kingdom was held by the church.

Towards the end of the fifteenth century the lands of Spain, whether in public or private hands, were being rapidly denuded of trees, and the Government had already at that time perceived the need of special action to preserve the forests ; but the present treeless condition of a large part of the country is in evidence that no permanently effective provision was made. Besides a number of general ordinances relating to the preservation of the forests, Ferdinand and Isabella caused to be issued, also, special ordinances touching the conservation of the forests of Madrid and those of Medina del Campo. The special purpose avowed in seeking to maintain and extend the forests of Medina del Campo was that they might furnish timber for the construction of the buildings needed on the occasion of the great fair, and that they might also provide fuel for use on the same occasion. It may be seen from the instructions given to Diego de Covarrubias, when he was appointed president of the Council of Castile, that Philip the Second appreciated the seriousness of the situation: "One thing," he said, "I desire to see given thorough treatment, and that is the matter of the preservation of the forests, and their increase, which is very necessary ; for I believe they are going to destruction. I fear those who come after us may have many complaints that we have allowed them

to be used up, and God grant that we may not see this in our day."

Prominent among the causes of the disappearance of the forests was the disposition, which has also prevailed in the United States, to plunder rather than to husband the resources of the country. In order to prepare the soil to receive the seed, and to provide abundant pasture, it was the practice in some parts of Spain to burn the forests and the thickets which occupied the ground. The fires kindled for this purpose, which sometimes extended over several leagues, and often caused serious losses, were recognized as an evil to be abated. Ordinances were, therefore, issued to prohibit them, but the abuses proved to be very difficult to correct. In this barbarous manner disappeared the forests of Estramadura, Andalusia, Toledo, and other parts of the kingdom, leaving no possibility of being replaced, inasmuch as the new growths, the fresh and tender shoots, were destroyed by the cattle which occupied these fields as pastures. That some part of the damage might be avoided, Philip the Second ordered that the justices of the districts in which the forests had been burned should not allow cattle to graze where the ground had been burnt over, except as permitted by the license of his Council. The ancient right to take wood for the use of the Court had also much to do with the destruction of the forests; not that the strict observance of the right itself would have caused any serious damage, but that under the pretense of observing it, a way was found for extensive frauds, in that persons about the Court not entitled to the advantages of this privilege ravaged the forests and contributed in a large measure to their ruin.

Concerning the industries of Spain in the sixteenth century, there appear two widely divergent views. According to one opinion, the beginning of the century witnessed an extraordinary development in the silk and woolen industries, which lost their importance in the seventeenth century; while in the other view there never existed in the country any remarkable industrial development. The historical fact, however, lies nearer the first view than the second, but at the same time there is no doubt that

tradition has somewhat exaggerated the degree of industrial prosperity which had been attained at the beginning of the sixteenth century. There is no doubt, moreover, that the course of the century was marked by a conspicuous decline in Spanish industry, but it is not now possible to date the several steps of that decline. Among the first symptoms were the complaints made in 1537, that the cloth of Segovia had risen in price in the four preceding years. With these complaints of high prices appeared also denunciations of fraud employed in the processes of manufacturing. On account of these high prices, the common people were unable to use the cloth made in their own country, and were granted the privilege of purchasing foreign goods. This was the beginning of the fall of the textile industries in Spain, which was hastened by the operation of several causes. Prominent among these was the importation of gold and silver from America, which caused a continued rise of price, and developed an irresistible desire to buy in a foreign market. Another cause was the marked decline in the quality of Spanish products, which placed them in unfavorable contrast with the wares of other countries, and destroyed the demand for them. Among these causes may be mentioned, also, the rigidity of the surviving mediæval trade organizations, which, by their narrow views and their illiberal conduct in the management of their monopolies, prevented industrial and commercial growth, and made impossible, even in Spanish markets, successful competition with the more liberal industrial systems of other nations. A survey of the industries in question throughout the century leads to the conclusion that the manufacture of cloth flourished in the beginning of the sixteenth century, while in the second quarter there were conspicuous symptoms of its approaching decline. "By the middle of the century the evil had become so far aggravated that Spain not only did not export textile fabrics, but was even under the necessity of importing them in order to meet the demands of her own consumption."¹ In the last half of the century the fall was rapid, and all subsequent efforts for revival were fruitless.

¹ COLMEIRO, ii. 188.

