

From Reform to Fiscalism? A Comparison between the *Obra Pía de los Santos Lugares* of Jerusalem and the Public Treasuries in the Catholic Monarchy of the 1620s

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ABSTRACT

The aim of this article is to compare the *Obra Pía de los Santos Lugares* of Jerusalem, i.e. the Catholic Monarchy's economic structure in charge of financing the Franciscans of the Holy Land and the various proposals for the foundation of public treasuries and pawnshops between the end of the 16th century and the first three decades of the 17th. The points of contact between these institutions will be highlighted, with a special focus on the Franciscan economic thought of the late medieval age which was decisive in the structuring of both the *Obra Pía* and the *Real Hacienda* itself. In order to understand why in one case – the *Obra Pía* – choices were made that led to the extraordinary development of this economic-financial institution, while in the other – the foundation of public treasuries and pawnshops – this result was not achieved, we should look more closely at the mechanisms underlying the functioning of the *Real Hacienda*, how the Crown's tax collection worked, what were the extraordinary challenges that the sovereign – and in the 1620s the Count-Duke of Olivares – had to face on the international scenario and, last but not least, at the privileges that the Council of Castile defended.

Introduction

On 7 February 1626 Philip IV (1621-1640) positively welcomed the proposal to expand the *servicio de millones*, thus rejecting for the last time the reform project which envisaged the foundation of a system of public treasuries and pawnshops of the Catholic Monar-

chy.¹ This decision was the last piece within a long debate of possible reforms, which was started at the end of the 1570s, under Philip II (1556-1598), reforms that should have redefined the fiscal structure of the Monarchy with the aim of lightening the tax burden on its subjects. In fact, many voices, starting from those of the *arbitristas*, were raised to highlight how the reins of the entire fiscal system of the Monarchy were in the hands of the large foreign bankers and *asentistas*, especially Genoese, to whom the sovereigns turned to obtain a sizeable credit to pay both for the Crown's great war machine and to make its bureaucracy work. That this system did not always fully work is demonstrated by the frequent bankruptcies that the Monarchy had to face starting from the time of Philip II. And in fact, the first proposals for public treasuries date back to the second half of the 16th century: the basic idea was to restore the finances of the Monarchy and avoid bankruptcies and suspensions of payments, such as those of 1557 and 1596. This, at least at first, was thought to create a fund of money, a sort of "treasure", which could support the expenses of the Crown. Furthermore, the idea was to replace the *asientos* with less expensive credit mechanisms for the Monarchy and to reduce the interest on the *juros*.² This first proposal, carried out by the Flemish Pedro de Oudegherste and by Luis Valle de la Cerda, contained some elements of great interest, such as the idea of creating a foundation treasury and replacing the *asientos* with other credit mechanisms. The aim of excluding the Genoese *asientos* and *asentistas* from the credit of the Crown represented a central point in all the reform proposals which had as their objective to establish the public treasury and support it through a system of pawnshops. This last point, i.e. the absence of short-term public debt with high interest rates – the *asientos* precisely – represents an extremely interesting

¹ F. Ruiz Martín, "Los planes frustrados para crear una Red de Erarios y Montes de Piedad", in *Cuadernos Hispanoamericanos*, 238-240, 1969, pp. 607-644, pp. 642-643.

² A. Dubet, "Una reforma financiera imposible: los erarios públicos y montes de piedad en tiempos de Felipe II", in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Madrid, Editorial Parteluz, 1998, pp. 205-237, pp. 205-206.

point of contact between the *Real Hacienda* and the *Obra Pía de los Santos Lugares*. The latter was an economic and financial system which, similarly to a bank, through a credit system based on the *Real Hacienda* (which issued the main taxes of the Catholic Monarchy), financed the Franciscans of the Custody of the Holy Land.³ The public treasury also had to be supported by a series of pawnshops that found their foundations within the Franciscan thought of the late medieval period⁴ and the *Obra Pía* itself developed in a manner not very different from a great global pawnshop. Eliminating the *asientos*, reducing the interest on the *juros* – the long-term debt securities of the Crown – fell within the logic of the Franciscan economic thought which considered virtuous credit and the elimination of high interest rates and usury as the tools through which bring public finance and private wealth into communication with the aim of achieving the virtuous growth of the society as a whole. This economic and financial approach was in fact used by the *Obra Pía*, which starting from the 1620s began to invest constantly in the *juros* to expand its credit networks in order to guarantee constant incomes for the coffers of the Custody of the Holy Land. At the same time, the Franciscans and the *Obra Pía* never made use of the *asientos*, which guaranteed higher interests on investments, but were also much less secure than the *juros*, since their value plummeted when the sovereign decided to suspend payments through the *medio general*.⁵ To understand the reasons why in one case – the *Obra Pía* – choices were made that led to the an extraordinary development of

³ On the *Obra Pía de los Santos Lugares* of Jerusalem, see: S. Eijan O. F. M, *El Real Patronato de los Santos Lugares en la Historia de Tierra Santa*, Tomi I-II, Madrid, Juntas de relaciones culturales y del Patronato de la Obra Pía de los Santos Lugares, 1945; Patrocinio García Barriuso, *España en la Historia de Tierra Santa*, Tomi I-II, Madrid, Ministerio de Asuntos Exteriores, 1992-1994.

⁴ On this point see: G. Todeschini, *Ricchezza francescana. Dalla povertà volontaria al mercato*, il Mulino, Bologna, 2004.

⁵ On the *medio generales* see: A. Castillo Pintado, “‘Decretos’ et ‘medio generales’ dans le système financier de la Castille. La crise de 1596”, in E. Labrousse (ed.), *Mélanges en l’honneur de Fernand Braudel. Vol. I: Histoire économique du monde méditerranéen: 1450-1650*, Privat Editeur, Toulouse, 1973, pp. 137-144.

this economic-financial institution, while in the other – the foundation of public treasuries and pawnshops – this result was not achieved, we should look more closely at the mechanisms underlying the functioning of the *Real Hacienda*, how the Crown's tax collection worked, what were the extraordinary challenges that the sovereign – and in the 1620s the Count – Duke of Olivares – had to face on the international scenario and, last but not least, at the privileges that the Council of Castile defended.

The *Obra Pía de los Santos Lugares* of Jerusalem

The institutional foundation of the *Obra Pía de los Santos Lugares* and its links with the Catholic Monarchy are rooted in medieval times, when the kings of Naples Robert of Anjou and Sancha of Aragon purchased the Basilica of the Holy Sepulchre, from the sultan of Egypt, Melek-el-Naser Mohamed, which the sovereigns gave into custody to the Franciscans, obliging them to maintain in perpetuity and at their own expense a community of twelve religious and three lay people, who had the task of helping the friars on Mount Zion, as guardians and officiants of said sanctuaries.

