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A Treatise on  
the Alteration  
of Money

*Juan de Mariana, S.J.*  
*Translation by Patrick T. Brannan, S.J.*  
*Introduction by Alejandro A. Chafuen*

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## Introduction

Lord Acton stated that “the greater part of the political ideas of Milton, Locke, and Rousseau may be found in the ponderous Latin of Jesuits.”<sup>1</sup> The Late Scholastic period (approximately 1300–1600 A.D.) generated some of the most detailed moral analyses of social issues ever produced by Christian writers. In particular, the moral theologians working from, and around, the School of Salamanca in Spain offered penetrating insights into economics, politics, and other social concerns. Prominent among the Latin Jesuits was Father Juan de Mariana.

Juan de Mariana, S.J., (1536–1624) was one of the most extraordinary persons of his time.<sup>2</sup> He achieved acclaim for his works *On Monarchy* (*De Rege et Regis Institutione*)<sup>3</sup> and *History of Spain*.<sup>4</sup> John Neville Figgis wrote

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<sup>1</sup> John Dalberg Acton, *The History of Freedom and Other Essays* (New York: Classics of Liberty Library, 1993 [1907]), 82.

<sup>2</sup> For an excellent biography, see G. Kasten Tallmadge, “Juan de Mariana,” in Gerard Smith, S.J., ed., *Jesuit Thinkers of the Renaissance* (Milwaukee: Marquette University, 1939), 157–92.

<sup>3</sup> Juan de Mariana, S.J., *The King and the Education of the King*, trans. G. A. Moore (Chevy Chase, Md.: Country Dollar Press, 1948). Moore’s introduction is a superb analysis of Mariana’s life.

<sup>4</sup> Juan de Mariana, S.J., *History of Spain*, trans. Captain John Stevens (London: Richard Sare, Francis Saunders, and Thomas Bennett, 1699).

concerning one chapter of Mariana's book on the monarchy: "The course of the argument is singularly instructive, and much of it might have been written by Locke."<sup>5</sup> Mariana's treatise on money, presented here for the first time in English, also should have earned him a reputation as one of the most profound economic thinkers of his period.

While pursuing my economic education, I had the privilege of studying and living in the area where Mariana spent most of his life—Toledo, in the heart of Castille. Walking the same cobblestone streets, trekking across the countryside where luxurious villas still dot the landscape as they did in Mariana's day, one cannot but notice the confluence of Jewish, Muslim, and Christian cultures. When one reads Mariana's *History of Spain*, one enters the heart of this rich cultural mix. Reading *On Monarchy*, one gets inside the palaces, court disputes, and the dilemmas of authority that characterized the day.

When Mariana was twenty-three years old, just before his ordination, he was asked to teach philosophy and theology at the prestigious Roman College. It was there that he had Saint Robert Cardinal Bellarmine, S.J.,<sup>6</sup> as a student. Bellarmine spent eleven years teaching at the Roman College (starting in 1576). Bellarmine, who was later made a cardinal and canonized, had political beliefs similar to those of Mariana. Their ideas have been regarded by many as having influenced some of the intellectual movements behind the founding of the American Republic. More generally, the Jesuits were seen as influencing the turn in the seventeenth and eighteenth centuries away from the theory and practice of despotism by divine right and toward the rehabilitation of medieval notions of natural rights and duties, constitutionalism, and popular sovereignty.<sup>7</sup>

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<sup>5</sup> Figgis wrote further: "It is notable that, although deciding in chapter 2 that monarchy is the best form of government, Mariana would yet surround his king with all sorts of limitations, so that he really leaves the sovereignty with the people." John Neville Figgis, *The Divine Right of Kings*, 2d ed. (Cambridge: University Press, 1922 [1896]), 219–20.

<sup>6</sup> Lord Acton described Bellarmine as "the most famous controversialist of the sixteenth century" and "one of the masters of revolutionary Catholicism, and a forerunner of Algernon Sidney." *Lectures on Modern History* (London: Macmillan, 1929), 169.

<sup>7</sup> See, for instance, Moorhouse F. X. Millar, S.J., "Scholasticism and American Political Philosophy," in John S. Zybura, ed., *Present-Day Thinkers and the New Scholasticism* (St. Louis: Herder, 1927), 301–41.

When he was thirty-three, Mariana was asked to teach at the University of Paris, the most renowned institution of higher learning at the time. Health problems, however, forced him to return to Spain only four years later. It was there that he wrote his *History of Spain* and his treatise *On Monarchy* (1599). The work, requested by Philip II and dedicated to Philip III, gained notoriety upon the assassination of Henry IV of France in 1610. Mariana's argument that kingly power derives from the people, some believed, had provided justification for tyrannicide. In some circles, though, Mariana became an unpopular figure, especially in France. Unsurprisingly, Henry's IV's assassin had never heard of him. J. Balmés questions: "Is it not, therefore, remarkable, that the famous book [*De Rege*] ... which was burned at Paris by the hand of the public executioner, had been published in Spain eleven years before, without the least obstacle to its publication, either on the part of the ecclesiastical or civil authority?"<sup>8</sup>

Mariana further immersed himself in controversy with the publication of his attack on monetary debasement and accusation of fraud against Spanish fiscal officials.<sup>9</sup> The last decade of his life was more peaceful, as he confined himself to a scholarly treatment of Scripture. Mariana died in Toledo in 1624. Talavera, his place of birth, honored him with a monument in 1888.

Our present volume, Mariana's treatise on currency debasement, gives the reader a glimpse of Mariana's knowledge of history and political science, tackling the topic with an economic profundity that I have not been able to find in any other previous work on political economy.

Given contemporary specialization in the academy, many readers might at first be puzzled as to why a moral theologian would write a treatise on money. The Scholastic thinkers were, however, men of wide and deep knowledge. For most of them, moral analysis was their primary concern. Yet, as good moral theologians, they understood that performing proper moral analysis requires a practical understanding of the matter at hand. If one wants to understand just prices and fairness in market exchanges, one first has to understand price theory and how a market operates. In Mariana's case, the issue before him was

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<sup>8</sup> J. Balmez, *European Civilization: Protestantism and Catholicity [sic] Compared*, 3d English ed. (London: Burns and Lambert, 1861), 296.

<sup>9</sup> M. B. Martin, "Mariana, Juan de," *New Catholic Encyclopedia*, vol. 9 (San Francisco: McGraw-Hill, 1976), 213.

monetary policy and its effects on the common good of the kingdom. He wrote this treatise to offer his insights to the king, advising him on how to protect the economic well-being of the land. As such, it is not only a moral examination of monetary policy but also a brilliant economic treatise.

Mariana is still best known for his historical contributions. John Laures, S.J., wrote that Mariana's *History of Spain* "is still considered a masterpiece of classical Spanish style."<sup>10</sup> Nor did his historical work pass unnoticed by the Founding Fathers of America. In fact, Thomas Jefferson recommended and sent Mariana's *History of Spain* to James Madison.<sup>11</sup> Yet, Edwin R. A. Seligman states in the introduction to Laures's study on Mariana's monetary theories: "Mariana's fame or, rather, his notoriety as a defender of monarchy, has caused the modern world entirely to overlook his substantial achievement in the field of economics."<sup>12</sup>

Still, Mariana's attributes as an economist were rightly noted by Oscar Jászi and John D. Lewis, who, in their work of political science, *Against the Tyrant*, stated that Mariana was an "acute political economist."<sup>13</sup> Mariana's major topic as an economist—monetary theory—was a controversial one in the context of sixteenth- and seventeenth-century monarchical absolutism. George Albert Moore, in his outstanding introduction to Mariana's *De Rege et Regis Institutione*, explains the hazards of the subject matter:

The *De Monetae Mutatione* likewise was a dangerous subject, for, as Bodin points out in his Response to Malestroit's *Paradoxes*, this matter of depreciating the currency was the peculiar graft of the kings and princes. This tract caused him to be imprisoned for from four months to a year, the loss of his papers, which it seems were never returned to him, a threat of dire action by the dread Inquisition, and all this in his advanced age.<sup>14</sup>

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<sup>10</sup> John Laures, S.J., *The Political Economy of Juan de Mariana* (New York: Fordham University Press, 1928), 3.

<sup>11</sup> *Jefferson: Autobiography, Notes on the State of Virginia, Public and Private Papers, Addresses, Letters* (New York: Library of America, 1984), 820–25.

<sup>12</sup> Laures, *The Political Economy*, v.

<sup>13</sup> Oscar Jászi and John D. Lewis, *Against the Tyrant* (Glencoe, Ill.: The Free Press, 1957), 68.

<sup>14</sup> *The King and the Education of the King*, 79–80.

Henry Hallam, the great historian of the Middle Ages, labeled the usual practice of monetary debasement as an “extensive plan of rapine” and “as mingled fraud and robbery.”<sup>15</sup> Castelot, writing about Mariana in the *Palgrave’s Dictionary of Political Economy*,<sup>16</sup> also mentions that this writing caused him to be “confined for a year in the convent in Madrid.” In spite of opposition, Mariana fearlessly maintained (in the *Monetae*) that the “king, having no right to tax his subjects without their consent, had no right to lower the weight or quality of the coinage without their acquiescence.” In an era in which monarchs regularly abused monetary power at the expense of their nation’s citizens, Mariana defended those citizens and demanded responsible use of the government mints.

In this treatise, we find an insightful analysis concerning how monetary debasement and inflation increase prices, which proceeds to illustrate how such increases do not affect everyone equally—in effect, causing a revolution in fortunes. In a parallel argument, Mariana explains how government, if given control of other forms of private property, would also debase the values of those forms and use them according to its own interests.

Mariana understood that currency debasement threatened the entire economic order of the kingdom. Property rights, the ability to trade goods and services, and fair wages—all of these things require stable currency. To cite Mariana:

If a prince is not empowered to levy taxes on unwilling subjects, and cannot set up monopolies for merchandise, he is not empowered to make fresh profit from debased money. These strategies aim at the same thing: cleaning out the pockets of the people and piling up money in the provincial treasury. Do not be taken in by the smoke and mirrors by which metal is given a greater value than it has by nature and in common opinion. Of course, this does not happen without common injury. When blood is let by whatever device or strategy, the body will certainly be debilitated and wasted. In the same way, a prince cannot profit without the suffering and groans of his subjects.

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<sup>15</sup> Henry Hallam, *View of the State of Europe During the Middle Ages*, 4th ed. (London: Alex Murray and Son, 1868), 110–11.

<sup>16</sup> Castelot, “Juan de Mariana, S.J.,” in *Palgrave’s Dictionary of Political Economy*, vol. 2 (London: Macmillan, 1926), 692.

A short-sighted optimism caused by a reduction in monetary debasement during the last decade of the twentieth century might lessen the impact of this first English edition of Mariana's treatise on currency debasement. Yet, governments throughout the world still regard the control of money as an essential tool and sometimes use it to debauch their citizens rather than to protect them. Reading this text, one is struck by the urgency of Mariana's entreaties as he bluntly challenges his reader to show him where his analysis is wrong.

But why, one may ask, does Mariana's text have such an urgency, so much so that he is prepared to use awkward phrasing or avoid detailed explanation of certain events and matters because Mariana is, as he himself states, "hurrying to end this discussion"? For one thing, the perils emanating from currency debasement that Spain and its empire faced at the time of this treatise's composition were great. Calamities had befallen the kingdoms of the Iberian peninsula in the past as a result of debasement. Hence, we discover Mariana stating that "What has happened will happen. Previous events are very influential: They convince us that what sets out on the same path will reach the same conclusion."

However, also blended into this treatise are constant references to the manner in which the act of currency debasement defies "right reason." This is not coincidental. Like others from the School of Salamanca, Mariana belonged to the natural-law tradition, of which the Roman Catholic Church has been the staunchest defender for almost two thousand years. In short, the evil of currency debasement is derived from deeper sources than its consequences. To Mariana's mind, the very act of currency debasement is *in itself* evil; this would be true even if such acts had no ill effects. In Mariana's treatise, we do not find a trace of the consequentialist mentality that has proved so destructive of sound moral thinking since the nineteenth century.<sup>17</sup> The act of defrauding people is, in each and every instance, *wrong* and consequently threatens the salvation of persons engaging in such activity. This sobering thought is perhaps Mariana's most important warning to those contemplating such action today.

—Alejandro A. Chafuen

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<sup>17</sup> For a devastating critique of consequentialism, see John Finnis, *Natural Law and Natural Rights* (Oxford: Oxford University Press, 1993), 112–19, 131–32.

## Preface

May the immortal God and all his saints grant that my labors may benefit the public, as I have always prayed. The only reward that I seek and wish is that our king, his advisers, and other royal ministers entrusted with the administration of affairs, may carefully read this pamphlet. Here I have clearly, if not elegantly, attempted to illustrate certain excesses and abuses, which, I think, must be strenuously avoided. The point at issue is that copper money, as minted in the province today, is of inferior quality to earlier coins. Indeed, this practice inspired me to begin and complete this slight, but not insignificant, endeavor without consideration of men's judgment. Doubtless, some will indict me for boldness and others for rash confidence. But, reckless of danger, I do not hesitate to condemn and revile things that men of greater prudence and experience considered a cure for ills.

Nonetheless, my sincere desire to help will deliver me in part from such accusations and faults, and the fact of the matter is that nothing expressed in this controversy is original with me. When the entire nation, old and young, rich and poor, educated and uneducated, is shouting and groaning under this burden, it should not seem remarkable that from this multitude someone dares to put in writing something that is censured with some emotion in public and in secret gatherings, and in squares and the streets. If nothing else, I shall fulfill the rightful duty that a well-read man should exercise in the State, since he is not unaware of what has happened in the history of the world.