Conspicuous among the hindrances to the economic development of Spain in the sixteenth century, was the lack of facilities for transportation. This phase of civilization received little attention from the Moors. The habits of their ancestors, accustomed to free life on the desert or in northern Africa, made them indifferent to the establishment of roads suited to vehicles with wheels; and the fact that the Spaniards remained in a very large measure satisfied with beasts of burden as a means of transportation may be in part accounted for by the influence of their Mohammedan neighbors. From the point of view of economics, it is a mistake for a people to consent to make settlements at points to which they cannot take their household goods and industrial implements on carts. An important difference between the Spanish and the English settling in America is, that in the one case the settlers have insisted on finding or making roads over which they could drag with them their belongings on carts or wagons, while in the other case they have been content to carry their outfit on the backs of mules, and have not insisted that their settlements should be connected with the rest of the world by carriage roads. This has not made the distinction which exists between the civilization of North America and that of South America; but it has made an important contribution to this distinction. When good roads were needed for the industrial and commercial development of the Peninsula, the Spaniards, long accustomed to the beast of burden and the unimproved trail, appeared not to comprehend the importance of this means of furthering their prosperity. Some attempts were made to extend the navigation of the rivers. As an instance of this, under the government of Philip II., in 1580, the Tagus was opened to navigation from Lisbon to Alcantara, and eight years later it was made navigable as far as Toledo. In the reign of Philip III. the upper portion, between Toledo and Alcantara, ceased to be navigated. But the various plans which from time to time were entertained for using the rivers as lines of transportation were never carried out to any important result.

The lack of convenient and inexpensive means of communi-

cation between buyers and sellers suggested the fixing of certain times and certain places for general meetings. These meetings became the great fairs of the later Middle Ages, survivals of which may still be seen at Leipsic and at other points in Eastern Europe. In Spain they were held at Segovia, Valladolid Alcalá, Salamanca, Seville, Villalon, Medina de Rioseco, and Medina del Campo. On account of the great wealth gathered at Rioseco, the place acquired the title of *India chica*; but the most important of all the fairs was that of Medina del Campo, whose origin, like the origin of most European fairs, is not a matter of definite historical knowledge. It was mentioned in a Spanish chronicle as early as 1450, and in 1464 it was already in the enjoyment of the privileges which contributed later to give it distinction. It became a center of trade at which were accustomed to assemble representatives of all quarters of Spain, as well as merchants from the other leading nations of Europe. Among the wares were found nearly every product of Spain and the imports from the Indies. The fairs of Spain were significant not merely as places for buying and selling domestic and foreign products; they also furnished occasions for developing banking and extensive dealing in foreign exchange. The fair of Medina del Campo continued to flourish till 1575, after which we observe its rapid decline. "The secret of the prosperity of Medina del Campo consists in the monopoly of business in a single place, converting it into the emporium of the commerce of Castile. When the trade was distributed to all parts of the kingdom, Medina del Campo lost the wealth and importance which were based on its genuine monopoly. The discovery of the New World and the development of the art of navigation made possible the selection of more rapid and less expensive means of transportation. The inhabitants on the coast acquired the custom of the cities and towns of the Mediterranean, and Medina del Campo declined from its ancient grandeur, not so much by reason of the errors of the government, although these were many and grave, but rather because there appeared to its disadvantage the changes of the century which caused Venice to lose the scepter of the seas."¹

¹ COLMEIRO, ii. p. 314.

The fair of Medina del Campo, although the most important, may be regarded as illustrating the character and history of all the fairs of Spain.

The apologist of Spain's economic policy with respect to foreign trade in the sixteenth century, is disposed to find in the restrictive and artificial system of the Hanseatic League and the Italian republics an earlier employment of the methods whose origin is ascribed to the Spaniards, claiming that the influence of these powers was felt throughout Europe, and that the Mercantile System was introduced into Spain not earlier than into France and England. If it struck deeper roots in Spain than elsewhere, it was because Spain controlled the best mines of the world, and could not without difficulty give up the thought of monopolizing the precious metals. The policy of restricting importation and exportation, which prevailed under Ferdinand and Isabella, appears rather as a survival of the commercial policy of the Middle Ages than as the outgrowth of a determination to enrich the nation by simply hoarding gold and silver. The prohibition of the exportation of horses which was decreed in 1499, was "in its letter and spirit a repetition and confirmation of the ordinance made in the cortes of Guadalajara of 1390." This had a specific purpose in rendering it less difficult to maintain the cavalry than it otherwise might have become. Certain decrees against importing a number of articles which might be called articles of luxury, were in the nature of sumptuary laws.

In carrying on their foreign trade in the sixteenth century the Spaniards sent bread and meat to Portugal, and received silks and spices of the Orient in return. From France they received textile fabrics of wool, silk and linen, wine, wheat, paper, books, and numerous articles of little value and extensive use, and gave in exchange crude wool, certain kinds of cloth, leather, iron, hemp, flax, wine and oil. To the Netherlands they sent wool and oil, and got in return linen, tapestry, stationery, and all kinds of mercery. In return for cochineal, leather and agricultural products, they got from Milan arms, from Genoa

ribbons, from Florence satin and brocade, from Naples and Calabria crude silk, from Venice gold and silver, lace and glass. There was also a trade in miscellaneous wares with the inhabitants of Northern Africa.