In 1342 Pope Clement VI with the two bulls *Nuper carissimae* and *Gratias agimus* acknowledged the protection of the kings of Naples over the purchased sanctuaries. Furthermore, the pontiff, through the two bulls, instructed the Minister General of the Friars Minor and the Provincial Minister of the *Terra di Lavoro* to choose twelve friars of the order and send them to Jerusalem. At the same time, the sovereigns Roberto and Sancha and their successors had the right to choose the three lay people and two pious people who annually transported supplies from Europe for the religious people who lived on Mount Zion.⁶ The Catholic Monarchs, who were also the

⁶ G.F. D'Andrea, "Il Regno di Napoli e la Custodia di Terra Santa", in M. Piccirillo (ed.), *La Custodia di Terra Santa e l'Europa. I rapporti politici e l'attività culturale dei Francescani in Medio Oriente*, Il Veltro Editrice, Rome, 1983, pp. 37-70, p. 38. As regards the origins of the Custody of the Holy Land, see: F. Del Buey, C. Alvi, *Los Orígenes de la custodia de*

sovereigns of the Kingdom of Naples, continued along this trajectory as great financiers and protectors of the Custody. In fact, in 1489 Isabella the Catholic, through a perpetual donation of a thousand ducats a year,⁷ launched the first strong economic-financial structure of the *Obra Pía de los Santos Lugares*.⁸ This foundational capital, this treasure, represents the first pillar of a system that was supposed not only to guarantee credit and alms to the Franciscans involved in the Holy Land, but also to continue to politically support them via the protection of the Catholic Monarchy. This decision fully falls within the logic and strategy of the conquest and *reconquista* in which Isabella the Catholic and Ferdinand of Aragon were engaged in the 1480s-90s. Unifying the Crowns, through the total expulsion of the Muslims from the Iberian peninsula with the capture of Granada, also meant extending one's influence, and implied in some way the very idea of *cruzada* beyond the borders of the Monarchy, on the international stage, both in Jerusalem with the *Obra Pía*, and later in the Americas. This extraordinary expansion of political borders was based both on the idea that the sovereigns of the Crown were the defenders of Catholicism, and on the need to be able to guarantee those forms of financing that would guarantee the hege-

Tierra Santa: ayuda de los reinos de Aragón, Nápoles y Castilla, Editorial Cisneros, Madrid, 2005; F. Quecedo, "Influencia diplomática y económica de España en Tierra Santa", in *Hispania. Revista Española de Historia Moderna*, n. 34, 1949, pp. 3-27; F. Quecedo, *Cooperación económica de España al sostenimiento de los Santos Lugares: (fuentes documentales)*, CSIC, Madrid, 1946; F. Quecedo, *Cooperación económica internacional al sostenimiento de los Santos Lugares*, Editorial Serafica, Barcelona, 1951; F. Tramontana, *Una terra di intersezione: storia e istituzioni della Palestina di età moderna*, Carocci, Rome, 2015.

⁷ G.F. D'Andrea, "Il Regno di Napoli e la Custodia di Terra Santa", in M. Piccirillo (ed.), *La Custodia di Terra Santa e l'Europa. I rapporti politici e l'attività culturale dei Francescani in Medio Oriente*, Il Veltro Editrice, Rome, 1983, pp. 37-70, p. 39. In this regard, also see: E. Barcena, "La Spagna in Terra Santa", in M. Piccirillo (ed.), *La Custodia di Terra Santa e l'Europa. I rapporti politici e l'attività culturale dei Francescani in Medio Oriente*, Il Veltro Editrice, Rome, 1983, pp. 95-116, pp. 102-103; S. Eiján O. F. M., "Real Patronato de los Santos Lugares en tiempos de los Reyes Católicos", in *Verdad y Vida: Revista de la Ciencias del Espíritu*, n. 1, 1943, pp. 157-179.

⁸ As regards the current situation of the *Obra Pía*, see: A. Motilla de la Calle, "La Obra Pía de los Santos Lugares de Jerusalén: precedentes históricos y situación actual", in M. Moreno Antón (ed.), *Sociedad, derecho y factor religioso: estudios en honor del profesor Isidoro Martín Sánchez*, Comares, Granada, 2017, pp. 449-464.

mony of the Catholic Monarchy on a global level, as in effects it occurred throughout the entire early modern period. The *Obra Pía* was a full participant in both the political and financial developments of the Crown since, as already mentioned, its extension had developed considerably thanks to the provisions of Philip III (1598-1621) and Philip IV and the decision to anchor the financing for the Franciscans engaged in the Holy Land to the *juros* issued by the Crown.⁹

The Custody in fact needed continuous economic income not only to be able to host the pilgrims who went to Jerusalem, but also to restore the sanctuaries and pay taxes to the Turks, in order not to suffer excessive interference from the opponents of Catholicism. In this context, the Spanish Monarchy, through the *Obra Pía*, emerged as the main financier of the Franciscans during the early modern period, much more than other foreign powers, such as France or Venice.

The examination of the *Obra Pía* archive at the *Archivo Histórico Nacional* of Madrid allows us to reconstruct the economic and finan-

⁹ On the *juros* and the public debt of the Catholic Monarchy, see: C. Álvarez Nogal, *Oferta y demanda de deuda pública en Castilla. Juros de alcabalas (1540-1740)*, Banco de España, Madrid, 2009; C. Álvarez Nogal, "La rentabilidad de los juros de Castilla en el siglo XVII", in F. Comín Comín, C. Álvarez Nogal (eds.), *Historia de la deuda pública en España*, Instituto de Estudios Fiscales, Madrid, pp. 85-110; Á. Castillo Pintado, "El mercado del dinero en Castilla a finales del siglo XVI. Valor nominal y curso de los juros castellanos en 1594", in *Anuario de Historia Económica y Social*, n. 3, 1970, pp. 91-104; A.D. Ortiz, *Política y hacienda de Felipe IV*, Ediciones Pegaso, Madrid, 1983; G. Felloni, "Asientos, juros y ferias de cambio desde el observatorio genovés", in A. Otazu (ed.), *Dinero y crédito (siglos XVI al XIX)*, Dinero y Crédito, Madrid, 1978, pp. 335-359; Á. Galán Sánchez, J.M. Carretero Zamora (eds.), *El alimento del Estado y la salud de la "Res Publica": orígenes, estructura y desarrollo del gasto público en Europa*, Instituto de Estudios Fiscales, Madrid, 2013; M. García Fernández, "El sistema impositivo en la Corona de Castilla y su Administración. La organización de la Real Hacienda, siglos XVI-XVII", in L. Ribot (ed.), *Las finanzas estatales en España e Italia en la época moderna*, Editorial Actas, Madrid, 2009, pp. 13-60; F. Ruiz Martín, *Las finanzas de la Monarquía Hispánica en tiempos de Felipe IV (1621-1665)*, Real Academia de la Historia, Madrid, 1990; C. Sanz Ayán, *Estado, monarquía y finanzas. Estudios de Historia financiera en tiempo de los Austrias*, Centro de Estudios Políticos y Constitucionales, Madrid, 2004; C. Sanz Ayán, *Los banqueros y la crisis de la Monarquía Hispánica de 1640*, Marcial Pons, Madrid, 2013; M. Torres Lopez, J.M. Perez-Prenedes, *Los juros (Aportación documental para una historia de la deuda pública en España)*, Instituto de Estudios Fiscales, Madrid, 1967.