The famous city of Corinth, as Lucian tells us, knew from reports and rumors that Philip of Macedon was hastening against it in arms. The citizens, in fear, acted swiftly: Some prepared arms; others fortified the walls; others prepared provisions and instruments of war. Diogenes the Cynic was living in that city, and when he saw that he was not invited to have any part in the work and preparation and was considered useless by everyone, he came out of the barrel in which he used to live, and began to roll it quite eagerly up and down. The citizens, indignant inasmuch as he seemed to make fun of the common calamity, asked him what he was doing. He answered: "It is not right for me alone to be at leisure when everyone else is busy." At Athens again, as Plutarch tells us, when there was civil unrest and all parties were bent on revolution, Solon, no longer able to help the fatherland, because of his age, took his stand in arms before the doors of his house, to show that he wished to help despite his lack of physical strength. Ezechiel says that even the trumpeter does his duty if, at the appointed times, he blows into his instrument and his blast sounds—now attack, now retreat—at the leader's command, even though the soldiers may not follow the commands.

At a time when some are restrained by fear, others held, as it were, in bondage by ambition, and a few are losing their tongues and stopping their mouths because of gold and gifts, this pamphlet will achieve at least one goal: All will understand that there is someone among the people who defends the truth in his retirement, and points out the public threat of dangers and evils if they are not confronted with dispatch. Finally, like Diogenes, I will appear in public, I will rattle my barrel; I will openly assert what I think—whatever the final outcome. Perhaps my earnest activity will be of some use, since everyone desires the truth and is eager to help. May my readers be open to this instruction. It was undertaken with a sincere heart. To this end, I pray to our Heavenly Majesty and to our earthly majesty who is His vicar, and to all the citizens of heaven as well. And I earnestly entreat men, of every condition and dignity, not to condemn my undertaking, or pass negative judgment on it, before they have read this pamphlet carefully and assiduously examined the question at issue. In my opinion, it is the most serious of issues to arise in Spain in many years.

## Argument

At the time that there was a great shortage of money in Spain and the treasury was completely exhausted by long and drawn-out wars in many places and by many other problems, many ways to make up for this shortage were thought out and tried. Among others, consideration was given to the debasing of money, and that in two ways: First, by doubling the value of existing money, the king gained a good deal: half of the entire sum, which was huge—a great profit in the situation! Second, new money was minted from pure copper with no addition of silver, as was customary. Rather, their weight was diminished by half. In this way, the king profited by more than two-thirds.

Men's plans are not provident. Seduced by present abundance, they gave no consideration to the plan's inherent evils into which they were rushing. There were, however, those who were more cautious because of their knowledge of history and past evils, and they criticized this approach within their own circles and even in writing. Very soon, events proved that they were not foolish prophets. Things got worse. Some convenient reason was being sought for destroying or recalling that money. Some consultants recommended the debasement of silver money to make up, with that profit, for the loss that they saw was necessarily coming because of the old copper money. The cure was more deadly than the disease. It has been rejected until the present. Rather, there was a recent decree recalling a large part of the new money, and for

compensating the owners from the royal revenues. Such was the occasion for a new effort to publish this treatise, which we began earlier. It aims at letting other generations learn from our misfortunes that money is hardly ever debased without calamity to the State: Profit for the moment is intimately connected with manifold ruin along with rather great disadvantages.\*

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\* Unless otherwise noted, annotations are by Samuel Gregg.

## 1 Does the King Own His Subjects' Goods?

Many enhance kingly power, beyond reasonable and just limits—some to gain the prince's favor and to amass private wealth. These most pestilent of men are not concerned with honesty and are commonly found in the courts of princes. Others reason to the conviction that an increase in royal majesty enhances the protection of public welfare. But they are mistaken. As, in the case of other virtues, power has definite limits, and when it goes beyond limits, power does not become stronger but, rather, becomes completely debilitated and breaks down. For, as the experts say, power is not like money. The more gold that one amasses, the richer and happier one is. Power, rather, is like nourishment; the stomach groans equally if it lacks food or is burdened with too much food. It is bothered in either case. But royal power increased beyond its limits is proven to degenerate into tyranny, a form of government that is not only base but weak and short-lived. No power and no arms can withstand the fury of its offended subjects and enemies. Surely, the very nature of royal power—if it is legitimate and just, it arises from the State—makes clear that the king is not the owner of his subjects' private possessions. He has not been given the power to fall upon their houses and lands, and to seize and set aside what he will.

According to Aristotle, the first thing that brought kings to eminence was their protection of citizens from the impending enemy storms when their people were mustered around their standards. Thereafter, in time of peace, they were given in time the power to punish the guilty, and the authority to

settle all litigation among their people. To protect this authority in a dignified manner, the people established fixed revenue by which the kings could support their original lifestyle and they also decided how this money was to be paid. This process establishes the king's right of ownership over those revenues that the State conferred, as well as of those possessions that he acquired as a private citizen, or, that he received from the people after becoming king. But he does not exercise dominion over those things that the citizens have kept either publicly or privately to themselves, for neither the power conferred upon the leader in time of war nor the authority to govern subjects, grants the authorization to take possession of the goods of individuals.

And so, in the chapter of the *Novellas Constitutiones*, beginning "Regalia," which treats of all aspects of the royal office, such dominion is not found. Indeed, if the possessions of all subjects were under the king's will, the actions of Jezebel, as she appropriated Naboth's vineyard, would not have been censured so severely. If she had been just pursuing her own rights, or those of her husband who was certainly king, she would have been claiming what was her own. Had this been true, Naboth would have been accused of contumacy for unjustly refusing to pay his debt. Therefore, it is the common opinion of legal experts (as they explain in the last law of the chapter "*Si contra ius vel utilitatem publicam*" and, as Panormius presents it, in chapter four, "*De Iureiurando*") that kings cannot ratify any law that would harm their subjects, without the consent of their people. Specifically, it is criminal for kings to strip their people of their goods, or part of their goods, and to claim these goods as their own. Indeed, it would not be legal to initiate a suit against the prince and to set a day for trial, if everything were under his power and law. The response would be automatic: If he has stripped anyone of anything, he did not do it unjustly but of his own right. He would not purchase private homes or land when he needed them but would seize them as his own.

It is useless to develop this obvious point further: Lies cannot destroy it; no flattery can present darkness as full day. On the one hand, it is the essence of a tyrant to set no limits to his power, to consider that he is master of all. A king, on the other hand, puts a limit to his authority, reins in his desires, makes decisions justly and equitably, and does not transgress. A king maintains that the goods of others are entrusted to him and under his protection, and that he does not strip his people of their possessions except, perhaps, according to the prescripts and formalities of law.

## 2 Can the King Demand Tribute from His Subjects Without Their Consent?

Some people deem it a serious matter and not in keeping with majesty, to make the prince's treasury depend upon the will of the people, so that he cannot demand new tribute from them without their consent. That is to say, it is a serious matter when the people, and not the king, become the judge and moderator of affairs. They go on to maintain that if the king summons a parliament in the kingdom when new taxes are imposed, this fact should be attributed to his modesty. He is able to levy taxes of his own volition, without even consulting his subjects, as affairs and fiscal necessity might demand. These pleasant words are dear to kingly ears, and they have sometimes led neighboring kings into error—witness the French kings.

As Philip Comineus reports at the end of his biography of Louis XI, king of France, the king's father, Charles VII, was the first to follow this approach. Financial problems were especially pressing in the large part of the country occupied by the English. He placated the nobles with annual pensions, but he chose to oppress the rest of the people with new taxes. Since then, as the saying goes, the French kings came into their own but stopped protecting their people. After many years, the veritable wound that they received by offending the people has not healed. According to Comineus, it is bloody even to this day. I might add that the recent French civil wars, waged so violently for so many years, arose from no other source. For this, oppressed people—most

without home or fortune, with possessions lost—agreed to take up arms. They are destined either to destroy or be destroyed, choosing to end their misery by death, or, as conquerors, to plunder riches and power. To help to achieve this goal, they cloaked their obstinacy with a veil of religion, and their perversity, with rectitude. Countless evils have ensued.

There is certainly little benefit in summoning procurators of the States to parliaments in Castille. Most of them are poorly equipped to manage affairs. They are men who are led by chance—insignificant men of venal disposition who keep nothing in view but their desire to gain the prince's favor and to benefit from public disaster. The temptations and threats of the courtiers, mixed with prayers and promises, would uproot and fell the cedars of Lebanon. It is beyond doubt and, as things now stand, sufficiently obvious that these men will never oppose the prince's wish that he should be in total command. It would be better if these parliaments were never held. They are an excuse for useless expenditures and widespread corruption.

Be that as it may, here we are not discussing what is happening but, rather, what right reason demands. New taxes should not be imposed on subjects without their free consent—not by force, curses, or threats. As Comineus also advises, the people should show themselves amenable and not resist the prince's wishes. Rather, as need arises, they should manfully come to the aid of the depleted treasury; but the prince should also afford a patient ear, listen to the people, and diligently consider whether or not their substance and means are up to bearing the new burden, or whether there may not be other solutions to the problem. The prince may have to be exhorted to moderate and responsible spending. This, I understand, was occasionally attempted at earlier parliaments within the kingdom. The established principle, therefore, is that the prince is never permitted to oppress his subjects with new burdens, without the consent of those concerned, at least of the leaders of the people and State.

What I said above confirms this point: The private goods of citizens are not at the disposal of the king. Thus, he must not take all or part of them without the approval of those who have the right to them. This is the pronouncement of legal experts: The king does not have the power to make a decision that results in loss of private goods unless the owners agree, nor may he seize any part of their property by planning and imposing a new tax. Why? Because the office of leader or director does not give him this power. Rather, because the

king has the power from the State to receive specific income to maintain his original lifestyle, if he wishes these taxes to be increased, he would fulfill his duties by approaching those who originally decide on that specific income. It is their job to grant or deny what he seeks, as seems good to them, under the circumstances.

Other countries may do things in different ways. In our country, this method is forbidden by the 1329 law that Alphonsus XI, king of Castille, granted to the people in parliament in Madrid in response to the legal petition: “Let no tax be imposed on the nation against the will of the people.” Here is the law: “In addition, because the petitioners have requested that no extraordinary tax be imposed, either publicly or privately, unless the people have been previously summoned into parliament and the tax has been approved by all of the procurators of the States. We reply to this request: We are pleased with it. We decree that it is to be done.” In the previously cited place, Philip Comineus repeats these words in French—twice: “Therefore, to pursue my point, no king or prince on earth can demand, except by way of violence and tyranny, even one *maravedi*<sup>1</sup> from his nation, if those designated to pay it are unwilling.” A little later, in addition to the claim of tyranny, Comineus adds that a prince who would act contrarily to this law would incur the penalty of excommunication. His source may be the sixth chapter of the Bull, *In Coena Domini*, that excommunicates anyone who imposes new taxes in his realm. At this point, some documents read: “Unless authorization has been granted for this purpose.” Others, read: “Except where it has been granted by right and law.” Let others judge whether or not kings who do otherwise are exempt from this excommunication. How they can be? Neither do they have the power to tax, nor has the additional right been given them. Yet, since Comineus was a literary man, and not in sacred orders, what he affirmed in such a statement depended upon the authority of the theologians of that time who were agreed on this point.

I personally add that not only any prince who acts this way in regard to taxes, is guilty of this crime and punishment but, also, any prince who would fraudulently establish a monopoly without the consent of the people, for it is equally fraudulent, under another name, and stealing the possessions of one’s

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<sup>1</sup> [An old coin.]

subjects, to sell things for a higher price than is fair, without authorization. In fact, for some years the prince has established some monopolies on lotteries, corrosive sublimate, and salt. I do not call these monopolies into question. Rather, I consider them prudently established and, concerning the uprightness and the fidelity of the prince, one must believe that he has done nothing that goes beyond right reason and the laws. But the point is, that as monopolies do not differ from taxes, caution in establishing them legally and in demanding popular consent should be no less. An example will make the point clearer. In Castille, there has frequently been talk of publicly imposing a tax on flour. Until now, the people have resisted it with difficulty, but, if it were permissible for the king to buy up all the grain in the land, to monopolize it, and to sell it at a higher price, then it would be superfluous and meaningless to have the imposition of taxes depend upon the will of the people. In such a case, the king has the freedom to gain whatever he wishes through a monopoly that yields the same or even greater advantages than taxes. From what has been said, the point is firmly established that, if a king is not permitted to demand new taxes, he cannot even set up monopolies for merchandise without the consultation and approval of the people concerned.

### 3 Can the King Debase Money by Changing Its Weight or Quality Without Consulting the People?

Two things are clear. First, the king may change at will the form and engraving of money—provided that he does not diminish its value. That is the way I interpret the legal experts who grant the king the power to change money. The king owns the mints and administers them, and under the heading of “Regalia,” in the *Novellas Constitutiones*, money is listed among the other royal prerogatives. And so, without any loss to his subjects, he determines the method for minting money as he pleases. Second, we grant the king the authority to debase money without the people’s consent, in the pressing circumstances of war or siege—provided that the debasement is not extended beyond the time of need and, that when peace has been restored, he faithfully makes satisfaction to those who suffered loss. In a very harsh winter, Frederick Augustus II was holding Faenza under siege. Those under siege were powerless. The siege was protracted, and money was lacking for salaries. He ordered money struck from leather, with his image on one side and the imperial eagle on the other, and each coin had the value of a gold coin. He did this on his own, without consultation with the people of the empire. The salvific plan brought about the conclusion of the affair. With his forces reassured by this device, he took over the city. When the war was over, he replaced the leather money with just as many golden coins. Collenucius relates this occurrence in the fourth book of his *History of Naples*. In France, as well, money was struck

on occasion from leather and decorated with a small silver key. Budelius in his first book, *On Money* (chap. 1, no. 34), recalls that money was made from paper when Leyden in Holland was under siege in 1574. These facts are undisputed.

