

ÉCOLE DES HAUTES ÉTUDES EN SCIENCES SOCIALES



THÈSE POUR L'OBTENTION DU TITRE DE DOCTEUR EN SCIENCES ÉCONOMIQUES

Sacré Crédit !

*The Rise and Fall of Ecclesiastical Credit in Early
Modern Spain*

CYRIL MILHAUD

MEMBRES DU JURY

Directeur de Thèse

Jérôme BOURDIEU Directeur de Recherche, EHESS, INRA et Paris School of Economics

Rapporteurs

Guillaume DAUDIN Professeur, Université Paris Dauphine

Bartolomé YUN CASALILLA Professeur, Université Pablo de Olavide de Séville

Examineurs

Pierre-Cyrille HAUTCOEUR Directeur d'Études, EHESS

Alejandra IRIGOIN Professeure Associée, London School of Economics

Gilles POSTEL-VINAY Directeur de Recherche, Paris School of Economics

Remerciements

Cette thèse a été conçue à la London School of Economics, à l'Ecole d'Economie de Paris et lors des divers séjours de recherche effectués à Madrid, Murcie et Soria. J'aimerais remercier le personnel de l'Archivo Histórico Nacional, de l'Archivo Histórico de Protocolos, des archives du Registro de la Propiedad et de la Biblioteca Nacional à Madrid, ainsi que celui de l'Archivo Histórico Provincial de Soria et des archives municipales de Tarazona. La thèse a été financée par une bourse doctorale de l'EHESS ainsi que par le fonds de recherche de l'Ecole d'Economie de Paris, le fonds Sarah Andrieux et la bourse de mobilité de la région Ile-de-France (AMI).

C'est à Londres que j'ai rencontré Alejandra qui m'a lancé sur la piste des opérations de crédit des institutions ecclésiastiques. Fuiste detrás de cada línea y de cada pensamiento de mi tesina. Además, pasaste horas formando y educando a mi mente, a veces demasiado impaciente de investigar. Durante mi tesis, leíste a menudo mi trabajo, comentando mis conclusiones, apoyándome, animándome con críticas constructivas. Hoy, te considero una amiga y te agradezco tanto por esta amistad y tu generosidad.

Derrière chaque ligne de ma thèse, se tiennent bien sûr également mon directeur de thèse Jérôme et puis Gilles. Jérôme, je te remercie d'avoir accepté de me prendre pour élève ce mois de Février 2013, d'avoir préparé mon dossier de bourse en une semaine et de m'avoir fait confiance alors que tu ne m'avais jamais rencontré. Le risque était important, surtout lorsque je t'ai annoncé le sujet sur lequel je désirais travailler. Certainement une première preuve de ton ouverture d'esprit. Tout au long de ma thèse, ton regard extérieur et critique d'un domaine que tu connaissais pourtant peu ont apporté une vision originale et "intuitive" du sujet et des questions qu'il posait. Gilles, je ne saurais comment te remercier suffisamment. L'accord était clair: lorsque j'ai toqué à ta porte, tu m'as dit que Jérôme m'encadrerait mais que tu serais aussi à mes côtés. Je ne pouvais en espérer autant. Ta connaissance encyclopédique de l'historiographie et des marchés du crédit français du XVIIIe siècle et des problèmes qu'ils posent m'ont guidé tout au long de ma thèse et m'ont permis d'éviter bien des écueils. Tes corrections, à la virgule près, étaient toujours précises et intelligentes. Ton engagement envers ton travail et ta porte toujours ouverte pour ton élève m'ont donné un modèle.

Ensuite merci à Guillaume Daudin et à Bartolomé Yun d'avoir accepté de rapporter cette thèse. Vos commentaires, lors de la pré-soutenance étaient les bienvenus et ont permis d'en améliorer grandement le contenu. Cher Guillaume, le modèle de gravité apporte un vrai plus au Chapitre 2. Cher Bartolomé, vous me suivez et lisez depuis bientôt deux ans et vos conseils m'ont

notamment permis d'y voir plus clair dans l'historiographie espagnole et dans le fonctionnement de l'économie politique de l'époque. Merci également à Pierre-Cyrille Hautcoeur de faire partie de mon jury de thèse malgré un emploi du temps plutôt chargé!

Au cours des quatre dernières années, j'ai pu profiter des commentaires, des critiques et des relectures de nombreuses personnes qui ont contenu mes doutes et également mes certitudes. Merci à Leandro Prados, qui a été le premier à m'encourager dans ma volonté de faire de l'histoire économique, Anne-Célia Disdier pour son aide sur le modèle de gravité ainsi que Rui Esteves, Oscar Gelderblom, Regina Grafe, Eric Monnet, Thomas Piketty, Angelo Riva, et Jean-Laurent Rosenthal. Je remercie également les participants au séminaire d'histoire économique de l'université d'Utrecht, ceux du séminaire des doctorants de la LSE, du groupe d'histoire moderne de CalTech et du séminaire d'histoire économique de Jourdan.

Bien entendu ce travail n'aurait pas été possible sans le soutien de l'équipe administrative et informatique. Je pense bien sûr à Mitzi, Eliane, Radja qui m'a très souvent permis de sortir de l'impasse informatique, et plus particulièrement à Béatrice. Ta joie de vivre et ton humour ont été un rayon de soleil pour moi tous les jours. Il n'y avait pour moi qu'une seule raison à ma volonté farouche d'habiter le 5e étage: perpétuer nos habitudes du couloir du RDC du bâtiment B.

Je n'ai pas de co-auteur mais j'ai des amis apprentis chercheurs! Mes premières pensées volent immédiatement vers Mélissa et Rozenn. Vous avez été les premières dès mon arrivée et notre point d'honneur à ne pas parler travail ainsi qu'à assister au maximum d'évènements comprenant cidre et galettes des rois a tout de suite fonctionné comme un catalyseur. Nous y retrouvions d'ailleurs souvent Béatrice. Paola et Yasmine, arrivée plus tard, ont enrichi ce cercle dans lequel il a fait bon vivre.

Mes co-bureaux ensuite, qui ne le sont plus, mais les habitudes de langage sont les plus dures à partir. Nathalie, Cristina, Mattea et Thomas. Que dire de leur patience? Exemple. Mattea a dû participer à de nombreuses recherches informatiques et prosopographiques. Nathalie a dû endurer mes questions incessantes sur LaTeX, Cristina m'expliquer la différence entre une régression de poisson et une OLS dans le cadre d'un modèle de gravité, et enfin Thomas, arrivé le dernier mais qui a certainement le plus souffert, a été derrière tous mes calculs et a eu le malheur de me connaître au moment où je découvrais stata. J'ai essayé de me faire pardonner avec quelques dîners à la maison, et surtout je brandissais toujours la carotte des remerciements dans ma thèse. Je ne suis pas certain que ce fut la raison de leur aide, mais plutôt leur grande générosité.

Il y a les amis de PSE et il y a les autres! Leur question préférée était: alors elle en est où cette thèse? Ou encore: mon dieu, mais tu fais encore ta thèse cette année?! Une mention spéciale à Olivia, PD, Julien, Gagoune, Laura, Bénédicte, Charlotte, Bastou, Anaïs, Samira, Marie, Caro, Elise, mes amis londoniens Tim (dont la relecture d'un texte pour l'EHSC un mois de Décembre 2015 m'a littéralement sauvé de l'humiliation publique), Kike et Vigyan Vigyan, et mon américaine de l'Ohio, Rachael, qui a partagé mes errances archivistiques à Madrid.

Enfin la famille. Je pense d'abord à ceux qui ne sont pas là et qui me manquent: Papy, Marraine et Bernard. Vous êtes dans mon coeur et je pense à vous, notamment dans ce moment.

Ensuite un mot spécial pour mes parents: vous m'avez toujours soutenu, quels qu'aient été mes choix. Dans la pudeur et le respect. Votre implication dans mes projets, inconditionnelle et constante, m'apporte du réconfort et du recul. Mes frères, eux aussi, ont été présents tout le long. En particulier, ils ont été à l'origine des superbes cartes qui se trouvent dans la thèse. Xavier a aussi pris son stylo pour tenter de me faire comprendre la distribution d'une loi de poisson. J'ai, à ce moment-là, dû ouvrir une bouteille supplémentaire.

Je termine bien sûr par Olivier. Tu as été depuis les débuts un soutien sans faille. A tes côtés, j'avance et je suis apaisé. Un projet se termine. Merci de m'avoir accompagné à chaque instant dans celui-ci et d'être sur la ligne de départ pour les autres.

Table des matières

Remerciements	iii
Introduction générale	1
1 Les institutions du crédit	11
1.1 Instruments et régulation	11
1.2 L’Eglise et le crédit en Espagne	17
1.2.1 La position dominante des institutions ecclésiastiques dans le marché du crédit de long terme	17
1.2.2 Les mécanismes du crédit ecclésiastique	21
1.2.3 Le maillage ecclésiastique étroit du territoire espagnol	26
2 Fragmentation of capital markets in early modern Spain? Composite monar- chies and their jurisdictions	29
2.1 Introduction	29
2.2 Jurisdictional effects in a gravity model	31
2.2.1 An empirical model of capital flows	32
2.2.2 The data	34
2.2.3 Results	36
2.3 A qualitative robustness check	37
2.3.1 Historical background	37
2.3.2 New data on private annuities	39
2.3.3 Results	41
2.4 Capital markets and jurisdictional fragmentation	48
2.5 Composite monarchies, justice, and political economies	51
2.6 Conclusion	53
2.7 Appendices	55
3 Priests or bankers? Ecclesiastical credit in early modern Spain	59
3.1 Introduction	59
3.2 The Theresian Carmelite Order: a case study	61

3.3	The Theresian Carmelite Order: a comparison with the Jesuits	75
3.4	Conclusion	77
3.5	Appendices	78
4	Financial repression as a debt management tool: Evidence from late-eighteenth century Spain	89
4.1	Introduction	89
4.2	Government borrowing and crowding out (1768–1808)	91
4.3	The role of financial repression	102
4.3.1	The Tobacco <i>censos</i>	102
4.3.2	The <i>vales reales</i>	106
4.4	Persistent negative debt management outcomes	109
4.5	Conclusion	113
4.6	Appendices	115
	Conclusion générale	123
	Sources primaires et publications officielles	125
	Bibliographie	128

Table des figures

1	Taux d'intérêt maximum légal sur les rentes privées, 1600–1800	5
1.1	Les fondations pieuses et le crédit	25
1.2	Répartition du clergé en Espagne en % de la population (fin du XVIIIe)	28
2.1	Early Modern Spain	38
2.2	Borrowers' hometown in Ágreda, Noviercas, and Ólvega, 1725.	42
2.3	Borrowers' hometown in Ágreda, Noviercas, and Ólvega, 1735.	43
2.4	Borrowers' hometown in Soria, 1735.	44
3.1	The origin of the money lent by the General Curia to the Marquis of Tasso	69
3.2	Distribution of interest rates, 1705–1807	70
3.3	General Curia's cross-border lending to its local convents, 1700–1807	73
4.1	A simple model of credit rationing	93
4.2	Topographic map of the city of Madrid, 1768	95
4.3	Lending volume (<i>censos</i>) in Madrid, trend, and residual (<i>PrivLEND</i>), 1768–1807	96
4.4	Government borrowing and lending in Madrid (deviations from trend)	97
4.5	Response of <i>PrivLEND</i> to 1 per cent increase in <i>GovBOR</i>	100
4.6	Market interest rate for <i>censos</i> , 1768–1807.	101
4.7	Real annual volume of new loans in Madrid, 1769–1852	111
4.8	Real annual stock of mortgage credit in Madrid, 1768–1853	112

Liste des tableaux

1.1	Evolution de la population ecclésiastique	26
2.1	Summary statistics	35
2.2	The gravity equation: PPML estimator	36
2.3	Private annuities in Castile and Aragon, 1725 and 1735	41
3.1	Loans of the General Curia, 1700–1807	71
3.2	Inside the General Curia: loan amount by lending activity	74
3.3	Outstanding loans of the Jesuits’ provincial house of Old Castile, 1764	76
4.1	OLS regression results: government borrowing and private lending	98
4.2	IV regression results: government borrowing and private lending	99
4.3	Tobacco <i>censos</i> signed in Madrid and in Spain, 1780–86	104
4.4	Lenders to the Tobacco Monopoly in Madrid, 1780–1808	105
4.5	Lenders in Madrid (<i>censos</i>), 1768–1808	105
4.6	Borrowers in Madrid (<i>censos</i>), 1768–1808	106

Introduction générale

Unanime est le constat du déclin relatif de l'Espagne par rapport à ses principaux voisins européens après le siècle d'or.¹ Né de l'union de la couronne de Castille avec celle d'Aragon, le pays a d'abord connu une ascension spectaculaire. A la fin du seizième siècle, il domine le monde et la conquête des Amériques donne naissance à l'Empire espagnol qui durera plus de trois siècles. La conquête de Naples et l'acquisition des Pays-Bas, de la Bourgogne, des Flandres, de la Franche Comté et de Milan sous Charles Quint puis du Portugal sous Philippe II assurent à l'Espagne une hégémonie politique et économique au sein de toute l'Europe.

Pourtant, à la fin du dix-neuvième siècle, son développement économique fait figurer l'Espagne comme l'exemple même des pays habituellement désignés comme "retardataires" par l'historiographie. Non seulement le pays n'a pas réussi son intégration économique et financière, mais il n'a pas non plus achevé son intégration politique.

Cette chronologie a alimenté de nombreux travaux sur le développement économique et financier de l'Espagne qui peuvent être rangés en deux catégories. La première, que les économistes affectionnent particulièrement, dénonce la nature prédatrice de la monarchie espagnole comme responsable de son déclin économique, et ceci même si quelques ports bénéficient du dynamisme du commerce atlantique.² Serait en cause, le pouvoir absolu du roi responsable d'un système centralisé reposant sur la coercition et susceptible — à l'inverse du modèle politique anglais — d'organiser hors de tout contrôle une fiscalité siphonnant les ressources. Selon cette historiographie, l'absence de représentation politique aurait conduit à un double échec. Elle aurait fait obstacle au développement d'un système financier apte à propulser l'Espagne sur la trajectoire d'une croissance économique moderne. *In fine*, elle aurait même empêché la monarchie de lever les sommes nécessaires à son fonctionnement et d'abord à ses besoins militaires, compromettant ainsi sa survie dans le concert des nations.

La deuxième catégorie suit les travaux d'Elliott en mettant en avant la nature "composite" du royaume (Elliott, 1992). Loin d'être un Etat centralisé et unifié, l'Espagne était bien plutôt le résultat d'un assemblage de territoires divers (Castille et León, Aragon, Navarre, et les provinces basques) qui ont préservé l'essentiel de leur structure politico-administrative et de leur

1. On the decline of Spain, see Hamilton (1938); Elliott (1961); Alvarez-Nogal & Prados de la Escosura (2007, 2013).

2. North & Thomas (1973); North (1981, 1989); Tilly (1990); Acemoglu *et al.* (2005). Sur les conséquences de l'absolutisme espagnol dans ses colonies, voir North *et al.* (2000); Acemoglu *et al.* (2001, 2002).

indépendance, au point qu'elle était souvent appelée à l'époque "les Espagnes". Selon des études récentes, ce manque d'unification pourrait avoir été un obstacle majeur au développement économique de certains Etats européens durant l'époque moderne (Dincecco, 2009; Epstein, 2000). L'Espagne en serait le meilleur exemple. Selon Yun Casalilla (1998), le système politique espagnol était le résultat d'une série de pactes entre les territoires, les villes, les corporations, l'Eglise, et une monarchie qui jouait plus le rôle de médiateur que celui de prescripteur. Jusqu'au début du dix-neuvième siècle, la souveraineté y est restée partagée et a impliqué un degré élevé de décentralisation.³

Le résultat en a été le maintien d'un système économique et social qui a rapidement atteint les limites de sa capacité productive. Récemment, Grafe (2012) a notamment montré comment la constitution de cet Etat "composite" a entravé, par des obstacles juridictionnels, le développement des marchés internes. Ce serait le manque de coordination, et non la prédation, qui aurait freiné le développement économique espagnol. Notre étude s'inscrit dans ce dernier axe de réflexion.

Il y a beaucoup de raisons de s'écarter de la première vision dont la construction même soulève des problèmes manifestes. En premier lieu, comme bien d'autres nations européennes, le système politique espagnol était caractérisé par la décentralisation du pouvoir et de son système fiscal et non par son absolutisme. Nous montrerons ici la fragmentation endémique dont souffraient les marchés du crédit espagnols, une fragmentation davantage juridictionnelle que géographique. En ceci, l'Espagne n'est pas différente du reste de l'Europe, elle en est plutôt représentative. Ensuite, cette analyse impliquerait d'admettre qu'avant le développement des marchés financiers "modernes", les transactions étaient avant tout interpersonnelles, ce qui aurait enfermé le crédit dans des limites étroites. La situation en matière de crédit serait de ce point de vue caractérisée par une rareté endémique des prêts dès lors que l'on s'aventurait en dehors du cercle de ses relations personnelles. Or il n'en allait pas ainsi. Non seulement les intermédiaires financiers étaient nombreux mais, parmi eux, un groupe se singularisait par la masse de capitaux qu'il mobilisait et par les milliers et milliers de prêts qu'il octroyait chaque année à des contractants qui a priori ne se connaissaient pas.

L'historiographie espagnole a depuis longtemps mis en lumière la place considérable des institutions ecclésiastiques dans les marchés du crédit de long terme.⁴ A l'époque, cette place de choix n'allait nullement de soi. En effet, la participation de l'Eglise dans les marchés du crédit en Angleterre, en France, ou encore aux Pays-Bas, n'était que limitée (Godwin James, 1948; Hoffman *et al.*, 2001; Gelderblom *et al.*, 2016). Cependant, au sein de sociétés plus semblables

3. Schaub (1995) et Yun Casalilla (1995) proposent une bibliographie importante sur le thème. Les ouvrages les plus représentatifs sur la vision générale de la monarchie espagnole sont Fernández Albaladejo (1992); Jago (1981, 1985); Thompson (1982, 1990). De manière plus détaillée, Fortea Pérez (1990) illustre magnifiquement les relations entre les oligarchies urbaines et la monarchie, tandis que Yun étudie les rapports entre la couronne et la noblesse (voir Yun Casalilla (1987a, 1991) pour la période avant 1600 et Yun Casalilla (1990) pour le dix-septième siècle). Enfin, les travaux de Grafe et Irigoien remettent en cause la vision d'une monarchie prédatrice dans l'Empire espagnol (Grafe & Irigoien, 2008, 2012).

4. Ce point est développé dans le Chap. 1.

comme l'Italie, les institutions ecclésiastiques prêtaient également largement.⁵ Ce rôle considérable s'inscrit en partie dans un marché du crédit très fragmenté comme nous l'analysons dans le Chapitre 2. Mais certaines institutions ecclésiastiques sont parvenues à surmonter les obstacles juridictionnels engendrés par la fragmentation politique et territoriale de l'Espagne. En développant une gouvernance économique sophistiquée, elles ont facilité les transferts monétaires entre les territoires historiques et ont pu mobiliser des sommes importantes en supportant des coûts de transaction très faibles.⁶ A la fin du dix-huitième siècle, ce système de crédit hiérarchisé s'est pourtant arrêté brutalement. Le Chapitre 4 montre comment la monarchie s'est attaquée aux principales institutions du crédit de long terme de son époque pour financer des guerres coûteuses. Elle a ainsi brisé un système de crédit composé d'institutions ecclésiastiques qui avaient réussi à accomplir ce qu'elle-même n'était jamais parvenue à faire tout au long du dix-huitième siècle: intégrer le marché espagnol.

Comme tout autre, cette étude a des limites. En premier lieu parce qu'elle privilégie le crédit à moyen et à long terme et délaisse le crédit à court terme. Portant sur des durées brèves — en général de l'ordre de trois mois —, ce dernier était avant tout utilisé dans le commerce pour les transactions de marchand à marchand. Cette limitation n'a pourtant qu'une portée réduite étant donné que les crédits de long terme sont ceux traditionnellement associés au financement du développement économique. Utiliser des crédits courts pour financer des opérations plus longues comporte de grands risques. Diamond & He (2014) soulignent que la dette de court terme engendre une probabilité importante de défaut car le temps imparti pour son remboursement ne laisse que peu de place à la levée d'incertitudes majeures. Le renouvellement répété de prêts à court terme comme alternative au crédit à long terme était d'ailleurs une pratique peu courante. Dans les mots de Hart & Moore (1994), la dette de long terme marche donc comme une protection pour l'emprunteur. Cela explique pourquoi les crédits de long terme sont habituellement destinés à l'acquisition de capital fixe, par exemple, de terrains ou d'équipements. L'hypothèse généralement faite dans les modèles de croissance établit d'ailleurs l'investissement de long terme comme moteur de la croissance de la productivité (De Long & Summers, 1991).

En ce qui concerne l'époque moderne, il n'est pas possible d'établir clairement si ces crédits de long terme servaient l'investissement productif et la croissance ou s'ils permettaient simplement de consommer des produits de luxe et de rembourser de vieilles dettes. En Espagne, nous pouvons cependant établir qu'ils avaient diverses fonctions. Dans les contrats de crédit que j'ai pu observer au sein de l'espace urbain de Madrid (Chapitres 3 et 4), les motivations de l'emprunteur (lorsqu'elles étaient mentionnées) faisaient echo en majorité au secteur de la construction: que ce soit l'édification d'une nouvelle maison ou la réalisation de travaux plus ou moins importants.⁷ Dans le milieu rural (étudié au Chapitre 2), l'achat d'une terre ou la construction d'une ferme était la raison la plus souvent avancée. De nombreuses références sont

5. Pour une comparaison avec la Castille, Vaquero Piñeiro (2007). Voir aussi Alonzi (2005) et Lorenzini (2007).

6. Voir Chap. 3.

7. Feinstein (1978, p. 41) établit d'ailleurs que, à la même époque, la construction est le premier secteur de l'économie anglaise, représentant 60% de la formation brute de capital fixe (années 1760).

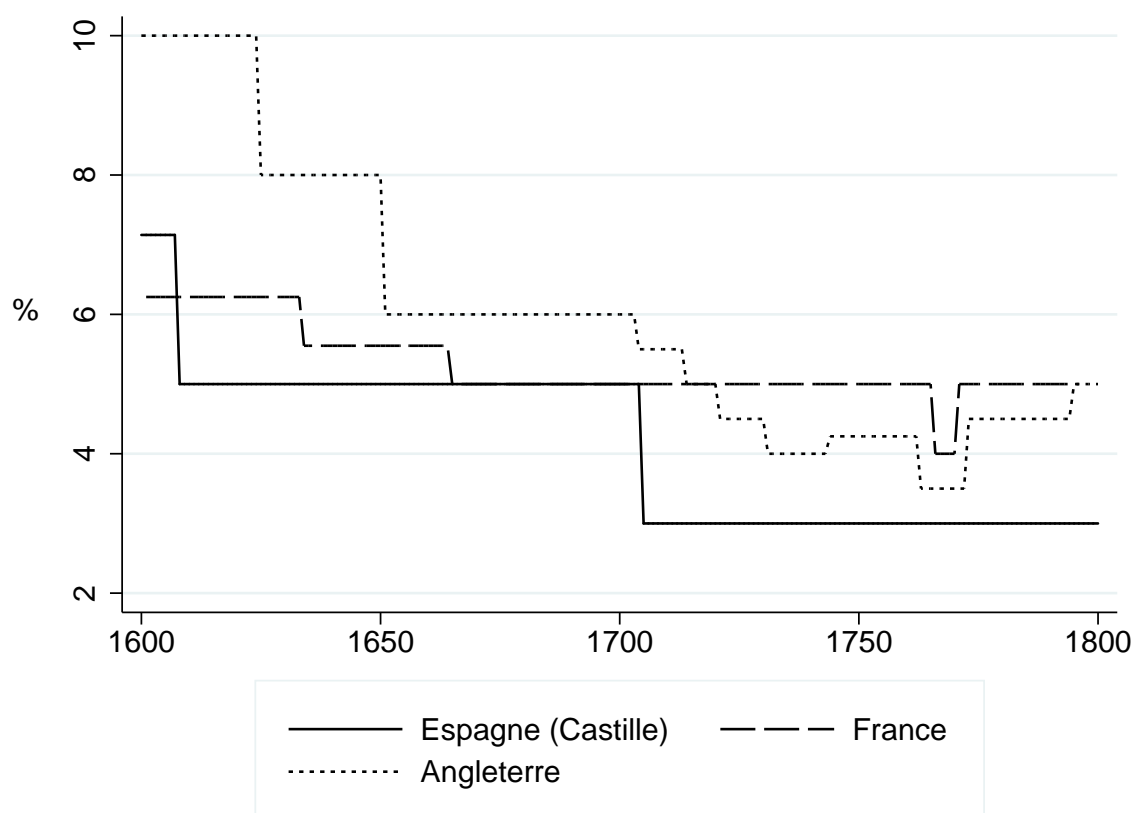
aussi faites à l'amélioration des capacités productives dans les campagnes grâce aux *censos* ecclésiastiques.⁸ Cependant, ces contrats de rentes pouvaient aussi avoir d'autres motivations, plus éloignées du concept d'"investissement". Tello Aragay (1994) soutient que les *censos* n'étaient ainsi utilisés qu'à la fin d'un cycle d'endettement pour restructurer de vieilles dettes, notamment dans le milieu rural. D'ailleurs, tout le monde n'était pas bon payeur, les nobles et les villes en premier. Mais qui de mieux placé que l'Église pour gérer ce problème? Non seulement elle disposait d'un pouvoir politique et social important comme pilier de la société espagnole mais elle était aussi la principale institution de crédit de l'époque et disposait d'un pouvoir de négociation non négligeable face aux emprunteurs. Plusieurs marchés de *censos* existaient donc et nous ne pouvons pas établir si ces prêts étaient dévorés par la consommation somptuaire ou s'ils servaient l'investissement. En réalité, nous observons l'un et l'autre et laissons à d'autres le soin de trancher cette question. Par contre, nous pouvons affirmer l'importance des sommes en jeu dont apparemment une part non négligeable était certainement destinée à l'investissement.

Une autre limite vient de ce que cette étude se concentre essentiellement sur l'activité financière des institutions ecclésiastiques au détriment de celle d'autres intermédiaires financiers comme les marchands, les banquiers, les agents de change ou les financiers. Ces derniers intervenaient sur des marchés particuliers. Le commerce se finançait auprès des marchands et des banquiers. L'État, lui, recourrait aux financiers et, encore, aux banquiers pour obtenir des emprunts de court terme. Cependant, disposer d'une information détaillée sur le poids des autres intermédiaires financiers a moins d'importance parce que l'on pourrait penser tant les institutions ecclésiastiques disposaient d'une position dominante sur le marché du crédit de long terme dans l'Espagne du dix-huitième siècle. Ensuite, les observatoires que j'ai mobilisés couvrent l'ensemble des acteurs impliqués dans les activités financières: c'est le cas des minutes notariales dans le Chapitre 2 ou d'une institution publique et universelle d'enregistrement des contrats hypothécaires dans les Chapitres 2 et 4.

Enfin, certains s'étonneront sûrement du peu d'attention que nous prêtons aux taux d'intérêt. Sous l'Ancien Régime, de nombreux prêts ne mentionnaient pas l'intérêt. L'interdit religieux envers l'usure constituait un obstacle important, qui n'a été levé que lentement (Clavero, 1996; Munro, 2004). Au cours de l'époque moderne, le crédit à court terme s'est épanoui grâce à la lettre de change et le crédit à long terme s'est développé à travers le contrat de rente, qui n'était pas alors considéré comme un crédit. L'intérêt que pouvait procurer un contrat de rente était régulé et ne devait pas dépasser un certain seuil, 5% en Castille jusqu'en 1705 puis 3% ensuite (Figure 1). Des prêts hypothécaires, appelés *censos consignativos*, étaient accordés à des taux encore plus bas, oscillant souvent entre 2 et 3% au cours du dix-huitième siècle. Ces taux d'intérêt ne commencèrent à monter qu'à la toute fin du dix-huitième lorsque l'Espagne s'est trouvée engagée dans la série des guerres européennes qui ont abouti à l'invasion napoléonienne de la péninsule en 1808.

Les prêts payaient donc un intérêt plafonné, ce qui soulève la question du rationnement de ces marchés du crédit à l'époque. Pourtant, le prix du crédit est longtemps resté inférieur au

8. Par exemple, Vilar (1962, pp. 256–61) mentionne la construction d'infrastructures hydrauliques.

Figure 1 – Taux d'intérêt maximum légal sur les rentes privées, 1600–1800

Source: Elaboration de l'auteur à partir de Postel-Vinay (1998, pp. 94, 378), Allen (1988, p. 34), and Alvarez Vázquez (1987, p. 222).

plafond de l'usure au cours du dix-huitième, qui était déjà lui-même très bas. Lorsque le taux légal maximum était atteint, comme ce fut le cas à la fin du siècle, la question du rationnement du crédit peut alors se poser. Selon Stiglitz & Weiss (1981), la montée des taux d'intérêt contribue à éliminer les "bons" emprunteurs du marché pour ne laisser que les "mauvais" aux projets plus risqués. En effet, ces derniers sont prêts à payer un taux d'intérêt plus élevé alors que les "bons emprunteurs" se retirent du marché plutôt que de devoir payer plus que le risque qu'ils font encourir au prêteur. Ce phénomène — la sélection adverse — provoque la constitution d'un équilibre de rationnement.⁹ Cependant, avec un taux d'intérêt "plafond", la question à l'époque moderne se posait en d'autres termes. En réalité, les transactions se décidaient plutôt en fonction d'un savoir partagé, le fait qu'un bailleur avait de l'argent à prêter, ou sur la solidité des garanties qu'offrait un emprunteur. L'information jouait donc un rôle fondamental et le prix ne reflétait qu'un équilibre de second rang. Toute la difficulté consistait à obtenir une information complète et fiable sur les capacités de paiement de l'emprunteur. Nous verrons à quel point cet objectif était central pour les institutions ecclésiastiques dans les Chapitres 2

9. L'article pionnier en la matière est bien sûr celui d'Akerlof (1970) et Jaffee & Russell (1976) sont les premiers à montrer que le rationnement du crédit pouvait constituer un équilibre.

et 3. Celles-ci se souciaient avant tout de connaître les risques particuliers que présentait un emprunteur. De ce fait, le crédit qu'elles distribuaient était rationné dès lors que les candidats à l'emprunt ne présentaient pas les garanties exigées. Était ainsi exclu un groupe d'individus qui aurait pu obtenir un prêt avec une offre de crédit plus importante.¹⁰ La fin du dix-huitième siècle a notamment constitué une période de rationnement important du crédit provoquée par les guerres et la répression financière mise en place par la monarchie pour pouvoir les financer.