cial instruments through which, during the 16th-17th centuries, Madrid financed the Custody. A leading role, as already mentioned, was played by the *juros* but there were also other instruments that allowed money to flow into the *Obra Pía*, instruments which in any case refer to a credit circulation and tax collection specific to the *Real Hacienda*. *Censos*, i.e. the taxes on the usufruct of a property; millones, the indirect tax on the consumption of particular foodstuffs and which had a different effect depending on the territory on which it was applied; *alcabalas*, the taxes on the sale of different types of goods, movable and immovable; taxation of goods entering the port of Cadiz; taxation of sugar coming from Pernambuco in the years of the union of the Spanish Crown with the Portuguese one, were the main instruments through which alms – to be understood as a real form of credit – circulated globally and flowed first to Madrid and then towards the Holy Land.

The collection of this credit took place thanks to the commissioners who operated in different corners of the globe. Its nodal points were the General Commissariat of Madrid and the General Prosecutor's Office of the Holy Land. The Commissariat of Madrid was a central pivot in the network of Deputy Commissariats scattered throughout the dominions of the Monarchy and the alms from all the subjects of the Crown destined to Jerusalem converged in Madrid. The Prosecutor's Office was the administrative centre for the distribution of alms according to the different assignments which they were intended for. The Procurator Commissioner of Spain, based in Madrid, supervised the alms collected in the West and East Indies and monitored the activity of the Commissioners of the Indies who every six months verified the alms collected by the Deputy Commissioners of the Provinces.¹⁰ All this money was sent to the *Syndic de los Santos Lugares*, who resided in Seville, and who in-

¹⁰ On the Commissioners of the Indies, see: A. Barrado O. F. M., "San Francisco el Grande de Madrid, centro irradiador de Hispanidad. Estudio histórico-jurídico de los Comisarios Generales de Indias residentes en la corte de España", in *Verdad y Vida: Revista de la Ciencias del Espíritu*, n. 1, 1943, pp. 15-47.

formed the Madrid Prosecutor of the collected alms. In the years of the union of the Spanish and the Portuguese crowns (1580-1640) there was a *Sindico de los Santos Lugares* also in Lisbon, who had the task of collecting alms coming from Brazil and the East Indies (Philippines and Goa), and then transfer them to the Madrid Commissariat. Just as American silver represented a fundamental element for financing the expenses of the Monarchy, the credit and alms coming from the Indies were also a very important point of strength for the coffers of the Custody of Jerusalem. If this did not represent a problem during the twelve-year truce with Holland (1609-1621), when the galleons rich in treasures could return to Seville without major impediments, following the end of the truce also the financing of the *Obra Pía* could find an obstacle arising from the difficulty of sending precious metal from the Indies due to the activity of the Dutch in the Atlantic Ocean.¹¹ And precisely in the 1620s it was decided to significantly reform the *Obra Pía* and to anchor it even more strongly to the Spanish Crown, also given the interference of the Congregation of *Propaganda Fide*. The idea came from the Franciscan Martín de Arratia, General Commissioner of the Holy Land in the 1620s.¹² Arratia's genius lay in his desire to increase and make the alms destined for the Holy Land profitable. Until then, apart from the thousand ducats per year of perpetual donation from Isabella the Catholic, the alms collected were sent to Jerusalem when they were available in sufficient quantities. Martín de Arratia instead imagined a way to always have fixed sums available to send to the

¹¹ On the importation of precious metals from the Indies, see: C. Álvarez Nogal, "Las remesas americanas en las finanzas de la Real Hacienda. La cuantificación del dinero de la Corona, 1621-1675", in *Revista de Historia Económica/Journal of Iberian and Latin American Economic History*, n. 2, 1998, pp. 453-489; A. García-Baquero González, "Andalusia and the crisis of the Indies trade, 1610-1720", in I.A.A. Thompson, B. Yun Casalilla (eds.), *The Castilian Crisis of the Seventeenth Century. New perspectives on the Economic and Social History of Seventeenth-Century Spain*, Cambridge University Press, Cambridge, 1994, pp. 115-135.

¹² A. Arce O. F. M., *Expediciones de España a Jerusalén, 1673-1842, y la Real Cédula de Carlos III sobre los Santos Lugares en su ambiente internacional*, Dirección General de Relaciones Culturales - Imprenta del Ministerio de Asuntos Exteriores, Madrid, 1958, p. 22.

Custody. Collecting the numerous and substantial royal donations and large or small donations from private individuals, he set up various funds, placing them at interest. These funds, that grew over the years, were administered by Arratia under the supreme direction of Philip IV, who linked them to the Franciscan Order, “*como ley de fundación*”, so that their revenues were allocated exclusively to the service of the Holy Places

“mientras los tuvieren en su guarda los Religiosos de San Francisco de la Regular Observancia, vasallos de S. M. y de los Reyes sus sucesores en estos reinos de España, en calidad que lo que procediere de los dichos juro se haya de administrar y distribuir dentro y fuera de España por los Religiosos españoles de dicha Orden, que lo conviertan en el sustento de los dichos Santos Lugares, como hasta aquí lo ha hecho, sin más dependencia que la que tienen de sus Generales y actos capitulares.”¹³

Furthermore, it was Arratia himself who suggested to Philip IV to anchor the alms to the wills, anticipating by a century and a half the provision that Ferdinand VI of Bourbon (1746-1759) would implement later. Indeed, on February 28, 1628, Philip IV ordered the city of Madrid:

“el que los escribanos de estos Reinos en los testamentos o codicilos que ante ellos se otorgasen hiciesen recuerdo a los testadores cuán aceptas eran a nuestro Señor las limosnas y mandas que se hiciesen para los dichos Santos Lugares de Jerusalén, donde se obró nuestra Redención”.¹⁴

Arratia anticipated by about a century and a half – without implementing them – what would have been the *mandas forzosas testamentarias*¹⁵ (forced testamentary levies) established by King Fernando VI. If we take a small step forward, we notice how,

¹³ Ivi, p. 23.