But the question is this: Can a prince in every case solve his fiscal problems on his own authority and debase his kingdom's money by diminishing its weight or its quality? Certainly the common opinion of legal experts agrees with that of Hostiensius, expressed in his *De Censibus*. Among these experts are Panormitanus and Innocent III who, in the fourth chapter of *De Iureiurando*, maintains that a prince may not do this without the consent of his subjects. One concludes, therefore, that if the king is the director—not the master—of the private possessions of his subjects, he will not be able to take away arbitrarily any part of their possessions for this or any other reason or any ploy. Such seizure occurs whenever money is debased: For what is declared to be more is worth less. But if a prince is not empowered to levy taxes on unwilling subjects and cannot set up monopolies for merchandise, he is not empowered to make fresh profit from debased money. These strategies aim at the same thing: cleaning out the pockets of the people and piling up money in the provincial treasury. Do not be taken in by the smoke and mirrors by which metal is given a greater value than it has by nature and in common opinion. Of course, this does not happen without common injury. When blood is let by whatever device or strategy, the body will certainly be debilitated and wasted. In the same way, a prince cannot profit without the suffering and groans of his subjects. As Plato maintained, one man's profit is another's loss. No one can abrogate by any means these fundamental laws of nature.

In chapter 5 of *De Iureiurando*, I find that Innocent III judges to be invalid the oath by which James the Conqueror, king of Aragon, bound himself for a considerable time to preserve the debased money that his father, Peter II, had minted. Among other reasons for this opinion is the fact that the consent of the people was lacking. Both Innocent and Panormianus support this view. They confirm that a prince cannot establish anything that would cause injury to the people. We call it an injury when anything is taken from a person's fortune. Indeed, I do not know how those who do these things can avoid the excommunication and censure pronounced for all ages by *In Coena Domini*, because it applies to monopolies. All such schemes, under any pretense, aim at the

same thing: to weigh the people down with new burdens and to amass money. This is not permissible. For if anyone maintains that our kings were granted this power long ago by the people's carelessness and indulgence, I find no trace of this custom or permission. Rather, I find that the laws concerning money of both the Catholic king and Philip, his great-grandson, were always passed in the nation's parliaments.

## 4 The Twofold Value of Money

Money has a twofold value. One is intrinsic and natural and comes from its type of metal and its weight, to which may be added the cost for labor and equipment in minting. The other is called the legal value and is extrinsic, inasmuch as it is established by the law of the prince, who has the right to prescribe the worth of money as well as of other goods. In a well-constituted republic, it should be the care of those who are in control of such matters to see that these two values are equal and do not differ, for, just as in the case of other goods, it would be unjust for something to be appraised at ten when it is worth five in itself and in common estimation, so the same thing holds for money if the legal value goes astray. This point is treated by Bidellius, among other scholars, in the first book of his *De Monetis* (no. 7), and they commonly consider anyone who thinks otherwise, ridiculous and childish. If it is permissible to separate these values, let them mint money from leather, from paper, from lead, as we know was done in straitened circumstances. The reckoning would be the same, and the cost for manufacturing less than if money were made of bronze. I do not think that a king should produce money at his own expense, but I think it fair that some value be added to the worth of the metal in consideration of the labor of minting and of the overall monetary ministry. It would not be out of place if some small profit accrued to a prince from this function as a sign of his sovereignty and his prerogative. This opinion was

ratified in the law, promulgated in Madrid in 1566, concerning the making of silver coins (*cuartillos*). In the fifth chapter of his *De Iureiurando*, Innocent III implies this practice even if he does not mention it explicitly. I, however, maintain that these two values must be diligently and accurately kept equal.

This same conviction may be gathered from Aristotle's *Politics* (bk. 1, chap. 6) where he says that it was originally taken for granted that men would exchange one thing for another. By common opinion, it seemed best to exchange merchandise for iron and silver, to avoid expense, and to ease the aggravation of transporting long distances wares that were heavy and cumbersome for both parties. Thus, a sheep was exchanged for so many *pounds* of brass, a horse for so many *pounds* of gold. It was difficult to weigh metal consistently. Public authority undertook to see to it that parts of the metal were marked with their weight to expedite commerce. This was the first and legitimate use of money, though time and evil produced other devices and deceptions that are certainly at odds with ancient and wholesome usage.

As our own laws tell us, our countrymen clearly decided that the two values be kept equal. Indeed, gold and silver are clear instances of this equality. Sixty-seven silver coins are made from eight ounces of silver, called a *mark*, while the same weight of natural silver is exchanged for sixty-five silver coins, both in accordance with the prescripts of law. Thus, only two silver coins are added for the work involved in minting. Each silver coin is equivalent to thirty-four *maravedis*, while the same weight of natural silver is valued at about thirty-three *maravedis*. What about gold? Sixty-eight gold coins, called *coronas*,<sup>1</sup> are struck from eight ounces of gold. Natural gold is worth about the same amount. Copper money is valued in the same way, but in this case it seems more difficult to reconcile the legal value with the natural value. According to the law promulgated in Medina de Campo in 1497, the Catholic kings<sup>2</sup> ordained that eight ounces of copper, mixed with seven grains of silver (about the weight of one and one-half silver coins), would make ninety-six *maravedis*. The silver was worth more than fifty-one *maravedis*. The eight ounces of copper and the cost of labor approximate the other forty-four *maravedis* in value. In this way, the legal value is easily reconciled with the value of the metal and the labor.

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<sup>1</sup> [An old Spanish coin.]

<sup>2</sup> [Ferdinand of Aragon and Isabella of Castille.]

Then in 1566, Philip II, king of Spain, abrogated the previous law and established that four grains of silver—the weight of one silver coin—were to be mixed with eight ounces of copper. From this mixture, one hundred ten *maravedis* were to be minted. In so doing, he took away more than half of the silver from the quality of the metal, and added fourteen *maravedis* to the old value. He was, I think, considering the expense of minting, which, doubtless had doubled with time, as well as made a profit from his supervision. Led on by this modest and slender hope, many men—after they had been authorized by the king to produce this money—made an immense profit. Consequently, as in past years, this business was considered especially lucrative. Yet, the two values of money were not unreconciled in this approach, because the value of silver was mixed in with the eight ounces of copper, and one must include both the price of copper and of production, both of which were valued at least two other silver coins. Moreover, debased money, which we call *blancas*, valued at half a *maravedi*, was being frequently minted and was a source of much greater vexation and nuisance.

At this time, no silver was mixed with copper in copper money, and eight ounces of copper yielded two hundred eighty *maravedis*. The entire cost for stamping did not exceed a silver coin. Copper was selling at forty-six *maravedis*. The cost of stamping and value of the metal thus came to eighty *maravedis*. The profit was therefore two hundred *maravedis* on each *mark*, because the legal value of this money exceeded the intrinsic and natural value of the metal.

The great danger that this fact presents to the State needs explanation. First, as indicated above, it is inconsistent with the nature and original concept of money. How, then, can anyone be stopped from debasing money in like circumstances, when enticed by hope of gigantic profit? Finally, these values will adjust in business, as people are reluctant to give and take money that is worth more than its natural value. Fictions and frauds, once discovered, quickly collapse, and a prince who opposes the people will accomplish nothing. Would he be able to insist that rough sackcloth be sold for the cost of silken velvet, or that woolen clothing be sold for cloth of gold?

Clearly, he could not. Try as he might, he could not justly make such a practice legal. The French kings frequently devalued the *solidus*, and our silver coins were immediately valued higher than before. What was previously worth

four *solidi*, when we were dwelling in France, became worth seven or eight *solidi*. If the legal value of debased money does not decrease, surely all merchandise will sell at a higher price, in proportion to the debasement of the quality or weight of the money. The process is inevitable. As a result, the price of goods adjusts and money is less valuable than it previously and properly was.

## 5 The Foundations of Commerce: Money, Weights, and Measures

Weights, measures, and money are, of course, the foundations of commerce upon which rests the entire structure of trade. Most things are sold by weight and measure—but everything is sold by money. Everyone wants the foundations of buildings to remain firm and secure, and the same holds true for weights, measures, and money. They cannot be changed without danger and harm to commerce. The ancients understood this. One of their major concerns was to preserve a specimen of all these things in their holy temples so that no one might rashly falsify them. Fannies bears witness to this fact in his *De Ponderibus et Mensuris*, and a law of Justinian Augustus concerning this tradition is extant (*Authent. de collat.* coll. 9). In Leviticus (27:25), we read: “Every valuation shall be according to the *shekel* of the sanctuary.” Some conclude that the Jews were accustomed to keep a *shekel* weighing four *drachmas* of silver in the sanctuary to ensure easy recourse to a legitimate *shekel*, so that no one would dare to falsify it by tampering with its quality and weight. It was so important to maintain standards that no amount of care was considered superfluous. Even Thomas Aquinas warns (*De Regimine Principum*, bk. 2, chap. 14) that money should not be altered rashly or at the whim of a prince. The recent change in the liquid measure in Castille, by which new tribute was exacted on wine and oil—not without protest—is reprehensible. In addition to other inconveniences, there is a problem adjusting the old measure to the new,

and further confusion in our dealings with others. Those who are in power seem less-educated than the people because they pay no attention to the disturbances and evils frequently caused by their decisions, both in our nation and beyond. Obviously, debasing money will profit the king, and we have proof that the ancients were frequently lead into fraud by that hope, and that these same men soon became aware of the disadvantages of their decisions. To remedy these ills, new and greater ills were needed: The situation is like giving a drink at the wrong time to a sick man. At first, it refreshes him but, later, aggravates the causes of his illness and increases his fever. The clear fact is that great care was once taken that these foundations of human existence be not disturbed. In my *De Ponderibus et Mensuris* (chap. 8), I explained that the Roman ounce remained unchanged for many centuries and that it is the same as ours. The same should be true of the other weights. Our weights should not differ from those of the ancients.

## 6 Money Has Frequently Been Altered

A widespread opinion among the Jews was that the money, measures, and weights of the sanctuary were twice as great as the common ones: the *bathum*, *gomor*, *shekel*, and all the rest. They thought this way because their special effort to preserve the weights and measures in the sanctuary could not prevent the people from diminishing the common ones and, under some conditions, making them less than half. Thus, different passages in ancient writers, that vary in specifics or are at odds with sacred letters, may be reconciled. We know—and Pliny (bk. 33, chap. 3) testifies to this fact—that in Ancient Rome, the *as*, (a copper coin with the value of four of our current *maravedis*) under the pressure of the First Punic War, was debased to two ounces, which they called a sextantarian *as*,<sup>1</sup> which weighed about one-sixth of a pound—then twelve ounces, like the Italian and French *pound* today. Thereafter, under pressure during the war with Hannibal, the Romans reduced the *as* to an ounce, one-twelfth of the previous *asses*, and finally the reduction in weight reached half an ounce. The *denarius*, with a value of forty *maravedis*, was initially minted from pure silver. Then under Drusus, the Tribune of the Plebs, it was mixed with an eighth part of copper, and its previous purity was changed, as Pliny indicates in the same passage. In subsequent years, more copper was

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<sup>1</sup> [*Sextantarius* = containing a sextans = a sixth part of a measure.]

added. Actually, not a few *denarii* are being unearthed in our time that contain much less silver and are of less purity because of the greater weight of copper added—more than a third. Likewise, gold money of outstanding purity and weighing two *drachmas* was minted during the reigns of the first emperors. At that time they were minted from six ounces of gold and were called *solidi*. They weighed about the same as our *castellano*. A law of Emperor Justinian concerning *solidi* can be found under the heading *De Susceptoribus, praepositis, et arcariis*, and begins with “*Quotiescumque*.” Commenting on the freedom to innovate in one of his prologues, the ancient poet, Plautus seems to suggest the Roman view of debasing money when he says:

*Qui utuntur vino veteri sapientes puto  
Nam nunc novae, quae prodeunt comoediae,  
Multo sunt nequiores quam Nummi novi.*

(Those who use old wine I consider wise.  
For the new comedies produced these days  
are much worse than the new coins.)

Money still in existence today indicates how frequently the Romans changed the value of their money. The same thing has taken place in all countries within recent memory. Princes, with or without their subjects' consent, have frequently debased coins in quality or by subtracting from their weight. The search for examples in other countries is superfluous when domestic ones are on hand in abundance. The *History of Alphonsus XI*, the king of Castille (chap. 14) affirmed that money was altered by King Ferdinand the Holy and by his son Alphonsus the Wise, as well as by Sancho the Brave, and by his son Ferdinand. and his grandson Alphonsus XI. Therefore, during the reign of these five kings, which was sufficiently long, money enjoyed no stability; it was constantly changed and debased. Remarkably, Peter, the king of Castille and the son of the last Alphonsus does not seem to have debased the currency. I suspect that, rather inhibited by the inconveniences caused by the adulteration of money when his father was in power, he did not follow Alphonsus's example and was careful to mint proper money. This is attested by the money minted under his name.