In examining this trade and the shifting attitude of the government towards it, it is not possible to discover any principle which was consistently observed. Many decrees of prohibition issued with respect to exportation were prompted by the desire not to have diminished the store of articles necessary for the support of the people; and if in certain cases the importation of wares was prohibited, it was to avoid too sharp competition with Spain's domestic products. In other cases the principle of the mercantile system, or the desire to increase the amount of specie in the kingdom, was unquestionably the determining factor in the policy. The state of things has been characterized by Colmeiro in the remark that "the mercantile doctrines grew up slowly and without order, indicating the triumph of other ideas, without succeeding in forming a new system; so that the commercial policy of the sixteenth century appears as a web of contradictions."

Passing over the details of the effects of the colonial system and the transatlantic trade, attention may be directed to the influence of the government on the economic affairs of Spain. It may be noticed, in the first place, that the extensive dominions involving the government in large expenses in carrying on wars into which it was drawn by an aggressive ambition, made a demand on the nation which the public revenue, even when supplemented by the treasures of America, could not satisfy. Through the great undertakings of Charles the Fifth and Philip the Second, the expenditures went on from year to year carrying over an increasing burden upon the income of the future, so that at the death of Philip the Second Spain had a debt of one hundred and forty millions of ducats.¹

¹ "La nacion sufría los mayores ahogos, y arrastraba una vida trabajosa, miserable y pobre, gastando toda su savia en alimentar aquellas y las anteriores guerras, que continuamente habia sostenido el emperador, y no bastando todos los esfuerzos y

Philip's extraordinary need of money to meet his numerous obligations led him to extraordinary means to obtain it. He appropriated for his own uses the silver and gold which came from the Indies for merchants and other private persons. This helped to destroy the fundamental condition of material prosperity, namely, the citizen's sense of security in the possession of his property. He sold offices and titles of nobility, and the lands which belonged to the crown. He imposed forced loans on prelates and the owners of large estates, which were taken with violence and without consideration. He suspended payments to creditors and, in return for payments in money, he rendered legitimate the sons of the clergy. Against these abuses the cortes from time to time protested; and they, moreover, petitioned that luxury in dress might be abated, and that the king himself might set the example. In reply to the petitions for restrictions on expenditure in matters of dress, Philip the Second issued the remarkable edict of October 25, 1563, which Lafuente quotes at some length, and which Prescott describes as "going at great length into such minute specifications of wearing-apparel, both male and female, that it would seem to have been devised by a committee of tailors and milliners, rather than of grave legislators."

The scale on which the royal household was ordered also made a draft on the resources of the kingdom. To reduce these expenditures was the object of frequently repeated petitions by the cortes to the king. The members of the cortes wished for the court and the nation a simpler form of life, and in this they were supported by the bulk of those who had intelligent opinions on public affairs. They called the attention of the king to "the pernicious effects which this manner of living necessarily had on the great nobles and others of his subjects, prone to follow the example of their master."

Philip's financial outlook and the condition of the country in

sacrificios del reino a subvenir a las necesidades de fuera, ni a sacar al monarca y sus ejércitos de las escaseces y apuros que tan frecuentemente paralizaban sus operaciones." LAFUENTE, *Historia General de España*, iii. p. 13.

the nineteenth year of his reign are characterized in a note written by him to his treasurer : " Having already reached," he said, " my forty - eighth year, and the hereditary prince, my son, being only three years old, I cannot but see with the keenest anxiety the disorderly condition of the treasury. What a prospect for my old age, if I am permitted to have a longer career, when I am now living from day to day, without knowing how I shall live on the next, and how I shall procure that of which I am so much in need." ¹

And yet, with a deficit increasing from year to year, he entered upon the building of the Escorial. The cost of construction and interior decoration amounted to about six millions of ducats, a sum equal to thirty millions of dollars at present, or more than the total annual revenue of the kingdom of Castile at that time. Although it may have laid a burden on the nation, yet, according to Fray Alonso de San Geronimo, it, at the same time, placed the Almighty under obligations of gratitude to the king. It illustrates how far Philip's administration was removed from an economic basis. This, his chief work, stands as a monument of economic folly. In the design of the king, it was intended to stay the current of social progress. According to his own declaration, he intended to make a bulwark unconquerable by the new doctrines, and in which the throne and religion should be sheltered so securely that they might not be reached by the ideas then agitating and moving the world. It was significant for the economic condition of Spain that the building of the Escorial set a fashion for the magnates of the realm. They felt called upon to manifest their pious zeal, in founding churches and monasteries, and in purchasing relics ; so that, at the close of the sixteenth century, there were in Spain about nine thousand cloisters for monks and nine hundred and eighty - eight for nuns, containing about forty - six thousand monks and thirteen thousand five hundred nuns. And whatever influence these institutions exerted on the spiritual welfare of the nation, it is clear that they were not powerful factors in economic progress. We

¹ GAYARRE, *Philip the Second*, p. 268.

may count also as a hindrance to economic progress the great number of holidays, set apart primarily for exercises of devotion, but which came to be days of pleasure, developing in the people a spirit opposed to that persistent effort necessary to growth in material well-being.

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