¹⁴ Ivi, p. 24.

¹⁵ On the *mandas forzosas testamentarias* of Fernando VI, see: S. Eijan O. F. M, *El Real Patronato de los Santos Lugares en la Historia de Tierra Santa*, Tomo I, Juntas de relaciones culturales y del Patronato de la Obra Pía de los Santos Lugares, Madrid, 1945, p. 270.

through the provisions of 11 December 1750 and 17 October 1751, the sovereign transformed the subjects of the Spanish Monarchy into taxpayers of the *Obra Pía*, thus making it a sort of “joint-stock company” *ante litteram*. Fernando VI, in the midst of the Age of Enlightenment, resumed the medieval custom of *pro anima* legacies, i.e. bequeathing a small portion of one’s patrimony to religious institutions to guarantee the salvation of one’s soul, and applied it to the *Obra Pía*, in order to guarantee financing and protection for the Franciscans involved in the Holy Land. Although the *mandas testamentarias* were not established with Arratia, his intuitions in any case represented an important innovation for the financing of the Holy Places of Jerusalem, especially for having had the intuition of linking the credit for the Franciscans to the *juros* issued by the Crown. In any case, it is worth underlining, there is an important precedent that links *juros* and credit to the Franciscans of the Holy Land. In 1611 Philip III decided to donate to the Custody 3.000 ducats of income deriving from the assets seized from the Moriscos in Ocaña, near Madrid¹⁶ and to anchor them at a *juro* of 14,000 al *millar*,¹⁷ i.e. with an annual interest of 7.14%. This precedent appears interesting not only for the form of credit used – the *juros* – which was then significantly extended with Arratia under Philip IV, but also and perhaps above all because it was linked to the assets seized from the Moriscos. Here too, in the background, it is possible to find and rediscover that idea of *cruzada* that animated the Catholic Monarchy starting from Isabella the Catholic and Ferdinand of Aragon. And with regards to the *Obra Pía de los Santos Lugares* of Jerusalem and its financing, it would not be so misleading to speak of a real *cruzada de las limosnas*.¹⁸

¹⁶ Archivo Histórico Nacional de Madrid (from now AHN), *Obra Pía* (from now OP)-188, *Comisaría General. Créditos prestados y anticipos. Rentas y legados. Capellanías. Mandas, Certificación de cuatro documentos originales sobre renta, alhajas y ornamentos*, unnumbered sheets.

¹⁷ A. Arce O. F. M., *Expediciones de España a Jerusalén, 1673-1842, y la Real Cédula de Carlos III sobre los Santos Lugares en su ambiente internacional*, Dirección General de Relaciones Culturales - Imprenta del Ministerio de Asuntos Exteriores, Madrid, 1958, p. 18n.

¹⁸ This expression, that of *cruzada de las limosnas*, is used by: S. Eijan O. F. M, *El Real Pa-*

In any case, the donation of King Philip III was subsequently extended – always resorting to the *juros* and the intuition of Father Aratia – by King Philip IV. In the OP archive we can find traces of the *juros* issued on the *alcabalas* which financed the *Obra Pía*. An interesting document is that of a *juro al quitar* of 20,000 *maravedíes al millar*, i.e. a long-term public debt security with an annual interest rate of 5%.¹⁹ As the document mentions, this title financed the Holy Places of Jerusalem, provided that the Custody was in the hands of the Franciscans. The title had been issued in 1643 on the *alcabalas* of the city of Meco, near Madrid, and had been purchased by Doña Maria de Ochoa, for 32,570 *maravedíes*. It was a title that initially guaranteed a lifetime salary or reward to the holder. However, in 1654, by virtue of a *Real Cédula* of Philip IV, this title was converted into a *juro al quitar* of 20,000 *maravedíes*. In 1664, few years after the death of Maria de Ochoa, this *juro* returned to circulate and, through the *Limosnero Mayor*, was purchased by Antonio del Castillo, general commissioner of the Holy Places of Jerusalem.

Coming back to the time span between the 1620s and 1630s, once again it is important to underline the importance of alms and credits coming from the Indies, both Spanish and Portuguese. In 1634 – year in which the two Crowns were still united – the Procurator of the Holy Land complained that since 1625 Lisbon had not sent significant quantities of alms to Jerusalem.²⁰ The difficulty in collecting and sending money from the Indies and especially from Brazil was due, in that period, to the Dutch presence in the Atlantic area and to the strong pressure of its war fleet to conquer Portuguese cities along the Brazilian coast. Therefore, as already mentioned, the geopolitical

tronato de los Santos Lugares en la Historia de Tierra Santa, Tomo I, Juntas de relaciones culturales y del Patronato de la Obra Pía de los Santos Lugares, Madrid, 1945, pp. 107-108.

¹⁹ AHN, OP-359, *Libros de Juros, Memorias, Legados y situados a favor de la Obra Pía* (145 sheets front and back, some of them unnumbered), ss. 19r-20r.

²⁰ AHN, OP-4. N. 1, *Cuentas años 1630-31-32. Recibos de gastos de las limosnas recaudadas en el reino de Portugal para Tierra Santa*, unnumbered sheet. I quote the document: “1634: nueve años de limosnas no pagadas por la Santa Cassa de las Indias (Rey don Juan de Portugal)”.

scenario also played a leading role for the circulation of alms or for the difficulty in collecting them, the latter aspect leading to a shortage of credit in the Franciscan coffers.

The credit circulation just described, above all that deriving from anchoring the financing of the *Obra Pía* to the *juros*, was totally within the logic of the Franciscan economy. In this regard, we cannot fail to mention the centrality of Francisco Eiximenis (1330-1409). As Todeschini underlines, during the 14th century the Friars Minor intervened on the topic of public lending and the trading of securities itself. Eiximenis, a subject of the Crown of Aragon with strong ties to both Valencia and Sicily, highlighted the importance of credit relations between public power and private wealth within the market city. These economic-financial transactions were not disconnected from the social context and indeed were useful in establishing trust between the different bodies that made up the cities.²¹ This set of relationships, which laid the foundations for loans and the circulation of credit, did not completely eliminate the risk that the invested capital could be lost. Back then, the interest on the loan was configured as a sort of “price” for any damage suffered, in the event that the capital itself was not repaid. This idea of possible “emerging damage” and “loss of profit” was strongly supported in the Franciscan context, and in fact justified not only the investment in debt securities and the application of a certain interest rate, but also supported the legality of selling those same securities on the secondary market.²² Precisely on this last point, Franciscan thought managed to shape in an even stronger way what was public finance, both of the late medieval and modern ages. Contrary to the Dominicans and the Augustinians, who were much more doubtful about the possibility

²¹ On this point see: G. Todeschini, *Ricchezza francescana. Dalla povertà volontaria al mercato*, il Mulino, Bologna, 2004, pp. 142-143.