His brother Henry II, ridden by debt that he owed to his companions and assistants in exchange for winning the kingdom, and burdened with larger

illegal debts for the future, had recourse to the same remedy. He minted two types of money: *reales* (silver coins) worth three *maravedis*; and *cruzados* worth one *maravedi*, as the *Chronicles* (chap. 10) for the fourth year of his reign testify. Serious inconveniences arose from this contrivance, but his successors were not afraid to follow his example. To pay Alencastre, the duke of a rival kingdom, the money agreed upon in a peace treaty, John I devised a new coin by the name of *blanca*, worth one *maravedi*, and shortly thereafter he decreed that the *blanca*, almost halved in value, be evaluated at only six *dineros*, called *novenes*. This took place in the parliaments of Briviesca in 1387. The right to devalue money by diminishing quality and increasing value continued into the reign of Henry IV.

These were the most unsettled of times and, although the historians of the period do not say so, this fact is patently clear from the fluctuations in the value of silver; for when Alphonsus XI was king of Castille, eight ounces of silver were worth two hundred fifty<sup>2</sup> *maravedis*. During the reign of Henry II, a silver real was worth three *maravedis* and, consequently, a *mark*<sup>3</sup> was worth four hundred *maravedis*.<sup>4</sup> Under John I, Henry's son, it went up to two hundred fifty *maravedis*; a silver coin was worth four *maravedis*, a gold coin, fifty *maravedis* or twelve silver coins. Such is found in the 1388 parliament of Burgos (law 1). Under Henry III, his successor, the value reached four hundred eighty or even five hundred *maravedis*. Indeed, at the end of his reign and the beginning of John II's, the value increased to one thousand *maravedis*. Finally, in the reign of Henry IV, it was valued at two thousand, and at twenty-five hundred *maravedis*. All of these variations and increases in value did not come from variation in the metal; it was always composed of eight ounces of silver with a small addition of copper, but the frequent debasement of *maravedis* and of other coins caused the value of silver money of the same weight to seem to be greater by comparison. Indeed, all the variations in the value of silver are taken, for the most part, from Antonio de Nebrija's *Repetitiones*. In

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<sup>2</sup> [Latin text has *bis* one hundred twenty-five, that is, two hundred fifty, while the Spanish text reads *ciento veinte y cinco*, that is, one hundred twenty-five. (The latter is, in my opinion, the correct one—Trs.)]

<sup>3</sup> [Eight ounces of silver.]

<sup>4</sup> [Latin text again has *bis ducentis*, that is, four hundred, while the Spanish text reads *doscientos*. (The latter makes more sense, if there is to be constant increase—Trs.)]

fact, the extant coins of these kings are all rough and indications of the tendency to debase money during these years, but the Catholic rulers, Ferdinand and Isabella, stabilized this volatility by a law that set the price for eight ounces of natural silver at two thousand two hundred ten *maravedis*, but when minted at two thousand two hundred seventy-eight. This is the price, even today. Philip II diminished the quality and weight of the *maravedi*, but since it was by a slight amount, there was no change in the value of silver in relation to the *maravedis*. I think that the recent change in copper money will alter its value and make eight ounces of silver the equivalent of more than four thousand *maravedis*, as presently minted. Am I wrong?

## 7 Advantages Derived from Alteration of Copper Money

A careful examination and investigation of the advantages and disadvantages that result from altering copper money are in order so that the wise and prudent reader may consider calmly and without prejudice which issues are of greater weight and importance. This is the way to the truth that we seek.

First, when such a change is made, we are freed from an expenditure of silver. Lessening the quality of silver provides this advantage. For years, a great weight and many talents of silver used to be mixed with copper to no profit. Because the money weighs less, it is easier for the merchants to transport and use in trade (the cost of transport used to be high). The increased money supply expands commerce in the nation, while the desire of eager outsiders to get their greedy hands on gold and silver money is curtailed. Those who have it will share it willingly with others; thus, debts will be liquidated, farms will be cultivated in the hope of greater profit, and workshops (frequently idle for lack of money) will be busy. In short, there will be a greater abundance of flocks, fruit, and merchandise, of linen, wool, silk cloth, and of other commercial items. No doubt, abundance will produce affordable prices (whereas in the past only a few could find those who would lend them money for such goods—and then at great interest).

In these circumstances, we will be content with our lot and plenty and have less need for outside merchandise. Importing goods diminishes our silver and gold and infects our people with foreign customs. Men born for war and arms

are physically weakened by the softness of merchandise, and their warlike vigor of spirits is extinguished. Also, foreigners will not come to us as often as they used to, both because of our abundance of native merchandise and because of our money, which they will refuse to take back to their native land at no profit after it has been exchanged for their goods. In general, with the money received for their merchandise, they will purchase other items in our country, as convenient, and will transport them to their native land.

It is not insignificant that a good deal of money will flow into the king's treasury, for payment of his creditors to whom he has mortgaged his tax revenues—a major disaster!—and this can be accomplished without injury to, or complaint from anyone, just by changing the value of money. The king will certainly profit greatly. Thus, Pliny, in the passage cited above, confirms that the Romans, by diminishing the weight of the *as* escaped from extreme straits, and paid debts that weighed them down. The *Chronicles* (chap. 98) of Alphonsus XI, king of Castille, report the same phenomenon, and those of Henry II for the fifth year (chap. 10) report that he was relieved, after ridding himself by this means, of most oppressive war debts. A great deal of money had been promised to others, but especially to Beltran Claquin, and to foreigners by whose aid he had stripped his brother of the kingdom. The ancient Romans, and other nations in our time, used copper money exclusively, with no admixture of silver or other precious metal. Indeed, this usage seems to have once been more usual and common with other monies because the Romans commonly called their money “copper.” Perhaps this custom has influenced us to explain by *maravedis* the size of someone's property or yearly taxable income. The Spaniards once used gold *maravedis*, but, at a time when they had to make great changes, they removed all gold from the *maravedis*. Thus, we should not be astonished if silver is now removed from our money. It is of no use and never was of any advantage to anyone.

These advantages are important and should be considered. We will pass over the disadvantages that a diligent observer may claim to result from the recent intervention. Nothing in this life is entirely simple and free from all harm and blame. Therefore, it is the wise man's job to choose what affords the greater and less-blameworthy advantages, especially since human nature is perverse in such circumstances and is used to criticize changes and new ways. We hold firmly to traditions, as if nothing could be corrected in, or added to the practices of the ancients.

## 8 Different *Maravedis* of Varying Values in Castille

Before I explain the disadvantages necessarily involved in the new plan for devaluing copper money, it is worth explaining the different kinds of *maravedis* and their values as used in Castille at various times. The understanding of these coins is involved and complicated, but is worth having, if we are to reach the truth that has been shrouded in darkness.

The gold coins in frequent use at the time of the Goths have first place. Indeed, the Romans in the later Empire struck coins of less weight than the old ones: They used to mint six coins from an ounce of gold, forty-eight from eight ounces or a *mark*. These coins were a little bigger than our *castellano*. They called these gold coins *solidi*, and the value of each was twelve *denarii*. But if the value of a Roman *denarius* was forty *quadrantes* or *maravedis*, the value of a *solidus* came to four hundred eighty—a little more than our *castellano*. And so, in subsequent time, the *solidi*, although struck from silver and finally made for the greater part from copper, still always kept the value of twelve *denarii*—even when the latter were no longer made from gold but from copper.

Certainly in France and among the people of Aragon, where the name *solidus* is still found, each *solidus* is worth twelve *denarii*. When the Goths invaded with the sword, the Roman Empire was still flourishing in Spain, as was Roman money, laws, and customs. When government by Rome changed,

the victors introduced some of their own customs and adopted some customs from the conquered. In particular, the Goths began to use Roman money. Then, when the new government was established, they devised and struck new coins that they called *maravedis*. There is no need to go into the meaning of the word, but each *maravedi* was valued at ten *denarii*, or four hundred *quadrantes*, as much as our current gold coin, that is, four hundred *maravedis* or *quadrantes*. It was established that the *maravedis*, although first made of silver and then of copper, would still be valued at ten *denarii*. The norm for the *maravedi* was that it would contain two *blancas*, six *cornados*, ten *denarii*, sixty *meajas*. This was their relationship to the *maravedi*, although they completely disappeared because they were worthless.

The Roman *solidus* and the Gothic gold *maravedi* differed little in value. Consequently, for the number of *solidi* imposed as punishment by the courts under Roman law, the Goths substituted a like number of gold *maravedis*. Many coins of the Goths are now being unearthed in Spain that are not made from good gold. We have evidence that their worth is debased by half: They are half-*maravedis*, coins called *semises* or rather, *tremises*, weighing one-third of the Goths' *maravedi*. We will consider this matter later.

Tumultuous times followed. Everything, money included, was in a state of frightful confusion. After Spain was defeated by the weapons of the Moors, a new race of kings sprang up, given by God for the salvation of a nation that was oppressed by every evil. We will not talk about the money of the Moors, but there were three kinds of *maravedis* under the government of the kings of Leon and Castille. There were the gold ones, that were also called *good*, *old*, *standard*, and *usual*.

We must first speak about these *usual* ones and explain their value and quality, because our understanding of the other types depends upon an explanation of the *usual* ones. The value of the *usual* ones was not constant but changed with the times. It is difficult to define this variation: The only legitimate source for a guess is by reference to the value of a silver *mark*. These *maravedis* must be compared to our *maravedis* in the exact proportion as the *mark* of that age is compared to the value of the *mark* of our age. At this time, a bullion *marks* are worth two thousand two hundred ten *maravedis*, but, once minted and made into coins—two thousand two hundred seventy-eight *maravedis*. Moreover, the quality of the silver does not enter into consideration: It

has always been more or less of the same purity as today, as the chalices, and other sacred vessels and instruments, preserved in our Church treasuries, bear witness. Then the silver *mark*, in relation to the varying value of the *maravedi*, was always worth five gold coins (popularly called *doblas*)<sup>1</sup> or a little more, and equal to twelve silver coins—not fourteen, as some say. Likewise the *mark* used to be worth sixty or sixty-five silver coins, as we can see from the laws of King John I of Castille, but debate rushes in from another source.

The oldest known value of the *mark* is one hundred twenty-five *maravedis*. This was certainly the value of the *mark* in the age of King Alphonsus XI, as witnessed in the *History of His Accomplishments* (chap. 98). Thus, a silver coin was just two *maravedis*; now it is thirty-four: So a *maravedi* at that time was worth as much as seventeen and a bit more of ours, and there was no doubt about the quality of the silver that its value declared. In the reign of Henry II, a silver coin was worth three *maravedis*, as the history of his fourth year (chap. 2) declares. And so, the *mark*, at this time, increased to two hundred *maravedis*, each one equal to eleven of ours.<sup>2</sup> Henry was succeeded by his son John I, and the *mark* increased under him to two hundred fifty *maravedis* or *quadrantes*, when a silver coin was valued at four *maravedis*, and a gold one at fifty (see the first law he enacted in the parliament of the kingdom of Burgos in 1388.) Thus, the *maravedi* of that time was equal in value to nine or ten of ours. Even more clear is a previous law promulgated in Briviesca that punishes abuse of parents by a fine of six hundred *maravedis*. During the reign of Ferdinand and Isabella, that law was introduced into the *Ordinamentum*, (bk. 8, title 9). It stated that the six hundred *maravedis* mentioned in that law are good money and equal six thousand *maravedis* in that time, which is also our own; for, since that time, there has been no change in the value of the *mark* or *maravedi*.

Let us look at the reigns of other kings. According to old documents, under Henry III the *mark* reached for four hundred eighty and even five hundred *maravedis*. Therefore a silver coin was worth about eight *maravedis*, and the *maravedi* was equal to about four or five of ours.<sup>3</sup> Under John II, Henry's son,

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<sup>1</sup> [*Doublons*.]

<sup>2</sup> [Mariana's Spain.]

<sup>3</sup> *Ibid*.

the *mark* was worth one thousand *maravedis*, especially at the end of his life. Thus his *maravedi* was worth two-and-a-half of ours—a remarkable variation in value! But this fluctuation was not confined to his reign. Among many other serious ills, under Henry IV, the silver *mark* reached two thousand *maravedis*, and then twenty-five hundred, according to Antonio de Nebrija's *Repetitiones*. His *maravedi* was worth what ours is, and there has not been great change in the value of the *maravedi* since that time. This stability must be attributed to the care of Ferdinand and Isabella and their successors. With these facts established from laws and chronicles, let us evaluate the other *maravedis*.

The gold *maravedi* was equal to six of the *maravedis* current in the time of Alphonsus the Wise. Law 114<sup>4</sup> of the *Leges styli* states that, after this king looked into the matter, he found that a gold *maravedi* was equal to six of the *maravedis* of his day. This is not, as some claim, that the *maravedis* of King Alphonsus were made of gold. Rather, the value was discovered by weighing *maravedis* of both kinds, and from establishing their proportions of gold to silver—twelve to one. Moreover, the law of Alphonsus XI in the parliament of Leon of 1387 stated that one hundred *maravedis* of good money, namely, of gold, were worth six hundred of those of that age.

Two important things may be gathered from these facts. First, that from the time of King Alphonsus the Wise (also known as the Tenth) up until Alphonsus XI, his great-grandson, there was absolutely no change in the value of the *mark* and *maravedi*, inasmuch as under both kings the gold *maravedi* equaled six *usual* ones. Second, inasmuch as the *maravedis* then in use equaled seventeen of ours (or even a little more, as mentioned above), those who said that the gold *maravedi* was equal to thirty-six or sixty of ours are necessarily mistaken. Rather, they were worth as much as three hundred silver ones or more. This is my opinion, and it is founded on firm arguments.