Pour familiariser le lecteur avec le contexte institutionnel, nous commencerons par décrire les institutions des marchés du crédit, c'est-à-dire les instruments du crédit, sa régulation, et ses acteurs (Chapitre 1). À partir de sources secondaires, nous mettrons en lumière le rôle fondamental des institutions ecclésiastiques dans le marché du crédit de long terme et les moyens dont elle a disposé. Le lecteur pourra toujours revenir à ce chapitre introductif s'il souhaite avoir des précisions sur l'un des points évoqués.

Le deuxième chapitre présente une analyse des marchés du crédit de long terme dans l'Espagne moderne en s'appuyant sur échantillon original de contrats de rentes privées (*censos consignativos* ou *censales*) réalisé dans les provinces de Soria en Castille et de Saragosse en Aragon. Tout en confirmant la position dominante des institutions ecclésiastiques sur les marchés du crédit, ce chapitre met en évidence la fragmentation territoriale considérable qui caractérisait ces marchés. En particulier, alors que ces deux provinces connaissaient un différentiel de taux de deux points de pourcentage dans la première moitié du dix-huitième, nous constatons en analysant les lieux de résidence des contractants que presque aucun flux de capitaux ne franchit les limites des deux royaumes pour tirer parti de cet écart. En Castille ensuite où les taux sont identiques, l'utilisation d'un modèle de gravité montre que les flux de capitaux intra-juridictionnels sont dix fois plus importants que les flux inter-juridictionnels, toutes choses égales par ailleurs. Les marchés du crédit privé de long terme où l'information était avant tout locale souffraient en sus d'une fragmentation juridictionnelle très forte, non seulement entre les royaumes, mais aussi au sein d'un même territoire.

Néanmoins, nous montrerons que cette fragmentation n'était pas générale, précisément du fait de la capacité du principal intervenant, le crédit ecclésiastique ici, à faire sauter les limites juridictionnelles. Le troisième chapitre examine les opérations de crédit de l'Ordre des Carmes Déchaux, et en particulier de sa Curie Générale située à Madrid. L'analyse des portefeuilles de prêts et de la gouvernance économique de l'ordre dévoile un système de fourniture du crédit organisé pour dépasser la segmentation spatiale des marchés courants. Divisée en trois niveaux — couvents et monastères locaux, curies provinciales, et enfin au centre, la Curie Générale — l'institution ecclésiastique pouvait offrir une gamme hiérarchisée de services allant du petit prêt au paysan local aux grandes opérations financières du roi, de la noblesse madrilène, des conseils municipaux, et des compagnies marchandes. D'autre part, la mise en commun des ressources des couvents locaux organisée par les curies provinciales et la Curie Générale de l'ordre permettait de répondre à des demandes de prêts plus élevés et de trouver des débouchés pour les capitaux

10. Stiglitz & Weiss (1983) montrent que cette situation peut également aboutir à de la sélection adverse.

inutilisés des couvents locaux, tout en maintenant les coûts d'information et de transaction au minimum. Une population nombreuse et diversifiée pouvaient ainsi se passer des banques car les institutions ecclésiastiques avait trouvé des solutions originales aux problèmes d'asymétries d'information et de fragmentation du marché.

Enfin, le dernier chapitre analyse le déclin des institutions ecclésiastiques dans les marchés du crédit au tournant du dix-neuvième siècle. Il propose une analyse quantitative de l'impact des emprunts de guerre sur le volume des emprunts privés (*censos consignativos*) entre 1768 et 1808. Il montre les effets des opérations successives de désamortissement (*desamortización*) qui consistaient en l'appropriation progressive des biens de mainmorte — autant la propriété foncière que les actifs financiers — par la monarchie. Ceux des principaux prêteurs — les institutions ecclésiastiques et les majorats — ont ainsi été les premiers concernés par cette politique qui, si elle était destinée à renflouer les finances publiques, a aussi entraîné un recul spectaculaire du marché de crédit de long terme. Après une domination de près de trois siècles sur les activités de crédit espagnoles, les institutions ecclésiastiques ont disparu en seulement deux décennies. Parallèlement, le principal instrument de crédit de long terme (*censo consignativo*) est alors rapidement devenu une antiquité et a cédé la place à un nouvel instrument — l'obligation. Celui-ci étant de durée bien moindre, l'encours des obligations hypothécaires ne rattrapera celui des *censos* au temps de leur apogée que dans les années 1840.

Sources et archives

Ce travail de thèse repose sur la consultation d'archives très diverses. Le deuxième chapitre se divise en deux parties. La première partie utilise un modèle de gravité et exploite les réponses particulières du Cadastre de la Ensenada pour la juridiction d'Ágreda dans la province de Soria. Ce cadastre, réalisé dans les années 1750, est conservé dans les Archives Historiques Provinciales (*Archivo Histórico Provincial*) situées dans la ville de Soria. La deuxième partie présente une expérience naturelle et a été construite essentiellement grâce aux archives notariales, conservées elles-aussi dans les Archives Historiques Provinciales. Un large éventail de contrats de crédit a été consulté pour les lieux de Soria, Ágreda, Almazán, Monteagudo de las Vicarias, Noviercas et Ólvega. En Aragon cependant, le travail fut moins aisé. La règle générale veut que les archives notariales soient restées dans leur lieu d'origine. Nous n'avons ainsi pu consulter que les archives notariales de Tarazona et de Torrellas dans la province de Saragosse, pour des raisons logistiques évidentes. Les archives notariales, d'une richesse extraordinaire, ne sont pas exemptes cependant de failles. Certaines années peuvent être manquantes à cause de la perte des minutes de certains notaires pendant leur transport par exemple.

D'autre part, même si la formation des notaires était sensiblement similaire en Castille et en Aragon et que le Castillan était la langue commune pour l'écriture des contrats notariés, il n'en reste pas moins que la façon de rédiger un même type de contrat en Castille et en Aragon était différente. Dans les contrats aragonais, l'usage fréquent d'abréviations dans le but d'économiser

du papier peut rendre la lecture d'un contrat difficile pour le non-initié. L'utilisation de dictionnaires juridiques et de manuels de formation destinés aux notaires de l'époque ainsi qu'un exercice de comparaison des clauses entre les différents contrats se sont révélés d'une grande aide.

Une dernière source utilisée dans ce chapitre concerne l'étude des textes de loi dans les Royaumes de Castille et d'Aragon. En Castille, le texte de lois de référence durant la période moderne était la *Nueva Recopilación de Leyes* qui deviendra par la suite la *Novísima Recopilación de Leyes*. Du côté aragonais, les choses se compliquent légèrement. Le territoire était plus fragmenté juridiquement et chaque juridiction obéissait à son système de lois, ses *fueros*. L'unification juridique du territoire espagnol souhaitée par Philippe V au début du dix-huitième siècle n'aura fait qu'estomper les différences entre les juridictions, en particulier en matière de droit civil. La difficulté reposait ici dans la comparaison de ces différents textes de lois et d'établir les points de divergence entre les différentes juridictions dont ceux qui pouvaient entraver la circulation du capital à travers le territoire espagnol.

Ce travail pourrait être complété par des sources judiciaires. Elles seraient un moyen d'étudier les litiges entre des parties résidant dans des juridictions différentes et d'examiner les complications qui en résultent. La question n'a pas pu être abordée à ce stade bien que l'examen de ces sources serait précieux. Si elles ne révélaient pas de pareils litiges, l'argument selon lequel le capital ne circulait pas entre les différentes juridictions.

Le troisième chapitre poursuit un objectif différent. Le but ne consiste pas à analyser le marché du crédit et à mettre en lumière ses limites et les obstacles auxquels font face ses acteurs, mais à étudier une organisation particulière, actrice de ce marché, qui a réussi à surmonter ces différents obstacles. Ce chapitre repose sur trois sources provenant de trois archives distinctes. Commençons par les Archives Historiques Nationales (*Archivo Histórico Nacional*). Au sein de ces archives, nous avons consulté les documents relatifs à la vie économique des couvents et des monastères appartenant à l'Ordre des Carmes Déchaux (OCD). Dans le cas de deux couvents, nous avons retrouvé leurs *libros de acuerdos* du dix-huitième siècle. Après chaque réunion du chapitre conventuel (en général ces réunions étaient hebdomadaires), un responsable devait faire un compte rendu des décisions prises, notamment des décisions économiques. La lecture du compte rendu de ces prises de décision a permis de mettre en lumière la rationalité économique des ecclésiastiques en matière de crédit et la façon dont ils accordaient un prêt. Elle a aussi montré les échanges économiques constants au sein de l'ordre entre la Curie Générale et les couvents. Ces échanges économiques, portant notamment sur des prêts, ont soulevé la question de l'intégration verticale d'un tel ordre religieux, notamment l'intégration économique entre la Curie Générale et ses multiples couvents locaux disséminés à travers toute l'Espagne. L'étude de la comptabilité de la Curie Générale de l'OCD s'est alors révélée primordiale pour comprendre l'organisation économique de l'ordre. Cependant, les livres de compte (*libros de cuentas*, *libros de gasto*, et *libros de censos* pour les plus courants) ont été retrouvés dans des archives différentes. Alors que les Archives Historiques Nationales sont censées contenir la

documentation économique des ordres religieux, les livres de compte de la Curie Générale de l'OCD sont conservés à la Bibliothèque Nationale (*Biblioteca Nacional*).

Dans le souci de compléter la documentation économique de l'OCD et d'avoir le détail des contrats de prêt de la Curie Générale, nous nous sommes alors tournés vers les archives notariales de la ville de Madrid (*Archivo Histórico de Protocolos de Madrid*). Nous avons identifié six notaires ayant travaillé pour la Curie Générale de l'OCD durant le dix-huitième siècle: Diego de Rubira Osorio (1674–1708), Felipe del Campillo (1684–1712), Pedro del Campillo Rubio (1711–36), qui vraisemblablement a succédé à Felipe del Campillo, Juan Manuel Miñon del Reynoso (1735–53), Juan Manuel Gomez Guerrero (1746–87), puis enfin Juan Manuel Lopez Fondo qui a succédé à Gomez Guerrero (1787–1810). L'étude de tous les contrats de crédit impliquant la Curie Générale entre 1745 et 1755 a permis de confirmer nos premières intuitions concernant la gouvernance et l'organisation économiques de l'OCD. D'autre part, l'examen de la documentation des notaires a mis au jour la procuration générale (*poder general*) que tous les membres de l'ordre avaient accordé au Général de l'ordre. Cette procuration est un document fondamental puisqu'elle permet au Général de l'ordre de prendre les décisions économiques nécessaires au nom des couvents locaux. Elle constitue ainsi un des outils essentiels de la gouvernance de l'ordre.

Enfin, le dernier chapitre repose sur une source qui n'a encore jamais été utilisée. J'ai retrouvé la trace des archives de la *Contaduría de Hipotecas* de Madrid, aujourd'hui conservées dans les bâtiments du Registre de la Propriété de Madrid (*Registro de la Propiedad*). Ces archives rassemblent la documentation sur 553 blocs d'immeubles de la ville de Madrid, appelés *manzanas*. A l'intérieur de chaque bloc, les documents sont classés par adresse puis plus ou moins bien rangés par ordre chronologique. Ils sont donc relatifs à un bien immobilier précis. Ce sont des contrats de vente, des hypothèques, des levées d'hypothèques, des quittances, des transferts et d'autres types de documentations. Cette source contient aussi divers autres dossiers relatifs aux biens immobiliers de Madrid ainsi que de la petite ville voisine d'Argüelles. Plusieurs difficultés ont alors surgi. Tout d'abord la masse documentaire, près de 450000 documents. Ensuite, la question de la représentativité de la source qui ne pouvait pas être précisément appréciée. A leur création en 1768, la mise en place des bureaux d'hypothèques a certainement pris un certain temps même si son utilisation n'allait qu'en augmentant. Enfin, il a fallu procéder à des recoupements entre les différents blocs. En effet, une hypothèque pouvait porter sur deux biens immobiliers de la ville situés dans deux blocs différents. Le risque consistait à compter un même crédit deux fois. Même si la plupart du temps des notes de renvoi permettaient de neutraliser ce problème, cela n'était pas toujours le cas. Pour le reste, il a fallu vérifier que les contrats de crédit ayant le même montant et la même date de réalisation étaient bien des contrats différents.

En plus de donner une mesure de l'activité du crédit hypothécaire dans la capitale, cette source a aussi permis d'étudier les emprunts de la Rente du Tabac (*Renta de Tabaco*) entre 1780 et 1805 à Madrid. A la fin du dix-huitième siècle, les emprunts de la Rente du Tabac ont été un moyen pour la monarchie de lever des fonds importants pour financer l'effort de guerre contre les puissances européennes. L'étude des emprunts de la Rente du Tabac à Madrid a permis de

mesurer la participation de la capitale dans le crédit public, mais aussi d'analyser le déversement des fonds privés vers les caisses de la monarchie.

Chapitre 1

Les institutions du crédit

1.1 Instruments et régulation

Dans l'Europe pré-industrielle, les marchés du crédit partagent une même législation restrictive du prêt à intérêt. Cette législation est issue des condamnations de la Bible et du droit canon et relève d'une multiplicité d'instances judiciaires. En Espagne, si les lois sont d'inspiration religieuse, elles émanent toutefois du pouvoir monarchique et la justice est rendue par des cours royales. L'historiographie a longtemps pointé du doigt les lois relatives à l'usure comme responsables d'un rationnement du crédit tout au long du dix-huitième siècle (Temin & Voth, 2005; Ashton, 1959; Heim & Mirowski, 1987). Reed & Bekar (2003) distinguent six phases de l'interdiction de l'usure par l'Eglise catholique. Au cours de la première période qui s'étire de 500 à 1050, l'Eglise catholique est en plein essor et l'interdiction est alors uniquement destinée au clergé. Dans la deuxième phase qui s'étale de 1050 à 1175, l'usure est déclarée comme un péché interdit par l'Ancien et le Nouveau Testaments. Tout intérêt non nul est considéré comme usuraire. Entre 1175 et 1350, l'interdiction se concentre sur les prêts à la consommation et les sanctions se font plus dures impliquant des peines d'excommunication. Ce n'est qu'à partir de 1350 que l'application de l'interdiction se relâche. Certains contrats sont ainsi considérés explicitement comme non usuraires et le péché d'usure ne s'applique que pour des charges d'intérêt excessives. Enfin tout au long des dix-septième et dix-huitième siècles, les lois relatives à l'usure sont critiquées au sein même de l'Eglise. En 1830, la Pénitencerie apostolique demande aux confesseurs de ne pas admonester leurs ouailles s'ils prêtent de l'argent au taux légal (De Roover, 1974, p. 321). Les lois relatives à l'usure ont donc été progressivement moins restrictives et coercitives à partir du quatorzième siècle en donnant la possibilité de considérer certains contrats de crédit comme non usuraires.

Cependant, peu d'instruments de crédit permettent de stipuler un intérêt à l'époque moderne. Le *censo* en fait partie. Concrètement, il est usuraire de prêter en stipulant simultanément le taux d'intérêt et la durée du contrat. Théologiens et spécialistes du droit canon ont donc créé un contrat de prêt dans lequel le bailleur de fonds accepte de laisser son débiteur seul maître

de la date du remboursement. Dans ce cas, sa dette est assimilée non à un prêt mais à la vente d'un revenu annuel. Cette reformulation permettait ainsi de convertir une transaction de crédit potentiellement usuraire en un banal contrat de vente (qui était d'ailleurs soumis à un impôt sur la consommation, l'*alcabala*) tant que le taux d'intérêt ne dépassait pas un certain seuil (*precio justo*).¹ C'est ainsi que se stabilisent l'obligation qui fixe seulement la durée du prêt mais pas d'intérêt et le *censo* qui stipule le paiement d'un intérêt annuel mais laisse la durée du contrat au bon vouloir de l'emprunteur. Ces contrats ayant des variantes multiples et évoluant au cours du temps, mieux vaut les examiner en détail.

Commençons par l'obligation. Initialement, l'obligation (*obligación*) s'apparente plutôt à un billet à ordre utilisé surtout pour d'assez petites sommes et pour une durée très courte, généralement quelques mois, rarement plus d'un an.² A Ribera de Navarra, Torre (1994) indique que la durée d'une obligation fluctuait entre trois mois et huit à douze ans. Mes propres données montrent une durée moyenne de neuf mois à un an durant la deuxième moitié du dix-huitième siècle.³ Elle est donc une forme de crédit commercial à court terme aux dix-septième et dix-huitième siècles. Si l'obligation peut être gagée sur des meubles comme sur des immeubles, elle-même a le statut de meuble. Ce n'est qu'à partir de la fin du dix-huitième siècle que la durée de l'obligation tend à s'allonger et que son usage se généralise pour s'imposer au siècle suivant comme le principal instrument de prêt à moyen et long terme.⁴ L'obligation ne mentionne pas d'intérêt, du moins jusqu'à la fin du siècle des Lumières, cependant celui-ci est bien versé d'une façon ou d'une autre. En règle générale, l'intérêt versé est ainsi contenu dans le capital à rembourser.⁵ Si Monsieur Martin emprunte 1000 réaux à Monsieur Milhaud, il peut déclarer qu'il lui doit 1100 réaux dans un an.⁶

Jusqu'à la fin du dix-huitième siècle en revanche, le *censo*, que l'on pourrait rapprocher de la rente française (Schnapper, 1957; Servais, 1982) ou du *censo consignativo* italien (Alonzi, 2005), reste l'instrument de crédit privilégié.⁷ Plusieurs types de *censo*s cohabitent tout au long de la période moderne parmi lesquels le *censo enfiteútico*, le *censo reservativo*, et enfin le *censo consignativo* (Quiroz, 1994, pp. 197–8). Le *censo enfiteútico* (ou *enfiteusis*) est un contrat de crédit-bail qui généralement durait toute une vie ou bien était perpétuel (*censo perpetuo* ou

1. Grafe (2012, pp. 223–4).

2. J'utiliserai dans le reste du texte indifféremment les mots "obligation" (orthographe française) et "*obligación*" (orthographe espagnole).

3. Voir Chap. 4.

4. Moro & Érice (1991) constatent un allongement de la durée de l'obligation au cours du dix-neuvième siècle. Entre 1831 et 1885, sur 565 obligations étudiées en Asturies, 26% étaient inférieures à un an, 45% entre un an et deux, et 22% entre deux et cinq ans. Mes données montrent aussi un allongement de la durée moyenne de l'obligation de neuf mois à un an à la fin du dix-huitième siècle à plus de deux ans au milieu du dix-neuvième siècle (voir Chapitre 4).

5. Tello Aragay (1994, p. 14); Santonja Cardona (1991, pp. 86–7).

6. D'autres moyens existent pour obtenir le versement d'un intérêt sur une obligation, comme l'utilisation de clauses d'amortissement progressif.

7. Fiestas Loza (1984, p. 640); Sánchez González (1991, p. 285); Tello Aragay (1994, pp. 13–5); Fernández de Pinedo (1985, pp. 299–300).

irredimible). Dans ce type de contrat, le propriétaire d'un bien (*censualista*) transmet à l'autre partie (*censatario*) le domaine utile de ce bien, mais se réserve le domaine direct (Quiroz, 1994, p. 197). En échange le *censatario* paye une pension qui peut être juste symbolique, en argent ou en nature. Le *censo enfiteútico* était très répandu dans l'Espagne médiévale, étant l'un des moyens les plus efficaces pour l'exploitation de la terre. Le *censo reservativo* est une autre modalité du *censo*, où le *censualista* cède un bien au *censatario*, se réservant un droit de percevoir une pension périodique qui est garantie sur le bien ainsi grevé (Fiestas Loza, 1993–94, p. 553). Enfin, le *censo consignativo* est un contrat qui se modèle durant le bas Moyen Age et qui se développe à l'époque moderne dans un contexte d'interdiction du prêt avec intérêt par l'Eglise catholique.⁸ Par rapport aux deux autres types de *censos*, il est le seul qui se rapproche d'un mort-gage.⁹ L'emprunteur choisit de rembourser le capital quand il le souhaite (avec deux mois de préavis), donnant ainsi pour autres noms au *censo consignativo*, le *censo al quitar* ou le *censo redimible* (Fiestas Loza, 1993–94). En principe donc, le contrat peut courir indéfiniment puisque le *censo consignativo* se transmet de génération en génération. Cependant, la plupart des rentes sont remboursées en moins d'une génération. En effet, dans son étude du couvent de Santa Clara de Estella, Torre (1994) observe que la durée moyenne d'un *censo* s'amenuise au cours du dix-huitième siècle, passant de 36 ans avant 1750 à 24 ans entre 1750 et 1769 et 13 ans vers 1770–80. Ces résultats sont consistants avec mes données qui montrent une durée moyenne du *censo* à Madrid à la fin du dix-huitième siècle de 15 ans.¹⁰ Cette durée moyenne semble similaire à celle d'autres pays européens. En France, par exemple, la durée moyenne d'une rente constituée, qui peut être considérée comme un équivalent du *censo*, est d'une quinzaine d'années à la même époque (Hoffman *et al.*, 2001, p. 61). Par rapport à l'obligation, le *censo consignativo* était donc bien plus sécurisant puisqu'il était systématiquement garanti sur des biens immeubles. Il pouvait porter un intérêt et était remboursable sur la volonté de l'emprunteur.

L'obligation et le *censo consignativo* avaient des usages différents, du moins jusqu'à la fin du dix-huitième siècle. Alors que la première servait avant tout de crédit commercial, le deuxième était utilisé pour des investissements de plus long terme, comme l'achat d'une pièce de terre ou la construction d'une maison. Tello avance l'idée cependant que l'obligation et le *censo consignativo* sont intrinséquement liés. Selon l'auteur, la réalisation d'un *censo consignativo* est bien souvent la conséquence d'une série d'obligations impayées qu'il convient d'honorer. Les deux instruments font donc partie d'un même cycle d'endettement (Tello Aragay, 1994, pp. 15–7).

Quelle était la part de *censos redimibles* et de *censos perpetuos*? Sans doute, les premiers étaient largement majoritaires mais aucune réponse concrète à cette question ne peut être donnée (Ruiz Martín, 2016, p. 192). Il semble que le *censo consignativo redimible* était le plus répandu au seizième siècle et après. Selon Fiestas Loza (1984, pp. 640–1), il suffit pour cela de

8. Clavero (1977) affirme que les *censos consignativos* peuvent être documentés dès le seizième siècle.

9. Dans le reste du texte, j'utiliserai les mots *censo* et *censo consignativo* indifféremment, excepté si une confusion est possible.

10. Chap. 4.

consulter les archives des notaires pour s'en rendre compte. En effet, durant la première moitié du seizième siècle, l'ouverture du marché du Nouveau Monde et l'augmentation de la circulation monétaire provoqua de profondes transformations dans l'agriculture. La très grande demande de produits agricoles de la part de l'Empire espagnol a stimulé l'extension des cultures et l'amélioration des rendements de celles déjà existantes financées en partie par des *censos consignativos* (Fiestas Loza, 1984, p. 651). L'expansion commerciale et économique de cette période a généralisé son usage et dans la majeure partie des contrats dès la fin du seizième siècle, il est très clairement stipulé "*censo redimible*" ou "*censo al quitar*" (Alvarez Vázquez, 1987, p. 224).

L'obligation et le *censo* coexistent tout au long de l'époque moderne et même après. Seul leur poids relatif évolue. Alors que le *censo* était majoritaire jusqu'à la fin du dix-huitième siècle, la crise des institutions ecclésiastiques a conduit à la quasi disparition de celui-ci au dix-neuvième siècle au profit de l'obligation. Les Chapitres 2 et 3 de cette thèse mettent ainsi davantage l'accent sur la figure du *censo*, étant donné qu'ils se concentrent sur le dix-huitième siècle. Le Chapitre 4 aborde de manière plus approfondie la figure de l'obligation et son développement au cours du dix-neuvième siècle. Nous verrons aussi que ces différents types de contrats peuvent prendre des noms distincts suivant la région sur laquelle porte l'étude. Ainsi dans le royaume d'Aragon, le *censo consignativo* devient *censal* et l'*obligación* devient *debetoris*.

Ces deux instruments de prêts (obligation et *censo consignativo*) bénéficient de garanties hypothécaires lorsque le contrat est notarié.¹¹ Dans le cadre du *censo consignativo*, le gage est défini de manière très spécifique par rapport à d'autres pays, puisque l'emprunteur doit désigner un ou plusieurs immeuble(s) en particulier pour garantir le paiement de la rente. En plus d'engager une ou plusieurs pièces de terre ou tel ou tel bâtiment, il doit également donner une hypothèque générale sur tous ses biens. La terre et les bâtiments ne sont pas les seuls actifs à avoir le statut d'immeuble. Les offices, les *censos* et les *juros* — titres de dette publique utilisés aux seizième et dix-septième siècles — ont également le même statut. La dette est alors garantie sur « tous ses biens meubles et immeubles, droits et actions, présents et à venir et sans que cette obligation générale n'abroge, ni ne nuise à la spéciale ». ¹² Si l'emprunteur se trouve dans l'incapacité de payer, la propriété hypothéquée doit être vendue aux enchères à travers une procédure souvent longue et coûteuse. La question du montant de l'hypothèque par rapport au prêt est alors fondamentale. Le créancier est-il sûr d'être remboursé? Quel était le niveau de garanti exigé standard à l'époque? Peu d'études s'intéressent à cette question. Comme nous le verrons plus loin, les contrats, du moins en Castille, fournissent une information très riche sur les gages accompagnée parfois d'une estimation des biens. A La Sagra, dans la région de Tolède, Sánchez González calcule que l'hypothèque représente en moyenne cinq fois le montant du prêt au dix-huitième siècle (Sánchez González, 1991, p. 305). Mes propres recherches, dans la région de Soria, indiquent que la valeur des hypothèques était en moyenne trois fois supérieure

11. Dans le cas de l'obligation, la garantie hypothécaire n'est pas obligatoire, contrairement au *censo*.

12. "*sobre todos sus bienes muebles y raices, derechos y acciones, habidos y por haber y sin que la obligacion general derogue ni perjudique a la esencial*" (Fiestas Loza, 1993-94, p. 606). Cette formule est présente dans tous les contrats de *censo consignativo* des seizième, dix-septième et dix-huitième siècles que j'ai consultés.

au montant du capital.¹³

L'introduction de la condition d'hypothèque spéciale qui accompagne tous les *censos* relève de l'Eglise. Préoccupée par la possible dissimulation de l'usure dans les contrats de rente, l'Eglise se prononça sur les conditions que ces contrats devaient remplir pour être considérés comme conformes (Fiestas Loza, 1993–94, 592–96). La bulle *Regimini Universalis*, émise par le Pape Martin V en 1425, déclara légales uniquement les rentes qui étaient consignées spécialement sur un ou des bien(s) immeuble(s).¹⁴ Par la suite, une deuxième bulle du même nom, émise par Calixte III en 1455, inclut parmi les conditions exigées pour les rentes que l'acheteur (l'emprunteur) désigne un bien immeuble productif sur lequel serait consignée la rente, ce bien étant le seul pouvant alors répondre de cette rente. Ainsi ni la personne, ni les autres biens de l'emprunteur, n'étaient engagés par le contrat. En Espagne, cette dernière condition n'a pas réellement été retranscrite dans le droit puisque l'hypothèque spéciale n'abrogeait ni ne nuisait en aucun cas à l'hypothèque générale. L'hypothèque spéciale devient donc vite un enjeu important dans l'octroi d'un prêt et dans le risque encouru par le prêteur. Il n'est donc pas rare de voir dans le contrat de rente une partie appelée "*Información de abono*" qui doit garantir la bonne qualité des hypothèques. Lors de la signature du contrat, l'emprunteur doit être accompagné de deux témoins ou plus qui attesteront de la véracité de l'information donnée sur les garanties. Parfois, le contrat est accompagné d'une évaluation des hypothèques. Lorsqu'une forte somme est prêtée, cette évaluation est particulièrement soignée allant même jusqu'à recourir à des architectes. Cependant, dans la majorité des cas, c'est le notaire lui-même qui évalue la valeur des biens grevés.

En effet, dans l'Europe de l'Ancien Régime, il ne va pas de soi que le créancier compense le risque d'un prêt en réclamant pour lui un intérêt plus élevé. La rente a été libérée des lois sur l'usure par les papes Martin V et Calixte III. En Espagne, c'est le roi Charles Quint qui en 1528 donna la possibilité au *censo* de porter un intérêt. Cependant, l'un des principes du *censo* est qu'il ne doit pas dépasser un taux maximum au-delà duquel l'opération est considérée comme usuraire. Ce taux plafond a évolué au cours du temps. Fixé au denier 14 par Philippe II le 18–2–1573 (taux d'intérêt à 7,14%), le taux d'intérêt maximum légal a ensuite été constamment réduit tout au long de l'époque moderne. Ainsi, les Cortes espagnoles l'abaissent à 5% en 1608. En 1705, Philippe V le fixe à 3% en Castille, taux maximum qui restera constant tout au long du dix-huitième et du dix-neuvième siècles.¹⁵ Cependant, il restera à 5% en Aragon jusqu'en 1750, une différence de traitement avec la Castille dont il sera question dans le Chapitre 2. Le taux de 3% devient donc la référence pour l'énorme majorité des contrats.