²² On the concepts of “emerging damage” and “loss of profit” and on the legality, supported by the Franciscans, of reselling the securities on the secondary market, see: L. Bruni, *Capitalismo meridiano. Alle radici dello spirito mercantile tra religione e profitto*, il Mulino, Bologna, 2022, pp. 98-99; F. Piola Caselli, *Il buon governo: storia della finanza pubblica nell'Europa preindustriale*, Giappichelli, Turin, 1997, pp. 250-251.

of reselling the securities on the secondary market, the Franciscans managed in this way not only to allow the foundation of the pawnshops and the public banks, but through their intuitions they allowed them to accept the idea that buying and reselling securities was not only legal, but also profitable. And as we have already had the opportunity to recall in this article, the application of this theory was fundamental for structuring the credit market in Spain and in the *Obra Pía de los Santos Lugares*, where the *juros al quitar* were continuously exchanged on the secondary market.

Coming back to the analysis of the global circulation of credit, a *Cédula* of the *Consejo de Hacienda* of 1640²³ summarized the circulation of part of the alms that would reach the Custody. In this *Cédula* there are *juros* on the *alcabalas*, also registered to ecclesiastical legal entities, such as the Convent of the Concepción in Madrid. In any case, there are other interesting aspects, such as the reference to *millones*. The *juros* that financed the Custody were therefore also issued on this type of tax. In the *Cédula* there are also entries that mention the *almojarifazgo de Indias*.²⁴ The customs offices of the *almojarifazgo* were located in Cadiz and Seville and it was there that the money coming from the taxation of goods entering from the Indies was collected.²⁵ This aspect explains the presence of the *Sindico de los Santos Lugares* in Seville, whose role was to collect the alms coming from the Indies – which were partly the result of duties on goods – and then send them to the Prosecutor of Madrid.

This virtuous credit system which saw the Catholic Monarchy as the protagonist found its highest point with King Charles III (1759-1788) who, by means of the *Real Cédula* of 17 December 1772,

²³ AHN, OP-374, *Libro de copias de Cartas de Pago y Letras y Solicitudes de Limosnas 2*. 1624-1670, ss. 79v.-81r.

²⁴ About the *almojarifazgo de Indias*, see: R. Carande, *Carlos V y sus banqueros*. Vol. II: *La Hacienda Real de Castilla*, Sociedad de Estudios y Publicaciones, Madrid, 1966; M. Ulloa, *La Hacienda Real de Castilla en el Reinado de Felipe II*, Fundación Universitaria Española, Madrid, 1977.

²⁵ M. Ulloa, *La Hacienda Real de Castilla en el Reinado de Felipe II*, Fundación Universitaria Española, Madrid, 1977, p. 286.

established the royal patronage of the Crown over the Holy Places of Jerusalem. This is the demonstration of the extraordinary economic and financial commitment on the part of Spain in supporting the Franciscans of the Holy Land throughout the early modern period and which saw in the 1620s a fundamental watershed for the *Obra Pía* in expanding its credit system through the *juros*.

The proposals of public treasuries and pawnshop

The proposals for public treasuries during the second half of the 16th century and the first quarter of the 17th were different but, in any case, their main objective was to give relief to the finances of the Catholic Monarchy that were in a situation of heavy debt due, mostly, to the conflicts that the Crown faced on the European and global scenario. When the *Real Hacienda* was no longer able to pay the interest on the debt, what happened was that, through the *medio generales*, the floating debt (short-term debt) was converted back into consolidated debt (long-term debt). This means that instead of subscribing to new *asientos* (short-term debt securities), the Monarchy preferred to reconvert those it had already subscribed into *juros*, i.e. long-term debt securities, with a lower interest rate. Despite these decisions, the repeated *medio generales* – three under the reign of Philip II and one under the reign of Philip III²⁶ – were going to affect not only the finances of the Monarchy but also the relations it had with the *hombres de negocios*, especially the Genoese. In this scenario of continuous crises and recoveries in public finances, discussions began on possible reforms that would avoid the repeated suspensions of payments that the Crown periodically faced. Thus, the possibility of establishing a system of public treasuries and pawnshops that supported the *Real Hacienda* began to take shape at various stages. The treasuries and pawnshops boast a long history that begins in 1576 and unfolds in three different moments: from 1576 to

²⁶ A.D. Ortiz, *Política y hacienda de Felipe IV*, Ediciones Pegaso, Madrid, 1983, p. 5.

1598; from 1598 to 1601, and finally from 1622 to 1626. The circumstances of each phase are different, and this is why the attempts to establish royal exchequers are dissimilar. From 1576 to 1598 the constituent elements and organization of the coffers and pawnshops were technically outlined, and their feasibility was discussed. In 1598-1601 it was thought that their foundation should be useful to stop political and military waste, with a centrality of the *Cortes* of Castile which met periodically in Madrid; in 1622-1626 they wanted to grant His Majesty's ministers the possibility of managing the sums extracted from the richest private coffers.²⁷ In any case, supporters of the project assumed that the treasury, by offering cheaper credit (thanks to the availability of capital), would encourage the lowering of interest rates on loans and income issued by the king or private individuals. As regards public debt, this meant that there would always be investors willing to buy the Crown's *juros*, who would eventually accept a reduction in the interest on the securities, if the treasuries guaranteed the capital necessary to pay them off: the placed amount could be thus reduced and lots of the committed real assets could be recovered, as indicated by Valle de la Cerda himself. These advantages proposed to the king were also those promised to the cities in most of the speeches on the treasury. Their defenders considered that the Commons faced financial difficulties comparable to those of the Crown.²⁸

If the first beneficiaries of the treasury were the Crown and the large investors, the second ones were the small investors who would have been granted much cheaper credits than those offered by the usurers. In all the treasury proposals, the common element was that their creation was always based on a policy of Catholic charity²⁹

²⁷ F. Ruiz Martín, "Los planes frustrados para crear una Red de Erarios y Montes de Piedad", in *Cuadernos Hispanoamericanos*, 238-240, 1969, pp. 607-644, p. 612.

²⁸ A. Dubet, "Una reforma financiera imposible: los erarios públicos y montes de piedad en tiempos de Felipe II", in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Editorial Parteluz, Madrid, 1998, pp. 205-237, p. 206.