I am also of the opinion that the gold *maravedis* were the *tremisses* of the Goths. The first kings of Castille used them. They did not mint new ones. Their value agrees with the known one of a little more than three silver coins. These coins of the Goths turn up here and there, but no gold coins struck with the crest and name of the kings of Castille have been found at all. It would be

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<sup>4</sup> [The Spanish text says, one hundred forty-four—Trs.]

incredible if all of them have disappeared without a trace. So much for the gold *maravedi*!

Most people say that each of old *maravedis* was worth one-and-a-half of ours. The pronouncements of those who have a greater understanding of our law, will carry more weight on this issue. Perhaps there was agreement among the legal experts that, whenever the old *maravedi* occurs in our law, one-and-a-half of ours may be substituted, just as the gold *maravedi* found in those laws is popularly evaluated at thirty-six or sixty of the *usual*. But, strictly speaking, the old *maravedis* did not have one value but varying and complex values. For whenever the quality of money was diminished, as frequently happened, to avoid abolishing the old money, the kings decreed that it should coexist with the new one, and called “old.” Thus, it will be easy for some of the usual *maravedis* and those of the older kind to be compared with one another and with ours. If, for example, the *maravedi* of Alphonsus XI is compared with the *maravedis* minted by his son, Henry II, it will be worth one-and-a-half of the latter and, if compared with ours, it will be worth seventeen. Thus, the old *maravedis* were sometimes the usual *maravedis*. Therefore, from the value of the usual *maravedis*, as we have explained, one ought to establish the value of the old ones, and from those that are called new, one ought to establish their value when compared with ours. These are subtle and thorny considerations, but we are hurrying to end this discussion.

We add that, under our law, the *maravedis*, which are current today and were current in the time of the Catholic King Ferdinand, are commonly called “new.” At this time, the laws of earlier kings were gathered together in a few volumes. The *maravedis* of the earlier kings were called “old” *maravedis*. And so from the value of the *maravedi* in use under the individual kings, a decision may be made about the old *maravedi*. The *maravedi* of Aphonsus XI was worth seventeen of ours; that of Henry II, eleven; that of John I, ten; that of Henry III, five; that of John II, two-and-a-half. Careful consideration must be given to the times, and determinations must be accordingly made concerning the value of an old *maravedi* in any law, and the value of a new one, both among themselves and in comparison with our own *maravedis*. It should not be overlooked that the old *maravedi* was sometimes called “good,” as in the above-mentioned law (*Ordinamentum*, bk. 8, title 9) by which John I prescribed the punishment of six hundred *maravedis* for the abuse of parents. The

experts who incorporated this law in that book added on their own that the *maravedis* were good coins, equal to six thousand of the *usual* ones. This means that the law was not referring to gold *maravedis* but to old ones that were in use under that king, and that each was worth as much as ten of ours. Remember that from the time of Ferdinand the Catholic, the value of the *maravedi* remained unchanged. Moreover, by a law passed by John II in Caraccas in 1409 (the first law in *Ordinamentum*, bk. 8, title 5), something is forbidden under punishment of excommunication of thirty days and a fine of one hundred good *maravedis*, which make six hundred of the old ones. But if the obstinacy continues for six months, the fine increases to one thousand good *maravedis*, which equal six thousand of the old ones. In this citation, the good *maravedis* are gold, the old ones are those that were current under the Kings Alphonsus the Wise and Alphonsus XI. For only at that time, as stated above, did each gold *maravedi* equal six current ones. But if the punishment seems very harsh—it is equivalent to three thousand of our silver ones, since each gold *maravedi* equals as much as three silver ones—even more serious punishments are inflicted today. When someone is suspected of heresy, he will not escape the bond of excommunication for a full year.

Finally, in the *History of King John II* (the twenty-ninth year, chap. 144) a mandate was introduced in the parliament of Burgos for the minting of half-*maravedis*, which we call *blancas*, because of their whiteness, in accordance with the quality and weight of the coinage of his father, Henry III. That money, however, was discovered to be inferior. When the affair was investigated and the defect and fault recognized, the procurators of the kingdom decreed that the previous *maravedi*, namely that of King Henry III, should be valued at one-and-a-half of the new *maravedis*. This is related in this king's *History* (the forty-second year, chap. 36).

By universal decree, from this time on, the procurators seem to have taken the opportunity to declare that an old *maravedi* was worth one-and-a-half of ours, whereas they should have rather said that the *maravedi* minted by Henry III, was worth one-and-a-half of those minted by John II. Indeed, if we consider the value of the *mark* under both kings, the defect was not adequately remedied, and the previous *maravedi* was worth fully two of the later ones. If a comparison is made with our *maravedi*, the *maravedi* of John II was worth two-and-a-half of ours; the *maravedi* of Henry III was worth fully four or five of ours.

## 9 Disadvantages Derived from This Alteration of Copper Money

In serious issues, it is not fair to advance subtle and speculative arguments from our own heads and thoughts. They are frequently deceptive. It is better to do battle with data from our own time and from our ancestors. This is the safest approach, and the assured way to the truth, because the present is certainly similar to the past. What has happened will happen. Previous events are very influential: They convince us that what set out on the same path will reach the same conclusion.

Some disadvantages appear to be great but, in reality, are not. We could put up with them to avoid the greater disadvantages that derive from the alteration of money. First, some critics claim that this practice has never been used in our country and that, because of its novelty, every innovation triggers fear and is risky. But this argument is proved untrue by what has already been said. Obviously this process has frequently been tried in our country. With what success is not yet the issue! They also argue that there has been less cultivation of the land and farms, and that citizens are discouraged from working when wages are paid in debased money. This is true. Among other advantages of alteration and multiplication of copper coins, however, is the fact that with this money on hand and available to everyone, the fruits of the earth and the products of handicraft will be more easily produced. In the past, they were frequently neglected for lack of money. And so this argument proves inconclusive, and because it can be used by either side, it is not convincing for either.

These critics then assert that commerce will be hindered, especially with those who come from outside Spain with the sole hope of exchanging their goods for our silver. Facts speak for themselves, they say, and debased coinage will create great havoc with commerce with the Indies because most things sent to that region, are imported into Spain from outside nations. The answer to this objection is not difficult either. One may argue that it is no disadvantage for Spain to obey its own laws, as it is strictly forbidden to export silver to other nations. Moreover, how is it advantageous to despoil the country of its silver? Rather, it would seem beneficial if the copper money of commerce deterred outsiders from coming into Spain. Certainly, they will exchange their goods for our goods when the hope of carrying off our wealth has been removed. This is and should be the common desire of a nation. Further, there is no danger of harming trade with the Indies, because it involves goods that are native to us: wine, oil, woolen and silk cloth. But if there is need for commerce with outsiders, silver will arrive from the Indies now and then and allow our merchants to buy such things as linen cloth, paper, books, trifles, and the like. Nor does copper money prevent us from minting this foreign silver, as we have done before.

There is a ready response to the next objection that denies that the king has the authority to borrow money from outsiders to meet the necessary expenses of the fleet and the salaries of the soldiers. We might rather say that there would be a greater supply of money for the king if his debts to his countrymen were paid in copper money. He could pay his foreign debts in the silver that is offered to him every year. Nor is copper money so wicked or barren that silver will completely disappear, as if chased away by a wicked and magical incantation. It is true, we must admit, that when there is a great supply of copper, silver disappears among the citizens. This fact should be numbered among the principal disadvantages of copper money. Silver flows into the royal treasury because the king orders that taxes are to be paid in that money. It does not return to circulation, because he pays whatever he owes his subjects with copper money. Thus, there will be a superabundance of copper money, while he exports the silver. Moreover, the silver that remains in our citizens' hands disappears, since all first spend the copper money and hide the silver, unless forced to produce it. Some argue that the great supply of debased money would bring about this disadvantage, but the reasons for their position are not satisfactory.

They advance two reasons for their position: The first is that royal money cannot be distinguished from counterfeit money once the silver, which used to be mixed with the copper, has been completely removed; the second is that the hope of profit will tempt many. This profit is three times larger than before because, while the actual value of the money has changed little, the legal value has changed much. I will not dispute these arguments. How could I? The latter one, based on the hope of profit is quite valid, as two hundred gold coins become seven hundred because of debased money. This fact will certainly tempt many to expose themselves and their possessions to any risk for profit. Who would bridle his inflamed desire suddenly to escape indigence in this way? But the previous argument is not based on facts. It rests on the belief that silver was mixed with copper to prevent adulteration of copper money. In fact, the silver remains from the early quality of the *maravedi*, which was once solid silver but was later defiled with many additions. Nonetheless, some silver was always found in it. The first Catholic kings did not ordain this, but they determined by law how much silver was to be mixed with copper, lest the debasing of that money proceed further by an ever greater amount of copper.

It would not be bad if no silver were mixed into copper money. As a matter of fact, the expense of silver would be avoided. If my argument is in any way valid, I would like the stamp on coins to be more refined, as it is on coins from the mints in Segovia. Moreover, the silver *real* would be exchanged for more copper coins, as happens in France. There, twelve *dineros* are given for a silver *solidus*, which is almost a *cuartillo*,<sup>1</sup> and each *dinero* is worth three *liardi*. At Naples, a *carlino*, less than our silver coin, worth not more than twenty-eight *maravedis*, is exchanged for sixty *caballi*, each with the weight and mass of two earlier *maravedis*, before they were constantly adulterated. All these facts confirm that the value of a silver coin is equal to the metal and the cost of minting, and this means accommodating the legal value to the natural value. Few people would undertake to debase that money because of less profit; nor would it be easy for ordinary people—and such, for the most part, are those who make counterfeit money—to maintain mints to coin similar money. If anyone does mold coins from melted copper, they will be readily distinguishable from struck money. As a matter of fact, silver is minted in

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<sup>1</sup> [A quarter of a *real*.]

these mills at a great loss; coins of equal weight cannot be produced because of the variations in the silver ingots placed on the press. This disadvantage does not exist with copper because it is a base metal.

I pass over the other proposed disadvantages—they are more apparent than true—to address greater disadvantages, which arise not from empty speculation but are proven by the experience of former times and the memory of Antiquity. Critics add that with the multiplication of copper money and its currency, no fortunes would be piled up by the rich for use in pious works. But surely, so many people spend piles of money in harmful and ludicrous things that it would not seem to be a great loss if fortunes were not amassed. Copper money does not stand in the way of quantities of silver yearly arriving from the Indies. Who will prevent the owners from hoarding as much of the silver as they want? Others find fault with the cost of transportation: They do not wish the merchants to have to transport purchased goods from afar at that cost. But those same merchants, after reckoning the cost of shipping to the end of the country (from Toledo to Murcia), claim that the expense is only one percent. Then, some say, it is very laborious to count this copper money, and keeping it is particularly bothersome, but others say that these troubles are sufficiently compensated for by the advantages that this money entails.

Finally, critics find fault with the expense of copper, because of the great amount minted, and they cite the difficulty of forging it at home. As a result, outsiders, who have a great deal of this metal, will grow rich at our expense. A few years ago, a hundred-weight of copper sold for eighteen *francs* in France. And so, eight ounces (what we call the weight of a *mark*) was fixed at thirteen *maravedis*; in Germany, it was even cheaper. Currently, the same weight is fixed, nonetheless, at forty-six *maravedis* in Castille. And the price of minting copper money endlessly increases out of necessity or, rather, out of cupidity. This is a real, not fictitious disadvantage, but there are other much greater ones in comparison with which, this one—whatever damage it causes—could seem ridiculous and relatively unimportant.

## 10 The Major Disadvantages Derived from This Alteration of Money

First of all, the current large supply of copper money is against our Spanish laws. There is no limitation on gold and silver money in the 1497 decree of the Catholic kings. An individual was allowed to mint as much of these metals as he had. They decreed, however, in the third law, that no more than ten million *maravedis* were to be struck, with the responsibility for this minting divided, according to a determined ratio, among seven mints. Then Philip II, king of Spain, decreed in a 1566 law that it was not advantageous to manufacture more copper money than would be enough for common use and commerce. He therefore commanded that such money was not to be minted without royal authorization. Moreover, copper money should be commonly employed only in small purchases, and gold or silver was to be used in greater monetary exchanges. Anything beyond these limits would involve public damage and upheaval, for money was invented to facilitate trade, and that money is more acceptable, which better and more opportunely accomplishes its end, as Aristotle remarks in his *Politics* (bk. 1, chap. 6). But abundance of copper money brings about the opposite. Counting it is a great burden: A man can hardly count a thousand gold pieces in copper coins in a day. As for transporting coins, it is laborious and expensive to carry them to distant places to buy goods. For these reasons, an inundation of this money is opposed by our laws.

Of course, I would not approve of minting just silver money as, for example, in England under the recently deceased Queen Elizabeth and in some German states. I realize that it can be divided in tiny parts. It is said that Renato, the Duke of Anjou, made a thousand coins out of an ounce of silver (I would prefer a pound). With these coins, however, one could not buy tiny and cheap trinkets and give alms to the needy. Much greater harms result if the abuse is in the other direction—if the land is inundated with copper money like rivers flooded with winter storms. So much for the first disadvantage.

A second disadvantage is not only that it is against the laws of the land—that could be overlooked—but it is against right reason and the natural law herself—it is a sin to change them. To prove my point, one must remember what was established above: The king is not free to seize his subjects' goods and thus strip them from their lawful owners. May a prince break into granaries and take half of the grain stored there, and then compensate for the damage by authorizing the owners to sell the remainder at the same price as the original whole? No one would be so perverse as to condone such an act, but such was the case with the old copper coin. The king unjustly appropriated one-half of all the money, merely by doubling the value of each coin, so that what was worth two *maravedis* was thereafter worth four. Would it be right for a king to triple by law the price for woolen and silk cloth at its present supply, while the proprietor keeps one-third for himself, and turns over the rest only to the king? Who would approve of that? But the same thing is happening with the copper money that has recently been minted. Less than a third of it is given to the owner. The king uses the rest for his own advantage.