Plafonner l'intérêt à 3% a une explication économique et politique. L'évolution des prix, les réformes monétaires, ainsi que la conjoncture économique participent pour beaucoup dans

13. Chap. 2.

14. D'où le terme de *censo consignativo*.

15. Alvarez Vázquez (1987, pp. 220–2); Sánchez González (1991, p. 286).

l'évolution historique du taux maximum. Ainsi à la fin du dix-septième siècle, les réformes monétaires engagées entre 1680 et 1686 ont provoqué une chute importante des prix. Plusieurs voix se sont ainsi élevées pour réclamer une baisse du taux maximum parmi lesquelles celles de la noblesse, des petits et des grands propriétaires. Face à eux, l'Eglise, propriétaire de la majeure partie des *censos*, ne souhaitait pas entendre parler d'une réduction du taux qui aurait été évidemment néfaste pour le financement de ses activités.¹⁶ Elle perdit néanmoins et en 1705, le taux maximum fut abaissé à 3% de façon rétroactive. Ce plafond est donc le résultat d'un rapport de force entre les différents acteurs de l'économie, notamment la monarchie, les villes, la noblesse et l'Eglise. La monarchie et les villes sont de gros emprunteurs, *a fortiori* aux seizième et dix-septième siècles. Plafonner l'intérêt privé à 3% est donc une façon d'éviter une concurrence trop rude et de garantir la capacité d'emprunt de l'Etat puisque lui-même ne se plie pas à la réglementation du taux plafond. Les emprunts publics de la fin du dix-huitième siècle étant souvent vendus en dessous de leur valeur faciale rapportent ainsi un intérêt supérieur au taux légal.¹⁷ L'établissement d'un prix plafond, s'apparentant en fait à un prix fixe, n'est pas quelque chose d'anodin. Il doit avoir pour effet d'accroître la demande d'information de la part des prêteurs car le prix du capital ne peut pas refléter le risque encouru. Dans ces conditions, les gages prennent ici toute leur importance. Le prêteur se doit d'être extrêmement soucieux de savoir si les biens hypothéqués ne le sont pas déjà en faveur d'un autre créancier.

La monarchie a très tôt conscience de l'importance de l'enjeu. Les transactions immobilières n'étaient connues que localement par les annonces dont elles faisaient l'objet les jours de marché et à la sortie de l'église. Pour remédier aux problèmes qui en découlaient, plusieurs tentatives en Castille entre les seizième et dix-septième siècles ont été faites pour développer des registres de *censos*. Cependant, l'échec de ces réformes a empêché qu'émerge une publicité systématique des actes juridiques concernant les biens immeubles. Durant la majeure partie de l'époque moderne, plusieurs systèmes de publicité coexistent donc. Une variété qui, avec l'exception de la Navarre, tend à être dépassée en 1768 par la création des Bureaux d'Hypothèques (*Oficios de Hipotecas*) par Charles III. Ces bureaux, en activité jusqu'à la loi hypothécaire de 1861, fournissent une publicité immobilière dans chaque chef lieu du territoire espagnol. Chaque notaire est tenu d'enregistrer auprès de son bureau d'hypothèques les prêts gagés sur des immeubles appartenant à la circonscription concernée. Ce système public d'information sur les gages permet à tout prêteur d'obtenir par l'intermédiaire de son notaire un état des créances qui pèsent sur tout ou partie des immeubles du débiteur.¹⁸ Son expansion est rapide mais inégale. Ainsi, son utilisation sera rapidement forte en Catalogne mais lente en Castille (Congost, 2014).

Cette source publique n'est pourtant pas la seule puisque les notaires constituent une autre source d'information. En effet, ils connaissent l'essentiel de ce qu'il faut savoir sur les créanciers

16. En 1691, elle rédigea un mémoire en ce sens (Alvarez Vázquez, 1978).

17. Voir Chap. 4.

18. Pour une revue complète des systèmes d'information hypothécaire dans l'Espagne moderne, consultez la thèse remarquable de Serna Vallejo (1996).

et les débiteurs pour autant que les contrats des uns et des autres passent par leurs études. Hoffman, Postel-Vinay et Rosenthal associent même la lenteur avec laquelle s'établit en France le système hypothécaire à l'efficacité des notaires comme substituts d'institutions formelles pour fournir de l'information hypothécaire (Hoffman *et al.*, 2001, p. 37). En Espagne, la clause d'hypothèque spéciale fournit une information extrêmement riche et utile pour les notaires sur les biens gagés. Tout hypothèque auprès d'un créancier tiers sur le bien gagé y est alors consignée.

Enfin, outre les institutions propres au marché du crédit, il faut aussi évoquer celles qui régissent les droits de propriété dans leur ensemble. Comme pour n'importe quelle affaire civile, les créanciers ont la possibilité d'aller en justice pour faire valoir leurs droits. Dans le cas des rentes, les procédures pour recouvrement interviennent généralement après deux années d'impayés. Le créancier s'adresse alors aux juridictions royales de son district. Lors des liquidations de dettes entre les créanciers, priorité était donnée au remboursement des détenteurs de rentes, ce qui pouvait expliquer la prééminence du *censo* sur toute autre forme d'instrument de crédit. Cependant, le coût élevé de la justice et la multiplicité des juridictions territoriales rendaient les affaires complexes et le justiciable devait consacrer beaucoup de temps et d'argent avant d'espérer voir reconnaître ses droits, ceci sans compter les procédures d'appel et de recours devant le Conseil de Castille. Un cas, resté célèbre, a vu sa résolution intervenir près d'un siècle et demi après que la plainte a été déposée (Owens, 2005). Une autre solution consistait à s'entendre directement entre créanciers et débiteurs par l'intermédiaire d'un arrangement sur un abandon des intérêts dus, ou une réduction du taux d'intérêt. Cette dernière option a d'ailleurs largement été utilisée lors des arrangements entre les conseils municipaux et leurs créanciers dans la première moitié du dix-huitième siècle (Ruiz Martín, 2016, p. 191). La fragmentation territoriale et juridique du territoire espagnol est ainsi essentielle pour comprendre la fragmentation des marchés de capitaux.¹⁹

1.2 L'Eglise et le crédit en Espagne

1.2.1 La position dominante des institutions ecclésiastiques dans le marché du crédit de long terme

Durant l'époque moderne, l'Espagne tient au sein de l'Europe pré-industrielle une place particulière due à la domination des institutions ecclésiastiques sur les marchés du crédit de long terme. Dans la couronne de Castille, elles recevaient plus de 70% des revenus de *censo* au milieu du dix-huitième siècle (Ruiz Martín, 2016, p. 192). En France, à la même période, seulement 6,7% des fonds prêtés venaient du clergé.²⁰ Il semblerait cependant que les églises, les couvents et les monastères aient eu sensiblement le même rôle en Italie si on en croit l'étude de Lorenzini (2007) sur les activités de crédit du couvent de Santa Anastasia à Verone et plus

19. Voir Chap. 2.

20. Ces fonds concernent tous les types de prêts à long terme (Hoffman *et al.*, 2001, p. 213).

largement les travaux de Alonzi (2005) et Vaquero Piñeiro (2007).

Cette position dominante est indissociable de l'instrument de crédit qu'elle utilise exclusivement, le *censo consignativo*.²¹ Le crédit ecclésiastique est donc intimement lié à cet instrument particulier car il était le seul moyen pour l'Église de prêter de l'argent avec un intérêt. En effet, les lois relatives à l'usure interdisaient le prêt à intérêt et condamnaient durement les usuriers et leurs pratiques.²² Cependant, les canonistes vont s'employer à contourner une règle trop onéreuse à leur gré. La figure juridique du *censo consignativo*, en plein essor à partir du quinzième siècle, était configurée comme un banal contrat de vente dont l'objet était un bien incorporel — le droit de percevoir une rente — et dont le capital remis faisait fonction de prix. Cette vente était admise comme licite car le capital considéré était aliéné de manière définitive (Fiestas Loza, 1993–94, p. 590).

Pour la seule Castille, au milieu du dix-huitième siècle, l'encours des *censo*s représentait près de 1300 millions de réaux.²³ Pour les besoins de l'exercice de comparaison, j'ai estimé ce que l'encours de la dette privée représentait dans le produit intérieur brut (PIB). Aucune série sur le PIB n'existe encore pour l'Espagne moderne. Cependant, Alvarez-Nogal & Prados de la Escosura (2007, p. 328) offrent une estimation en grammes d'argent du PIB par tête pour l'année 1750 (pour la Castille). En supposant que le taux d'intérêt fût au maximum légal et en prenant la limite haute de l'estimation des deux chercheurs pour le PIB par tête, j'ai estimé que l'encours de la dette privée représentait 20% du PIB.²⁴ Et ce chiffre ne concerne pas toute l'Espagne. Si nous ajoutions les *censo*ales de la couronne d'Aragon, de Navarre et des provinces basques, l'encours serait bien plus élevé.²⁵ Les études sur la France apportent des résultats similaires: dans la deuxième moitié du dix-huitième siècle, l'encours de la dette en proportion du PIB était entre 15 et 20% ou plus.²⁶

Mais revenons en Castille. Comme nous l'avons évoqué plus haut, les institutions ecclésiastiques

21. Tout comme les couvents italiens qui utilisent le *censo consignativo* (Lorenzini, 2007).

22. Pour l'Espagne, Clavero est l'historien qui a étudié le plus en profondeur la doctrine ecclésiastique relative à l'usure et ses implications. Voir notamment Clavero (1991).

23. A partir du Cadastre de la Ensenada, Grupo'75 (1977, p. 181) a calculé que les *censo*s engendraient un revenu de 38,3 millions de réaux. A cette époque, le taux d'intérêt du marché oscillait entre 2,25% et 3%, le taux maximum légal, ce qui nous permet d'évaluer l'encours des *censo*s dans une fourchette comprise entre 1276 millions et 1700 millions de réaux. J'ai choisi ici de conserver l'hypothèse basse. D'autres estimations existent. En s'appuyant sur les écrits d'un contemporain, Ruiz Martín (2016, p. 191) estime que le revenu engendré par les *censo*s était de 43,2 millions.

24. Les intérêts engendrés par les *censo*s représentaient 38,2 millions de réaux. Au taux d'intérêt de 3%, cela suppose une dette par tête de 194 réaux (les chiffres sur la population de la Castille en 1750 proviennent de Grupo'75 (1977, pp. 57–8)). En prenant l'équivalence donnée par Hamilton (1947, p. 53) du *maravedí de vellón* en grammes d'argent, la dette privée par tête s'élevait alors à 240 grammes d'argent. L'estimation haute du PIB donnée par Alvarez et Prados étant de 1147 grammes d'argent par tête, il en résulte que la dette privée représentait 20% du PIB.

25. Selon Ruiz Martín (2016, pp. 191–2), il s'élèverait alors à 2900 millions de réaux. Cependant, étant donnée la diversité des marchés du crédit en Espagne, le *censo* n'était pas majoritaire partout. A Murcie par exemple, j'ai constaté au cours de mes recherches que l'obligation était dominante.

26. Hoffman, P., Postel-Vinay, G., & Rosenthal, J.-L., forthcoming.

tiques recevaient 71,3% des revenus de *censos* ce qui représentait un stock de capital de 910 millions de réaux en prenant comme référence le taux maximum légal. A titre de comparaison, au même moment à la mort de Ferdinand VI en 1759, la dette de la monarchie s'élevait alors à 1200 millions.²⁷ La dette privée appartenant aux institutions ecclésiastiques en Castille était donc presque équivalente au montant de la dette de la monarchie.

La Couronne d'Aragon était en tout point similaire. A Gérone, Congost (2014) a montré que les institutions ecclésiastiques étaient créancières dans 75% des contrats en 1771. En Navarre, elles recevaient 75,5% des pensions dans les municipalités de Cárcar, Guesálaz, et Estella entre 1750 et 1759 (Floristán Imízcoz, 1984, pp. 404–5). Dans le royaume d'Aragon, Pérez Sarrión (1984, pp. 201–3) note qu'elles sont propriétaires de 82,3% des *censos* à Saragosse en 1725.

Si nous mettons de côté un instant la place essentielle des institutions ecclésiastiques, une multitude de prêteurs se partageaient le reste du marché, parmi lesquels les nobles qui en accaparaient une part importante. En Navarre, les nobles ont fourni 37% des sommes prêtées entre 1760 et 1784, le restant des laïcs se partageant un peu plus de 9% (Torre, 1994, p. 117). A Madrid, ils ont prêté près de 31% du capital des *censos* entre 1750 et 1808 (Sola Corbacho, 2000, p. 226). Viennent ensuite les étrangers (9%), les fonctionnaires (2,4%), les commerçants (1,8%), puis enfin des résidents dont on ne connaît pas la profession (4,1%). Dans le Chapitre 4, nous verrons que le deuxième groupe social fortement impliqué dans les activités de crédit à Madrid comme prêteur était aussi la noblesse. Ils prêtaient à la monarchie, aux villes et à toutes autres sortes d'institutions ou d'individus. La place des fonctionnaires, des artisans, des petits propriétaires et des marchands en tant que prêteurs de long terme était en général bien moins importante.

Si les institutions ecclésiastiques sont dominantes au dix-huitième siècle, elles ne l'ont en revanche pas toujours été au cours de la période moderne. Cette prédominance de l'Église dans les marchés du crédit de long terme s'est développée dans la deuxième moitié du dix-septième siècle et a atteint son apogée au milieu du dix-huitième siècle. Au cours du seizième siècle et au début du dix-septième siècle, le marché du crédit était plutôt sous la coupe des marchands, des fonctionnaires, et de la noblesse, même si les institutions ecclésiastiques y jouaient déjà un rôle important. En 1638, un inventaire partiel des *censos* en Castille révéla ainsi que les institutions ecclésiastiques représentaient 45% du total des pensions reçues (Domínguez Ortiz, 1960, pp. 364–70). Il semblerait donc qu'elles soient devenues majoritaires entre la deuxième moitié du dix-septième et la première moitié du dix-huitième siècles. Plusieurs explications peuvent être avancées quant à la progression des institutions ecclésiastiques au détriment d'autres groupes sociaux. Premièrement la crise économique traversée par l'Espagne depuis la fin du seizième siècle

27. Fontana Lázaro (2001, pp. 198–9). Ce montant ne concerne que la dette publique contractée par la monarchie et exclut celle contractée par les villes, en très forte augmentation dans la deuxième moitié du dix-septième siècle et tout au long du dix-huitième siècle. Nous n'avons malheureusement aucune idée des poids relatifs de l'un et de l'autre.

s'est traduite par une baisse de l'activité économique et notamment des foires, comme celles célèbres de Medina del Campo, entraînant la ruine d'une élite marchande. Ensuite, l'endettement progressif des grands propriétaires et de la noblesse combiné à la baisse tendancielle des prix tout au long du dix-septième siècle a contribué à transformer ce groupe social en débiteur net. Enfin, l'augmentation des donations de la part des villes à la monarchie au dix-septième siècle, combinée à la baisse de leurs revenus fiscaux du fait de la baisse de l'activité économique à la même période, a favorisé leur endettement via la vente de *censos* auprès des seules institutions pouvant prêter d'importantes sommes d'argent — les institutions ecclésiastiques. C'est probablement ainsi qu'au cours du dix-septième siècle, les institutions ecclésiastiques sont devenues les principales pourvoyeuses de crédit de long terme.

D'où vient cette place particulière? La Reconquête espagnole a été pour l'Eglise l'opportunité de s'implanter de manière forte dans la péninsule ibérique. Par l'intermédiaire de Sixte IV (1471–1484), elle a concédé d'importants avantages financiers, confirmés par les papes Innocent VIII (1484–1492) et Léon X (1513–1521).²⁸ Elle a donc pris dans le paysage politique espagnol, par rapport aux autres régions d'Europe, une place d'autant plus importante qu'elle a pour ainsi dire financé les rois catholiques et leur expansion territoriale.

L'importance que l'Eglise a acquis dans les activités économiques ne devrait d'ailleurs pas étonner. Todeschini soutient que les franciscains sont à l'origine de la société marchande. L'économie cistercienne était en état de conjuguer la pauvreté des moines pris individuellement avec des choix économiques de type productif, par le réinvestissement permanent des profits dérivés des activités de l'ordre dans l'achat de nouvelles terres (Todeschini, 2008, p. 23). Toute immobilisation du patrimoine, à commencer par la thésaurisation monétaire, paraissait donc illégale et peccamineuse. L'argent devait "circuler" selon l'expression consacrée, et le crédit en était un moyen. Le code de Gratien, dans une tentative de définition de l'usure, stipule que: "qui prête ou emprunte sous des formes différentes et plus indirectes et dans l'intérêt d'une communauté n'est pas usurier" (Todeschini, 2008, p. 25). Accumuler pour soi des richesses était condamnable, ce qui était le cas des usuriers et des spéculateurs qui accumulaient de l'argent et en bloquaient la circulation. En revanche, le désir d'obtenir un gain, c'est-à-dire une richesse juste pour une communauté, n'était pas condamnable. La justification du prêt au sein de l'Eglise est alors totale. Il permet la circulation de l'argent et il bénéficie à une communauté, ici le couvent, le monastère, ou plus largement une communauté universelle de croyants. Dans la Catalogne de la fin du quatorzième siècle, Francesc Eiximenis distingue d'ailleurs soigneusement entre les marchands qui favorisent le bien public et les usuriers ou les spéculateurs qui le détruisent. Les usuriers et les spéculateurs bloquent par conséquent le mouvement de l'argent, contrairement aux marchands qui en favorisent la circulation (Todeschini, 2008, p. 166).

On l'aura bien compris, la relation de l'Eglise avec le crédit ne se limite pas aux lois relatives à l'usure. Le développement par les canonistes d'un raisonnement complexe et les débats séculiers

28. Sabatini & Sabene (2014, p. 91).

internes autour des notions d'intérêt et de richesse nous montrent que le sujet était loin d'être tabou dans le monde catholique. Au point que les institutions ecclésiastiques se sont imposées en Espagne comme les principales institutions du crédit de long terme. Ce n'est finalement qu'à la fin du dix-huitième siècle que les institutions ecclésiastiques perdront leur place au sein du marché du crédit. Les désamortissements qui vont se succéder depuis l'expulsion de l'Ordre des Jésuites en 1767, en passant par les décrets royaux de 1798 puis de 1804, jusqu'à ceux de Mendizábal (1836–1837) et de Madoz au milieu du dix-neuvième siècle, auront raison de la principale institution de crédit de l'époque.²⁹

1.2.2 Les mécanismes du crédit ecclésiastique

Pour pouvoir accorder un crédit, autant faut-il d'abord en avoir les ressources. En règle générale, le patrimoine économique de l'Eglise n'était pas géré de manière centralisée. Chaque institution faisant partie de l'Eglise était autonome. Elle devait trouver ses propres ressources et les administrer. En général seulement. Contrairement à ce qu'écrit Wobeser (1994), pour certains ordres religieux, les couvents et collèges appartenant à un même ordre faisait partie d'organisations extrêmement centralisées qui constituaient un réseau économique complexe. Les ordres de la Contre Réforme en sont un bon exemple, notamment l'Ordre des Jésuites et l'Ordre des Carmes Déchaux étudiés dans le Chapitre 3 de cette thèse. Même si certains membres de l'Eglise pouvaient être avocats, médecins, comptables ou traducteurs, la règle était qu'ils vivaient aux dépens du reste de la société. Les principales voies par lesquelles les ressources de la société civile étaient transférées au clergé étaient la dîme, le casuel (*aranceles*), les dotations de biens de fondation, les contributions des membres, l'aumône, les legs, les contributions des œuvres pieuses et des chapellenies. L'Eglise pouvait ensuite prêter ces ressources pour s'assurer un revenu régulier et financer ainsi ses activités.

La dîme

La dîme fut une des sources de revenu les plus importantes de l'Eglise. Sa finalité était de contribuer au soutien du clergé et au financement du culte.³⁰ En règle générale, elle représentait 10% de la production brute agricole et des produits manufacturés même si son taux pouvait varier selon les produits. Elle était collectée dans chaque diocèse puis était répartie entre les différents membres et institutions du clergé séculier selon une division en tiers: un tiers pour le curé et les bénéficiaires (s'il y en avait), un tiers pour l'évêque et le chapitre et un tiers pour le roi et la fabrique de l'église paroissiale.³¹ Parfois cependant, la répartition était inéquitable et seules les hautes sphères du clergé séculier bénéficiaient de cette source de revenu (Wobeser, 1994, pp. 21–2).

29. Voir Chap. 4.

30. Voir les études de Anes Álvarez (1970) sur l'Espagne, de Anes Álvarez & Le Flem (1965) sur Ségovie et de Lemeunier (1976) sur les dîmes de Murcie.

31. Bien qu'étant la règle commune, cette division pouvait différer suivant les diocèses.

Le casuel

Le casuel fut une source de revenu permanente qui a principalement bénéficié aux paroisses. La coutume était de percevoir une rémunération pour les services religieux, comme les baptêmes, les mariages, les enterrements et les messes commémoratives. Ces revenus que les paroisses obtenaient dépendaient de l'aisance économique des fidèles, et étaient fixés par les évêques. En règle générale, ce type de ressource favorisait ainsi les institutions des zones urbaines et périurbaines, contrairement à celles localisées dans les zones rurales.

Les biens de fondation

La fondation de la majorité des institutions ecclésiastiques - tels que les couvents, les hôpitaux, les collèges, les organismes de bienfaisance - était conditionnée à l'existence d'un capital à l'aide duquel il était possible d'acquérir l'infrastructure nécessaire ainsi que les moyens de subsistance indispensables à son fonctionnement. Ce capital qui pouvait prendre la forme d'argent liquide, de biens immeubles, d'unités productives ou de crédits recevait le nom de biens de fondation. "Patron" était le nom donné aux apporteurs de capital qui pouvaient être le roi, des fonctionnaires publics, des dignitaires ecclésiastiques, de la société civile ou religieuse, des membres du clergé ou des personnes laïques. Les biens de fondations, s'ils n'étaient pas immeubles, devaient être investis pour être productifs et pour fournir les intérêts qui permettaient de faire face aux dépenses de ces différentes institutions.

Les dots et les contributions des membres

Certaines institutions se finançaient à travers les dots ou les apports de leurs membres comme les couvents de femmes, quelques hospices, les hôpitaux ou les fraternités. Les fraternités n'étaient pas des institutions ecclésiastiques à proprement parler mais elles fonctionnaient de manière similaire et entretenaient des relations étroites avec l'Eglise. Dans les couvents de femmes, les novices devaient apporter une dot destinée à pourvoir à leur entretien leur vie durant. Le capital était investi et les intérêts servaient à couvrir les dépenses de la religieuse (Lavrin, 1966). Les dots pouvaient être remises en liquide ou à travers un crédit, un *censo consignativo* gagé sur un bien appartenant à la famille de la religieuse. Le *censo* engageait ainsi la famille au paiement des intérêts et l'endettait auprès du couvent. Dans certains cas, le patrimoine des nouveaux entrants était incorporé au patrimoine de l'institution. D'autres institutions survivaient par les contributions de ses membres. C'était le cas des fraternités qui étaient des associations civiles avec des finalités religieuses. Les fraternités reflétaient la diversité des sociétés, regroupant les personnes d'une même profession, d'un même groupe social, d'un même lieu géographique.

L'aumône

L'aumône constituait une autre source de revenu pour les institutions. L'économie ecclésiastique était fondée sur la générosité des fidèles. Il est cependant très difficile d'apprécier le montant relatif de ces contributions car, en règle générale, elles ne laissaient pas de traces écrites.

Les legs testamentaires

Il était de pratique courante que les personnes donnent des biens à l'Eglise au moment de leur mort, surtout quand ils n'avaient pas d'héritiers. Ils choisissaient alors une institution ecclésiastique avec laquelle ils avaient un lien particulier ou qu'ils souhaitaient soutenir pour une raison particulière. Les jésuites ont ainsi reçu d'importants legs de leurs anciens élèves (Wobeser, 1994, p. 29).

Les fondations pieuses: œuvres pieuses et chapellenies

Les œuvres pieuses et les chapellenies, vieilles institutions datant de l'époque médiévale, furent une des sources de revenu les plus importantes de la majorité des institutions ecclésiastiques. Déjà important au seizième siècle, leur nombre s'accroît encore au dix-septième. Elles appartenaient au domaine des donations mais elles se différenciaient de l'aumône et des legs testamentaires par le fait qu'elles étaient créées dans un but précis et surtout qu'elles n'étaient pas aliénées par l'Eglise. L'institution n'en était que l'administratrice. (Wobeser, 1996, 2011).

La pratique courante dans l'Espagne moderne était que des personnes de haut rang social fondent des chapellenies et fassent des œuvres caritatives en faveur d'une institution religieuse, d'un organisme de bienfaisance ou de personnes dans l'incapacité de faire face à leurs besoins comme les orphelins, les veuves ou les malades. Il y avait bien sûr le motif religieux. Mais ces personnes le faisaient avant tout pour des questions de statut car les donations faisaient partie du style de vie que la société imposait à la classe dominante. D'autre part, il était fréquent que la fondation d'une œuvre pieuse se fasse au bénéfice d'un membre de la famille qui était dépendant économiquement comme les enfants, les femmes ou les malades. Dans le cas des chapellenies, il s'agissait moyennant l'obligation de quelques messes de mettre à l'abri des vicissitudes un certain nombre de biens dont les revenus vont à un chapelain généralement un parent de la famille du fondateur. Pour les familles de l'oligarchie, c'était aussi un moyen de doter des enfants "en trop" et de garantir la subsistance pour des individus de branches mineures.

Quatre parties intervenaient dans la création d'une fondation pieuse: le fondateur, le bénéficiaire, le patron et l'institution qui hébergera la fondation. Les deux premières étaient les figures essentielles de la fondation, les deux suivantes étaient chargées de son administration. Le fondateur était libre de choisir le patron, d'établir le montant de la dotation et de décider des caractéristiques de la fondation. En récompense, il exigeait généralement un bénéfice spirituel,

comme un nombre défini de prières ou de messes qui devaient être dites en sa mémoire. Le patron avait la faculté de nommer le bénéficiaire (le chapelain quand il s'agissait d'une chapellenie) quand la place était vacante et devait superviser le bon fonctionnement de la fondation. Patron et institution ecclésiastique pouvaient être confondus dans certains cas. De manière générale, s'il ne se nommait pas lui-même, le fondateur désignait un patron membre de la famille qui à son tour choisissait un bénéficiaire parmi ses parents.³² La charge de patron était héréditaire, la fondation restait donc dans la plupart des cas dans le giron familial.

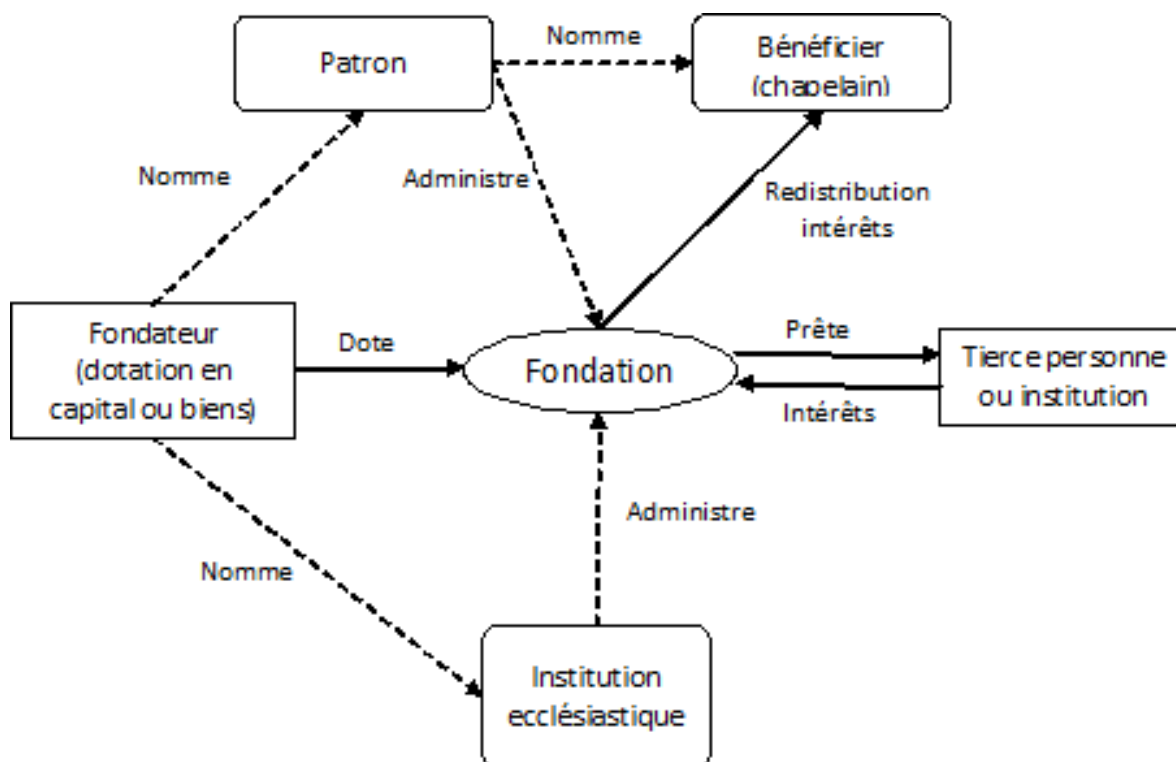
Il y avait trois moyens de doter une fondation: avec de l'argent en liquide, par la donation d'un immeuble ou par crédit. Commençons par ce dernier. Quand le fondateur ne disposait pas d'argent liquide pour créer la fondation, il assumait une dette envers celle-ci d'un montant équivalent à celui dont il souhaitait la doter. Ce prêt n'était alors que formel, il n'y avait aucun flux de capital, et une propriété du fondateur était alors grevée du montant de la dette. Dans ce cas-là, à la mort du fondateur, l'engagement reposait alors sur ses héritiers ou sur les personnes ayant acquis les biens grevés donnés en garantie. La deuxième manière de doter une fondation se faisait par la donation d'un immeuble que l'institution administratrice pouvait louer ou vendre et prêter le produit de la vente. Enfin, le fondateur pouvait donner une somme liquide. Il remettait alors l'argent au patron désigné comme administrateur qui l'entreposait dans l'institution hébergeant la fondation. Il devait ensuite prêter cette somme pour produire des intérêts et accomplir les volontés du fondateur. Le patron devait respecter scrupuleusement les clauses du contrat. Si par exemple un couvent recevait une certaine quantité d'argent pour célébrer un certain nombre de messes, il ne pouvait disposer de ce montant pour un autre usage. Tant que la structure économique de la fondation ne s'érodait pas, les obligations devaient être remplies. Un chapelain pouvait ainsi chanter une messe pour une personne morte il y a deux cents ans. L'institution ecclésiastique veillait en général au bon respect des conditions du contrat.