²⁹ *Ibidem*.

which had as its objective to oust usurers from large and small financial dynamics. The treasuries should have been institutions with deep Catholic roots, which looked not only at the great problems linked to the financing of the Crown and its conflicts, but also at those subjects who needed access to credit without running the risk of falling into the trap of usury. It was an idea and a concept very close to the Franciscan economy³⁰ and how, in the late Middle Ages, the virtuous circulation of money and credit also used to support the poor was understood.

What varied most from one version of the treasury project to another were the operations carried out by the treasuries. In 1583 (date of the first text written in Spanish) the treasuries tended to attract private savings in the form of deposits or constitution of incomes, called censuses, guaranteed by the assets of the city's first (1555-1561), and then, starting from 1583, by the estates of the king and the cities jointly. The treasuries were to offer credit by lending it under pledge, like pawnshops, or by joining the pawnshops (from 1590-91); or buy putting in place an operation very different from the previous one from a moral and legal point of view, they were to acquire censuses from those who could subscribe mortgages. All the authors and defenders of the project shared a double concern, perhaps contradictory: that of escaping any suspicion of usury and that of strengthening the security and efficiency of the treasuries, which led them to introduce continuous changes in their proposals, while always insisting on their moral integrity.³¹ At the end of the 16th century, the treasuries represented a novelty and wanted to combine

³⁰ It is important to underline the centrality that the figure of the Franciscan cardinal Francisco Jiménez de Cisneros (1436-1517) had in the construction of the Catholic Monarchy of the 16th century. In this regard and also for the importance that the Holy Places of Jerusalem had for Madrid, see: J.G. Oro, *La Cruzada del Cardenal Cisneros: de Granada a Jerusalén*, Editorial Cisneros, Madrid, 1991, pp. 725-726.

³¹ A. Dubet, "Una reforma financiera imposible: los erarios públicos y montes de piedad en tiempos de Felipe II", in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Editorial Parteluz, Madrid, 1998, pp. 205-237, p. 207.

the functions of a bank or private merchants of the Italian peninsula (who offered loans in exchange for deposits) with those of a *monte* or, in the Iberian area, with the *taulas* of Barcelona and Valencia.³² The *taulas de cambi* represented the first form of public deposit banks and were not very distant from the model of the public banks in the Italian area which, in turn, based their roots in the late medieval pawnshops.³³ And let us remember once again that the latter were founded according to the Franciscan economic thought, as the figure of Francisco Eiximenis demonstrates.

Following the chronology of the various reform attempts, in 1582-1583 after the first negative response obtained in 1576, Oudegherste proposed his idea of public treasuries to Philip II. Without breaking with his original project, he insisted on some lines that guaranteed greater coherence to the whole system. The network of treasuries was now limited to the Iberian territories of the Spanish Monarchy alone (excluding any connections with the Netherlands). It was a Catholic program: usury obviously disappeared – no loans, rents were reduced, and Cardinal Altemps pushed Oudegherste to abandon the idea of remunerating deposits – and a charity policy was strongly present, probably inspired by the measures of the Catalan canon Miguel Giginta (1534-1588), that the *Cortes* of Castile were promoting. This proposal also encouraged the poor to work.³⁴ The importance of Giginta is underlined not only by his writings,³⁵ but also by the centrality that his ideas had in those years in the foun-

³² Ibidem. On the *taules de cambi* of the Aragonese area, see: F. Ruiz Martín, “Demanda y oferta bancarias (1450-1600)”, in E. Labrousse (ed.), *Mélanges en l’honneur de Fernand Braudel. Vol. I: Histoire économique du monde méditerranéen: 1450-1650*, Privat Editeur, Toulouse, 1973, pp. 521-536, p. 533.

³³ G. Todeschini, *La banca e il ghetto. Una storia italiana*, Editori Laterza, Rome-Bari, 2016, p. 189.

³⁴ A. Dubet, “Una reforma financiera imposible: los erarios públicos y montes de piedad en tiempos de Felipe II”, in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Editorial Parteluz, Madrid, 1998, pp. 205-237, p. 213.

³⁵ For example, see: M. Giginta, *Tratado de remedio de pobres*, Antonio de Mariz Impresor y Librero de la Universidad, Coimbra, 1579.

dation of charitable-welfare institutions, such as the *Hospital de la Misericordia* in Toledo and the *Hospital General* in Madrid.³⁶

In 1596, on the eve of the suspension of payments – on 13 November of the same year – credit reform was discussed again, asking Valle de la Cerda's opinion on a “*banchi* and *taules*” project comparable to the one conceived by Guevara in 1583 and on another with a pawnshop identical to that of Florence. Although the *arbitrista* took advantage of the opportunity to highlight the superiority of the idea of the treasury over a finance based on short-term loans, the negotiation with the *asentistas* (1597) momentarily stopped the reform program.³⁷ With Philip III, the reform was discussed again. In fact, during the *Cortes* of Castile of 1598-1601, Pedro de Miranda Salón, one of the envoys of the city of Burgos, contacted Luis Valle de la Cerda, and during the sessions he discussed the issue of the treasuries and the pawnshops, asking for the attention of the parliamentarians. His purpose did not fully coincide with the Valle de la Cerda scheme, but the latter was invoked during the meetings. On 14 December 1599 Salón explained his concept of the treasuries and pawnshops. They would have been twenty-one, one in each of the eighteen cities that voted in the *Cortes* of Castile, plus three in Lisbon, Naples and in a locality of the Flanders. As working capital distributed proportionally according to the importance of the squares, 1,000,000 ducats would have been allocated, selling censuses at 5% and, if there were no voluntary financiers, also taxing passengers re-

³⁶ On this point see: A. Alvar Ezquerro, “Más sobre Giginta en la corte del Rey Católico”, in A. Pagès (ed.), *De la charité au programme social*, Presses Universitaires de Perpignan, Perpignan, 2012, pp. 47-85; M. Cavillac (1979), “La reforma de la beneficencia en la España del siglo XVI: la obra de Miguel Giginta”, in *Estudios de Historia Social*, n. 10-11, 1979, pp. 7-59; M. Cavillac, “La “Reformación de los pobres” y el círculo del doctor Pérez de Herrera”, in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Editorial Parteluz, Madrid, 1998, pp. 197-204.

³⁷ A. Dubet, “Una reforma financiera imposible: los erarios públicos y montes de piedad en tiempos de Felipe II”, in J. Martínez Millán (ed.), *Felipe II (1527-1598): Europa y la Monarquía Católica. Tomo II: Economía, Hacienda y Sociedad*, Editorial Parteluz, Madrid, 1998, pp. 205-237, p. 221.

turning to Seville from the Indies.³⁸ In this case, too the reform project to create a system of treasuries was not implemented, both due to the resistance of the *asentistas*, and because the collection of taxes through the *servicio de millones* continued to be preferred. But this was not the last attempt to found the treasuries.

