

“All the news silver can buy!”

# The Castilian Times

Late Edition  
Today, a kingdom in decline. Tomorrow, dominated by England, France, Russia, and Austria.

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Kingdom of Spain, 16<sup>th</sup> to 18<sup>th</sup> Century

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## *The Spanish Empire Weakens*

By SUSAN ELIZABETH RAMÍREZ

The gold and silver coming from the Americas made Spain temporarily wealthy. However, such treasure helped to cause long-term economic problems.

**Inflation and Taxes:** One of these problems was severe inflation, which is a decline in the value of money, accompanied by a rise in the prices of goods and services. Inflation in Spain had two main causes. First, Spain’s population had been growing. As more people demanded food and other goods, merchants were able to raise prices. Second, as silver bullion flooded the market, its value dropped. People needed more and more amounts of silver to buy things.

Spain’s economic decline also had other causes. When Spain expelled the Jews and Moors (Muslims) around 1500, it lost many valuable artisans and business-people. In addition, Spain’s nobles did not have to pay taxes. The tax burden fell on the lower classes. That burden prevented them from accumulating enough wealth to start their own businesses. As a result, Spain never developed a middle class.

**Making Spain’s Enemies Rich:** Guilds that had emerged in the Middle Ages still dominated business in Spain. Such guilds used old-fashioned methods. This made Spanish cloth and manufactured goods more expensive than those made elsewhere. As a result, Spaniards bought much of what they needed from France, England, and the Netherlands. Spain’s great wealth flowed into the pockets of foreigners, who were mostly Spain’s enemies.

To finance their wars, Spanish kings borrowed money from German and Italian bankers. When shiploads of silver came in, the money was sent abroad to repay debts. The economy was so feeble that Philip had to declare the Spanish state bankrupt three times.



## **The Spanish Empire, Silver, & Runaway Inflation**

By JOHN GREEN

Spanish mines in the Americas produced over 150,000 tones of silver between the 16th and 18th centuries, over 80% of the world’s supply. Spain became the richest nation in Europe and Spanish silver pesos became the de-facto currency. But the Spanish royal family does not appear to have understood inflation—and the huge influx of silver caused skyrocketing inflation... And in general, it’s not clear that Spain benefitted much from the discovery of silver. Rich countries have a way of finding their way into expensive and not totally necessary wars, and Spain was no exception...

[The defeat of the Spanish Armada by England is a well-known example.] Knowing that they had an enormous silver “war chest” at their disposal made them much more inclined to build all those ships that got sunk in 1588. And soon enough even a mountain of silver could not pay for all their warring, and the Spanish crown had to borrow money, which they couldn’t pay back, so they defaulted on their debt several times in the 17th century. Yay, silver.

# How keeping it in the family spelled the end of the line for the Hapsburg royal dynasty

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By **DAILYMAIL.CO.UK**

The Hapsburg dynasty, one of the most influential and celebrated in Europe was driven to extinction because of inbreeding, say researchers. The kings who ruled Spain and its empire from 1516 for almost 200 years during the most glorious period in its history frequently married close relatives such as nieces and first cousins. This in turn led to ill health and a high rate of infant and child mortality. Mothers and fathers who share their ancestry make their offspring more vulnerable to birth defects and harmful DNA mutations...

Monarchs tried to consolidate their power by intermarrying and Charles II was the son of Philip IV by his second marriage with Maria, daughter of the emperor Ferdinand III, his niece. The study shows that he was the offspring of a marriage almost as genetically inbred as a relationship between a parent and child or brother and sister...

Study leader Professor Gonzalo Alvarez, of the University of Santiago de Compostela in Galicia, Spain, said: 'He was unable to speak until the age of four, and could not walk until the age of eight... His first wife talks of his premature ejaculation, while his second spouse complains about his impotency. He looked like an old person when he was only 30 years old, suffering from edemas on his feet, legs, abdomen and face...' [He had the] 'Hapsburg jaw'... where the lower jaw grows faster than upper jaw... Charles II's tongue was so big he had difficulty speaking and drooled.

By the time King Charles II died in 1700 without any children from his two marriages, the male line of the Spanish branch of the family, which produced rulers in Austria, Hungary and the Netherlands, died out. His failure to produce an heir, despite having married twice, sparked the War of the Spanish Succession between 1701 and 1714.



The inbred Spanish Hapsburg ruler Charles II

## The Dutch Revolt!

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By **SUSAN ELIZABETH RAMÍREZ**

In the Spanish Netherlands, Philip had to maintain an army to keep his subjects under control. The Dutch had little in common with their Spanish rulers. While Spain was Catholic, the Netherlands had many Calvinist congregations. Also, Spain had a sluggish economy, while the Dutch had a prosperous middle class.

Philip raised taxes in the Netherlands and took steps to crush Protestantism. In response, in 1566, angry Protestant mobs swept through Catholic churches. Philip then sent an army under the Spanish duke of Alva to punish the rebels. On a single day in 1568, the duke executed 1,500 Protestants and suspected rebels.

The Dutch continued to fight the Spanish for another 11 years. Finally, in 1579, the seven northern provinces of the Netherlands, which were largely Protestant, united and declared their independence from Spain. They became the United Provinces of the Netherlands. The ten southern provinces (present-day Belgium) were Catholic and remained under Spanish control.