Les prêts accordés étaient uniquement des *censos consignativos*, car ce type de contrat assurait un revenu régulier à l'institution et qu'ils étaient les seuls crédits pouvant porter un intérêt légalement. Le placement du capital était une question épineuse car il devait être prêté à des personnes sûres. Comme nous le verrons dans les Chapitres 2 et 3, l'Eglise était très scrupuleuse quand il s'agissait de s'assurer de la solvabilité d'un candidat à l'emprunt. Quand elle le décidait, elle pouvait envoyer ses membres aller vérifier l'état des hypothèques et la véracité des informations fournies. Le plus souvent, elle exigeait un état précis des hypothèques mises en gage avec parfois même une estimation réalisée par un architecte. Enfin, la décision d'accorder

32. Les formes juridiques de ces fondations pouvaient être en réalité assez diverses. Si nous prenons le cas des chapellenies, elles pouvaient être collatives ou laïques. Les biens des premières sont de statut ecclésiastique. Bien que de statut ecclésiastique, leur appartenance pouvait cependant différer. Dans les chapellenies "de sang" ou familiales, le patronage et les biens appartenaient à la famille des fondateurs, alors que dans les chapellenies non familiales, les biens appartenaient à l'Eglise. Le chapelain était alors nommé par l'évêque diocésain sur présentation du fondateur ou de ses héritiers. Les chapellenies laïques, quant à elles, avaient leur patronage et leurs biens entièrement dans les mains des laïcs. L'Eglise n'exerçait qu'une simple surveillance de l'accomplissement des obligations (Montemayor, 1996, pp. 383-4).

un prêt à telle ou telle personne relevait d'une décision le plus souvent collégiale et soumise à l'approbation d'une autorité supérieure. Par exemple, pour les fondations pieuses hébergées par le clergé séculier, le patron de la fondation devait avoir l'accord d'un tribunal spécial chargé des testaments, des chapellenies et des oeuvres pieuses (*Juzgados de testamentos, capellanías y obras pías*).³³ Ces tribunaux étaient d'ailleurs chargés de vérifier non seulement le respect des obligations de la fondation mais aussi la bonne administration des biens et des sommes donnés. Ils jouaient par là un rôle de premier plan dans l'économie du crédit puisqu'ils mettaient à la disposition de la société civile des sommes considérables. Ce degré de formalisation montre bien que ce type de crédit n'était pas seulement inter-personnel.

Figure 1.1 – Les fondations pieuses et le crédit



Source: Elaboration de l'auteur.

En somme, l'Eglise pouvait soit prêter en propre, soit jouer le rôle d'intermédiaire. Dans ce dernier cas, elle administrait des fondations dont elle plaçait les fonds dans le but d'accomplir les volontés du fondateur. En utilisant le *censo consignativo*, elle pouvait en effet percevoir un intérêt et financer ses activités tout en contournant les lois relatives à l'usure. Enfin, le degré de formalisation de ces prêts était tel qu'il ne concernait pas uniquement des contractants d'un même cercle familial proche.³⁴

33. En règle général, il existait un tribunal de ce type par évêché.

34. Ce point sera développé dans les Chapitres 2 et 3.

Cependant, ce qui faisait avant tout la force de cette institution, c'était son ubiquité sur le territoire espagnol. Dans chaque ville et village, une église, un couvent ou un monastère pouvait se transformer en une institution de crédit potentielle.

1.2.3 Le maillage ecclésiastique étroit du territoire espagnol

L'Eglise espagnole tient une place à part dans la chrétienté. Représentant 2% de la population en 1700 et 1,31% en 1787, le clergé espagnol était relativement deux fois plus nombreux que le clergé français à la même époque (respectivement 1,3% en 1667 et 0,5% en 1789). En outre, il est intéressant d'évaluer la proportion des clercs par rapport à la population adulte. Un peu plus d'une personne sur deux avait plus de 20 ans si nous considérons que la structure des âges en Espagne était la même qu'en France (Henry & Blayo, 1975, p. 100). Si les clercs ont représenté en moyenne 1,5% de la population totale durant l'époque moderne, alors près de 3% de la population adulte faisait partie du clergé. En d'autres termes, près d'une personne sur trente était un ecclésiastique en Espagne.

Table 1.1 – Evolution de la population ecclésiastique

	Clergé		Total	Indice	% population
	Séculier	Régulier			
1591	40 599	50 486	91 085	100	1,12
1700	/	/	160 000	175,66	2,00
1752	66 691	95 134	161 825	177,66	1,74
1768	65 687	82 118	147 805	162,27	1,46
1787	70 170	73 430	143 600	157,65	1,31
1797	70 840	73 372	144 212	158,33	1,25
1835	41 151	52 906	94 057	103,26	0,81

Source: Barrio Gozalo (1994–95).

Le clergé se divisait entre le clergé séculier et le régulier, dont les structures internes, la juridiction, les hiérarchies et les fonctions religieuses et sociales étaient très différentes. Le clergé séculier était organisé en diocèses, avec à leur tête un évêque ou un archevêque, et dans le cas de diocèses plus importants, un chapitre cathédral. Chaque diocèse était divisé en paroisses. Au milieu du dix-huitième siècle, l'Espagne comptait 55 diocèses et près de 67 000 membres.³⁵ D'autres institutions appartenaient aussi au clergé séculier, parmi lesquelles les Tribunaux de testaments, chapellenies et œuvres pieuses de chaque diocèse, le Tribunal du Saint-Office de l'Inquisition et divers organismes de bienfaisance, écoles et asiles.

Les ordres religieux, eux, appartenaient au clergé régulier. Ils étaient composés de couvents, de monastères, de séminaires et de collèges, ainsi que d'autres institutions qu'ils patronnaient

35. Hermann (1988, p. 19); Aldea Vaquero *et al.* (1972, p. 733).

comme des écoles, des hôpitaux, et pléthores d'organismes de bienfaisance. En 1768, les monastères et les couvents représentaient plus de 3 000 maisons réparties sur tout le territoire espagnol hébergeant près de 77 000 religieux et religieuses.³⁶

Si nous additionnons les 3 000 couvents et monastères aux 20 000 églises paroissiales que comptaient alors l'Eglise sur le territoire espagnol, le clergé disposait au dix-huitième siècle pas moins de 23 000 institutions dispersées sur tout le territoire, autant de succursales devrions-nous dire (Hermann, 1988, p. 24). Cet ensemble d'institutions constituait un maillage étroit, proche des populations locales. Cependant, sa répartition pouvait être inégale comme le montre la Figure 1.2.

Le clergé espagnol était avant tout urbain même si la densité paroissiale était forte de manière générale (Barrio Gozalo, 1995, pp. 126-7). Dans la petite ville de León, le clergé représentait 6% de la population en 1757 (Cubillo de la Puente, 2000, p. 17). A Madrid, les ecclésiastiques comptaient pour 11% de la population au même moment.³⁷ Le clergé était concentré aussi dans les zones plus riches comme l'Andalousie au détriment de zones plus pauvres comme la Galice ou les Asturies.³⁸

A travers ses institutions, l'Eglise espagnole tenait donc une place à part en Europe. De la Reconquête à l'invasion napoléonienne, elle a accumulé un capital considérable et a été un acteur essentiel du marché de crédit de long terme. Elle était à la fois prêteur, gestionnaire et même intermédiaire comme nous le verrons dans le Chapitre 3. Son réseau d'églises paroissiales, de couvents et de monastères, n'avait pas d'équivalent. Il lui permettait un maillage local et étroit du territoire.

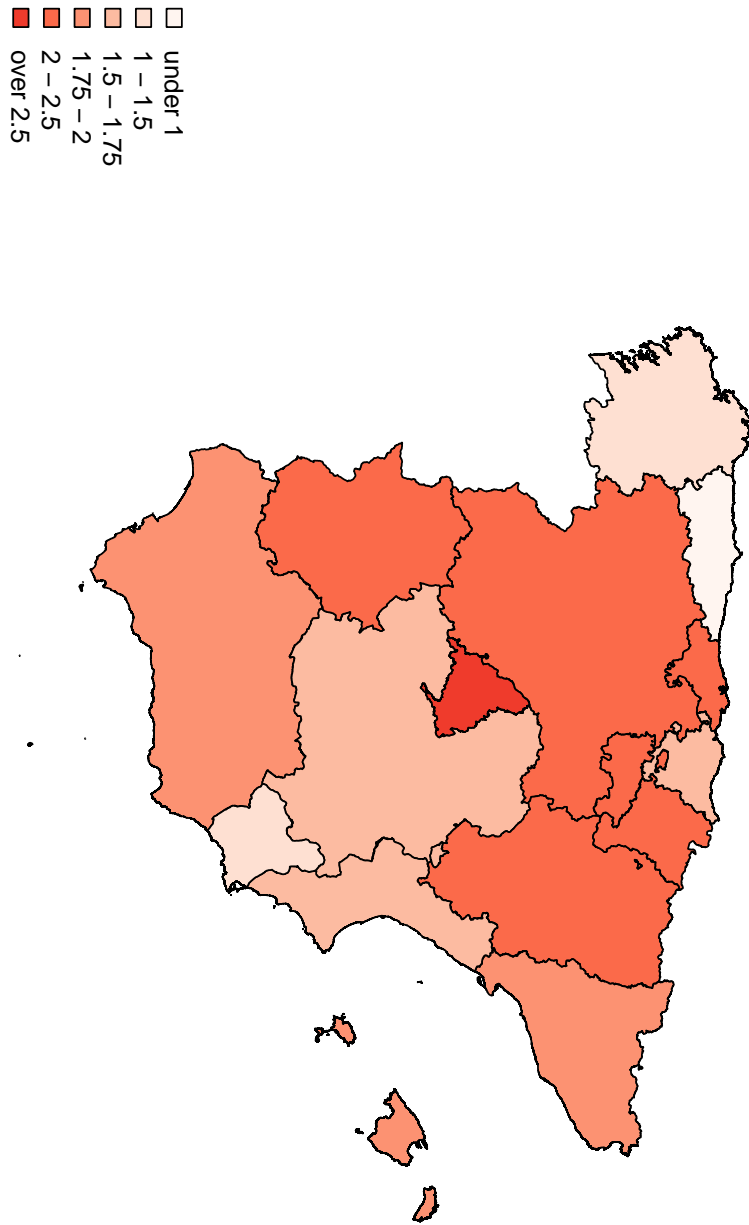
Ces institutions opéraient cependant dans un marché très fragmenté. En effet, les obstacles juridictionnels de l'Espagne accentuaient la fragmentation territoriale d'un marché déjà fortement local. L'autonomie des institutions ecclésiastiques, supposée par Wobeser (1994, p. 19), aurait pu constituer un obstacle supplémentaire. Cependant, comme nous le verrons dans le Chapitre 3, certaines de ces institutions ont développé des systèmes de gouvernance qui ont permis, non pas de renforcer ces obstacles, mais de les surmonter pour intégrer le marché espagnol.

36. Aldea Vaquero *et al.* (1972, p. 733). L'Espagne comptait 1 000 couvents et monastères de religieuses et 2 000 de religieux (Llopis Agelán, 1980, p. 21).

37. Ringrose (1983, p. 68).

38. Aldea Vaquero *et al.* (1972, pp. 682-3).

Figure 1.2 – Répartition du clergé en Espagne en % de la population (fin du XVIIIe)



Source: Elaboration de l'auteur.

Chapitre 2

Fragmentation of capital markets in early modern Spain? Composite monarchies and their jurisdictions

2.1 Introduction

In August 1735, Don Joseph Doz and Doña Beatriz de Funes, residents of Tarazona in the Crown of Aragon (province of Zaragoza), borrowed 1,000 Aragonese pounds from the Cathedral of Tarazona, a tidy sum since the average loan in these regions was about 50 pounds.¹ In return, Don Joseph Doz, Doña Beatriz de Funes, and their descendants had to pay a 5 per cent annual interest rate until full repayment of the loan. However, earlier in that same year, 20 kilometres away in the Crown of Castile, the convent of Augustinian Recollects of Ágreda (province of Soria) had lent 26,000 reales, approximately 1,400 Aragonese pounds, to the city council at 3 per cent annual interest in January 1735.² This too was a tidy sum considering that the annual wage of a day labourer in Madrid was about 860 reales.³ So why did Don Joseph Doz and his wife not borrow from the convent of Augustinian Recollects in the Crown of Castile at a lower interest rate just 20 kilometres away from where the couple lived? This case serves to illustrate what this paper is about: interregional capital flows and the fragmentation of capital markets in early modern Spain.

The hypotheses developed by the New Institutional Economics School (NIE) focus on the formal social rules and the exchange relations that allocate resources and constrain individual

1. Archivo Histórico de Protocolos de Tarazona (thereafter AHPT), Caja 447/01.

2. Archivo Histórico Provincial de Soria (thereafter AHPS), Caja 1755, vol. 2627. One Aragonese pound is equivalent to 19 reales (see App. A).

3. A day labourer in Madrid earned, on average, around four reales per day (Pinto Crespo & Madrazo Madrazo, 1995, p. 203). In keeping with Alvarez-Nogal & Prados de la Escosura (2007, p. 327), I assume that day labourers worked between 180 and 250 days p.a. (for a full list of sources, see Alvarez-Nogal & Prados de la Escosura (2013, p. 7)), which makes for an average of 215 days. As such, a day labourer in Madrid would have earned around 860 reales p.a. in the eighteenth century.

choice. For NIE theorists, formal markets emerge when property rights are secured and develop as transaction costs (agency problems) decline. They thus focus on potential infringements of property rights as sources of slow market development in Spain due to the absolutist nature of the monarchy.⁴

However, Epstein forced a rethink of the political economies of pre-modern European monarchies. In these societies, sovereignty was fragmented with overlapping jurisdictions. Decentralization and coordination failures, rather than absolutist power, were the fundamental problem in pre-modern societies.⁵ Focusing on Spain, Grafe showed how peripheral historic territories and powerful interior cities exacerbated jurisdictional obstacles to trade, hindering market integration in Spain.⁶

The rise of centralized states in pre-Modern Europe was therefore instrumental in overcoming market failures caused by political decentralization. Epstein especially argued that the development of legal systems in the late Middle Ages, along with state formation, gave rise to market development and economic growth.⁷ Legal institutions guaranteed the enforcement of transactions, enabling a rational allocation of production factors that improved productivity. Nevertheless, Epstein's observation of the development of norms and legal systems is somewhat incomplete. Further investigation is needed into norm enforcement and these systems' activities given that the composite nature of the Spanish monarchy made for many jurisdictional disputes, causing delays and uncertainty in legal procedures.

This chapter is the first attempt to study and measure the role of jurisdictional barriers in capital market fragmentation in early modern Spain. Analysis of the capital markets offers a good observation of jurisdictional fragmentation as it provides a fundamental measure of transaction costs, and especially enforcement costs in the event of litigation. As money had a favourable weight-value ratio, transport costs played a smaller role than transaction costs in the integration of capital markets.⁸

First, using a gravity model and a new dataset constructed from the Cadastre of Ensenada (1750s), I show the major role of jurisdictional barriers in the fragmentation of capital markets. My results also support the hypotheses that capital flows depend both on market size in source and destination city and on distance.

Second, I examine an original dataset of spreads between interest rates on private loans in two neighbouring kingdoms of the Spanish monarchy, the Crown of Castile and the Kingdom of Aragon, from 1705 to 1750. Analysis of the origins of borrowers and lenders demonstrates that there was hardly any capital mobility between the two kingdoms despite large spreads between interest rates.

4. North & Thomas (1973); North (1981); North (1989); Tilly (1990); Stein & Stein (2000).

5. Epstein (2000).

6. Grafe (2012).

7. Epstein (2000).

8. Chilosi & Volckart (2011); Chilosi *et al.* (2016).

The chapter is organized as followed. Section 2.2 presents the empirical model, the data and the findings on capital flows. Section 2.3 then presents a qualitative robustness test taking the interest rate differential between two neighbouring jurisdictions. Section 2.4 shows that jurisdictional fragmentation obstructed capital market integration by increasing transaction costs. In section 2.5, I examine the role of composite monarchies, justice and political economies behind these jurisdictional obstacles. Section 2.6 concludes.

2.2 Jurisdictional effects in a gravity model

This chapter contributes to a number of strands of the literature. First, I improve on the ongoing debate on financial market integration in early modern Europe. Recent research has discovered that financial markets were integrated earlier than those for goods due to the more advantageous weight-value ratio of money, even for coins.⁹ Chilosi & Volckart (2011) found that the Central European financial markets integrated in the fifteenth century. They also showed that the market for urban annuities was rather well integrated as early as the sixteenth century.¹⁰ Using stock market analysis, Neal (1987) furthermore showed that London and Amsterdam were well-integrated in the eighteenth century, whilst Flandreau *et al.* (2009) confirmed that monetary transactions centred around Amsterdam, London, and to a lesser extent Paris and Hamburg. For Spain, the Spanish monetary market has been the subject for many studies which are not very conclusive to which extent the market is integrated or not. Bernholz & Kugler (2011) showed that between 1564 and 1603, deviations of up to six per cent between the Spanish Ducado and the Dutch Groat were possible between Seville and Medina del Campo, whilst Flandreau *et al.* (2009) found that the Franco-Spanish connection played a central role to draw out of Spain the American gold during the eighteenth century.

This research is extremely valuable but has a partial vision of financial market integration, not to say biased. None of these studies looked at the integration of long-term capital markets, which are at least as important, if not more important, as short-term capital market for investment and economic development. For Spain, one exception is Alvarez-Nogal (2009) who examined the spread of interest rates between public annuities across Spain (*juros*) and the origins of inter-city investors between 1540 and 1740. This research shows fragmentation in the market for long-term public bonds but does not tell us the reasons why. To address this question, I look at private long-term capital markets (*censos consignativos*) and the impact of jurisdictional barriers on market fragmentation. Grafe (2012) showed the importance of jurisdictional obstacles to market integration and internal trade in early modern Spain. Jurisdictional barriers can also act as a deterrent to capital flows between jurisdictions. In the event of a dispute, overlapping jurisdictions increase the enforcement costs of a contract, which raises the risk of cross-border lending. This study is the first to measure the extent to which capital markets were

9. As money had a favourable weight-value ratio, transportation costs played a smaller role than transaction costs for the integration of capital markets.

10. Chilosi *et al.* (2016).

fragmented because of jurisdictional fragmentation.

This chapter also provides new insights into gravity models applied to asset trade. First, I present the oldest estimate of the distance elasticity of capital flows, dating back to the eighteenth century. My results and historical setting support previous findings on the role of market size and distance already observed by other studies (Martin & Rey, 2004; Portes & Rey, 2005; Coeurdacier & Aviat, 2007). Second, I use the Poisson Pseudo Maximum Likelihood (PPML) estimator to estimate the gravity equation as an easy, convenient solution in the presence of zero capital flows.¹¹ I improve on earlier contributions (Portes *et al.*, 2001; Portes & Rey, 2005), which use an Ordinary Least Square (OLS) procedure that cannot take into account the information contained in zero asset trade, because these observations are simply dropped from the estimation sample when the capital value is transformed into logarithmic form. Lastly, I provide new evidence of a border effect. An important line of empirical inquiry in economic geography consists of attempting to explain the effect of borders. A number of studies have been conducted on market unions and cross-border trade to show that borders matter for trade flows.¹² The existence of home bias in asset trade has been initially documented by French & Poterba (1991). Two classes of explanations have been put forward: the first one focuses on transaction costs and informational frictions.¹³ The second one centers on terms of trade changes.¹⁴ More recently, Coeurdacier & Aviat (2007) also looked at the impact of trade in goods on trade in assets.¹⁵ This study belongs to the first class of explanations, but I chose here to investigate another idea, namely that jurisdictional barriers are a strong deterrent for asset trade. Portes *et al.* (2001) posit that a gravity model explains international transactions in financial assets at least as well as goods transactions when addressing this question. A gravity model for trade is a model that explains trade flows between countries i and j by the two masses (GDPs) and distance. Extended versions include dummies for trade areas, cultural factors, etc. The purpose of this chapter is to measure and explain the sources of capital market fragmentation in early modern Spain. The impact of jurisdictional barriers can be estimated by including a dummy variable indicating when the capital flow occurs within the jurisdiction and when it occurs with other jurisdictions. I define a market as fragmented when jurisdictions influence the pattern of asset transactions. Borders matter when borrowers have better access to domestic lenders than lenders in other jurisdictions.

2.2.1 An empirical model of capital flows

The term gravity equation covers a number of alternative specifications. The most commonly used specification takes a log-log format and estimates the parameters of interest by least

11. This approach is advocated by Santos Silva & Tenreyro (2006). They show that the PPML estimator performs very well even with a large proportion of zeros.

12. To cite just three major studies, see McCallum (1995); Head & Mayer (2000); Wolf (2000).

13. Portes *et al.* (2001); Portes & Rey (2005).

14. Cole & Obstfeld (1991); Helpman & Razin (1978).

15. For a recent survey, see Coeurdacier & Rey (2013).

squares. In keeping with Portes & Rey (2005), with a bit of rewriting, I propose the following empirical specification:

$$\log(CF_{ij}) = \alpha + \beta_1 \log(Y_i) + \beta_2 \log(Y_j) + \beta_3 \log(D_{ij}) + \beta_4 jdummy + citydummies_i + citydummies_j + \epsilon_{ij} \quad (2.1)$$

This equation is very intuitive and similar to the standard gravity equations derived in the literature of international trade. CF_{ij} denotes capital flows from city i to j . Obviously, there is no such thing as a GDP measure for early modern Spain, especially at local level. Previous findings (Helliwell, 1998) suggest that per capita GDP and population take approximately equal sign. I hence use the population as a proxy for economic mass: Y_i and Y_j denote the population of city i and j .

D_{ij} denotes the distance between city i and j , measured as the minimum straight-line distance in kilometers. Lastly, a jurisdiction dummy is added ($jdummy$), defined as equal to 1 for intra-jurisdiction capital flows, to measure the impact of jurisdictions on asset trade. ϵ_{ij} is the error term.

The existence of observations for which the dependent variable is zero creates a problem for the use of the log form of the gravity equation. The approach taken by the vast majority of empirical studies is to simply drop the pairs of zero trade from the dataset and estimate the log form by OLS. Rather than discarding these observations, some authors estimate the model using $\log(1 + trade_{ij})$ as the dependent variable or a tobit estimator. These procedures generally produce inconsistent estimators of the parameters of interest. One way of obtaining a more efficient estimator than the standard OLS is to estimate the parameters of interest using a PPML estimator, since it allows for a large number of zeros in the dependent variable.¹⁶

The theory suggests that the capital flow from city i to city j is proportional to the population of the two cities and inversely proportional to their distance, D_{ij} . I also would expect jurisdiction barriers (i.e., if the two cities do not belong to the same jurisdiction), which could be interpreted as a proxy for enforcement costs in the event of litigation, to be negatively correlated with capital flow. Lastly, I add city dummies to control for aggregate shocks.

One potential problem pointed by the literature is that policy variables may be endogenous and their coefficients inconsistent because of "reverse causality" or an omitted variable.¹⁷ In the case of jurisdictions for example, reverse causality would imply that the volume of capital flows between two cities also determine if they are part of a same jurisdiction or not. However, this is unlikely to happen. Jurisdictions in Spain were historical outcomes determined by political stakes. Nevertheless, one solution to address this problem is to draw on a natural experiment. In Section 2.3, I use the reduction of the interest rate ceiling in 1705 as an exogenous shock hitting only Castile and not Aragon.

16. Whenever distance is equal to zero (intra-city lending), I use $\log(1 + D_{ij})$.

17. Head & Mayer (2013).

2.2.2 The data

The empirical results presented below are based on the Cadastre of Ensenada. The Cadastre was conducted throughout Castile at the beginning of the 1750s. It collected information on wealth and population for each city and village. In particular, it recorded redeemable annuities called *censos consignativos* secured on real assets located in the city.¹⁸ So the Cadastre lists the stock of *censos* for each place for a given year (generally 1751 or 1752).

For each redeemable annuity, the Cadastre provides information on the borrower's and the lender's names, their cities of origin, the capital, the interest rate, and the mortgaged asset. Based on this evidence, I can observe intra-jurisdictional capital flows and cross-jurisdictional flows for each place. Obviously, a study of Castile in its entirety is beyond this chapter. The data contained in the Cadastre is considerable and *censos* information is not listed in a separate section.¹⁹ I have therefore restricted my study to the judicial district of Ágreda in the province of Soria.²⁰ The data covers the 17 cities in the district.²¹ I identify 23 cities of origin for the capital lent in the judicial district of Ágreda, making a total of 345 observations (23×15).²² Summary statistics for the capital flow data are given in Table 2.1.

The population was drawn from the Floridablanca census (1789). Where this information was not available, the Aranda census of (1768) was used.²³ Ágreda was the main recipient of capital flows (83 per cent of the total in value), which is not surprising since it was the administrative centre of the judicial district and concentrated a large share of its population (almost 50 per cent). Intra-jurisdictional flows accounted for almost 70 per cent of total capital flows, 58 per cent of which were intra-city flows. Eight of the 23 cities of origin did not belong to the judicial district of Ágreda. Among these eight cities, the majority of capital flows came from Pamplona, Alfaro and Soria, three other main judicial district centres. In general, these were large one-off transactions among the cities' elites.

18. As mentioned in Chap. 1, other types of *censos* actually existed, namely *censos enfitéuticos* and *censos reservativos*. However, the *censo consignativo* was the only one akin to a mortgage. See Chap. 1 for a detailed description of these instruments.

19. In addition, Cadastre archives are not centralized, but are kept at provincial level in the *Archivos Históricos Provinciales*.

20. Ágreda was a *corregimiento*. These were administrative and judicial districts under the ancien regime. The *corregimiento* of Ágreda was chosen for its common border with the Kingdom of Aragon (which will be under study in Section 2.3). See Heras Santos de las (1996) for a complete list of *corregimientos*.

21. For a list of cities by districts, see *España dividida en provincias e intendencias* (1789), Vol. 1, pp. 488–489, available at <http://www.bne.es/es/Catalogos/BibliotecaDigitalHispanica/Inicio/index.html>. Two of them, Vozmediano and Conejares, very small cities, do not contain any information on mortgages. Cities of destination are: Ágreda, Añavieja, Beratón, Castilruiz, Devanos, Fuentestrún, La Aldehuela, La Cueva, Las Fuentes de Ágreda, Matalebreras, Montenegro de Ágreda, Muro de Ágreda, San Felices, Trévago, and Valdelagua. Data has been collected from AHPS, Cajas 9471-9474, 9958, 9544, 9561, 9595, 9626, 9658, 9493, 9624, 9656, 9708, 10012, 9741, 9833, 9886 and 9892.

22. Cities of origin are: Ágreda, La Aldehuela, Alfaro, Añavieja, Beratón, Cascante, Castilruiz, La Cueva, Devanos, Las Fuentes, Fuentestrún, La Cuesta, Matalebreras, Montenegro, Muro de Ágreda, Noviercas, Pamplona, San Felices, San Pedro Manrique, Soria, Trévago, Valdelagua and Vozmediano. One obvious outlier was removed from the dataset: two small loans for a total amount of 1,650 reales between the city of Ágreda and the city of Malaga, 610 kilometres away.

23. The Aranda census is reputedly less reliable than the Floridablanca census. They are both available on the Instituto Nacional de Estadística website at <http://www.ine.es>.

Table 2.1 – Summary statistics

City of destination	Capital flows (reales)					
	Without zeroes		With zeroes			
	mean	observations	mean	standard deviation	min	max
Ágreda	82,813	12	43,206	136,828	0	623,655
La Aldehuela	4,125	1	179	860	0	4,125
Añavieja	2,160	1	93	450	0	2,160
Beratón	3,025	2	263	1,197	0	5,750
Castilruiz	11,609	5	2,523	7,640	0	35,048
La Cueva	3,070	3	400	1,642	0	7,880
Devanos	745	2	64	254	0	1,200
Las Fuentes	18,657	2	1,622	5,390	0	19,986
Fuentestrún	1,716	2	149	528	0	2,333
Matalebreras	17,204	3	2,244	8,657	0	41,360
Montenegro	250	1	10	52	0	250
Muro	4,403	2	382	1,456	0	6,777
San Felices	870	1	37	181	0	870
Trévago	3,799	3	495	1,672	0	7,355
Valdelagua	1,500	1	65	312	0	1,500
Number of cities of origin						23
Distance (km)					mean	21.6
					min	0
					max	122.7

Sources: See text.