Such things, of course, do not take place in other forms of commerce. They do, however, happen in the arena of money because the king has more power over money than over other things. He appoints all the ministers of the mint and changes them at will; he controls the dies and types of money, has complete authority to change them and to substitute debased coins for purer ones, and vice versa. Whether this is done rightly or wrongly is a controversial point. But Menochius (*Consilium*, chap. 48) deems it a new kind of crime to repay, with debased money, debts, incurred at a time when money was sound. He proves with many arguments that what was paid out in sound money is not rightly repaid in debased money.

We come to the third disadvantage: The cost of trade will be in proportion to the debasing of money. This is not simply a private judgment. Rather, such were the evils our ancestors experienced when our money was debased. In the *Res Gestae* (chap. 1) of Alphonsus the Wise, reference is made to alteration of money at the beginning of his reign: Less sound *burgaleses* were substituted for the usual sound money, *pepiones* (gold coins). Ninety copper *burgaleses* were equal in value to a *maravedi*. This money change resulted in a general inflation. To remedy this situation, as chapter 5 recalls, the king taxed all sales. His remedy, however, caused the ailment to break out again. The merchants refused to sell things at that price. Necessarily, things came to a halt lest he arouse the hatred of the nation, or especially (as we believe) the arms of his nobles, who, after he was driven out, transferred affairs to his younger son, Sancho. Not content with his previous fraudulent mistake, he substituted the recalled *burgaleses* with bad money with the value of fifteen *maravedis* in the sixth year of his reign. Thus, he remained obstinate in evil—a man deceitful by nature with a shattered genius that was ultimately evil. The *History* (chap. 98) of King Alphonsus XI of Castille informs us that he minted *novenes* and *cornados* of the same quality and stamp as his father, King Ferdinand. To avoid inflation with the change of money—doubtless, it was not sound—great care was taken to keep the price of silver from rising. Eight ounces of silver were valued at one hundred twenty-five *maravedis*—no more than before. This concern was feckless. There ensued scarcity of goods, and the price of silver increased.

Here we should consider the fact that inflation is not the immediate and necessary consequence of changing money. As a matter of fact, a silver coin is now worth thirty-four of these debased *maravedis*—its previous worth—and eight ounces of silver (which we call a *mark*) sells for sixty-five silver coins as it actually did before. Our account has made it clear that this condition cannot continue longer without disturbance. John I, in order to pay his rival, the Duke of Alencastre, a great sum of money, which had been agreed upon, minted unsound money, which he called good. Shortly thereafter to avoid a scarcity of goods, he approved its payment at almost less than half, as he testified in the 1387 parliament of Briviesca. Then, there is Henry II, the father of John. As head of the kingdom, he had almost exhausted his treasury in wars

against his brother Peter. Finally, reduced to dire financial straits, he minted two kinds of money: *regales*, worth three *maravedis*, and *cruzados*, worth one *maravedi*. As a result, prices and other things increased. The gold coin, known as the *dobla* (*doubloon*), rose to three hundred *maravedis*; a *caballo* was selling at sixty thousand *maravedis*. This fact is found in his *Chronicles* (the fourth year, chap. 10). Indeed in the sixth year, chapter 8, the *caballo* rose to eighty thousand *maravedis*. Inflation soared. Under this pressure, this prince decreed devaluation of each coin by two-thirds.

Indeed the gold coin was previously worth thirty *maravedis*, as Antonio de Nebrija states in his *Repetitions* and as may be deduced from the value of silver, of which, eight ounces, or a *mark*, were valued at one hundred twenty-five *maravedis* or certainly a little less (see chapter 8 of this treatise for an explanation of gold and silver's increase in value at that time). As a result of the alteration in coinage, the value of gold suddenly increased almost more than tenfold.

I am convinced that there is never an alteration in coinage without subsequent inflation. To illustrate, let us suppose that the value of silver is doubled: What was worth thirty-four *maravedis* is now worth sixty-eight. Some believe and maintain that if the value of silver were increased, the State would benefit to a greater or lesser degree. If this is true, one must ask, If someone wishes to buy eight ounces of debased silver for sixty-five silver coins as its value is set by law, would the seller comply? Of course not! He will not sell it for less than one hundred thirty new silver coins, which is almost the weight of the silver itself. But if the value of silver is doubled because the value of coins is doubled, or should the coins increase to sixfold or fourfold, the same thing will happen with the value of natural silver.

We see the same thing happen with the current copper coins; they are changed in some places into silver coins at the rate of one-hundred-percent interest; in other places at fifty percent. Doubtless, what we have shown to occur in the case of silver will happen to other commodities as well: Their price will increase to the degree that the coins have been debased or the value of the coins increased, for that is exactly the way it is. There is no doubt that it leads to new money. Each of these developments will contribute to commercial inflation. Abundance of money makes it worthless. As in other commercial enterprises, supply leads to low prices. Next, the baseness of coins

will cause those who have this money to want to get rid of it immediately. Merchants will not wish to exchange their goods for that money, except with a great increase in price.

All this leads to the fourth disadvantage: There will be trade difficulties, and trade is the foundation for public and private wealth. This problem always arises with debasement of money. Taxation of goods and sales to increase prices is a rather deadly solution to the problem. This approach is burdensome for merchants, and they will refuse to sell at that price. Once trade is destroyed and commercial inflation is in place, all the people will be reduced to want, and that will lead to disturbances. Thus, as experience has frequently taught us, the new money is either completely recalled or is certainly devalued, for example, by half or two-thirds. Then, suddenly and as in a dream, someone who had three hundred gold pieces in this money, now has one hundred or one hundred fifty, and the same proportion applies to everything else.

King Henry II, according to his *Chronicles* (sixth year, chap. 8), faced this situation and of necessity devalued the *real* from its previous worth of three *maravedis* to one, and reduced the *crusado* to two *tornados*, a third of its previous value. Henry's son, John I, devalued his good money to six *dineros*, almost one-half of its previous value. The resulting inflation continued, as the king admits in the 1388 Parliament at Burgos. There is no need to recount how much trouble occurred in the regions. The facts speak for themselves.

At the end of chapter 8, we noted that occurrences of this type under John II. Duarte Nunez recalls in his *Chronicles of Portugal* that, under King Ferdinand, a great inflation resulted in Portugal because of the devaluing of money, and that a large amount of this (counterfeit)<sup>1</sup> money was brought in by foreigners. He also says that the younger people, of necessity, viewed this money with a singular severity because many people were reduced to helplessness. Nonetheless, he says that, in our time, the same error was imprudently committed. During the reign of Sebastian they minted copper money, called *batacones*, with the same evil results and the need to institute the same remedies. Let us pass over the old examples, although what happened in Portugal is not that old.

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<sup>1</sup> [Spanish text—Trs.]

Sanders in his first book, *De Schismate Anglicano*, affirms that, as he left the Church, Henry VIII rushed into evils, and one of them was the fact that there was such a great devaluation of money. Consequently, whereas previously only an eleventh part of copper was mixed with silver coins, he gradually caused the coins to have no more than one-sixth part silver to five parts copper. Then he ordered the old coins gathered into the treasury, and exchanged with an equal number of the new coins. A great injustice! After his death, the citizens approached his son Edward for a cure for these evils. The only solution was to devalue the new money by one-half. Elizabeth, Edward's sister, succeeded him, and devalued the new money by another half. Thus, someone who had four hundred coins in that money quickly found them reduced to no more than one hundred. And the cheating continued. When the problems connected with this money did not slacken, a new decree had all that money remitted to the mints in the hope of compensation. Such compensation was never made. An infamous highway robbery! A most disgraceful speculation! A prudent reader should notice whether or not we are getting on the same road; whether or not that historical moment is a portrait of the tragedy certainly threatening us.

The fifth disadvantage, the king's subsequent poverty, may not be greater than the ones already mentioned, but it is certainly inevitable. A king receives no income from his ruined subjects and cannot prosper when the country is sick. Both these reasons are closely connected. If the citizens are crushed with penury, if trade is in turmoil, who will pay the king his customary revenue? The tax collectors will collect much less royal tribute. Are these statement dreams? Are they not verified by much history? When Alphonsus XI, king of Castille, was a still a minor, his guardians were forced to render an account for all the royal revenues. It was discovered that all, together, they did not exceed 1,600,000 *maravedis*, as found in his *History* (chap. 14). Those *maravedis* were, of course, worth more than ours: Each one was worth seventeen of our current ones. Nevertheless, it was a remarkably paltry income and seemed incredible. The historian ascribes two reasons for so great a disaster: the first, the greediness of the nobles who possessed many towns and strongholds of the kingdom; the other that, from the time of Ferdinand, five kings had altered money either by debasing it or increasing its value. In this way, with trade hampered and the nation reduced to penury, the nation's common disadvantage reached the king.

We conclude with the final disadvantage, the greatest of them all: The general hatred that will be stirred up for the prince. As a certain historian says, everyone takes responsibility for prosperity, the head is responsible for adversity. How was the victory lost? Obviously, the supreme commander was imprudent in organizing his battle lines, or he did not pay the soldiers the salary owed them. About 1300 A.D. Philip the Fair, king of France, was the first-known French king to debase money. As a result, Dante, a celebrated poet of the time, called him *falsificatore di moneta*—"a forger of money." Robert Gavinus reports in his *Life* that Philip, at his death, repented his deed and told his son, Louis Hutin, that he had to put up with his people's hatred because he had debased the coinage, and that Louis Hutin, therefore, was to correct his father's mistakes and hearken back to old reckonings. This concern proved useless. Before the people's hatred was defused, the one responsible for the monetary disaster, Enguerran Marinió, was publicly freed at the command of King Hutin, with the encouragement of some nobles, and the approval of the whole land. This was a clear-cut crime, but it did not prevent the future kings from following in the same footsteps.

French history makes clear that Charles the Fair, brother of Hutin, caused a lot trouble for his people. There is a law extant against him, the *De Crimine Falsi* (Concerning the Crime of Fraud) of John XXII, the Supreme Pontiff, and of Philip of Valois, cousin and successor to both of these kings. Because of well-remembered misfortunes, the people of Aragon, in their dedication to, and interest in holding onto their freedom, demand from the king at his coronation an oath that he will never alter money. Peter Belluga mentions this point when he presents the two privileges granted to the people of Valencia by their kings in 1265 and 1336 (*Speculum Principum*, rubric 36, no. 5). This is, doubtless, a healthy and prudent precaution.

Greed causes blindness; financial straits create pressure; we forget the past. In this way, the cycle of evils returns. Personally, I wonder if those in charge of affairs are ignorant of these things. If they do know them, I wonder why they so rashly, despite their prudent knowledge, wish to rush headlong into these perils.

## 11 Should Silver Money Be Altered?

All the disadvantages that we have explained as coming from adulteration of copper money are found more forcefully in the case of silver money because of its quality and abundance. Gold money is always less used, and if the government is prudently administered, there will not be a great supply of copper money. Actually, silver is the backbone of commerce because it is conveniently exchanged for all other goods and used to liquidate contracted debts. Some, however, are not affected by the disadvantages derived from debasing of copper coinage. They maintain that debasing silver coins would greatly benefit the State.

I have therefore decided to explain now whether such a move would correct the damage experienced or cause all affairs of State to be subverted, everything going topsy-turvy. I personally believe that the latter will happen. Would that I were a false prophet! This approach, they say, is the way to safety and peace. Outsiders will not be enticed by its quality to lay their greedy hand on our silver and seek profit by diverting it to other nations. Meanwhile, our legal provisions are rendered powerless through fraud and ambition. It is a fact that Spanish silver money is better than that of its neighbors by at least an eighth part. Although they do not go into it, silver would be greater means of curing the king's financial needs, for, if from the exchange of base copper money of little value they bring into the treasury over six hundred thousand gold pieces,

can we imagine what would happen if silver were debased? It is in great supply in Spain, and each year—incredibly—a greater amount is imported from the Indies.

There is the further advantage—that we have no need to get this metal from outsiders, as we do, at great expense, with copper. When they exchange their copper for our silver and gold, they gain a greater benefit—one is reminded of Glaucus and Diomedes.<sup>1</sup> Certainly, we could make a huge profit if the silver were debased by a third or a fourth. Consider, for example, that silver could be devalued in three different ways. First, its value can be increased while the coin remains intact. Then, a silver coin, now worth thirty-four *maravedis*, would by law increase to forty, fifty, or sixty. Second, the weight could be diminished. We currently strike sixty-seven silver pieces from eight ounces of silver. In this situation, we would strike eighty or even one hundred, and each coin would continue to have its earlier value of thirty-four *maravedis*. On examination, this approach differs little from the previous one, because in either case the weight of silver is lessened, and the value increased. The third way involves change by adding more copper, and this is the direction that the tricksters are going.

Today twenty grains of copper are mixed with eight ounces of silver; then they go further: Another twenty or thirty grains are mixed in. In this way, a profit of as much as six silver pieces on eight ounces of silver is made, because each grain equals in value about eight *maravedis*. Now if the yearly shipments from the Indies bring in a million silver marks, at least five hundred thousand gold coins would be added to the treasury annually by means of this debasing. And this income, if sold at a twenty-percent interest, would annually collect revenue in gold, and the profit from this sale would increase to ten million gold pieces, or, according to the Romans, four thousand *sesterces*. Once this type of fraud is introduced, if more copper is added—as seemly likely—profit will increase in direct proportion to the corruption of the metal.