The death of Philip III (31 March 1621) and the crisis of the financial circuit that revolved around the exchange fairs of Piacenza, represented a favourable opportunity for Juan López de Ugarte to revive the treasuries and pawnshops. On 28 July 1621, in a memorial that made history, he recounted how, strictly speaking, the authorship of the much-discussed proposal was not attributed to Valle de la Cerda, but to Oudegherste. Almost at the same time, and not by chance, in the *Cortes* of Castile, Pedro de Angulo recalled the issue. The Count-Duke of Olivares understood the possible economic-financial advantages for the *Real Hacienda* if the treasury and pawnshops were to be created and sent the dossier to the *Junta de Reformatión*. The project drawn up in 1599-1601 on treasuries and pawnshops was dismantled and recomposed by the *Junta*: 5 percent of private assets exceeding 2,000 ducats would have been useful for making resources available for the treasuries and this device would have been directed – by Madrid – by trusted men chosen by the sovereign and Olivares.³⁹ This provision, however, would have displeased all those in possession of assets exceeding 2,000 ducats, who would thus have been forced to pay 5 percent of their wealth into the coffers of the *Real Hacienda* in order to establish the treasury. At the same time the *hombres de negocios*, mostly Genoese, complained about the non-payment of interest on their short-term loans and the Crown was forced to issue a tax of 400,000 ducats at 5 percent on the kingdom's properties in order to compensate them. The *Cortes* of Castile, who met in 1623-1626, began working on a project to expand taxation through the *millones*, precisely in order to collect those re-

³⁸ F. Ruiz Martín, "Los planes frustrados para crear una Red de Erarios y Montes de Piedad", in *Cuadernos Hispanoamericanos*, 238-240, 1969, pp. 607-644, p. 618.

³⁹ Ivi, pp. 620-621.

sources that would guarantee the sovereign the support of his own expenses, especially those of war. On 7 February 1626 Philip IV positively welcomed the expansion of the *servicio de millones*, thus implicitly accepting to abandon the reform project which provided for the foundation of the treasuries and pawnshops.⁴⁰

This failure to reform tax collection had deep roots, which have to be found also in the privileges enjoyed by the main Castilian bodies, such as the Council of Castile. The Council was naturally jealous of its role as a tribunal in charge of justice, order and good governance in the Kingdoms of the Crown of Castile. Since its members reached high office through laborious degrees, they had received an education that shaped them as stakeholders with a rather conservative political approach. They despised novelty and were afraid of anything that might cause public disorder. They were also linked by close bonds of friendship, kinship and interests common to the members of the urban patriciate of Castile. And Olivares, in the 1620s, found himself facing the scepticism or open obstructionism of these politicians. In 1625, for example, the Count-Duke proposed the awarding of special honours to the people who had served the King in the army and fleet or who had dedicated their lives to commerce. His proposals included the restoration of a medieval military order of chivalry, the Order of the Band, founded by King Alfonso XI (1312-1350). Olivares also proposed some changes to the statutes regarding purity of blood, so that having distinguished oneself in military or mercantile service could erase the stain of impurity, making those who until then had not had the right, worthy of aristocratic titles. Those proposals had been approved by the various cabinets of ministers and also by the Council of State. But before implementing them, Philip IV wanted them to be examined by the Council of Castile and by his select committee, the *Cámara de Castilla*. There, his reform plans met with fierce opposition. The proposal to restore the Order of the Band threatened the privileged status of the three or-

⁴⁰ Ivi, pp. 642-643.

ders of *Santiago, Alcántara* and *Calatrava*, while any suggestion aimed at favouring the mass of *conversos* aroused strong emotional reactions among those who had managed to successfully demonstrate the purity of their blood and were determined to exclude the others. Inevitably the *Cámara de Castilla* became the last bastion of the opponents of the proposed reforms. Contreras, as President of the Council, warned the King in the most solemn ways against the serious consequences of the attempt to attribute nobility and purity of blood to those who did not have them by nature. The opposition was so strong that, during the summer of 1626, the project to introduce the new system of honours was tacitly shelved.⁴¹

This situation, a reflection of long-standing privileges, also explains the Castilian aristocracy's firm opposition to the proposals regarding the introduction of treasuries and pawnshops, since this new form of taxation would have undermined private wealth, thus taking away money and privileges that nobility and aristocracy so strongly rooted in Castile. The idea of reforming this system was already very present in the last years of the reign of Philip III. In fact, in 1618 a special body was established, the aforementioned *Junta de Reформación*, charged with developing reform projects that were to affect not only the economy, but also public morality and the national lifestyle. From 1627 onwards, once this attempt to improve the economy with the aim of increasing the wealth of the Monarchy had failed – through the expulsion of the Genoese bankers and *asentistas*, so as to somehow redeem the Crown –, a policy of *arbitrismo*⁴² was no longer proposed. What was proposed instead was an exclusively fiscal policy, that is one that sought to obtain greater revenues through direct and immediate taxation, even if this would have

⁴¹ On this point see: J.H. Elliott, *Il miraggio dell'impero. Olivares e la Spagna: dall'apogeo al declino*, Tomo I, Salerno Editrice, Rome, 1991, pp. 358-359.

⁴² M. González de Cellorigo, one of the main *arbitristas* of the Crown, already in 1600 criticized the choices of the Monarchy, stating that wealth was wasted "in papers, in contracts, in censuses, in bills of exchange, in coins, in silver and in gold", rather than in investments that could increase national income. J.H. Elliott, *Il miraggio dell'impero. Olivares e la Spagna: dall'apogeo al declino*, Tomo I, Salerno Editrice, Rome, 1991, p. 96.

meant not only sacrificing any economic reform project, but also worsening possible crises. In this sense, 1627 may represent the point of transition from “reform” to “fiscalism.”⁴³

Conclusions

As already underlined by Antonio Domínguez Ortiz, the various proposals for the creation of the treasuries – and especially the last one – clashed with the fact that the foundation capital was not offered by the Crown as a voluntary subscription but was somehow proposed in a forced manner – 5 percent on assets exceeding 2,000 ducats – thus causing a strong opposition from the *Cortes* and the failure of the reform project.⁴⁴ The *Cortes* of the Crown and the Council of Castile had their foundations, as we have seen, on ancient privileges. Disrupting this delicate balance, without the Crown acting as the primary investor in the reform, would have been very difficult. In this sense, the wreck of the public treasury and the pawnshops and the confirmation in 1626 of the *servicio de millones* represent the transition from a possible reformism to a fiscalism which the Monarchy was unable to renounce. The interests of the aristocracy, as well as the dependence on the *asientos* system hitherto governed by the Genoese, represented two obstacles too difficult to overcome in order to undertake the path of reformism. But, upon closer inspection, in giving up this reform something changed in any case: it is precisely from that moment onward that the Genoese bankers and their credit, no longer considered untouchable, began to be replaced by the Portuguese ones. The eclipse of the Genoese should be read as a partial loss of their *reputación*, a concept of primary importance in the Catholic Monarchy and which went hand in hand with the

⁴³ A. García Sanz, “Castile 1580-1650: economic crisis and the policy of ‘reform’”, in I.A.A. Thompson, B. Yun Casalilla (eds.), *The Castilian Crisis of the Seventeenth Century. New perspectives on the Economic and Social History of Seventeenth-Century Spain*, Cambridge University Press, Cambridge, 1994, pp. 13-31, pp. 28-29.