2.2.3 Results

I estimate equation (2.1) with the PPML procedure. The equation includes a constant term and city dummies to control for aggregate shocks, whose estimates are not reported. The dependent variable CF_{ij} is the capital flow from city i to city j . The estimation procedure gives heteroskedasticity-consistent standard errors, which are shown in parentheses below the coefficient estimates.

Table 2.2 – The gravity equation: PPML estimator

Estimator:	PPML ^a
Dependent variable:	$Log(CF_{ij})$
Log of population _{<i>i</i>}	2.199*** (0.593)
Log of population _{<i>j</i>}	2.397*** (0.480)
Log distance	-0.739*** (0.271)
Jurisdiction dummy	2.395** (1.060)
Observations	345

^aFull set of city dummies.

Note: Significance levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Sources: See text.

Both population size variables return the expected signs with very well-determined coefficients. Distance elasticity is appropriately negatively signed (-0.73) and precisely estimated (s.e. = 0.27). This confirms the results of previous studies on asset trade. It is comparable to what Portes & Rey (2005) found (-0.7) and a little bit higher than the effect observed by Coeurdacier & Aviat (2007), between -0.4 and -0.7. I also explore the role of jurisdictional barriers: the Poisson regression indicates that jurisdictional ties play a role in determining capital flows. The Poisson estimates suggest that belonging the same jurisdiction multiplies expected capital flows by almost 10.²⁴ Compared to trade in goods, this result is similar to the finding made by Wei (1996), but is below the (probably overestimated) value of 20 obtained by McCallum (1995).²⁵ This means that fragmentation between Spanish jurisdictions at that time was almost as strong as between countries today.

24. The formula to compute this effect is $(\exp \beta_i - 1) \times 100\%$, where β_i is the estimated coefficient.

25. McCallum (1995) used an OLS procedure which overestimates the effect of borders and distance. Using an OLS procedure, I also find much higher results. Estimating equation (2.1) with $\log(1 + CF_{ij})$ as the dependent variable, the model predicts that distance elasticity is -1.17 and that capital flows between two cities within the same jurisdiction will be 100 times higher than capital flows between cities from different jurisdictions.

2.3 A qualitative robustness check

In this section, I consider the market for long-term private loans in two neighbouring jurisdictions, the province of Soria in the Crown of Castile and the province of Zaragoza in the Crown of Aragon. The examination of capital flows between these two regions proves exceptionally rewarding, since interest rates between them differed by two percentage points during the first half of the eighteenth century. The analysis of capital markets in this setting enables the potential effects of jurisdictional fragmentation on capital flows to be gauged.

2.3.1 Historical background

In the early modern period, Spain was divided into a number of historic territories: Castile and Leon, Aragon (including the Kingdom of Aragon, Catalonia and Valencia), Navarre, the Basque provinces, and the Balearic islands (see Figure 2.1). Each of these territories had its own jurisdictional and legal systems. This makes for potential differences in credit markets nationwide in terms of their institutions, players and instruments, calling for caution when comparing markets.

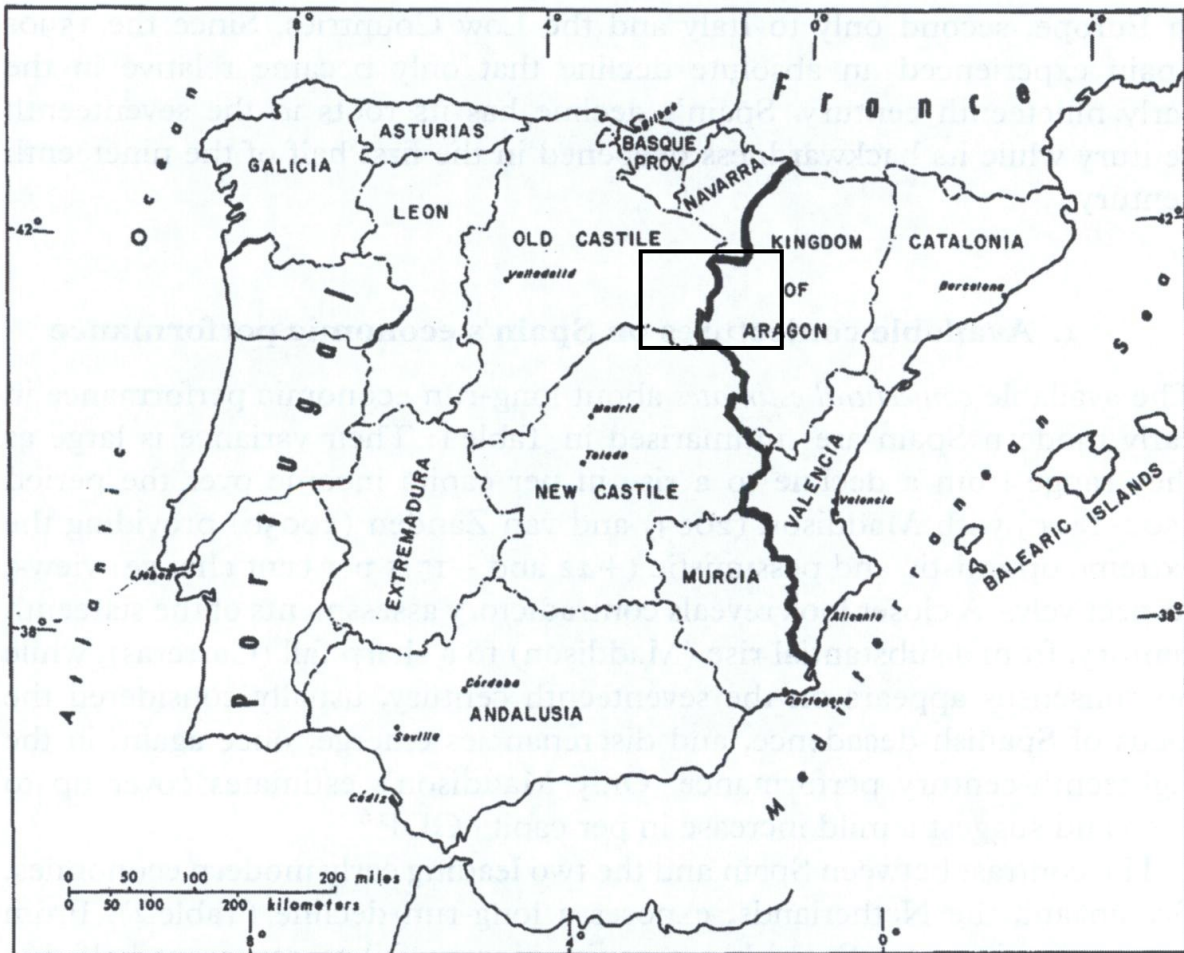
In the crown of Aragon, the *censos consignativos* that we studied above were called *censales*. *Censos* and *censales* were exactly the same kind of mortgage-secured loans. Contemporaneous notaries used to draw them up with the same terms and conditions to the extent that they can be considered as substitutes.²⁶

As previously mentioned, interest rates on these loans were regulated by public authorities (the Cortes and the king), which set an interest cap. Interest rates on loans could be set below the cap, but not above it. Crucially, in Spain, this cap differed nationwide from 1705 to 1750. On 12 February 1705, Philip V reduced the interest cap to 3 per cent in the Crown of Castile for private loans (*censos*), but kept it at 5 per cent in the Crown of Aragon through to 1750. The king's decision to lower the maximum legal rate was not taken overnight.²⁷ The interest cap on these loans had been 5 per cent since 1621. However, the monetary reforms from 1680 to 1686 caused a significant drop in farm prices and rents. Indebted owners were forced to sell their mortgaged properties under debt collection procedures to be able to repay their arrears. This further sharpened the fall in property values. In Castile, a number of voices asked for the interest cap to be reduced. These voices came mainly from the nobility, large and small landowners, urban classes and cities (represented by the Cortes) in debt. The issue of reducing the interest cap on *censos*, already debated by the Council of Castile in the years of deflation from 1680 to 1684, was then back on the table in 1690. Much of the *censos* had been granted by ecclesiastical institutions and any change in the interest rate would have been

26. For Castile, see Febrero (1789, part I, tome II, chap. V, pp. 185–303). For Aragon, see Alliaga Bayod y Salas Guasqui (1789, tome II, pp. 7–135). For a complete list of contemporaneous notaries' books, see Luján Muñoz (2001).

27. The analysis that follows is based on Alvarez Vázquez (1978) and Alvarez Vázquez (1987, pp. 279–91).

Figure 2.1 – Early Modern Spain



Note: The rectangle indicates the geographical area of study.

detrimental to these bodies. In 1691, the Church, in the shape of the Primate of Toledo, decided to put pen to paper in defence of its interests and send a memorandum directly to the king listing its arguments against reducing the interest cap. On the basis of its claim that the reform would have a considerable impact on its revenues, the Church threatened to demand a reduction in its contributions to royalty (namely *subsidio* and *excusado*). The balance of power consequently tipped in favour of the ecclesiastical institutions and the reform was adjourned. However, repeated attacks against the interest cap by nobility and the Cortes made it clear that a reduction was on the cards and that it was only a matter of time. Indeed, in the last two decades of the seventeenth century, the interest rate on Castilian *censos* was often lower than the cap (usually 4 to 5 per cent) for large loans of over 20,000 reales. In 1705, Philip V officially reduced the interest rate on all Castilian *censos* to 3 per cent. This confirms Yun's argument that the official reduction merely fell in line with the actual state of play on the credit market.²⁸

28. Yun Casalilla (1987b, p. 357).

However, as mentioned above, the reduction was not extended to the Crown of Aragon. Aragon had its own representative assemblies, at least through to 1707, and any such reform would also have had to have been approved by these assemblies before being able to be enforced in the realm. In addition, the reform came in the midst of the War of the Spanish Succession that divided Spain between Castile in support of Philip V and Aragon in support of the Hapsburg monarch.²⁹ When the war ended in 1714, the question of extending the reform to Aragon was raised.³⁰ However, the systematic opposition of the Aragonese Church delayed enactment of the interest rate cap reduction until 1750.³¹ A large gap therefore stood between the two crowns for 45 years.

As soon as the king enacted his royal order, the interest rate was reduced to 3 per cent on all existing and future *censos* in Castile, whereas it remained at 5 per cent in Aragon. The differential could therefore reasonably be expected to have triggered critical capital flows between Aragon and Castile during this period. To test this assumption, I explore whether lenders moved from where interest rates were low in Castile to Aragon where interest rates remained much higher. In this case, the number of transactions would have decreased in Aragon and the interest rate would have converged towards the interest cap of Castile (in real terms).

2.3.2 New data on private annuities

I selected a number of cities in the two neighbouring provinces of Soria in Castile and Zaragoza in Aragon. I chose them within a 20-kilometre radius from the border to limit transport cost issues and capture the jurisdictional effect on capital flows. This corridor has certain advantages in terms of similar geographic conditions and no major geographic obstacles. I also checked for the existence of transport networks between the two provinces. Given the availability of sources, I recorded all the obligations and annuities registered in notaries' records signed in 1725 and 1735 in three cities (Ágreda, Noviercas and Ólvega) in the province of Soria (Old Castile) and one city (Tarazona) in the province of Zaragoza (Aragon).³² I chose these years as being far enough away from the 1705 rate cap reduction reform in Castile, the end of the war between Castile and the Kingdom of Aragon in 1707, and the implementation of the rate cap reduction in Aragon in 1750.

Obligations recorded were short term, from three months to a year, and were more akin to commercial credit. In most cases, they were used to pay for agricultural or industrial products

29. This assessment is clearly made by the royal order of 1750: "Remaining the crown of Aragon with the same interest of 5 per cent, because the situation in which it was found, did not allow for such a reduction".

30. Again, this is clear from the royal order of 1750: "and once abolished its *fueros* . . . many doubts were raised as to whether the reform could be extended to it [the Crown of Aragon]".

31. In a memorandum to the king around 1720, the Cathedral of Valencia listed all the Aragonese Church's arguments against reducing the interest rate cap on the *censales*. See *Reflexiones, que el cabildo, y canonicos de la santa metropolitana iglesia de Valencia, exponen a los señores del real consejo de Castilla sobre el precio de los censos de aquel reyno*, available at <http://dadun.unav.edu/handle/10171/30903>.

32. I could not use the Cadastre here since it was conducted after the period under study.

and services. This demonstrates that obligations were not an alternative to long-term loans when interest rates differed between Aragonese and Castilian annuities. I observed 56 *censos consignativos* in Castile and 32 *censales* in Aragon. Table 2.3 summarizes the results.

Credit activity was actually quite substantial since these cities were relatively small and this type of credit was long term.³³ Noviercas and Ólvega were situated along the border with Aragon. As mentioned above, Ágreda was the administrative centre of a *corregimiento* and the main city on the road from Soria, the capital of the province, to Tarazona in Aragon. It was just 20 kilometres away from Tarazona.

Tarazona can be classed as an important city. Also the administrative centre of a *corregimiento* and a bishopric, it was the second largest town (after Zaragoza) in the province of Zaragoza in the eighteenth century. Located in the Queiles valley linking the Ebro valley to the Meseta, the city stands at a crossroads between Aragon, La Rioja, Navarra and Castile. Therefore anyone travelling between Zaragoza and the Meseta (where Madrid is located) had to pass through Tarazona, Ágreda, and Soria.

All the contracts contain the borrower and lender's names, place of residence, the capital borrowed, the annual rent and the collateral pledged as security. Among the Aragonese loans, 13 contracts (40 per cent) provide information on the borrower's profession: seven labourers, one doctor, one knitter, one chandler, one wool dresser and two friars from the Cathedral of Tarazona. Seven borrowers (20 per cent) bore the title "Don" and usually borrowed larger amounts than the others. The title "Don" does not necessarily refer to the nobility. It can also refer to important people in trade or the administration, for instance. Only two Castilian loan contracts mention the borrower's profession – one notary and one presbyter – and only three of them (5 per cent) bore the title "Don". The largest amount of capital (26,000 reales) was borrowed by the city council of Ágreda. With respect to the contracts where profession is not mentioned, there is good reason to believe that most of the borrowers were labourers or small craftsmen, given that they did not know how to write and generally borrowed small amounts secured against small plots of land. Regarding the lenders, ecclesiastical institutions provided 94 per cent of the capital lent in Castile and 92 per cent in Aragon. This confirms the dominant position of ecclesiastical institutions in long-term credit markets in eighteenth century Spain. The reason for the loan is only given in four contracts: to buy land, a mill and solve financial difficulties.³⁴

The two markets differed on one point though. Table 2.3 shows the amounts lent in Castile and in Aragon. Both the mean and the median were higher in Tarazona than in Castilian cities. This corroborates the importance of Tarazona as an economic center compared with Ágreda, Noviercas, and Ólvega.

All annuities bore the maximum legal interest rate: 3 per cent in Castile and 5 per cent in Aragon. In other words, 20 or 30 years after the differential was introduced, the interest

33. Floridablanca's census counts 3,084 inhabitants in Ágreda, 1,177 in Noviercas and 1,096 in Ólvega.

34. The same reasons are given by Tello Aragay (1994, p. 11) and Fernández de Pinedo (1985, p. 301).

Table 2.3 – Private annuities in Castile and Aragon, 1725 and 1735

	Castile ^a (grams of silver)	Aragon ^b (grams of silver)
Number of contracts	56	32
Total amount	101,630	125,136
Mean	1,814	3,910
Median	781	1,186

^aÁgreda, Noviercas, and Ólvega.

^bTarazona.

Notes: See App. A for monetary equivalences.

Sources: See text.

rate in Aragon had not converged towards Castile's and remained stuck at the maximum legal rate whereas it could have been lower. Aragonese inhabitants should have stopped borrowing in Tarazona and gone 20 kilometres away to Ágreda, for example, to borrow at 3 per cent. Although I cannot conclude that there was a decrease in loan transactions in Tarazona,³⁵ I can examine capital mobility and capture possible foot-voting effects by looking at the city of origin of borrowers and lenders in Castile and Aragon.³⁶

2.3.3 Results

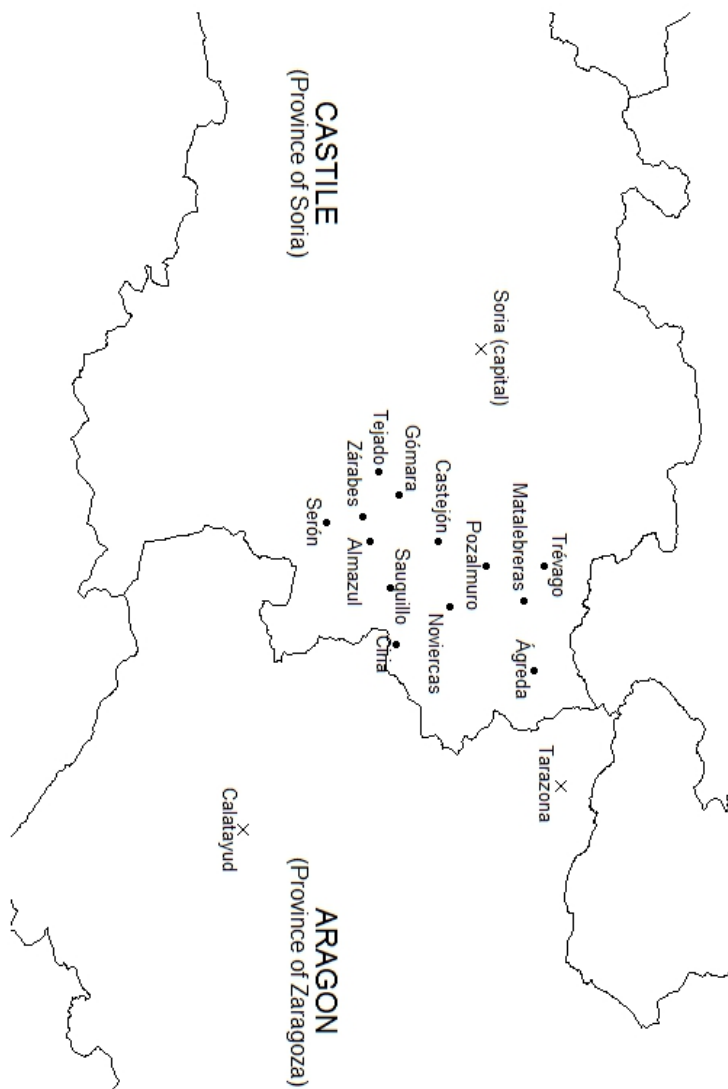
Figures 2.2 and 2.3 show that not one single person from Aragon borrowed in Castile in 1725 and 1735. For instance, nobody in Tarazona adopted the strategy of borrowing at a lower cost in Ágreda. To come back to my first example, Don Joseph and Doña Beatriz preferred to borrow 1,000 Aragonese pounds at 5 per cent in Tarazona, when they could have borrowed at 3 per cent just 20 kilometres away.

Loan transactions between Aragonese and Castilians might be thought to have been easier to set up in large cities than small towns, as there was a better chance of finding a financial intermediary in a large city to conduct the transactions. For instance, Marcos Martín (1999) showed how the provincial house of the Theresian Carmelite Order in Valladolid managed to pool capital across its network of convents, lending it to the city council of Valladolid and rich nobles. In Figure 2.4, I examine the borrowers' hometowns in the capital of the province, Soria. I do not find any borrowers from Aragon, even though the city's elite could have expanded their coverage outside the province of Soria.

35. Some notaries' records are missing, which makes it impossible to see the full lending picture in Tarazona at the time.

36. Tiebout (1956).

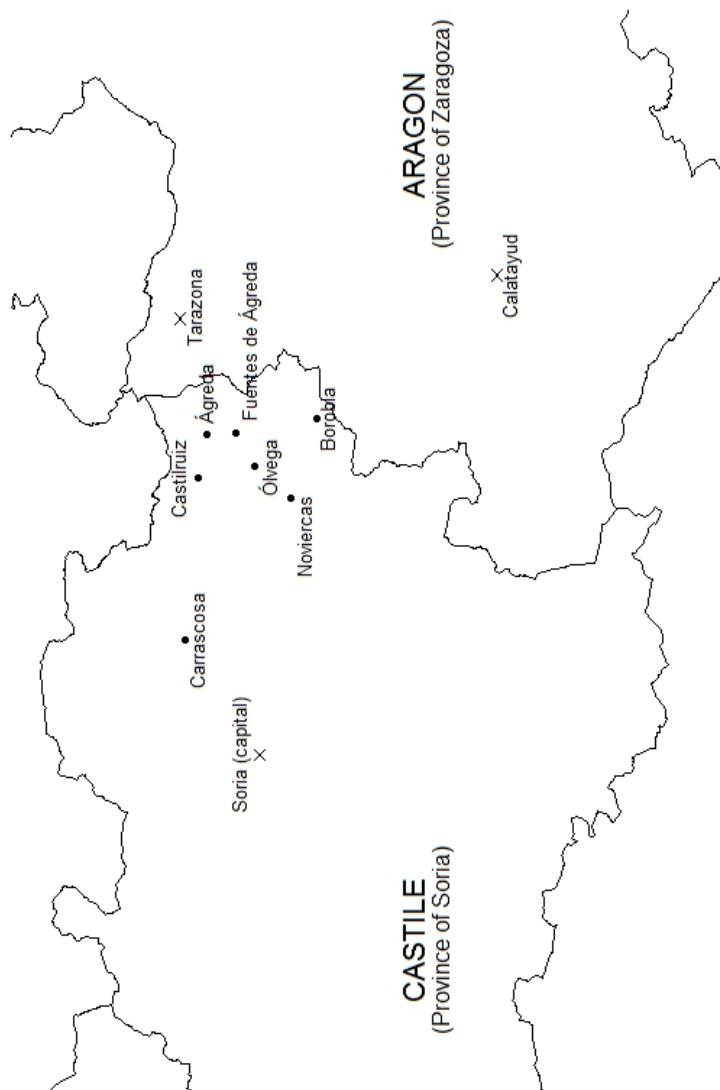
Figure 2.2 – Borrowers' hometown in Ágreda, Noviercas, and Olvega, 1725.



Note: Cities with a cross are given for information only.

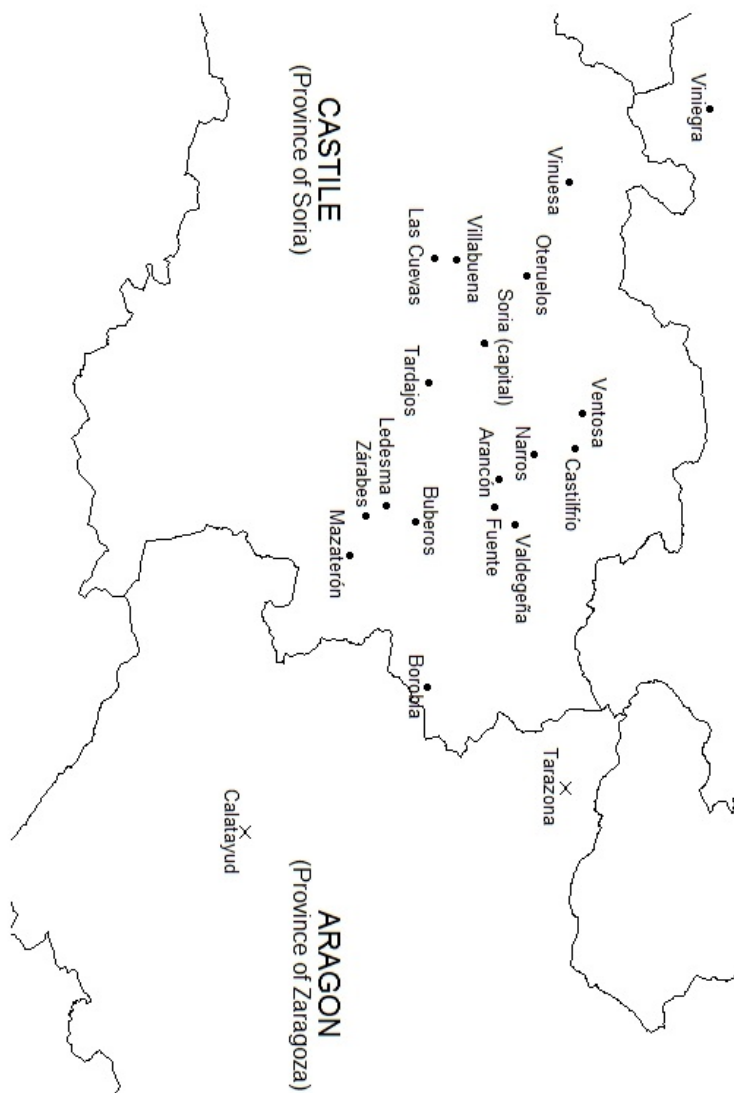
Sources: AHPS, cajas 1737, 2367, and 2443.

Figure 2.3 – Borrowers' hometown in Ágreda, Noviercas, and Ólvega, 1735.



Note: Cities with a cross are given for information only.
Sources: AHPS, cajas 1740, 1755, 1774, 2369, and 2446.

Figure 2.4 – Borrowers' hometown in Soria, 1735.



Notes: Cities with a cross are given for information only. Viniegra was part of the province of Soria at the time.
Sources: AHPS, cajas 1516, 1572, 1633, 1643, 1660, and 1681.

I also examine the lenders' hometowns based on 32 contracts signed in Tarazona (Aragon).³⁷ This city, close to the border, could have attracted Castilian lenders looking for higher rates of return. Not one single person from Castile went to lend at 5 per cent in Tarazona. Given apparently similar conditions, the people in Castile preferred to lend at a lower rate at home than lend in Aragon. On 7 June 1725, for example, the administrator of Don Pedro Garay's pious memories in Noviercas preferred to lend 640 reales at 3 percent in Ciria when he could have lent at 5 per cent a few kilometres away.³⁸

Traditionally, historians blamed Spain's rugged geography and resulting transport problems for slow market integration across Spain.³⁹ However, Grafe reported that these technical issues were solved "slowly, but surely" over time, and my choice of cities within a 20-kilometre corridor controls for this issue.⁴⁰

A second explanation could be that two different products were concerned. Akerlof (1970) showed how adverse selection could exclude good used cars, here good borrowers, in the presence of information asymmetry. Lending at 5 per cent might allow for riskier projects, whereas more collateral may be required at 3 per cent.⁴¹ Lower risk borrowers would therefore go to the Castilian side, while higher risk borrowers would go to the Aragonese side. However, an analysis of loan contracts in Castile and Aragon reveals no difference in the kind of collateral pledged as surety.⁴²

There is also the possibility that currency exchange fees between kingdoms were too high and offset the differential. Moneys of account were different between the two regions. In the Kingdom of Aragon, contracts were drawn up in *libras jaquesas* (Aragonese pounds), while in Castile, they used the *real de vellón*. However, these currencies were not the actual money that people used. Sometimes, the notary specified which coins were transferred between lender and borrower. Usually, they were gold coins (*monedas de oro*) or silver coins (*monedas de plata*) in use everywhere in Spain, if not internationally like the eight-real coin (*real de a ocho*). The common practice was for the parties to write in the contract that the transferred coins could be used in every kingdom, "*monedas corrientes de estos reinos*". In addition, Philip V's monetary reforms at the beginning of the eighteenth century promoted the Castilian monetary system in the Crown of Aragon and gradually made its use widespread.⁴³ This means that, despite different moneys of account, the coins used were broadly the same across kingdoms. This shows that there was no exchange rate or commission on private loans between kingdoms that might have explained the market fragmentation.

37. AHPT, for 1725: cajas 420/02 and 442/02; for 1734-7: cajas 459/02, 447/01, 469/01, and 475/02.

38. AHPS, caja 2367, vol. 3879.

39. Ringrose (1970).

40. Grafe (2015, p. 12).

41. Stiglitz & Weiss (1983) show potential adverse selection in credit transactions with collateral.

42. As mentioned, the type of activity financed is only given in four cases. The usual reasons given are to buy land or a house or solve financial difficulties. No differences are found in the type of activities financed by Castilian and Aragonese contracts.

43. Ruiz Trapero (2007); De Santiago Fernández (2007).

Lastly, another common explanation is based on personal relationships between borrowers and lenders. The level of information that the lender can obtain on the borrower is crucial, especially on long-term credit markets. The Aragonese might have preferred to borrow in Aragon where they could borrow from family and friends. Likewise, Castilian lenders might have preferred to lend to relatives living in their neighbourhood. In addition, the nature of the lenders, namely ecclesiastical institutions, might have reinforced intra-family lending. Administrators of pious funds in ecclesiastical institutions frequently tend to lend to family members and acquaintances.⁴⁴

However, in my sample, only two contracts explicitly stipulate a family relationship between borrower and lender. In one case, the daughter's dowry was lent to the father and, in the other case, an uncle lent to his nephew. Only three contracts bear any connection between the borrower's name and the lender's name or administrators' names. It seems that administrators of pious funds actually lent to any kind of individual as long as the person provided solid guarantees. For example, administrators Joseph Solano and Juantello Ibañez of the pious memory of Captain Don Pedro Garay in Noviercas signed 27 contracts in 1725. They lent to a wide array of people, widows, couples, ecclesiastical institutions and craftsmen (whenever their professions were given) living in a broad sweep of cities in the province of Soria, Gomara, Almazul, Serón de Nagima, Ciria, Sauquillo de Alcazar, Pozalmuro, Castejón del Campo, Zarabes, Trévago and Matalebrera. Family relationships and local friendships definitely mattered a great deal in credit transactions, especially on these local markets. However, ecclesiastical institutions might have sidestepped some asymmetric information problems inherent to these societies. Whenever some capital was paid back or deposited in a pious foundation, the information was circulated that there was capital available for credit, either by an announcement (*pregón*) or by a simple poster (*cartel*). Potential borrowers had to provide administrators with a memorandum on the actual assets that they could put up as collateral with an evaluation of their value and the names of at least two witnesses who would certify that they actually owned the collateral and that the evaluation was sound.⁴⁵ Once the administrators had examined and accepted the application, they had to request permission to loan from the diocese, which was in charge of most pious foundations and had the final say in the matter. One of these letters read:

My Lord,

The bearer of this letter, who is Pedro Frances, resident of this town of Borobia, asks for the two *censos* which Don Manuel Ruiz, priest of Golmaio, has redeemed before Your Grace. The mortgages offered are a house worth two thousand reales and an estate of two and a quarter *yugadas* within the bounds of this town, whose value is thirty ducats, said mortgages as I am informed are free and of the stated value, so that if you consider them sufficient, you may extend the said *censos* with the corresponding deeds, which will be granted by the aforementioned Pedro and

44. Pious foundations were the main source of long-term credit in Spain. See Chap. 1.

45. One example of memorandum of mortgages is provided in App. C.

his wife Maria Coloma, whose house is part of her estate. ... May God keep Your Grace for many years.