We must recall that silver in Spain for some time has been stamped with the standard of purity of eleven karats (minters call them *dineros*, a standard of silver with twenty-four grains) and four grains, namely, with the admixture

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<sup>1</sup> [When they met on the battlefield in the Trojan war, Glaucus exchanged his gold armor for Diomedes' bronze armor—Trs.]

of no more than twenty grains of copper. This is established by law for the minters of the kingdom. Silversmiths follow the same rule in regard to bullion and unworked silver. This is the same silver that they work with in their shops and make into different vessels. The same has been true for many centuries for the old silver in our churches. There is also a law of John II, king of Castille, as promulgated in the 1435 Parliament of Madrid (petition 31)—the first law in *La Nueva Recopilacion* (bk. 5, title 22). Under these circumstances, I wish to ask these men who want to debase silver: Would their decree apply only to mints, or would it extend also to the workshops of the silversmiths? If they answer, “both places,” confusion will certainly reign. The silver already worked will not remain at its previous price. It will also vary in relation to the time when it was made.

Moreover, experts in this field say that silver, debased with more copper, will not be fit for elegant craftsmanship because of its crudity. Should people wish to resist corruption in money and not extend it to silversmiths, they should always bear in mind that silver, both as bullion and as minted, must be of the same quality. Furthermore, silver, as bullion, will always necessarily be worth more than debased money, to the degree that the money has been debased. The complicated process has been going on for a great many years and only the destruction of the robbers and of the entire land will bring it to an end, as Tacitus maintains in a similar instance (*Annals*, bk. 20).

What, then, is to be done about silver already minted? Is it to be worth the same as new debased money? That would be unjust, because the old is better and will contain more silver. Everyone will prefer it to the new, given the choice. But will it be worth more? That would be fair but also confusing: With the same weight and stamp, some silver coins would be worth more and others, worth less. But if we wish to go back to an earlier state, and to exchange them for just as many new ones, as we indicated was formerly done in England, that transaction will be just as profitable for the king, as it was in the case of copper money. One must consider, however, if this is a new speculation: to exchange good money for bad. It is not profitable to try people’s patience. Patience can become exasperated and wear out and can destroy everything else, as well as be self-destructive.

Now, what will become of gold money? That must be considered, too. And this issue will certainly confound the highest with the lowest, and turn upside

down things better left undisturbed. Once again, the same problems will arise. But if gold is not debased, it certainly follows that a gold piece (which we call a *corona*) will not be valued at twelve silver coins but, rather, at fourteen or fifteen, in proportion to the debasing of silver. As silver is debased, commodities always become more expensive. Then foreigners and natives as well, conscious of the situation, will say: "Twelve new silver pieces contain no more silver than ten of the previous ones; I will subtract the same proportion from the goods I used to give as well." We explained above what will happen if controls are imposed. Furthermore, not all prices can be controlled. Commerce, when interfered with, is like milk that is so delicate that it is spoiled by the most gentle breeze. As a matter of fact, money—especially silver money, because of its quality—is the ultimate foundation of commerce. When it is altered, everything else resting upon it will necessarily collapse.

The stability of silver explains why the disadvantages from the alteration of copper money are not completely obvious. It acts as a restraint on copper money, because, as before, a silver piece is still exchanged for thirty-four *maravedis* of this new and debased coinage. Without this restraint, commerce would all but fail; everything would cost much more than before. Moreover, suppose that our only money is copper and that silver is not being transported from the Indies. All the evils described in the previous chapter would suddenly come upon us in one fell swoop. Silver wards off these evils, because it is honorable and there is a good supply of it in the country.

If this last reason seems weak, then a new and valid argument appears. All monetary income will be diminished to the degree that silver is changed. Someone who has an annuity of one thousand gold pieces will suddenly receive only eight hundred or fewer, depending on the degree of debasing of silver. Certainly, when payment is necessarily made in new money, a thousand gold pieces of new money will not have more silver and will not be more useful for living than eight hundred previous ones. And so, people, scarcely coping with previous taxes, will be oppressed by a new and very heavy one. Among those affected will be churches, monasteries, hospitals, gentlemen, and orphans—no one will be spared. Earlier, the point was clearly made that a new tax cannot be imposed without the people's consent.

We still have to respond to the arguments advanced for the other side. The king gains nothing by profiting at the expense of his subjects, nor may he

seize the citizens' possessions by either sheer force, cunning, or deceit. One man's loss is another man's gain. There is no way around that fact. However, the previous argument asserted that silver was exported because of its excellence. I deny this statement outright, and point out that, although French gold pieces are somewhat better than ours and more valuable, ours are nonetheless found in that country in abundance. Two particular reasons explain this. First, Spaniards import the foreign goods they need, and since they cannot exchange an equal amount of their own goods for the imports, they have to pay money for the excess. Linen cloth, paper, books, metals, leather goods, trifles, different objects and, sometimes, grain are imported. Foreigners are under no obligation to give these goods free of charge, but they do so for other goods they need, and exchange them for money. Second, the king's yearly expenses and payments to foreigners reach three thousand *sesterces*, seven million a year.<sup>2</sup> Unless this sum were paid out to bankers with the authority to postpone payment, when the king needs it, it would not be at hand. Someone, however, may tenaciously insist that the excellence of silver serves the same purpose. I do not disagree, provided that my adversary understands that there is no way to keep foreigners from constantly making their money inferior to ours. In this way, they get their hands on our silver, which they certainly need more than life.

Is there, then, a way to correct the disadvantages that arise from the debasement of, and abundance of copper money? I have never believed that a concrete disadvantage may be corrected by a greater disadvantage, or a sin by a sin. *Some cures are worse than the sickness*. Furthermore, I am not aware of any cure for this illness, except the one that our ancestors constantly used in similar straits, namely: The value of the new money is reduced by half or by two-thirds. If that approach is not enough to heal the wound, the bad money is to be completely recalled and good money put in its place. It is, of course, only just that either solution makes the one who profited from the general disaster pay. But since I see this approach is not common—indeed never employed—it is preferable for those who are in possession of the money to

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<sup>2</sup> [Spanish text reads: "certainly exceed six million"—Trs.]

suffer a loss. Otherwise, by continuing longer in error, we aggravate the causes of a stubborn illness. On the other hand, we can have recourse to devaluating money. This would involve general disaster for all.

It is clear that the pivots on which this entire issue turns are those two values of money that were explained in chapter 4. They must be mutually adjusted if we want things to be sound. That means that money should be legal, but if the values are separated (which, it seems, will happen if silver is debased) every possible evil will come upon the State.

We end with this point: In 1368, when a great part of France was under the English kings, the Prince of Wales, who was running affairs in France for his father, the king, levied a new tax on his vassals. He did this because his treasury was exhausted by the wars he was waging on behalf of Peter, the king of Castille. Very many refused to accept this new burden; others like those in Poitiers, Lemoges, and Rochelle agreed, on condition that the prince would not alter money for the next seven years. Jean Florischart, the French historian, relates this in his *Contemporary History* (vol. 1). This account makes it clear that princes have debased money, but that the citizenry have always disapproved of and rejected it as they could. It would be beneficial if our people would learn from this example and agree to financial subsidies when the king requests them, on condition that the prince promises that money would be stable for as long as they could demand.

## 12 Concerning Gold Money

Gold money varies greatly. I am not talking about the still extant money of the first Roman Emperors—gold coins minted from the most pure gold with their names inscribed on them. On the other hand, when the Goths were in control in Spain, impure and base gold was coined—gold of twelve or thirteen karats—because of many additions. Nonetheless, some of their kings' coins of better gold have been discovered. We have, moreover, seen one coin that was twenty-two karats. We need not go into the monetary arrangements of the kings of Leon and Castille when Spain was coming into power: We do not happen to see gold from that period, and it would be very laborious to delay on it.

I will deal with only those changes that were made in gold from the time of King Ferdinand and Queen Isabella. At the beginning of their reign, these rulers minted coins from very pure gold of twenty-three-and-three-fourths karats, which they called *castellanos*: fifty from eight ounces of gold, with each coin worth four hundred eighty-five *maravedis*. Thus, the eight ounces, once minted, were worth twenty-four thousand, two hundred fifty *maravedis*. But as bullion of the same quality, the *mark* was worth only two hundred fifty *maravedis* less. This difference, after the gold was minted, used to be divided equally among the officers of the mint and owner of the gold. At the same time, eight ounces of twenty-two-karat gold bullion was worth twenty-two thousand *maravedis*, and the bullion weight of a *castellano* was worth four hundred forty *maravedis*, because gold of that sort was not being minted at

that time. Only goldsmiths employed it in their craft. Neighboring nations used gold minted in accordance with our quality and price. This fact created no difficulties.

Then, a little while later, to the glory and prosperity of our nation, the western passage to the Indies was opened and a large amount of gold was imported every year. In their desire for our gold, some of our neighbors debased the quality of their own, and others increased the price of ours. Conscious of these ploys, our people did not debase the quality of their gold at that time; they just increased its price. Therefore, in the 1497 Parliament of Medina the same rulers decreed by law that no more *castellanos* were to be minted but, in their place, *ducats*<sup>1</sup> were to be minted, which they called excellent. From the previous eight ounces of gold of the same purity, sixty-five-and-one-third such coins were to be minted, each valued at three hundred seventy-five *maravedis*. And so, minted gold advanced to twenty-four thousand, five hundred *maravedis*; gold bullion or jewelry of the same weight was worth twenty-four thousand, two hundred fifty *maravedis*. At the same time, eight ounces or a *mark* of twenty-two karat gold was worth twenty-two thousand, five hundred *maravedis*, and the value of a *castellano* was four hundred fifty *maravedis*. This rate continued for several years until it was noticed that the neighbors were further debasing gold.

Thus, in the 1537 Parliament of Valladolid, Charles Augustus changed things completely and decreed by law that gold of precisely twenty-two karats was to be minted. Sixty-eight coins were to be minted from eight ounces, and, called *coronas*, each was worth three hundred fifty *maravedis*. As a result, eight ounces of this money were worth twenty-two thousand, eight hundred *maravedis*. There was no legislation concerning gold bullion or gold, either coined or as jewelry. It was bought and sold by agreement like merchandise. The *Nueva Recopilacion* (bk. 5, pt. 1, law 4, title 24) decrees that goldsmiths were to work no other gold but the purest, or twenty-two karat, or at least twenty karat. Therefore, unlike silver, gold bullion did not always parallel minted gold and was not governed by the law for minted gold. Nonetheless, for the most part, twenty-two karat gold was minted and was common with goldsmiths.

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<sup>1</sup> [Spanish text reads *Dineros*—Trs.]

Because of its lower price in Castille, foreigners kept exporting gold, which had been exchanged for crafts and goods. This fact compelled Philip II, king of Spain, to increase the price of gold in each *corona* by fifty *maravedis* in the parliament of Madrid. Consequently, what used to be valued at three hundred fifty *maravedis* went up to four hundred *maravedis*. With this law, eight ounces of minted gold reached twenty-seven thousand, two hundred *maravedis*. The *castellano* was worth sixteen silver coins or *reales*.

At this point, we may consider the possibility of debasing gold coins. Just as the quality of copper coins was diminished, and just as they are thinking about doing the same with silver coins—as rumor has it—would the State benefit if the same thing were done with gold coins? They would have less quality and be increased in value. The issue is the same. I personally believe that every alteration in money is very dangerous. It is never expedient to mint unlawful money and thus increase by law the cost of something that is commonly considered to be worth less. Nor can our neighbors be prevented from further debasing their money because of our example. We have learned by experience from the four changes made in gold since the time of the rulers, Ferdinand and Isabella, that it is impossible to prevent the gold from being carried off. But if gold coins are greatly debased, perhaps foreigners would scorn it. Certainly, it would lose much of its value. I doubt that such a situation would befit the majesty of Spain. In my opinion, however, it would not cause serious harm if gold were altered by taking away part of its quality and increasing its price. This is especially true because such a change in the past, when repeated frequently within a few years, did not bring serious disadvantages. The supply of gold is always small in comparison to silver, and its use as money is less common and usual. And so, I have not been accustomed to believe that it would be very disadvantageous if an alteration were to occur.

In any event, I have always been convinced that I would wish things to hold to their course and not be concerned with money. Nor does the opposite approach benefit in any way, except to provide income for the prince. And income should not always be our goal, especially by this means, that is, debasing money. As a matter of fact, provided that the original quality and reckoning of copper and silver money remain intact, I would not be too concerned about what happens to gold in either way. Two things are important:

One, that it be done with the consent of the subjects concerned; the other, that the money always be legitimate or legal, and not otherwise. To achieve this end for copper money, both values must be equal: The value of the metal, whether mixed with silver or not, must be computed, as well as the cost of minting. Thus, if eight ounces, or a *mark*, of copper along with the expenses of minting cost only eighty *maravedis*, it is unreasonable to permit its value to be increased by law to two hundred eighty *maravedis*, as is now done. It is unlawful to do so to the degree that legal value deviates from real value.

To preserve parity in the case of gold and silver, their proportional relationship must be considered. If they are of equal purity, gold is compared to silver by a ratio of twelve to one, as Budeus says in *De Asse* (bk. 3). I say of each, “purity or quality,” because just as the purity of gold is commonly divided into twenty-four grades, which the goldsmiths call “karats,” so the purity of silver is divided into twelve *dineros*.<sup>2</sup> Thus, silver of eleven *dineros* ably corresponds to twenty-two-karat gold. And this proportion generally holds between these two metals. Of course, the ratio would change because of the scarcity or plenitude of one or the other metal. They are like other goods: An ample supply lowers the price, and scarcity raises it. As a result, we should not be surprised that the ancient authors do not agree on how gold and silver were related to one another in value.