⁴⁴ A.D. Ortiz, *Política y hacienda de Felipe IV*, Ediciones Pegaso, Madrid, 1983, p. 244.

idea of *reforma*ción. According to Olivares it was necessary to raise the reputation of the Crown, even on the international level, to implement those reforms in internal politics that were so important to bring the Monarchy back to the splendours it had enjoyed under Charles V (1516-1556) and Philip II. The Genoese *asentistas* were one of the causes of Madrid's financial problems, they had partly lost their reputation and were seen, by Olivares and others, as an obstacle to the reform plans. In fact, the year 1627 opened with a financial collapse, the first "bankruptcy" of the royal treasury under Philip IV. The suspension of payments to the Crown's Genoese bankers was in part a carefully prepared manoeuvre, aimed at reducing the Crown's dependence on the Genoa market and at lowering the high interest rates burdening the *asientos*. The instrument of this manoeuvre was a group of Portuguese *asentistas* who were induced to enter into competition with the Ligurian bankers. This manoeuvre, together with the late suspension of the minting of a very devalued *vellón* in 1626, represented one of the major attempts made by Olivares' government to give the finances of the Crown and the Castilian currency itself a more solid basis.⁴⁵ The lack of a financial reform through the introduction of treasuries and pawnshops therefore represented the key to give access to the Portuguese bankers and *asentistas* to the Crown's coffers and the King's favours.

⁴⁵ On this point see: J.H. Elliott, *La Spagna e il suo mondo. 1500-1700*, Piccola Biblioteca Einaudi, Turin, 1996, p. 180. On the *vellón* crisis, see: E.M. García Guerra, "Las pérdidas del patrimonio real y privado tras las operaciones de baja y consumo de la moneda de vellón durante la primera mitad del siglo XVII", in R. Lanza García (ed.), *Finanzas y crisis financieras en la Monarquía Hispánica, siglos XVI-XVII*, Marcial Pons Historia, Madrid, 2023, pp. 321-352; E.M. García Guerra, "Monetary Manipulation and Economic Growth. Two Incompatible Terms in Early Modern Castile", in G. De Luca, G. Sabatini (eds.), *Growing in the Shadow of an Empire. How Spanish Colonialism Affected Economic Development in Europe and in the World (XVIth-XVIIIth cc.)*, Franco Angeli, Milan, 2012, pp. 115-135. Even with regards to the *Obra Pía*, the interest on the juros was often paid in *vellón*. For example: AHN, OP-77, unnumbered sheet: "Rezivimos del P. Fr. Alonso Campeño quinientos Reales de Vellón cobrados de Don Manuel Montessinos por el juro en salinas de Andalucía costa de la mar. Los quales quedan abonados a los S.tos Lugares en la cuenta de nuestro cargo de la vizessindacatoria en Madrid a 24 de sep.re de 1668".

If the reform of the Crown's finances was not successful – at least as regards the attempt to introduce a system of treasuries and pawnshops and thus give life to a first national bank – the analysis that can be made regarding the *Obra Pía* is different. This large economic and financial organization which, like a large global network, managed to bring a considerable amount of money for the Franciscans of Jerusalem, was reformed and expanded decisively just when the Crown was trying, without success, to introduce new tools and new forms of taxation to finance its bureaucratic and war apparatus. The 1620s thus represent a fundamental watershed for understanding the subsequent developments of both the *Obra Pía* and the finances of the Monarchy. The intuition of Martín de Arratia and the support of Philip IV in anchoring the credit for the Custody to the *juros* of the Crown represented the reform that allowed the *Obra* to extend and overlap with a global empire. In this sense, a tax system that found in the *juros* a less risky credit instrument compared to the *asientos*, guaranteed the functioning of the *Obra Pía* while, at the same time, the reform attempt to oust the *asentistas* in favour of the public treasury did not find fertile ground, confirming a fiscalism that left little room for reformism. Although, as already mentioned, the entry of the Portuguese bankers to replace the Genoese represented a change, albeit not as radical as the possibility of actually creating a first national bank. The success of the *Obra Pía* must therefore also be read from the perspective that this economic-financial institution never had recourse to the *asientos* and therefore to the interference of the *asentistas*, just as it did not have to deal with the long-standing privileges of the *Cortes* or the Council of Castile. Thus, anchoring the credit to the *juros* represented a brilliant intuition and not only from a financial point of view: in fact, the Kings of Spain would have protected the Holy Places of Jerusalem and guaranteed the financing of the Franciscans through the *Obra Pía* as long as they controlled the Custody through the Ultramontane Franciscans, subjects of the Spanish Crown, and not the Cismontans, close to the Pope and the Congregation of Propaganda Fide. Thus, the *juros*, in addition to being a financial instrument, was a way of linking the

Custody of the Holy Land to the *Obra Pía* in an increasingly stronger and more stable manner, whose institutional headquarters is the Franciscan Royal Basilica of Saint Francis the Great in Madrid. In this case reformism and fiscalism went hand in hand, because the *Obra Pía* was in fact continually reformed by resorting to new and more effective fiscal instruments. The *juros* and the *mandas forzosas testamentarias* represented tools and equally effective and virtuous reforms that made the growth of this economic-financial institution possible. This growth and this success were made possible and practicable thanks to that foundational capital, untouchable and perpetual, represented by the donation of a thousand ducats per year by Isabella the Catholic. It was precisely this foundational aspect, this decisive support from the Crown that was lacking in the attempts to introduce public treasuries and pawnshops. Without it, without the Crown presenting itself as a sort of “lender of last resort”, to use a contemporary formula, and without it being the first to want a sort of national bank, it was not possible to undertake the path of radical reformism, falling back instead on an already established fiscalism, which however began to slip from the hands of the Genoese *asentistas* in favour of the Portuguese.

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