Borobia, 4 May 1735. Don Geronimo Alvarez.⁴⁶

In this letter, administrator Don Geronimo Alvarez of Francisco Abad's pious memories asked the diocese for authorization to lend the capital to Pedro Frances. As we can read, the administrator already had a precise description and evaluation of the collateral provided in the memorandum. Therefore, he could give that crucial information to the diocese for it to consider whether the collateral was sufficient or not. The diocese would appear to have agreed since the contract was signed on 9 May 1735, five days later. The amount lent was 308 reales, just 13 percent of the value of the collateral.⁴⁷

These results confirm the major role of jurisdictional barriers in capital flows. These markets were clearly local, even though ecclesiastical institutions sometimes crossed borders. In my sample, all transactions in Tarazona involved citizens within Tarazona's jurisdiction. In the three Castilian cities studied, the average distance between borrower and lender's hometowns was 14.6 kilometres in 1725 and 3.5 kilometres in 1735, with distances ranging from zero to 42.5 kilometres (between Soria and Noviercas). Even with a differential of two percentage points, capital did not flow between provinces. However, I do not believe that local acquaintances can explain such territorial fragmentation between Castile and Aragon. As can be seen from my sample, ecclesiastical institutions clearly lent to individuals that they may not have known given that their monopoly position meant they could insist on all the guarantees they wanted. Neither are transport costs, non-homogeneity of products and currency exchange fees sufficient explanations to understand the territorial fragmentation of capital markets in early modern Spain. Grafe contended that although technical transport issues may have been overcome, political barriers and jurisdictional obstacles to trade were, by contrast, never lifted.⁴⁸ The fact that the border between Aragon and Castile can be equated with an impassable wall for capital flows calls for the question to be put as to whether jurisdictional fragmentation plays a role.

46. Own translation. AHPS, caja 1015, vol. 1572. See App. B. "*Muy Señor mío el portador de esta que es Pedro Frances vecino de esta villa de Borobia va a pedir los dos censos que ante Vuestra Merced redimió Don Manuel Ruiz cura de Golmaio. Las hipotecas que ofrece son una casa de valor como dos mil reales, y una heredad de cabida de dos yugadas y cuarta en los terminos de esta villa, su valor es como de treinta ducados, las cuales hipotecas segun estoy informado son libres y de dicho valor, por lo cual, si a Vuestra Merced le parecieron suficientes, podra alargarle los dichos censos con las escrituras correspondientes, las que otorgara el referido Pedro y su mujer Maria Coloma, de cuyo patrimonio es la casa. ... Dios guarde a Vuestra Merced muchos años. Borobia, y Mayo 4 de 1735. Don Geronimo Alvarez.*".

47. See App. C for Pedro Frances's memorandum of mortgages. On average, the value of collateral was three times the amount of the loan. This is slightly lower than the ratio found by Sánchez González (1991) in the province of Toledo. See Chap. 1 and 4.

48. Grafe (2015, p. 12).

2.4 Capital markets and jurisdictional fragmentation

This term "jurisdiction" is a broad concept covering a number of different situations. Territorial jurisdictions stood alongside corporatist jurisdictions such as the army, the clergy and merchants. Royal justice had therefore to coexist with very strong jurisdictions under the control of local elites, where a panoply of privileges defended local oligarchies and the nobility's interests. This situation continued until at least the nineteenth century. These overlapping jurisdictions often created some confusion and provoked many legal disputes. Probably in order to restrict jurisdictional disputes in credit transactions, Castilian and Aragonese notaries used to insert a waiver clause when drawing up a contract. Both parties had to waive their local laws and customs:⁴⁹

"For compliance with and implementation of this contract, we hereby, on behalf of those we represent, empower all and any justices and judges of His Majesty, to whose jurisdiction we submit, renouncing that of our domicile, to pass judgement and we hereby renounce the laws in our favour as well as the law prohibiting the general renunciation of said laws".⁵⁰

The courts had to enforce the legal code where the trial took place.⁵¹ In Castile, judges had to comply with the legal code of Castile, called *Novísima Recopilación de Leyes*, and in the Kingdom of Aragon, they had to enforce the Aragonese legal code, called *Fueros y Observancias del Reino de Aragón*. When drawing up a contract, the main concern for both parties residing in two different territorial jurisdictions would have been to ensure that they would be judged under the same rules. As mentioned earlier, there were hardly any differences between the clauses of a *censo* (Castile) and a *censal* (Aragon). I therefore examine debt collection proceedings in both regions. In Castile, debt collection proceedings were laid down in Volume V of the *Novísima Recopilación*,⁵² while proceedings in Aragon derived from the *fueros* and especially the *proceso de aprehensión*.⁵³ When comparing these two legal codes, the only difference lay in the statute

49. As of 1573, this clause had to be included in all censos and censales. Royal Decree 20-02-1573, Febrero (1789, Vol. II, Chap. IV, p. 64).

50. Own translation. "Y a la observanzia y cumplimiento de esta escriptura en su nombre y por lo que representamos damos poder a las Justizias y Juezes de su Magestad que conforme a derecho podemos y devemos y de ello devan conozzer a las quales nos sometemos y a esta dicha villa y sus capitulares y lo recibimos por sentenzia passada en cosa juzgada y renunziamos las Leyes de nuestro favor y el suyo con la que prohibe la General Renunziacion de ellas". This is the waiver clause in the contract between the convent of Augustinian Recollects and the city council of Ágreda (Crown of Castile); AHPS, caja 1755 vol. 2627. Within the Aragonese contract, notaries used to abbreviate these clauses. For instance, in the contract between the Cathedral of Tarazona and Don Joseph Doz and Doña Beatriz de Funes, the notary wrote: "É con clausulas de execucion precario constituto, aprehension inventario, emparamiento et queremos que fechas, no fecha É Renunciamos y susmetemos É". As the reader may have noticed "Renunciamos y susmetemos" is the abbreviated clause waiving local laws and customs; AHPT, caja 447/01.

51. Martínez (1791, Tome I, Chap. II, p. 98.).

52. For a full description of proceedings, see the *Novísima Recopilación de Leyes de España*, Tome V, Book XI, pp. 169–302.

53. The *proceso de aprehensión* is one of the four *procesos forales* of Aragon. It is described in La Ripa (1764, Part I, "Del Proceso de Aprehensión", pp. 1–218).

of limitations set at 30 years in Aragon and 10 years in Castile.⁵⁴ The rest of the proceedings were strictly similar under the two codes. Borrowers were consequently judged under a common jurisdiction (the royal jurisdiction) and by the same rules irrespective of whether their debt hearing was held in Aragon or Castile. There is therefore no reason for differences between legal codes across the Spanish territory to have formed a major obstacle to credit market integration.

The explanation for this lack of capital mobility lies elsewhere. The existence of similar legal provisions across territorial jurisdictions does not actually reflect the problems lenders faced if the borrower lived in another jurisdiction. If the parties resided in two separate territorial jurisdictions, two scenarios were possible depending on whether the two jurisdictions were part of a same kingdom or not. The first scenario reveals a number of obstacles. To begin with, the judge was only competent in his territorial jurisdiction. For example, if the lender took the borrower to court in jurisdiction A and the borrower resided in jurisdiction B, then the borrower's assets could only be seized by a judge in the jurisdiction where the assets were located. So to seize them, the judge in jurisdiction A had to send a request, called *requisitoria*, to the judge in jurisdiction B for each judicial act (notification, sentence, foreclosure). Court cases were expensive at the time and any request entailed an additional fee.⁵⁵ Enforcement of the request was also uncertain. Local judges were elected within their own jurisdiction.⁵⁶ It would therefore be reasonable to assume that if Judge B received a request to sue one of his electors, he might have taken more time to enforce the request.⁵⁷ Another obstacle lies in the fact that proceedings took place in the jurisdiction where the lender filed the suit. Borrowers then either had to go to the court in person to defend themselves or appoint an attorney to represent them before the court, assuming that borrowers had the necessary connections in the jurisdiction where the hearing took place. This no doubt acted as a deterrent to borrowers when it came to taking out a loan in a different jurisdiction.

Enforcement of legal proceedings became even more uncertain when both parties resided in separate kingdoms. Through to the end of the fifteenth century, extradition of offenders between kingdoms was in a way "voluntary" as no legal provisions existed regarding the matter.⁵⁸ In the early modern period, the different kingdoms of the Spanish monarchy signed extradition treaties to regulate extradition and solve the problem. For example, a royal order enacted by Charles V on 28 February 1520 regulated extradition between the Kingdom of Navarre and the Crown of Castile.⁵⁹ In our particular case, the *fueros* that governed extraditions from the Kingdom of Aragon were approved by the Cortes of Tarazona in 1592.⁶⁰ These treaties and legal

54. Differences between Castile and Aragon are well described in Martínez (1791), Tome I, Chap. I, II, and III; and especially pp. 470–1.

55. For instance, the cost of one request in Madrid in 1828 was 20 reales (if it did not exceed two pages), plus eight reales for the judicial decree of enforcement. See Martínez Salazar (1828, pp. 234–5).

56. Heras Santos de las (1996); Lorenzo Cadarso (1998).

57. Lorenzana de la Puente (2003).

58. Ferrer Mallol (2005).

59. *Novísima Recopilación*, II, VIII, 16, 7, pp. 414–5.

60. Savall y Dronca & Penén y Debesa (1866).

provisions defined a precise framework for extraditions. Between the Kingdom of Aragon and Castile, extraditions concerned "capital offence, forgers ... murderers, etc.", but never mentioned debt.⁶¹

The absence of a clear legal framework governing extradition for debt collection sentences may have seriously undermined the effectiveness of a court sentences in debt collection cases. In addition to the absence of a legal framework governing extradition, it appears that requests were not efficiently implemented between kingdoms. In 1580, the Cortes of the Kingdom of Navarre complained in these terms:

In accordance with the law and ancient traditions of these kingdoms, when someone is absent, and is called to court, we send a request (*requisitoria*) to notify him of his official summons. And it seems that ... those of the Kingdom of Aragon do not consent to notify the requests sent to this kingdom against those who reside in it. This is against the law, justice and good administration.⁶²

This complaint shows that the judges of Aragon did not act on requests from the judges of Navarre. This is not an isolated case. At the beginning of the eighteenth century, a trade conflict erupted between two Basque provinces: the province of Vizcaya and the province of Guipuzcoa. To put pressure on its neighbour, Guipuzcoa decided to stop acting on Vizcaya's requests.⁶³ This effectively blocked all legal disputes between the two provinces. Judicial cooperation was therefore restricted to the historic territories. Personal, commercial and political interests could hence impede the sound functioning of the royal justice system.

Even more importantly, it appears that natives could not be extradited to another kingdom within the Spanish monarchy. If Mr Y was a native of and resided in Kingdom B and was sued by Mr X in Kingdom A for debt, the former could not be handed over to the latter's jurisdiction. For instance, Navarre's laws stipulated: "Firstly, the natives of this kingdom, for no reason whatsoever, either civil or criminal, can be expelled from it."⁶⁴ In order to seize Mr Y's assets, Mr X would have had to sue Mr Y in Kingdom B: "In accordance with the law, offenders who commit a crime in another kingdom or province can be judged and sentenced in the place and the kingdom from whence they originate."⁶⁵ Clearly, this could have been a source of many obstacles. Mr X would have had to go to Mr Y's kingdom in order to take him to court and prove his allegations. At best, he could have appointed a court agent to represent him, thereby avoiding long journeys. Second, if not the most obvious, local matters could have influenced the judge's decision in favour of Mr Y. Lastly, through to the beginning of the eighteenth century, local languages were used in court cases.⁶⁶ The mandatory use of the Castilian language

61. A full list can be found in *Novísima Recopilación*, II, VIII, pp. 414–5.

62. *Novísima Recopilación de Navarra* (1735), Tome II, "Proceder contra los ausentes", p. 681.

63. Lasa (1971, p. 512).

64. *Novísima Recopilación de Navarra* (1735), Tome II, "Proceder con los Ausentes", pp. 686–7.

65. *Novísima Recopilación de Navarra* (1735), tome II, "Proceder con los Ausentes", pp. 686–7.

66. This changed with the Nueva Planta decrees. These were a number of decrees enacted by Philip V to end the institutions, privileges and ancient charters of the provinces of the Crown of Aragon (Aragon, Catalonia, Valencia and Mallorca).

was confined to the world of official acts and correspondence only as of the Nueva Planta decrees.

Application of the law was therefore uncertain if parties came from different jurisdictions. Legal risk and enforcement costs were much higher, which definitely increased transaction costs. Clearly, these differences affected credit markets, especially small loans for which fixed transaction costs were proportionally higher. All these differences imply that the Castilian and Aragonese had very little incentive to lend to each other despite the two-percentage-point spread between the jurisdictions.

2.5 Composite monarchies, justice, and political economies

The analysis of jurisdictional fragmentation as an obstacle to market development has been present in Spanish historiography since the 1990s. In this historiography, Spain is described as a composite monarchy which was a polity "including more than one country under the sovereignty of one ruler" and which meant "a profound respect for corporate structures and for traditional rights, privileges and customs".⁶⁷ The king had to coexist with a myriad of smaller territorial and jurisdictional units jealously guarding their independent status. He did not have the monopoly of day-to-day coercion, and sovereign justice had to coexist with strong jurisdictions in highly specific fields such as tax collection, military levies, market regulations, and civil and criminal law in general. Spanish history and especially capital market integration need to be assessed from this angle rather from the point of view of a parasitic absolutist state defended in the NIE literature. In his seminal work *A Europe of Composite Monarchies*, Elliott first wrote about seventeenth century Spain that "the institutional and legal diversity of the kingdoms of the monarchy represented an intolerable impediment to ... maximize resources".⁶⁸ He suggested here that jurisdictional fragmentation had been a serious obstacle to market development. Market formation is closely related to the evolution of transaction costs. By maintaining high transaction costs, jurisdictional fragmentation clearly held back the integration of capital markets in Spain.

The judicial system was shaped by the very nature of the composite monarchy. The fragmented nature of the Spanish monarchy therefore put a considerable brake on Spanish economic development. Despite the union of the Crown of Castile and the Crown of Aragon in 1479, both crowns continued to be treated as separate entities, and the monarchy remained divided across a variety of kingdoms. According to seventeenth century Spanish jurist Juan de Solorzano Pereira, Spanish kingdoms were unified in the form of *aeque principaliter*, which preserved their own legal and political constitutions (*fueros*), and privileges.⁶⁹ The *fueros* governing estates, guilds, towns, territories and the Church provided special rights entitling them to make decisions about taxes, economic regulations, currencies, weights and measures, as well as forms of social and political organization. Constant negotiations between the king and the different bodies of the

67. Elliott (1992); Koenigsberguer (1986).

68. Elliott (1992, p. 63).

69. Elliott (1992, p. 53).

monarchy point to a fundamental aspect of the composite monarchy's political economy that was crucial in shaping the institutional framework in which economic activities would evolve. In all of the Spanish Habsburgs' possessions, negotiations were conducted between the centralizing power of the king and the local and corporate agents. Everywhere, conflictual pacts emerged that entangled the nobilities, the cities and their oligarchies, the clergy and even some merchants and merchant corporations with the crown's interests. Non-monetary aspects were an essential element of these pacts. In Castile, Aragon, Catalonia, Valencia and Navarre, conflictual pacts reached between the crown and the elites and parliaments preserved the institutional system and even gave, not money, but greater autonomy and privileges to the towns and historic territories. This made for a constant exchange of resources, mainly military resources provided to the king by the components of the composite monarchy in exchange for political capital and other resources that took many different forms: fiscal autonomy, and economic and jurisdictional privileges.⁷⁰

The repercussions of these conflictual pacts are crucial to understanding the political economy of the composite monarchy. Among other things, they upheld the elite's coercive powers in most territories, particularly in Castile. The accession of the new Bourbon dynasty to the Spanish throne in 1700, and the revolt of the Catalans, Aragonese and Valencians against its legitimacy (1701-15) did not change the rule. Even the promulgation of the *Nueva Planta* decrees by Philip V from 1707 to 1716 did not greatly affect the historic territories' legal systems. Despite later claims to the contrary, the Crown of Aragon retained its essentially constitutional and contractual character.⁷¹ These decrees were never actually enforced. The Catalans and the Aragonese kept their civil and most of their criminal law. Only Valencia was somehow "castilianized".⁷² Historic territories remained in many respects kingdoms apart, and saw no major changes to their traditional laws, institutions and customs prior to the mid-nineteenth century.

The development of the royal justice system throughout the entire territory did not lift the jurisdictional obstacles between historic territories. In the fifteenth and sixteenth centuries, the *chancillerías* and *audiencias*, the main royal justice institutions, were developed and improved throughout the territory of Spain along with the number and professionalism of judges and *letrados*.⁷³ The development of the main royal justice institutions was accompanied by the publication of legal codes such as the *Nueva Recopilación de Leyes*. This "legal revolution", to use Kagan's words, created leeway to improve the enforcement of royal justice. The development of these institutions throughout the territory and the new legal codes should have paved the way to reduce transaction costs and improve the integration of markets.⁷⁴ However, analysis of these institutions' activities and enforcement of the law tell a different story. Judicial cooperation, as discussed earlier, was very limited between historic territories. Castilian *chancillerías* were not

70. Yun Casalilla (2004, pp. 312–23).

71. Elliott (1992, p. 61).

72. Tomas y Valiente (1992, pp. 369–82).

73. Kagan (1981).

74. Epstein (2000).

independent third parties. The balance of power and patronage in the Court made for a great deal of arbitrariness in the system, as shown by Owens in a famous legal case involving two powerful litigants, the city of Toledo and the Duke of Béjar.⁷⁵ Laws claim to ensure impartiality, but judges relate to a particular social reality from which they cannot or do not want to escape. For instance, an analysis of the letters sent to Juan Manuel Villena, president of the *chancillería* of Granada in 1758, shows that the judge was involved in numerous social networks that influenced the court ruling.⁷⁶ This was all the more true at local level.

In each judicial district (*partido judicial*), day-to-day justice was performed by *corregidores* or *alcaldes mayores* in the court of second instance (appeal) and by *alcaldes ordinarios* or *peatones* in the court of first instance.⁷⁷ In royal domains, the king (the Cámara) appointed the *corregidores* and *alcaldes mayores* from among the urban elite. In lordships, the Lord chose them. The *alcaldes ordinarios* or *peatones* were elected by the city council of each town or village and were then approved by the *corregidor* or the *alcalde mayor*.⁷⁸ The justice administration in early modern Spain clearly had the latitude for at least partial justice. Judges were entrenched in political and social networks and concerns. It is therefore worth analysing both the judges, whose office was not for sale unlike in France, for example, and the influence of administrative offices on court rulings. In her seminal work *La Justicia en Almoneda*, Inés Gómez González showed how the sale of administrative offices in the *chancillería* of Granada influenced the application of justice. Many offices hence escaped royal control, including the *alcaldes* in the chamber of nobility (the *sala de hijodalgos*), provincial notaries (secondary *chancillería* magistrates) and a fair number of subordinate posts such as collectors, court clerks and prosecutors. The consequences of this alienation of royal control were legion. The privatization of these offices led these officers to seek to make their investment profitable and sell their services for a fee.⁷⁹

The king's judicial system was therefore rooted in local and corporative concerns. The pact among elites and the king to uphold the rules of the composite monarchy was a key determining factor in appointments of presidents of *chancillerías* and *audiencias*, *corregidores* and *alcaldes*. This pact may even have generated distrust of royal justice, as seen from the reduction in the number of sentences in the seventeenth century (sharper than the drop in population numbers), the longer length of trials and the corporative agency of judges.⁸⁰

2.6 Conclusion

The road to market integration is long. This chapter studies capital market fragmentation in eighteenth century Spain. I analyse new data on private loans, called *censos consignativos*,

75. Owens (2005).

76. Castellano Castellano & Gomez Gonzalez (1995).

77. There were between 60 and 80 *corregimientos* in the Crown of Castile from the sixteenth to the late eighteenth century (Heras Santos de las, 1996, p. 128).

78. (Heras Santos de las, 1996, pp. 126–35).

79. Gómez González (2000).

80. Thompson (1976).

in the province of Soria in the mid-eighteenth century. To my knowledge, this study is the first to uncover and measure a specific jurisdiction-based pattern of capital flows in early modern times. I derive the estimated equation from a simple gravity model. I show that jurisdictional barriers have a strong negative impact on capital flows and confirm that distance, a proxy for information frictions and transport costs, plays a negative role. Capital flows are predicted to be ten times higher within the same jurisdiction than between two different jurisdictions. To test the robustness of this hypothesis, I examine a natural experiment covering two neighbouring jurisdictions. Despite a crucial differential of two percentage points between Castile and Aragon for 45 years, I show that there were hardly any capital flows between the two crowns and that interest rates remained at their legal ceilings while markets remained local. A number of explanations can be put forward for this lack of capital flows. Among them, I believe legal institutions to be decisive elements in the fragmentation of credit markets.

Local control over justice and the different legal systems imposed massive transaction costs on local credit market activities. Legal fragmentation increased legal risk in the capital market and impeded capital mobility between historic territories. To come back to Epstein, state formation alongside the development of a judiciary system and the "judicialization" of social relations does not necessary guarantee the development of an integrated market. Judicial co-operation and the administration of justice within a composite monarchy are also key to a more integrated market. These requirements do not appear to have been met in Spain due to the kind of political economy in place.

The administration of justice and, more generally, jurisdictional fragmentation whereby transaction costs and risks were driven upwards were certainly not the only reason for slow market development. Economic performance in ancient regime societies was indirectly affected by the official justice system. However, the evolution of the composite monarchy and pacts among the elites created obstacles to the formation of a solid base for a more efficient political economy, which might have reduced risks and transaction costs. At the end of the sixteenth century, a very well-informed *arbitrista*, Sancho de Moncada, wrote that, "Many people complain that they cannot even set a foot on the ground without breaking some of the laws of Spain".⁸¹ This situation certainly had an impact on the allocation of productive factors. Some historic territories may have concentrated more capital than other, which could have affected long-term financing. However, this fragmentation was not general as we will see in Chapter 3. Precisely because of the capacity of the main actor of these credit markets, ecclesiastical institutions here, to overcome jurisdictional barriers.

81. Moncada (1974, p. 201).

2.7 Appendices

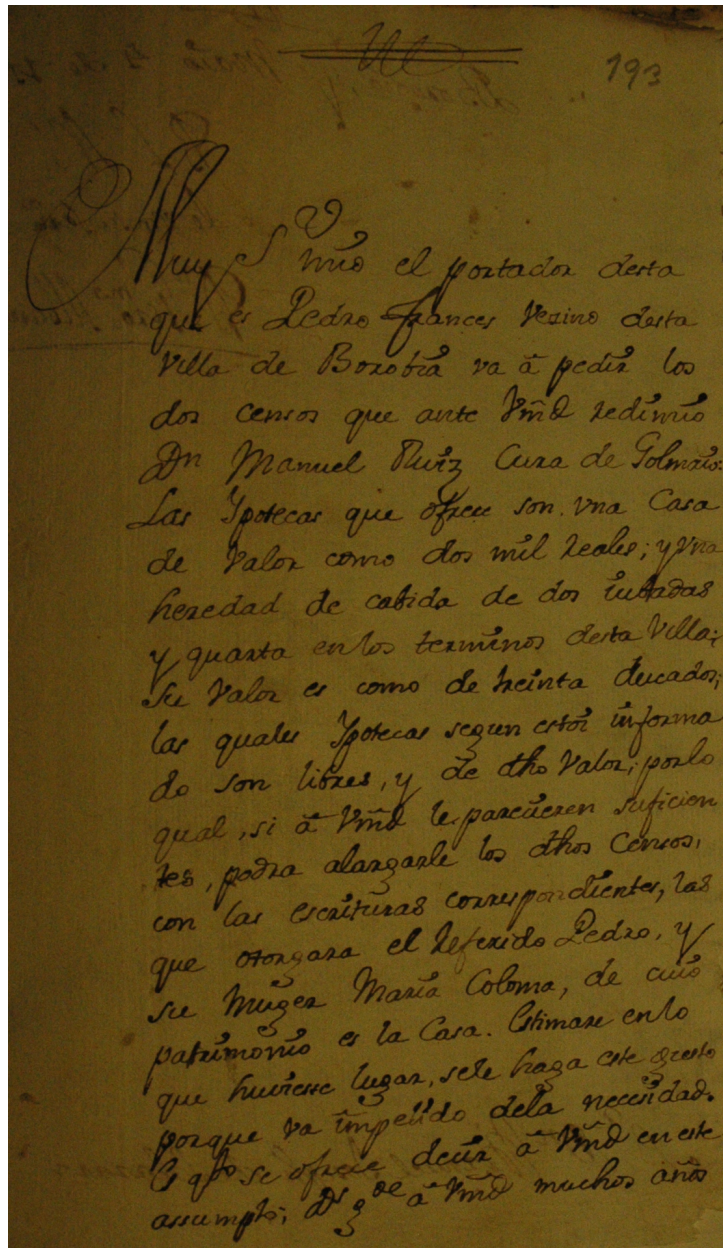
Appendix A Monetary equivalences

	<i>Real</i> in grams of silver	<i>Libra jaquesa</i> in reales
1708–28	1.358	18.88
1738–72	1.2634	18.88

Notes: The *libra jaquesa* is valued 640 *maravedíes*.

Sources: For the equivalence of the *real* in grams of silver, see Feliu (1991, p. 20). For equivalences between the *real* and the *libra jaquesa*, see Fernandez de la Ferrería (1803).

Appendix B
Don Geronimo Alvarez's letter to the diocese



Muy S^{mo} el portador desta
que es Pedro Frances Vecino desta
Villa de Borobria va a pedir los
dos censos que ante V^{md} pedim^{os}
Don Manuel Ruiz Cura de Tolm^{os}.
Las Ypotecas que ofrece son una Casa
de Valor como dos mil reales; y una
heredad de cabida de dos cuerdas
y quarta en los terminos desta Villa;
de Valor es como de treinta ducados;
las quales Ypotecas segun este informa-
do son libres, y de dho Valor, por lo
qual, si a V^{md} le parecieren suficien-
tes, podra alargarle los dhos Censos,
con las escrituras correspondientes, las
que otorgara el difunto Pedro, y
se Muger Maria Coloma, de cuyo
patrimonio es la Casa. Otimase en lo
que huviere lugar, se le haga este gesto
porque va impedito de la necesidad.
E q^{do} se ofrece decir a V^{md} en este
assunto, d^{ize} se a V^{md} muchos años

Source: See text.

~~40~~
Bosobia, y Maio 4 de 1735.
D. L. M.
Le vno. su seruo.
D. Jero. Alcaer

Source: See text.

Appendix C
Pedro Frances's memorandum of mortgages

Memoria de las poyecar queno saca Pedro Frances
Memoria de como se unio de la C. de Doubia de mo
que an Lino que interuocaron toma de su memoria de
ma hax ena dano quial del sona h^{top}

Sumaam una casa de morada hata
en dho lugar propiedad que bale
de mill reales y tiene por ale dano
a olano casa de fran Ledesma abie
ep casa del ph fran poruero de dho
frances arupanon Calureal 2300

En una quea hata en termino de
dho lugar aduen la ca de Pedro
Matuuez que alinda con una
de Juan Pedro poruero por repaon
con una de San Juan de
por abiepp con la sinda que ba a lo
frunial de por olano perá de dho
Juan de San Juan que bale quacaon
to. de quinientas 2250

Yoda la quales dhas poyecar son mas propiedad
carga alguna hata de adquirida por poyecar
de poyecar titulo y combales los emos egora de
y a lo que poyecar hata de hata de hata de hata de
poyecar hata de hata de hata de hata de hata de

Manuel de San Juan

Source: See text.

Chapitre 3

Priests or bankers? Ecclesiastical credit in early modern Spain

3.1 Introduction

Spain is different. The perception of Spanish distinctiveness runs deep in its historiography, especially in the Anglo-Saxon literature. Spain, at least from the eighteenth century onward, and possibly earlier, was thought to be backward in economic, social, political, cultural, and intellectual terms. At that time, so one of the arguments goes, financial development stagnated in Spain while commercial banks were flowering in England. The sources of slow market development in the first decades of the nineteenth century could be traced back in the absence of a modern banking sector as an efficient network of financial institutions which reduces transaction and informational costs, mitigates risks, monitors firms, mobilises savings and facilitates trade.¹ Until the creation of the Banco de San Isabel in 1844 and the deepening of the banking system through the French banks in the 1850s, modern banks were inexistent.²

However, just like France or the Netherlands, the Spanish capital market could do without modern banks because it relied on other ways to finance the economy.³ Public granaries (*pósitos*), public treasuries (*erarios*), pawnshops (*montes de piedad*), merchants and merchant companies, or *taulas* in Aragon supported consumer credit and production providing mainly

1. For the new institutionalist economics, an efficient economic organization can only develop if institutions support property rights (North & Thomas, 1973). As opposed to constitutional England, the absolutist nature of the Spanish monarchy hindered the optimum development of markets (North, 1989). This literature, which attributes Spain's backwardness on absolutism, has been widely refuted though, most recently by Grafe (2012); North himself recanted its claims in person on several occasions.