Therefore, gold and silver money of the same purity and weight should be carefully exchanged at the rate of twelve silver coins for a gold coin, as now happens. For that is lawful. If that value is exceeded or lessened, the whole transaction smacks of fraud. For example, if a gold *corona* is exchanged for sixteen or eighteen silver ones (*reales*), this transaction is a clear-cut violation of monetary justice, unless, of course, the purity of the gold is increased or the purity of the silver lessened. When such is the case, what seemed to be unjust is lawful and in keeping with equity. Finally, it is of the utmost importance that princes do not profit from debased money. Were that permitted, it would be impossible to curb the greed of foreigners and countrymen who, in the hope of great profit, would force upon us counterfeit and adulterated money of the same kind.

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<sup>2</sup> [*Dinero* = the standard for silver = twenty-four grains—Trs.]

## 13 Is There Some Way to Assist the Prince in His Need?

The popular proverb is quite true: “Necessity knows no law.” But another one says: “The stomach has no ears,” which is to say that it is a harsh demander: It does not give way to arguments. But that problem is easily handled: The stomach settles down after eating. Certainly, such needs and wants arise in the State that it is not surprising that those in charge of administration dream up some uncommon and inept remedies. One such remedy is clearly the recently adopted debasement of money. We have explained this point in the arguments of this dissertation, but if this remedy is not satisfactory, we will have to find another more suitable way to fill up the treasury. I do not intend to treat so great an issue. My purpose has been to condemn the alteration of money as a base crime that is full of great disadvantages.

It would be pleasant to address some other ways and means—perhaps more suitable and ultimately more fruitful—of enriching the prince. One might add that there are ways and means that involve no injury to, or groaning of the nation; they will, rather, meet with the greatest approval. First of all, somehow, court expenditures could be lessened, for reasonable and prudent moderation is more splendid and manifests more majesty than unnecessary and unseasonable consumption. In an account of royal taxes and expenses, receipts, and outlays of John II, king of Castille, for the year 1429, we find that the annual expenses of the court, including the ministers’ salaries, gifts,

and the royal table, amounted to hardly thirty thousand gold pieces. Someone might say that these accounts are very old; everything has changed; prices are much more expensive; kings are more powerful, and, therefore, greater pomp and majesty are found at court. I do not deny these facts, but, really, all of these do not adequately explain the difference between the thirty thousand of those days and the twelve hundred thousand that are spent at this time for the support of the court. Moreover, a more recent account of royal taxes, with the expenses for 1564 for the court of Philip II, king of Spain, for the support of prince Charles, his son, and John of Austria, reports that annually they amounted to no more than forty thousand gold pieces.

How, you ask, can court expenses be curtailed? I do not know. Prudent men who are involved in the court should make that determination. Common opinion has it that whatever the purveyor hands over to the stewards is stored in the pantry and paid for automatically. Second, royal gifts would perhaps be smaller if a large tax were added to them. I do not believe that a king should have a reputation for being cheap, or not be sufficiently generous in response to his people's good works and services. I believe that two things have to be taken into consideration. There is, of course, no nation in the world with more and greater public rewards available: commissions, offices, pensions, benefices, military towns, and gifts. Were these distributed reasonably and deliberately, one could dispense with extraordinary gifts from the royal treasury and other income.

Too, we should remember that excessive gifts do not make men more disposed for service, or even well-disposed to the giver. It is human to be led on more by the hope of a future reward than by the memory of a favor received. So true is this, that those who have prospered much at court constantly think of retirement and the peaceful life. No king of Castille lived more magnificently than did Henry IV, and in no other time was the unrest as great. As a result, after Henry's abdication, the nobles made his brother, Alphonsus, king. After his death, they offered the kingdom to Isabella, who was the sister of both of them. Tacitus makes a telling comment at the end of book XIX: "*Vitellium, quia munerum magnitudine magis quam morum constantia amicos habere voluit, magis meruisse quam habuisse.*" ("Vitellius, inasmuch as he wished to have friends because of the greatness of his gifts rather than because of the constancy of his morals, bought more friends than he had.")

Robert of Sorbonne, his confessor and Archdeacon of Tornai, tells us in his life of Saint Louis, king of France, that when he wanted to establish a college in Paris that still bears his name, the Sorbonne—no other college in the world may be compared with it for learning—he asked the king for a contribution. The king answered that he would willingly comply with his request if only chosen theologians, after examining public expenses and income, would determine how he might lawfully contribute to this work. He was a great king and a real saint. If he did not lavish money on this holy work without discernment and examination, would he squander it on fattening up the courtiers, on the vain pleasures of gardens and unnecessary buildings? The reality is that a king has income from the nation to support public works. When he has taken care of them, he may direct it to other things—but not before. If I were to send a commissioner to Rome to foster my affairs, would he be permitted to divert the money that I gave him for necessary expenses to other uses? Similarly, a king is not permitted to apply money given to him by his subjects as freely as he may apply income from lands held as a private citizen.

Furthermore, he should exempt himself from unnecessary expenditures and from wars. Parts that cannot be cured should be timely cut off from the rest of the body. Philip II, king of Spain, wisely separated the Belgians from the rest of his empire. Mapheus<sup>1</sup> indicates in *Indicarum Historiarum* (bk. 6) that the Chinese nation—an empire once much bigger than it is now—as if in a blood-letting and correction of excess, gave up many lands that it could not conveniently govern. Emperor Hadrian did the same thing when he destroyed the bridge that Trajan had built over the Danube. He wished the Danube on the north and the Euphrates in the East to be the limits of the Roman empire, which was already struggling under its own weight.

The fourth rule should be that, first of all, court ministers must be accountable, and after them, the magistrates of the provinces and all others who play any role in the State. We are in a dangerous situation where hardly anyone is safe. The way that people think is really pitiful. They believe that merit now has nothing to do with gaining anything in our land: office, commission, benefice, even a bishopric. Everything is for sale, and nothing is conferred without its price. Although it may not be true and is exaggerated, it is pernicious to

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<sup>1</sup> [Spanish text says “Mateo” (Ricci)—Trs.]

have such a thing stated. In general, royal ministers, penniless nobodies, enter upon public commissions, and almost instantly become blessed and reckon their annuities in thousands of gold pieces. All these things come from the blood of the poor, from the very marrow of litigants and office-seekers.

Moreover, such transformations have led me to think that the State would benefit if it adopted the ways of the Church. Before they assume office, bishops must present a witnessed account of all their possessions. Then, at death, they may leave these things, and nothing else, to those whom they wish. The chosen ministers of court, or magistrates, or other commissioners should have to do what bishops do. Through periodic investigations, they will be forced to render an account of their newly acquired wealth, and will be stripped of that wealth whose definite sources and causes they fail to identify. The treasury would greatly profit from money recovered should this inquiry and investigation be instituted.

Public opinion often condemns those in charge of royal taxes because, by agreement with tax collectors, they usurp a sizable part of the gain and money that the collectors gather. Worse yet, in every city, leaders make money by selling the local or royal laws every year to those who refuse to obey them. They openly grant public privileges to those from whom they secretly receive money. We cannot ignore the different forms of corruption and ways of cheating the provincials. When King Philip II recently decreed that the value of *cornados* rise by an eighth, a favorite of the king, with knowledge of this decision, was proven to have scraped together all the gold brought across the Atlantic each year, and to have made a huge profit.

A certain Jewish chief treasurer asked one of the earlier kings of Castille—John II or his father, Henry, I believe—why he did not play dice with his courtiers to pass the time. The king answered: “How can I do that since I do not own a hundred gold pieces?” The treasurer let that pass at the time. Later, at an opportune time, he said “O King, your statement to me the other day sorely disturbed me. So much so, that I thought I was being indirectly rebuked. If you agree, I will make you wealthy and happy instead of poor.” The king went with his proposal. Then, the treasurer said: “I want control of three secluded castles.” There he intended to keep money and the prisoners proved guilty of crimes in the use of royal money. Then, questioning minor treasurers, he kept finding the royal name on forged documents and other bequests of the

prince, paid with one-third or one-fourth subtracted for those who handled the royal promissory notes. Then he asked those who had been defrauded, if they would be content with one-half of what they had lost, and if they would give the rest to the king. They agreed, considering the offer a gain, since until then they had no hope of future compensation. When these arrangements had been made, he put the treasurer and his bailsmen into chains, where they remained until payment of all the money. In this way, he enriched the treasury.

It would be nice if such could occur at the present time. It would save a large amount of money. Nowadays, this new corruption is an indication of the perverted government—treasurers purchase their positions at a large price—and have to sell the office and profit from the misery of others. They invest the royal money in commerce and do not meet royal debts for a year or two. And most conveniently, after four or eight months, they pay the debt, even with some expense deducted, namely, an ounce or two ounces from the entire sum, as they agreed with the creditor. Such corruption could be eradicated if individuals were investigated as we mentioned above. But, truly or falsely, the claim is commonly made that every one of these treasurers has supporters in the court among the magistrates. Part of the explanation for this is, of course, the hope for speculation. And this misfortune is no less-deadly than the earlier ones. Above all, the royal taxes and income should be taken care of diligently and faithfully. Under current practice, scarcely half of the taxes and income is turned to royal use. Money, transferred through many ministers, is like a liquid. It always leaves a residue in the container. Our *Annals* (bk. 19, chap. 14) testify that the king of Castille, Henry III, by exercising such care, escaped the shameless poverty once found in his court. He used to have to buy ram's meat for dinner and finally wound up very wealthy. He left his son, John II, huge treasures without any complaints from the provincials. His only warning to him and to his brother, Ferdinand, was not to let the ministers get their greedy hands on public money.

Finally, strange and luxurious merchandise—which softens people and which we can do without and suffer no harm—should be sold at a high tariff, for such an approach will discourage their import, something very desirable. Or, if they are imported, the treasury will be bolstered by the tariff levied upon delicacies of foreign people: gold brocade, tapestries, all sorts of perfumes, sugar, and delicacies. Alexander Severus did this once in Rome and was end-

lessly praised. We have discussed this point rather fully in our *De Rege et Regis Institutione* (bk. 3, chap. 7), and so, there is no need to dwell on it here.

I add only this point: The ways to provide for the royal needs discussed here, indeed any one of them, would provide more than the two hundred thousand gold pieces annually, which is the same amount the first authors promised the king in their paper on debasing copper money. Moreover, this will happen without any censure from the people. Rather, the poor will enthusiastically support the measure.

There might be an objection that we should not be surprised to find a means—that is, debasing coinage, being employed that different kings used in the past. We readily reply. Times have changed much since the past: The king's income was much less then; there was no sales tax; there was no gold from the Indies; there was no tax on wine and oil; there were no monopolies, no Church tithes, no crusade subsidies, and kings were not grand masters of military orders. Every year, all of these provide abundant income. The problems were greater at that time: The Moors were at the gates; there were wars with neighboring kings; the nobles were frequently in revolt, and internal rebellion resulted. Now, on the other hand, by the grace of God, there is internal peace throughout all of Spain. I will say absolutely nothing about foreign affairs.

In 1540, Francis I, king of France, debased the *solidus*—the nation's common coin—and his son, Henry mixed in even more copper. Charles IX, following the example of his grandfather and his father, reduced its quality and weight even further. Great difficulties were certainly impending, but the monetary troubles were so great that there was no need to lament the other evils. The afflicted people were in tumult: Ancient religious convictions were changed at random, and very many, driven by want, changed their countries and lived at the mercy of others. The account in our *Annals* (bk. 29, chap. 12) deserves mention here.

Because of Philip of Austria's death and the weakness of his bereaved wife, Maximilian Augustus and Ferdinand the Catholic were long at odds over the administration of Castille and were considering some means of reaching peace. Among other things, Augustus was demanding the payment of one hundred thousand gold pieces from the income of Castille. The Catholic king was not able to grant the request and pleaded, as an excuse, that the public debt had increased to five hundred thousand gold pieces. Clearly, this is a remark-

able response. Taxes were much less than they are now; wars were more serious than ever; and corresponding hopes were aroused. Portugal was conquered and driven out of our territory; Atlantic trade was open; the kingdom of Granada was subjugated; the coasts of Africa, the Basques, and Neapolitans were defeated; moreover, there was peace in the kingdom, and the Italian wars, in which the kingdom always played a major role, were abating. Nevertheless, the kingdom was oppressed by a burden that was indeed light if compared with the debts of our day. It makes sense. A prince of outstanding prudence kept account of income and outlays and did not wish to be pressed further. And that is great wisdom.

It is not reasonable to blame the times. That incident took place in 1509, when a good deal of gold was being brought into the treasury every year. I do not believe that times have changed since then, but men, abilities, morals, and pleasures *have* changed. The weight of these evils will dash this empire to the ground if God does not support it with His favor and saving hand.

Such are my thoughts on the subjects, discussed in this paper, and particularly on the subject of altering and debasing copper money. If such is done, without consulting the people, it is unjust; if done with their consent, it is in many ways fatal. If my arguments have been true and reasonable, I thank God. If, however, I have been mistaken, I certainly deserve to be pardoned because of my sincere desire to help. My knowledge of past evils makes me afraid that we will fall into misfortunes from which it will be difficult to extricate ourselves, but if my statements in this treatise have irritated anyone, he should recall that salubrious remedies are frequently bitter and stinging. Moreover, when a subject is a common concern, everyone is free to express his opinion on it, whether he speaks the truth or is mistaken. Finally, I beg God to shed His light upon the eyes and minds of those who are responsible for these things, so that they may peacefully agree to embrace and put it into action wholesome advice, once it is known.