2. Tortella Casares (1973) argued that part of the retardation in the Spanish Industrial Revolution was due to the underdevelopment of a modern banking system in the first decades of the nineteenth century. The first modern bank was created in 1782, but the Banco de San Carlos was mainly devoted to public credit (Tedde de Lorca, 1988).

3. For France, see Hoffman *et al.* (2001, 1998, 1999). For the Netherlands, see Jonker (1996); Gelderblom *et al.* (2016).

short-term credit.⁴ Other atypical financial actors played a very important part in the financing of the economy, as long-term credit was supplied by ecclesiastical institutions. Thanks to the research of a very wide and flourishing Spanish historiography on Hispanic financial markets, we have a better understanding of early modern Spanish financial development.⁵ Monasteries, convents, religious orders, cathedral chapters, parishes, pious foundations, and confraternities behaved like so many financial institutions scattered across the country.

Recently, research has focused on the role of jurisdictional fragmentation on slow market development in early modern Europe.⁶ Little is known however on the fragmentation of capital markets. For public annuities, Álvarez-Nogal pointed the large differential between Spanish cities on *juros* yields between 1540 and 1740.⁷ For private annuities, studies on convents' credit activities confirmed the fact that these markets mainly local since they relied heavily on family ties and close relatives. For instance, the majority of the debtors of the monastery of Santa Catalina of Corbán in Cantabria lived in the surroundings of the monastery.⁸ In León, 92 per cent of the debtors of the monastery of San Benito el Real of Sahagún lived in the city of Sahagún or in the region.⁹ Relying on cases in New Spain, Wobeser argued that ecclesiastical institutions were economically autonomous entities.¹⁰ This certainly favoured the fragmentation of supply of credit since they provided the bulk of private credit at that time. Long-term credit was thus certainly fragmented and all the more so that jurisdictional obstacles were strong as we have seen in Chapter 2. But the question is, to which extent?

If we go to the extreme, ecclesiastical institutions did sometimes lend to other places further away. As we will see, the merchant Co. of the Cinco Gremios in Madrid borrowed a large number of loans from ecclesiastical institutions scattered all over Spain in the mid-eighteenth century.¹¹ In the same period, in Medina, 80.3 per cent of the capital lent by ecclesiastical institutions was not directed to residents of the city or its immediate surroundings, but to places further away such as Salamanca, Zamora, Segovia, or even Madrid.¹² These credit operations that crossed borders and family ties raise the question of the extent to which these markets are fragmented. A close study of the economic governance and of the credit operations of some ecclesiastical

4. For a review of Spanish early modern financial development, see Ruiz Martín (2016). On the role of *pósitos* and *montes de piedad*, see Gómez Díaz & Fernández-Revuelta Pérez (1998); Cuevas (2001).

5. On the role of ecclesiastical institutions in the financing of the economy, a wide number of contributions can be cited. Among them for Spain, see Álvarez Vázquez (1987); Atienza López (1987); Barrio Gozalo (1994–95); Llopis Agelán (1980); López Martínez (1992). For the Spanish empire, see Greenow (1983); Lavrin (1966); Quiroz (1994); Wobeser (1994).

6. Epstein (2000). Grafe (2012) showed the fragmentation of Spain's market through a detailed analysis of the codfish market.

7. Álvarez-Nogal (2009).

8. Sánchez Gómez (1991, p. 76).

9. García Martín (1985, p. 210).

10. Wobeser (1994, pp. 19–20).

11. The Co. of the Cinco Gremios was the major merchant guild in eighteenth-century Madrid. Created in 1667, it consisted of the five main merchant industries: jewellery, silk industry, drapery, lingerie, and haberdashery. See Capella Martínez & Matilla Tascón (1957).

12. Marcos Martín (1999).

institutions clearly shows that contrary to Wobeser's claims, ecclesiastical institutions were not all economically fragmented between each other. Let us use here as a telling example the Theresian Carmelite Order. This order managed to circumvent jurisdictional and asymmetric information obstacles. It managed large portfolios of long-term loans, financed from donations, dowries and pious foundations, and in so doing, it was not different from the vast majority of ecclesiastical institutions. But, a closer look at its lending activity and a detailed analysis of its economic governance bring out an unexpected practice. The order not only collected resources but pooled them. Indeed, the order developed into a highly sophisticated three-tier system able to offer everything from small loans to farmers to substantial amounts to peasants, nobles, officials, merchants, local treasuries, and other ecclesiastical institutions. It could raise or send capital across Spain in order to meet the demand for larger loans and alleviate resource misallocation. As we will see later on, the practice of this order was certainly not exceptional. At this stage, let us assess how this institution used its endowments to provide credit and who benefited from it.

3.2 The Theresian Carmelite Order: a case study

In early modern Spain, ecclesiastical institutions were not concerned only with salvation and eternal rest; they were also a significant source of long-term credit, and could count on a vast network of convents and parishes scattered across all of Spain. In the eighteenth century, around 3,000 monasteries and convents for men and women were active alongside 20,000 parish churches. Religious represented between 1 and 2 per cent of the total population, almost twice higher than France at the same time. In short, they received substantial amounts of capital from an array of sources, among which donations, dowries, pious works and chantries were the most important. They then lent this money through *censos consignativos* to secure a steady income stream to support their members and finance their daily spending. As such, across the seventeenth and the eighteenth centuries, the Church finally came to dominate the market for *censos*, representing 72 per cent of the capital lent in the mid-eighteenth century.¹³

In this chapter, I will further explore the credit operations of ecclesiastical institutions at this time, via the detailed analysis of a single order, the Congregation of Spain of the Theresian Carmelite Order, a Spanish order established during the Counter-Reformation.¹⁴ There are good reasons for this kind of case study. Thanks to the research of many scholars, we now know the way ecclesiastical institutions were involved in credit activities.¹⁵ For instance, the work of García García (1986) studied the economic structure of the convent of San Juan y San Pablo de Peñafiel between 1318 and 1512. On the early modern period, García Martín (1985) explored

13. See Chap. 1.

14. The main ecclesiastical orders were founded between the eleventh and thirteenth centuries. Franciscans, Dominicans, and others developed into impressive international networks. The Theresian Carmelite Order was founded by Saint Teresa of Jesus in Ávila in 1562 and developed both feminine and masculine branches.

15. See Chap. 1 and Chap. 2.

the economic activities of the monastery of San Benito el Real de Sahagún; Sánchez Gómez (1991) examined the case of the monastery of Santa Catalina de Corbán in Cantabria; and Sánchez Meco (1985) the general evolution of the economy of the well-known monastery of El Escorial. This research is still ongoing; more recently, Maté Sardonil *et al.* (2008) scanned the eighteenth-century accountancy of the monastery of Silos and Siles Guerrero *et al.* (2010) looked at the Franciscan convent of Caños Santos in Andalusia and its credit activity in the province of Cádiz. Other studies focus on broader geographical areas. Some work observe the city level — Atienza López (1987) especially looked at the credit activity of the convents of Zaragoza; Díaz López (2004) studied the city of Huéscar; and Marcos Martín (1999) looked at Medina del Campo — while other research examine entire regions — López Martínez (1992) evaluated the economy of feminine convents in the kingdom of Seville and Llopis Agelán (1980) studied the monasteries and convents in Extremadura. They all confirm the crucial role of ecclesiastical institutions in the provision of long- and mid-term credit in rural and urban areas.

Such research are extremely valuable, but they all analyse particular institutions as isolates.¹⁶ They therefore do not show the way in which an entire institution (for example a religious order) functioned in terms of providing credit and are thus partial if one studies market integration. In this respect, the Congregation of Spain of the Theresian Carmelite developed a highly sophisticated three-tier system, divided between local convents, provincial houses, and, at its center, the General Curia.¹⁷ In Madrid, the General Curia, located in the convent of San Hermenegildo, ruled the entire Congregation. Each province of the Congregation was then ruled by a provincial house, usually located in the provincial capital. Finally, each local convent was under the authority of its provincial house and, by transitivity, the General Curia. The analysis of the economic governance and lending activity at each level of this system (local, provincial, and the General Curia) reveals an impressive credit organization, nationally integrated, being able to lend, borrow, and pool capital. The specialization at each level of the system allowed the organization to offer everything from small loans to local farmers to substantial loans to city councils, the monarchy, the Madrid elite, and merchant companies.

I first studied the economic governance of the first tier of the order, namely local convents. The Theresian Carmelite Order, like all ecclesiastical institutions, had to keep records of its incoming and outgoing cash and other goods.¹⁸ Every credit operation was recorded in the annual account book (*libro de cuentas generales*) and loan book (*libro de censos*) in each convent. We can then identify the order's credit operations from the account books of the convents, provincial houses, and the General Curia. The accountancy of the local convents was controlled

16. Except, to a certain extent, Marcos Martín (1999).

17. In 1588, the Congregation was divided into six provinces plus Mexico (Old Castile, New Castile, Andalusia la Baja and la Alta, Aragon, and Portugal). The order then expanded throughout Europe, with the congregations of Portugal and Italy being created, but the three congregations remained independent from each other.

18. Every three years, each convent of the order had to elect a monk or a nun, a member of the convent, to be the accountant. This accountant (*procurador*) made records of the accounts. See Bibliothèque Nationale de France (hereafter BNF), *Règle et constitutions des religieuses de l'ordre de Notre Dame du Mont Carmel selon la réformation de Sainte Thérèse pour les monastères de son ordre en France*, Ordre des Carmes Déchaux, 1754, pp. 104–5.

by their respective provincial houses. Each year, the provincial bursar and the provincial prior would visit every convent in the province and check the validity of both the procedures and the accounts.¹⁹ On the basis of these account books and of notary contracts, local credit operations can easily be reconstructed. For instance, in Medina del Campo, Marcos Martín observed that only 20 per cent of the capital lent by the local convents went to inhabitants of Medina, whereas more than 30 per cent flowed to cities in the surrounding areas.²⁰ Ordinary people represented 72 per cent of the borrowers but only 35 per cent of the capital lent.²¹ These could be farmers, small landowners, craftsmen, or merchants.²² For these people, borrowing capacity was related to land and was therefore limited, as most farmers owned little land to use as collateral. They borrowed 2,000 reales on average, a comparable figure to the average loan found by Congost in the region of Girona,²³ and was equivalent to two-years of a labourer's wages in Madrid.²⁴

Regarding rural credit, there is no denying that ecclesiastical institutions were the main providers of agricultural loans. Spread throughout Spain, including in the most remote parts of the country, they were able to address the basic credit needs of small landowners and farmers. All of the local convents were important credit centres for rural dwellers who ran short of capital. In his work on the province of Zamora, Álvarez Vázquez noted that the demand for agricultural credit in the absence of a national banking system was satisfied by ecclesiastical institutions.²⁵ These loans, usually small, were sufficient for the recipient to get through the storm or build a new house. Ecclesiastical institutions also participated actively in the agricultural improvement movement in early modern times. For instance, the large monasteries around Barcelona, the cathedral of Barcelona, as well as more scattered convents, such as the convent of Poblet, appear on the records of hydraulic establishments and participated in the construction of hydraulic infrastructures.²⁶

The two other largest borrowers in Medina were the elite and the cities (with respectively 30 per cent and 18 per cent of the capital borrowed).²⁷ They borrowed large sums of capital, almost three times the amount lent to the ordinary people in the case of the Don, and nearly 14 times for the high nobility or the cities. The purpose of the loan was scarcely mentioned. For

19. Idem.

20. Medina del Campo was a small city of around 5,000 inhabitants close to Valladolid (Vries, 1984, p. 277). It seems that most of these latter loans played an important role in the development of vineyard farming at the end of the seventeenth century and across the eighteenth century, especially in the northern part of the Medina region where peasants were concentrated (Marcos Martín, 1999, pp. 73–93).

21. Marcos Martín (1999). See App. A. "Ordinary people" are defined as those who were not noble, civil servants, or members of the clergy.

22. While the majority certainly worked in agriculture, the sources do not, in most cases, describe their professions.

23. Congost (2014).

24. A day labourer in Madrid would have earned around 860 reales p.a. in the eighteenth century. See Chap. 2.

25. Álvarez Vázquez (1987, p. 284). *Pósitos* and *montes de piedad* also provided agricultural credit at this time, but this was mainly short-term credit. The rise of merchant bankers came later in the nineteenth century (Ramón García López, 2000).

26. Vilar (1962, pp. 256–61).

27. App. A. The elite covers the high nobility and the "Don" who were important people, for instance, in commerce or administration.

the elite, whenever it is specified, the loan served to get through some financial difficulties, to build a new house, or to refurbish an old one. In the case of the cities, these loans financed not only the donations to the king, but also the maintenance and construction of public infrastructure and the provision of basic public services.²⁸ For example, in Elorrio, almost 60 per cent of the amount lent between 1780 and 1789 (367,000 reales), was invested in the construction of roads.²⁹ In a few cases, the borrower was another ecclesiastical institution. In Medina, 10 per cent of the capital lent involved two ecclesiastical parties. In most cases, these loans allowed them to finance new infrastructures or face some financial difficulties.³⁰

In short, local convents — the first tier of the system — provided credit mostly to agriculture, the city council and the local elite. However, how did they make economic decisions relative to credit? The study of the economic governance of the local convents of the order reveals the impressive attention given by the monks to their credit activities at their own level as well as their connection to the rest of the order. As such, they were only a part of an activity which developed nation wide and contributed to a nationally integrated organization.

The convent's monks or nuns met every week in the library to discuss and vote on the convents' daily decisions. Each convent had to take minutes of those decisions, and in particular economic decisions, in meeting reports (*libros de acuerdos*). I could study two of these reports from two different convents of the Theresian Carmelite Order.³¹ These reports have been enlightening to understand the economic governance of each convent.

Hence, on the first page, the meeting report of the convent of Bolarque stipulates: "Our Definitory decided that in every convent there be a special book where written down and noted are the decisions made during the conventual chapters concerning their rents and economy".³² The report added that this was a decision made by the General Definitory of the Theresian Carmelite on 17 September 1727, to fight against: "the serious inconveniences and disasters that our convents are enduring, that there is no special book in which to write down the agreements and determinations made in the conventual chapters concerning rents, economy, and well-being of the convents".³³ This means that the General Curia of the Theresian Carmelite not only

28. Marcos Martín (1999, p. 92).

29. Fernández de Pinedo (1985, p. 302).

30. Marcos Martín (1999).

31. Archivo Histórico Nacional (hereafter AHN), Libro 4191, OCD Bolarque, *Libro de determinaciones hechas por el capítulo conventual en orden a las rentas y economía del convent*; and AHN, Libro 10710, OCD Salamanca San Elias, *Libro donde se anotan los acuerdos y determinaciones de los capítulos conventuales*. I could only find two remaining meeting reports for two convents of the Theresian Carmelite Order, the convent of San Elias in Salamanca and the convent of the Santo Desierto in Bolarque.

32. Own translation. "*Haviendose determinado por nuestro Definitorio que en todos los conventos aya un libro especial en que se escriba y anote las determinaciones hechas en los capítulos conventuales en orden a las rentas y economía de ellos*". AHN, Libro 4191, OCD Bolarque, *Libro de determinaciones hechas por el capítulo conventual en orden a las rentas y economía del convent*.

33. Own translation. "*[L]os graves inconvenientes y desmedros que se sigan a nuestros conventos de que no ai en ellos un libro especial donde de apunten y anoten los acuerdos y determinaciones que se hazen en los capítulos conventuales pertenecientes a las rentas, economía y bien estar de los conventos*". Ibid.

controlled the good administration of local convents, but also produced some rules of good management. These meeting reports also explain that the ecclesiastics were informed three days prior to a vote, and then voted by secret ballot during the weekly meetings, as most of the decision retranscriptions state: "On 18 June 1785, it has been decided unanimously during the chapter by secret ballot of the community, and preceded by three days, as the founding charter orders".³⁴ In particular, decisions to lend or borrow money were recorded conscientiously. The report of these decisions accounts for the economic rationale of the ecclesiastics. Problems of asymmetric information were crucial in eighteenth-century credit markets, especially on the quality of the collateral. Local convents and churches knew almost everybody in the village and could check on the collateral in case of doubt. For example, the monks of the convent of Bolarque accepted to lend 5,850 reales to Juan de Burgos after having checked his mortgage and deemed that it was sufficient: "Juan de Burgos el Menor, resident of Almonacid de Lurita, came asking for a *censo* and, the mortgages being examined, he gave a well-sufficient guarantee, and the holy community offered and agreed to give to Juan de Burgos the said 5,850 reales via a *censo*".³⁵ Before lending money, they analysed and examined the debtor's guarantees and decided during their weekly meeting whether these were sufficient. It was not difficult to check collateral, since the house or the farm was usually close to the convent. Collateral was also very important to negotiate the interest rate with ecclesiastics. The high nobility and cities were offered lower interest rates than ordinary people, in general below 3 per cent, which reveals the quality of their collateral compared to that of ordinary people.³⁶

A convent could either decide to lend money if it had excess capital (Juan de Burgos' example), or, on the contrary, it could borrow from the order, or other sorts of institutions or individuals, with the authorisation of the provincial prior, if it ran short of capital. The following example is particularly enlightening. The city of Almonacid asked the convent of Bolarque for a *censo* bearing a 2.5 per cent interest rate in order to pay off all the *cesnos* that the city had sold at 3 per cent. This was a mere debt restructuring operation in order to reduce the debt burden of the city. But the loan of the city of Almonacid also shows the economic links between the General Curia and local convents. The weekly report says:

On 14 September 1738, Our Father Joseph Thomas, Provincial of the Theresian Carmelite, granted license to this community so that it could take out a *censo* of forty or fifty thousand reales so that with them and other available portions that were in the three-key safe of this house, they could subrogate in this community

34. Own translation. "En 18 de Junio de 1785 se determino en capitulo por votos secretos de la comunidad nemine discrepante, y precedido de tres dias, que mandan las actas". AHN, Libro 10710, OCD Salamanca San Elias, Libro donde se anotan los acuerdos y determinaciones de los capitulos conventuales.

35. Own translation. "Ocurrió Juan de Burgos el menor vezino de Almonacid de Lurita pidiendolos a censo y reconocidas las hipotecas, que daba para su seguridad, ser mui bastantes se propuso a la Santa Comunidad (como es estilo) y convino en que se le diesen al dicho Juan de Burgos los dichos 5850 reales a censo". AHN, Libro 4191, OCD Bolarque, Libro de determinaciones hechas por el capitulo conventual en orden a las rentas y economia del convento.

36. Alvarez Vázquez (1987, p. 311).

and against the city of Almonacid all the *censos*, that in favour of different subjects had the said town bearing a three per cent interest rate, and now reduced to two and a half, whose reduction the said community deemed convenient ... [A]nd indeed, [this community] sold a *censo* of 2,000 ducats at the rate of two and a half to the General Curia of Madrid, as it appears in the deed signed by the said community on 10 January 1739. Br. Juan de Jesus Maria. Br. Diego de la Madre de Dios.³⁷

The convent of Bolarque had not enough cash to satisfy the request of the city of Almonacid. However, it could borrow it from the General Curia at a low interest rate, and could as a result offer a lower interest rate to the city than its competitors. This example indicates that local convent were almost able to offer an unlimited supply of capital, even in local and remote areas. This also shows that although ecclesiastical lending was mainly local, capital could flow across large distances.

Another important fact derives from this example. Competition was indeed raging within long-term credit markets between lenders. The convent of Bolarque was competing with other residents and institutions of the surroundings. It offered a 2.5 per cent rate in order to win the tender. Not only ecclesiastical institutions competed with other individuals or institutions but they also competed between each other. For instance, in 1758, the city of Toro requested a *censo* of 140,000 reales to the cathedral chapter of Zamora, and specified that it was inclined to pay only 2 per cent adding that it already had an equivalent offer from another institution.³⁸

In short, the first tier of the system, ecclesiastical lending in rural areas, mostly involved agriculture, the city council, and the urban elite. It was mainly local and concerned small loans, no more than two years of a labourer's wages. The analysis of the economic governance of the local convents of the Theresian Carmelite also shows an impressive economic rationale for ecclesiastics. They competed with other ecclesiastical institutions and they decided in community to lend or not to lend and at what price regarding the collateral provided and the borrower's identity. In addition, meeting reports shows that these local convents had economic links with their General Curia. If they ran short of capital because of financial difficulties or if they could not satisfy the demand for larger loans from a local individual or institution, they could borrow this sum from their order.

At the second level of the three-tier system of the Theresian Carmelite we have the order's provincial houses (*procuradurías provinciales*). One of these provincial houses was that of the

37. Own translation. "En 14 de Septiembre de 1738, dio N.P.Fr. Joseph Thomas Provincial de Carmelitas Descalzos, licencia a esta comunidad para que pudiera tomar a censo cuarenta o cincuenta mil reales a fin de que con ellos y otras porciones que habia en el arca de tres llaves de lo libre de la casa, se pudiesen subrogar en esta comunidad y contra la villa de almonacid todos los censos, que a favor de distintos sujetos tenia la dicha villa a tres por ciento de reditos, y ahora de rebajaron a dos y medio, cuya baja juzgo la dicha comunidad por conveniente ... y en efecto se tomaron de la Procuraduria General de Madrid 2000 ducados a censo a razon de dos y medio, como consta por escritura firmada de esta dicha comunidad en 10 de enero de 1739. Fr. Juan de Jesus Maria Prior. Fr. Diego de la Madre de Dios. Ibid.

38. Alvarez Vázquez (1987, p. 314).

province of Old Castile, located in Valladolid in the convent of San Benito el Real. This second level pooled all the excess capital earned by the convents in the province in one sole fund, which was then lent to other ecclesiastical or non-ecclesiastical institutions and all kinds of individuals with sufficient collateral.³⁹ As opposed to local convents, provincial houses lent only little to ordinary people and larger amounts to local nobility and to people and institutions further away.⁴⁰ Finally, the provincial house could also lend to cities or even sometimes to public monopolies such as the Tobacco Monopoly (*Renta de Tabaco*).⁴¹ Capital was also lent to Theresian convents at this level, as no less than 25 per cent of capital was sent to the convents in the province.

The last level of the three-tier system pushes the logic a step further. I here consider the account books of the General Curia. Two of these are of central importance: the annual account book of the General Curia, and the loan book recording all of its *censos*. These reveal that the General Curia was the keystone of the credit institution. They also provide details on an important national institution that was present over the whole of Spain and was organized as a proper bank. Capital flowed from the top to the bottom and from the bottom to the top. Every four years, all the provincial priors of the Congregation of Spain had to sign a power of attorney before a notary in Madrid in favour of the general prior. This gave the general prior the ability to take out a loan and redeem it on behalf of any of the convents of the Congregation or represent them at court. Below is the proxy established in 1747 by the notary Don Manuel Miñon de Reynoso:

According to that public power of attorney, we Fr. Diego de San Rafael, General Prior of the Theresian Carmen Order, of the disalced Carmelite monks and nuns of Primitive Observance of the Congregation of Spain ... and in behalf of the ... definitors, prelates, and convents of monks and nuns of our Order ... together, consent and give our complete power, that which is needed and necessary, to Fr. Paulino de San Joseph, member of our Order, and General Prior.⁴²

With this power of attorney from the Order's convents, the General Curia had complete authority to act for the whole community. In particular, it could act as a financial intermediary for the order, reallocate capital within the order, and lend capital.

First, as a financial intermediary, the General Curia could either lend some capital on behalf of one particular convent or pool capital from several convents in order to meet the demand for larger loans. When a particular convent wanted to lend capital, it could choose between two options. It could either find a borrower nearby, within the city and its surroundings, or it could deposit the capital in the General Curia and charge it to lend this capital. In August 1791,

39. Marcos Martín (1999, pp. 97–9).

40. For example, the average loan to high nobility was 74,461 reales from the provincial house, compared to 27,228 reales from the Medina convents. Ordinary people only represented 2.6 per cent of the capital lent by the provincial house, whereas the analogous figure for the nobility was 12.1 per cent.

41. Marcos Martín (1999). For example, 15.2 per cent of the capital lent by the provincial house went to provincial city councils, mainly that of Valladolid.

42. Archivo Histórico de Protocolos de Madrid (hereafter AHPM), protocolo 17230, p. 204. See App. C.

for instance, the convent of monks of Medina del Campo deposited 8,000 reales in the General Curia and asked the mother cell to lend it: "Plus 8,000 reales that gave our Prior of Medina del Campo to be lent via a *censo*".⁴³ On 17 August 1791, the General Curia lent the said 8,000 reales of the convent of Medina del Campo to the pious schools of the San Fernando College in Madrid.⁴⁴ There are two striking facts here. First, Medina del Campo is 157 kilometres from Madrid, which means that the General Curia could easily act as a financial intermediary for distant areas. Without the General Curia, the deal could not have been made. Second, we can note the speed of the General Curia's actions. We do not have the exact day when the capital was deposited in the General Curia, but we do know that it was between the 1st and the 17th of August. As a result, a maximum of two weeks separated the General Curia's receipt of the payment from Medina from its subsequent lending out.

As a financial intermediary, the General Curia not only lent capital on behalf of a particular convent, but also pooled capital from a number of convents to meet the demand for larger loans. The example of the Marquis of San Juan de Tasso is particularly interesting. The Marquis lived in Madrid and was a member of the Council of Castile, which was basically the Spanish government. He asked the General Curia of the Theresian Carmelite for a *censo* of 400,000 reales, a tidy sum in an era when a local day labourer might earn little more than 860 reales a year. The General Curia had to pool, in Madrid, the capital from nine convents of nuns and monks throughout Spain and draw on the beatification fund, which is the investment fund of the General Curia. The capital was from the Pastrana fathers, Segovia fathers, Medina de Rioseco fathers, Toro fathers, Palencia fathers, Fontiveros fathers, Batuecas fathers, Padrón fathers, Madrid fathers, and Lerma mothers.⁴⁵ As Figure 3.1 shows, thanks to the action of the General Curia, capital could come from as far as the city of Padrón, which is 620 kilometres away from Madrid. By 1 March 1762, the General Curia was able to lend the amount requested by the Marquis. Capital thus did flow across the whole of Spain. In addition, the Marquis did not pay the rent to each convent, but rather in Madrid to the General Curia, which was much more convenient for him. The General Curia then redistributed the rent to each convent, since they had to meet their obligations, such as maintaining the chantry priest.

The General Curia could also reallocate capital between convents with excess capital and those short of it, either as an intermediary or as a lender. As an intermediary, the General Curia matched two convents, one with excess capital and one short of it. Each convent had to first ask the General Curia via its provincial house for the authorisation to lend or to borrow, following which the General Curia could match them. In March 1806, for instance, it matched the convent of Malagón to the convent of Consuegra which lent it 1,500 reales.⁴⁶ The two convents are 45 kilometres apart, and would not have made the deal without the General Curia.

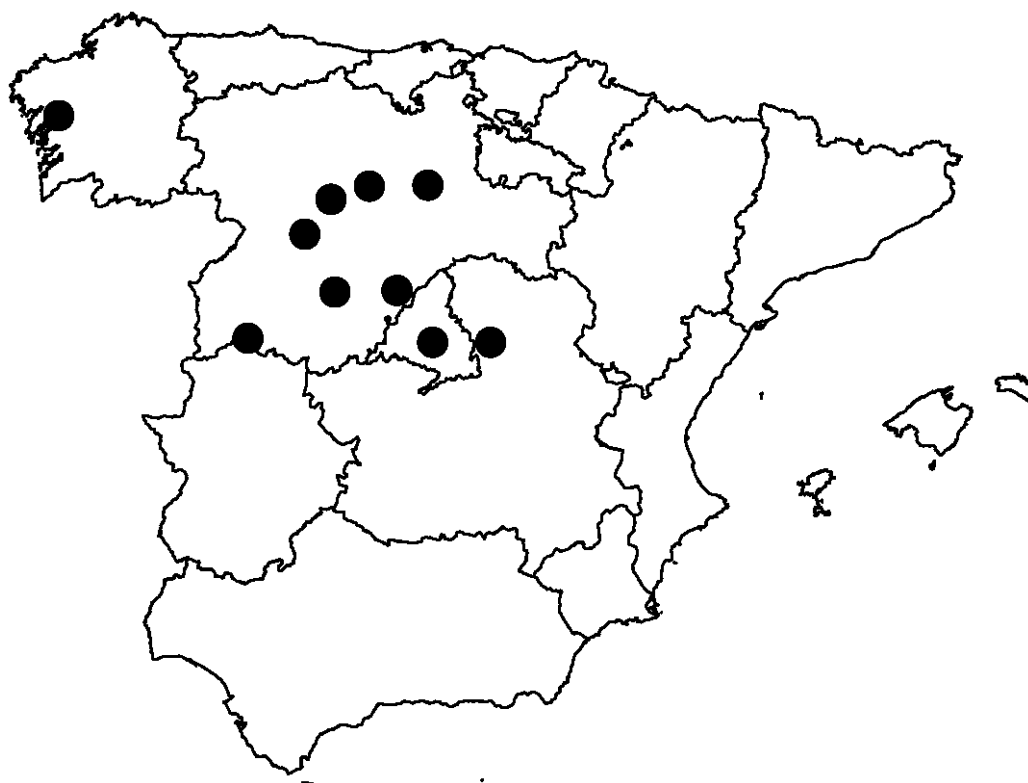
43. Biblioteca Nacional (hereafter BN), MSS/3861, *Libro de cuentas de los Carmelitas Descalzos correspondiente a los años 1787–1802*, p. 76.

44. BN, MSS/3644, *Libro de censos de los conventos de Carmelitas Descalzos*, p. 684.

45. *Ibid.*, p. 210. See App. B.

46. *Ibid.*, p. 709.

Figure 3.1 – The origin of the money lent by the General Curia to the Marquis of Tasso



Note: The capital was divided between the Pastrana fathers, Segovia fathers, Medina de Rioseco fathers, Toro fathers, Palencia fathers, Fontiveros fathers, Batuecas fathers, Padrón fathers, Madrid fathers, Lerma mothers, and the beatification fund. See App. B. *Source:* BN, MSS/3644, *Libro de censos de los conventos de Carmelitas Descalzos*, p. 210.

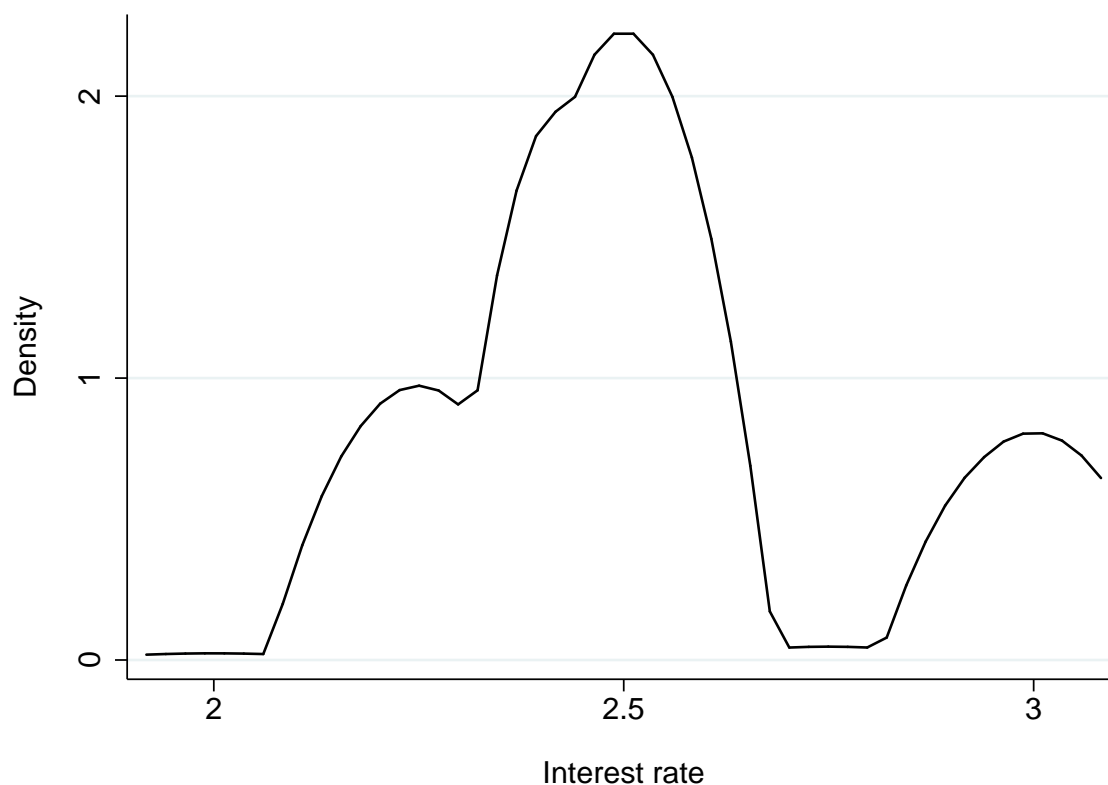
The General Curia also acted as a lender. It had at its disposal two investment funds: the common fund (*caudal común*) which was used for the daily expenses and investments of the Curia, and the beatification fund (*caudal de beatificaciones*) which was used to support the beatification of the order's nuns or monks from and which served as an investment fund. Whenever a convent needed money, it could take out a loan from one of these two funds. On 20 August 1788, for example, the nuns of Bujalance took out a loan from the common fund of 10,000 reales.⁴⁷ Clearly, local convents were not limited by their own resources. At any time they could, if they wished, obtain supplementary resources from the General Curia as the convent of Bolarque did for the loan of the city of Almonacid. In this respect, they were able to offer their neighbourhood (and in particular rural dwellers) an almost unlimited supply of capital.

The analysis of workings of the Theresian Carmelite yields some insights into the global

47. *Ibid.*, p. 251.

functioning of the order as a credit institution. A more detailed analysis of the global financial activity of the General Curia will now help us to understand the characteristics of the Spanish long-term credit market. I have detailed information on individual loans with the date of the contract, the borrower's name, and the involved Theresian convents. The interest rate and the redemption date are provided in the loan books, but not systematically.⁴⁸

Figure 3.2 – Distribution of interest rates, 1705–1807



Sources: BN, MSS/3644, *Libro de Censos de los Conventos de Carmelitas Descalzos*; BN, MSS/12843, *Índice de los Censos y Escrituras de los Carmelitas Descalzos de España*.

Up to 1705, the Theresian Carmelite offered loans at the usury limit (5 per cent) or not at all. Figure 3.2 plots the distribution of loans by the interest rate charged after the reduction in interest rates in 1705.⁴⁹ One peak is at the legal maximum for the period — 3 per cent —

48. The archives of the General Curia of the Theresian Carmelite Order are conserved in the Biblioteca Nacional, an unusual location given that all the archives relative to the economy of ecclesiastical orders have been transferred to the Archivo Histórico Nacional — the same was true for Theresian convents. I reconstructed the General Curia's lending activity during the eighteenth century. I collected all the *censos consignativos* recorded in the two available loan books of the General Curia where I removed duplicates (which represented only 1.6% of the loans) and those whose date of creation was not mentioned (4.8%). One of these two books is available at <http://www.bne.es/es/Inicio/index.html> (BN, MSS/3644, *Libro de Censos de los Conventos de Carmelitas Descalzos*), but the other is not digitalized (BN, MSS/12843, *Índice de los Censos y Escrituras de los Carmelitas Descalzos de España*). Between 1700 and 1807, over 473 loans, I have information on the interest rate for 172 loans (37%) and on the redemption date for 154 loans (32%). Data is available upon request.

49. See Chap. 2 for a discussion on this reduction.

but the bulk of borrowers payed interest below the legal maximum, around 2.5 per cent. The amount of the loan did not seem to have been a clear determinant of the interest rate charged, unlike the type of borrower. Of those borrowers paying lower interest, ecclesiastical institutions borrowed on average at 2.5, whereas the nobility payed 2.75.

Table 3.1 – Loans of the General Curia, 1700–1807

Borrowers	Number of <i>censos</i> <i>consignativos</i>	Amounts (reales)	% total capital	Average loan (reales)
Ordinary people	10	556,539	2	55,653
Nobility and Don	88	8,847,401	31.9	100,538
Ecclesiastical institutions	344	14,211,110	51.2	41,310
Merchant companies	11	2,214,500	8	201,318
Cities	11	473,741	1.7	43,067
State	8	1,345,662	4.6	168,207
Unknown	1	154,000	0.6	154,000
Total	473	27,802,952	100	58,780

Sources: BN, MSS/3644, *Libro de Censos de los Conventos de Carmelitas Descalzos*; BN, MSS/12843, *Índice de los Censos y Escrituras de los Carmelitas Descalzos de España*.

Table 3.1 summarizes the General Curia’s lending activity between 1700 and 1807. Lending concentrated in the second half of the eighteenth century and then declined very rapidly at the end of the century. This may be the result of the enforcement of the *desamortización* laws in 1798.⁵⁰ Over one century, the General Curia lent almost 28 million reales. By way of comparison, this was of similar size as the Hoare’s Bank, a small goldsmith bank in London studied by Temin and Voth.⁵¹

Who were the borrowers of the loans of the General Curia of the Theresian Carmelite in the eighteenth century? We first note the small number of ordinary people. They borrowed on average 55,653 reales which makes think that they were not so “ordinary”. Unfortunately, I do not have information on the purpose of the loan or on the borrower’s profession. On the contrary, Dukes, Counts, Dones, and Doñas are at the top of the list, accounting for 31.9 per cent of the loans, for an average amount of 100,538 reales. These individuals represented the high nobility, lived in Madrid, and had important official positions. Some were also part of Spain’s commercial and financial elite.⁵² Examples are Don Andres Diaz Navarro, a former minister, the Duke of

50. This point is further analysed in Chap. 4.

51. Between 1700 and 1807, the General Curia lent four times what Hoare’s Bank lent between 1700 and 1724. Hoare’s lent a total mortgage amount of £72,526, around seven million reales (Temin & Voth (2008, Figure 2)) and I computed that the average lifetime of a *censo consignativo* of the General Curia was 19 years. Like the Hoare’s, the Theresian Carmelite Order was a rather small institution, it represented 6% of the total number of convents in Spain (Sáez Marín, 1975, pp. 34–5).

52. In a trial to reconstruct the distribution of the amount lent by the Theresian Carmel Order, I show

Medina Sidonia, Pedro de Alcántara Pérez de Guzmán y Pacheco, a member of one of the most important and oldest families in Spain and fellow of the Royal Society from 1749, and Don Joseph Ignacio Goyeneche, a former Secretary of State.⁵³

Ecclesiastical institutions accounted for a large part of the loans of the General Curia, with 51.2 per cent of the amount lent, divided between Theresian Carmelite institutions, with 18.4 per cent of the loans, and other ecclesiastical institutions for the other 32.8 per cent. This reflects the substantial role of the General Curia to match convents with excess capital and those which were short of it and confirms its central position within the order.⁵⁴ For the General Curia, this was also one solution to circumvent jurisdictional obstacles. It lent to many convents scattered in different historic territories. As we could see in Chapter 2, jurisdictional borders were almost an impassable wall for capital flows, in particular between Castile and Aragon. The action of the General Curia allowed the institution to circumvent these barriers by lending to local convents which, in turn, could offer the necessary funds to their neighbourhood. Figure 3.3 shows what the General Curia lent to its local convents. Over 196 convents, 101 borrowed from the Curia across Spain. In New Castile, they received almost half of the capital lent by the Curia (44.3 per cent), among which 43 per cent remained in Madrid. Andalusia was the second main recipient of the General Curia's resources (34.3 per cent) but also counted the largest number of convents (26.9 per cent).⁵⁵ Figure 3.3 also provides evidence that the General Curia's lending crossed strong jurisdictional borders. Almost 13 per cent of the capital lent was sent to historic territories that were not part of the Crown of Castile: Catalonia, Aragon, Valencia, Navarre, and the Basque Countries. Thanks to its network of convents, the General Curia could therefore lend the whole Spain despite jurisdictional barriers.

Another 7 per cent of the capital was lent to cities and to the State. These former were often close to Madrid, such as Vicálvaro or Colmenar Viejo, but some were quite far away such as Rus (province of Jaén) or Salmeroncillos (province of Cuenca). The Consolidation Fund (*Caja de Amortización*) and royal monopolies such as the Tobacco Monopoly and the Mail Monopoly also were the destination of various loans. These were long-term loans provided to the government, like the *censos* secured on the Tobacco Monopoly sold in late eighteenth century to finance warfare during the American Independence War and the French Wars.⁵⁶

Last, I noted from the account books of the Theresian Carmelite that the order lent massively to merchant companies such as the Royal Co. of Trade of Toledo, the Co. of the Cinco Gremios, or the Co. of Buena Fe of Craftsmen & Silversmiths (*Compañía de la Buena Fe de*

that lending was highly concentrated, as in many other parts of Europe. The large majority of the borrowers represented only a small part of the total amount lent, and the rich received the majority of ecclesiastical lending: around 75% of borrowers received only 25% of the amount lent in 1750. See App. D.

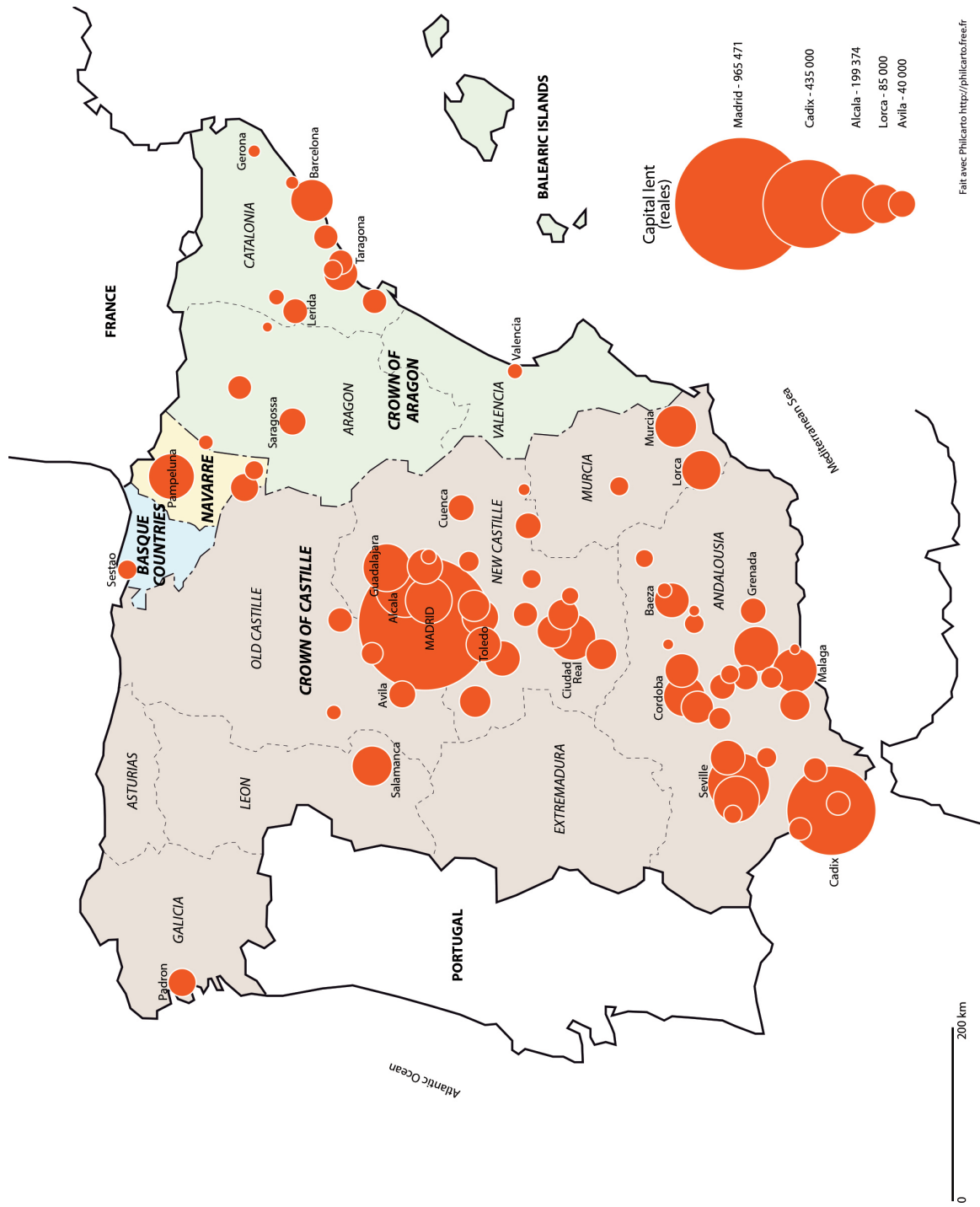
53. Aquerreta (2001); Dedieu (2011).

54. These credit operations between parties belonging to the same order (Theresian Carmelite) were not notarized, as I could see in the account books of the General Curia. Whenever a credit contract concerned two members of the same order, they would draw up contracts "According to the Order's fashion", meaning that they did not use notary services. Own translation. "*Al estilo de la Orden*", BN, MSS/12843, *Índice de los censos y escrituras de los Carmelitas Descalzos de España*.

55. See App. E and App. F.

56. Torres Sánchez (2013) and Chap. 4.

Figure 3.3 – General Curia’s cross-border lending to its local convents, 1700–1807



Note: Information on borrowers' towns is only provided for ecclesiastical institutions.

Sources: See Tab. 3.1 and App. F.

Artífices y Plateros). Indeed, a notable share goes to these companies, with a striking average amount lent of 201,318 reales. For instance, the Royal Co. of Trade of Toledo took out seven loans recorded here. This was created in 1748 to encourage trade in the Toledo region. It borrowed large amounts of capital from the Theresian Carmelite Order at the time of its creation, with 520,000 reales in 1749, 1,045,000 in 1750, and 200,000 in 1751. The General Curia pooled the capital needed by the company from no less than 19 convents scattered across Spain from Salamanca to Santiago de Compostela and Pamplona, the beatification fund, the common fund, and Doña Maria de Torres' pious memories. Later, the General Curia provided 202,700 reales in two loans in 1754 and 1758 to the Co. of the Cinco Gremios. This shows that the Theresian Carmelite three-tier system managed to pool the necessary capital from everywhere in Spain up to Madrid, to finance merchant companies. As far as trade is concerned, ecclesiastical institutions participated in the financing of commercial activities and international trade. The memorandum on the reduction of the interest rate borne by the *censos* written around 1720 by the cathedral of Valencia for the Council of Castile bears testimony. The cathedral chapter wanted to protect the development of manufacturing, stating that: "Via the *censos*, so many manufacturers of silk and wool would find considerable funds for their desired development".⁵⁷ Later in the document, the cathedral defended the *censo* arguing that: "With the *censos*, driving capital towards lay people, and supporting trade with this money".⁵⁸ For the cathedral chapter of Valencia, there is no doubt that the *censo*, by lending to merchants and fostering trading activities, was one of the keystones of Spanish commercial activity. These connections between ecclesiastical institutions and economic activities should not come as a surprise since ecclesiastical institutions and ecclesiastics could be very successful merchants. This can be illustrated by the case of the Jesuits. The Jesuits were well known for their agricultural activities, especially in New Spain. Until their extinction in 1767, they traded goods between Spanish America and Spain and established contacts with other merchants across the whole of Europe.⁵⁹

Table 3.2 – Inside the General Curia: loan amount by lending activity

	As a unique lender	As part of a consortium of lenders	As an intermediary	Total
Number of <i>censos</i>	282	44	147	473
Capital (reales)	14,530,696	5,940,155	7,332,102	27,802,953

Sources: BN, MSS/3644, *Libro de Censos de los Conventos de Carmelitas Descalzos*; BN, MSS/12843, *Índice de los Censos y Escrituras de los Carmelitas Descalzos de España*.

Table 3.2 shows how the lending activity of the General Curia was divided between its va-

57. *Reflexiones, que el cabildo, y canonicos de la santa metropolitana iglesia de Valencia, exponen a los señores del real consejo de Castilla sobre el precio de los censos de aquel reyno*, p. 8, Depósito Académico Digital Universidad de Navarra, Fondo Antiguo: <http://dadun.unav.edu/handle/10171/30903>.

58. *Ibid*, p. 10.

59. López Martínez (2000).

rious funds and the particular convents' funds. The Curia alone lent 52 per cent of the capital through its two main funds — the beatification and the common funds — and two pious memories — Santo Tomas' and Doña Maria de Torres' pious memories. It participated as well in a pool of lenders contributing 21 per cent of the total lending. Finally, the Curia was responsible for matching lenders and borrowers for the remaining 26 per cent. As a result, roughly half of the capital lent by the General Curia came from its own coffers and the other half was pooled from Theresian convents.

To sum up, in contrast to many traditional banks that focused on only a small category of the population, the credit activity of the Theresian Carmelite Order covered the whole range of potential borrowers, from very small loans in rural areas, mainly to farmers, to a few large loans to the urban elite. The analysis of its economic governance shows that an important credit institution existed, one that was organized into a highly sophisticated three-tier system acting at a national level. The General and provincial houses were in charge of pooling and lending on a large scale, while the convents were more focused on local credit. The General Curia lent much larger amounts of capital as compared to provincial houses and local convents. It specialized in large loans, since it could pool capital from convents of the order all over Spain. In addition, it matched convents with excess capital and convents short of it and lent on its own to many of its convents, thereby alleviating resource misallocation. In the end, despite many obstacles inherent to long-term credit markets, ecclesiastical institutions managed to integrate the Spanish territory and circumvent jurisdictional barriers thanks to its network of convents.

3.3 The Theresian Carmelite Order: a comparison with the Jesuits

Was the Theresian Carmelite Order representative of other ecclesiastical institutions? Secular clergy entities — parishes and bishoprics — used to be more autonomous. In each diocese, a specific Tribunal of bequests, chantries, and pious works (*Juzgado de testamentos, capellanias, y obras pias*) administered the pious foundations that were under its jurisdiction. No national institution coordinated Spanish dioceses and the economic structure of this clergy was thus rather horizontal.

Nevertheless, the multi-tiered economic structure described in this chapter was indeed very sophisticated and contrasts with what is commonly observed for the secular clergy. It might be the case that recent orders, born during the Counter-Reformation, developed modern management techniques. Unfortunately, up to now, I could not find any historical archives relative to the economy of the General Curia of older orders, such as the Franciscans, the Dominicans, or the Carmelites. However, at the same time, another order — the Society of Jesus — developed the same modern management techniques as the Theresian Carmelite.

The Jesuits, certainly the richest order in the first half of the Eighteenth Century, performed the same financial roles as the Theresian Carmel Order. The Spanish Congregation of the Jesuits was divided in five provinces: the Province of Toledo, the Province of Old Castile, the Province of Andalucia, the Province of Aragon and that of the Indies. Each province was ruled by a provincial house located in the province capital. Like the Theresian Carmelite, Jesuits provincial houses could pool money in order to satisfy the demand for larger loans, administer college's capital, and also match colleges with excess capital to those short of it. The loan book of the Jesuits' provincial house of Old Castile bears testimony. Table 3.3 records all the outstanding *censos* in 1764 and reveals a similar economic structure to the Theresian Carmelite.⁶⁰

Table 3.3 – Outstanding loans of the Jesuits' provincial house of Old Castile, 1764

	As unique lender	As part of a consortium of lenders	As an intermediary	Total
Number of <i>censos</i>	17	12	12	41
Capital (reales)	1,383,720	1,069,806	717,129	3,333,383

Source: AHN, Seccion Clero-Jesuitas, Legaro 941.

First, as a lender, the provincial house lent to the city council of Salamanca 200,000 reales whereas it was located in Valladolid. Second, it was pooling capital from colleges all over the province. For example, on 5 September 1752, it pooled 110,000 reales from the college of Santiago, 84,000 from that of Segovia, 4,906 from that of Vittoria and 2,740 from its own fund to lend to the Count of Ribadavia 201,646 reales. Segovia, the closest city, is 116 kilometres away from Valladolid, and Santiago 450 kilometres. Third, the provincial house could act just as a financial intermediary, which means that it lent capital deposited by a college belonging to the province to a third person or institution. For example, on 24 April 1761, it lent 50,000 reales on behalf of different colleges of the province to the college of Arevalo located 90 kilometres away from Valladolid.

In short, if there is no doubt that the majority of ecclesiastical institutions engaged in mortgage lending, we cannot affirm that the multi-tiered economic structure was the rule for the regular clergy, due to the availability of sources. However, the economic structure of two of them — the Theresian Carmelite Order and the Jesuits — already contradict with Wobeser's claims that regular institutions were autonomous.⁶¹ These two institutions accomplished what the crown desperately tried to make during the eighteenth century: to integrate markets nationally.

60. This loan book is the only one that I could find relative to the economy of provincial houses and the General Curia of the Jesuits.

61. Wobeser (1994, pp. 19–20).

3.4 Conclusion

During early modern times, ecclesiastical institutions became the most important providers of long-term credit in Spain. Although they only engaged into mortgage lending and benefited from a particular kind of deposits since the depositor could not withdraw it, the monks and the nuns acted almost like traditional bankers by pooling, lending, and borrowing money. In this chapter, I considered the case of the Theresian Carmelite Order during the eighteenth century, when ecclesiastical credit was largely dominant and characterized the functioning of that particular credit market. I found that ecclesiastical institutions acted through a vast network of convents and monasteries, supplying everything from small loans to farmers in a local market to substantial amounts to nobles, merchants, officials, and local treasuries across the whole country and beyond. Their three-tier system, with the General Curia at the top in Madrid and then the provincial houses and the local convents scattered over all of Spain, allowed them to address all kinds of demands and cover the whole range of possible borrowers.

As credit institutions were widely spread-out in the seventeenth, eighteenth, and nineteenth centuries, Spain did not then suffer from capital scarcity. Instead, available sources of capital chased rare investment opportunities. These findings underline that some ecclesiastical orders at least managed to circumvent jurisdictional and asymmetric information obstacles to long-term credit and were able to alleviate resource misallocation. Even though local markets were fragmented as we have seen in Chapter 2, loan applicants could draw on the mobilisation of a vast networks of convents for their financial needs. The extent to which this type of credit was common is not clear though, even if it was certainly not exceptional. Further research needs to be done on this.

At the end of the eighteenth century, however, this hierarchized credit system stopped abruptly. The monarchy attacked the main long-term credit institutions of its time to finance costly wars. It thus broke a credit system composed of ecclesiastical institutions that had succeeded in accomplishing what it had never been able to do throughout the eighteenth century: to integrate Spain's market.

3.5 Appendices

Appendix A Outstanding loans of the convents of Medina del Campo, 1750

Borrowers	Number of <i>censos</i>	% total of <i>censos</i>	Amounts (reales)	% total amount (reales)	Average loan (reales)
Ordinary people	380	71.97	745,132	34.86	1,960
Don	68	12.88	375,360	17.56	5,520
High nobility	10	1.9	272,280	12.74	27,228
Members of the secular clergy	26	4.92	125,346	5.86	4,821
Offices	5	0.95	30,270	1.42	6,054
Ecclesiastical institutions	26	4.92	205,452	9.61	7,902
Cities	13	2.46	383,658	17.95	29,512
Total	528	100	2,137,498	100	4,048

Source: Author's own calculations based on Marcos Martín (1999, pp. 73–93).

Appendix B
Marquis of Tasso's loan

Censo contra el P.^o Marques de S.^{ta} Ines de Tasso.

Dividas.

Revisados

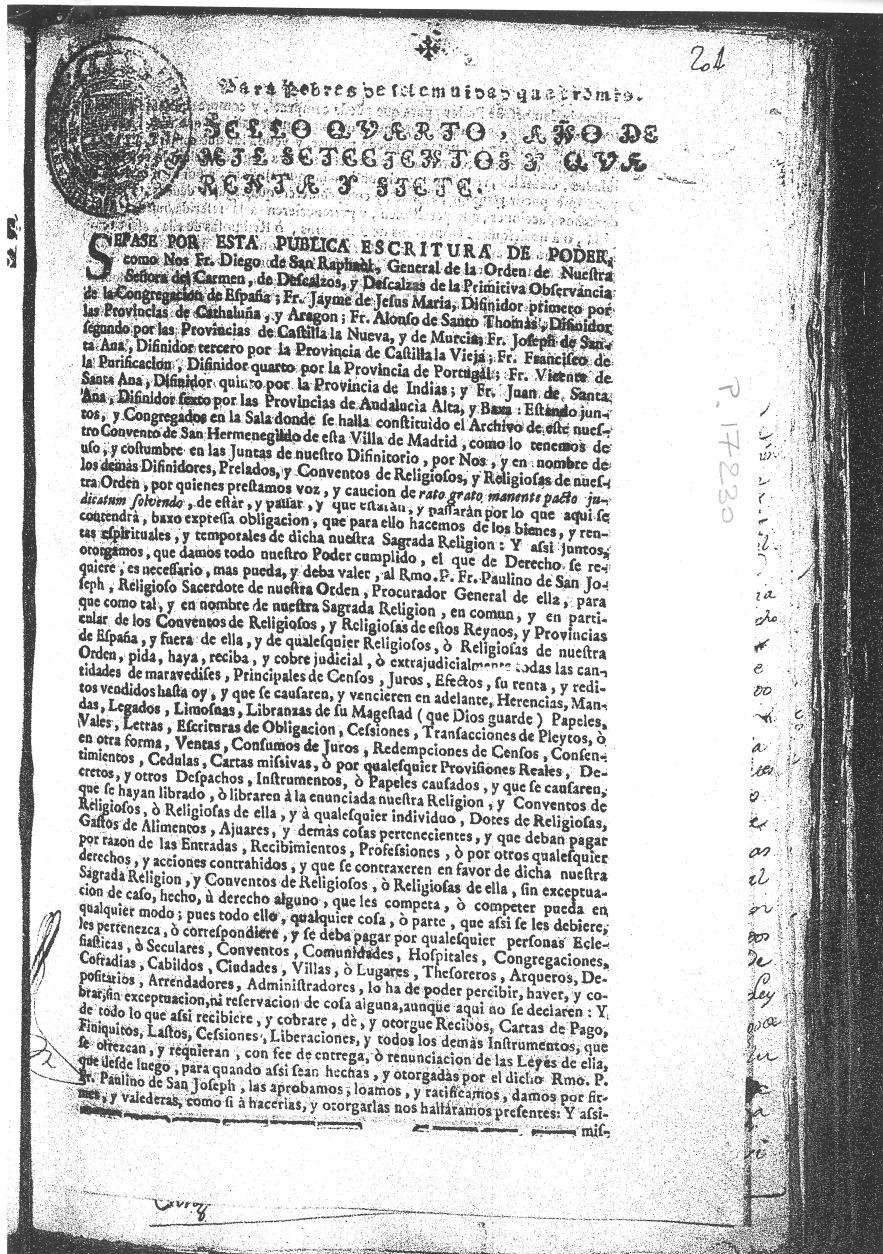
Dividas Licitadas que pondran su censo de No. 1000 a 2000 pes. 100 contra el P.^o Marques de Tasso por escritura otorgada en Madrid a 1762. por ante Man. Ferrer de la villa de esta Villa. Plazo 10 de Mayo.

Se acordara la est. en el fagon de P.^o Cap.^o

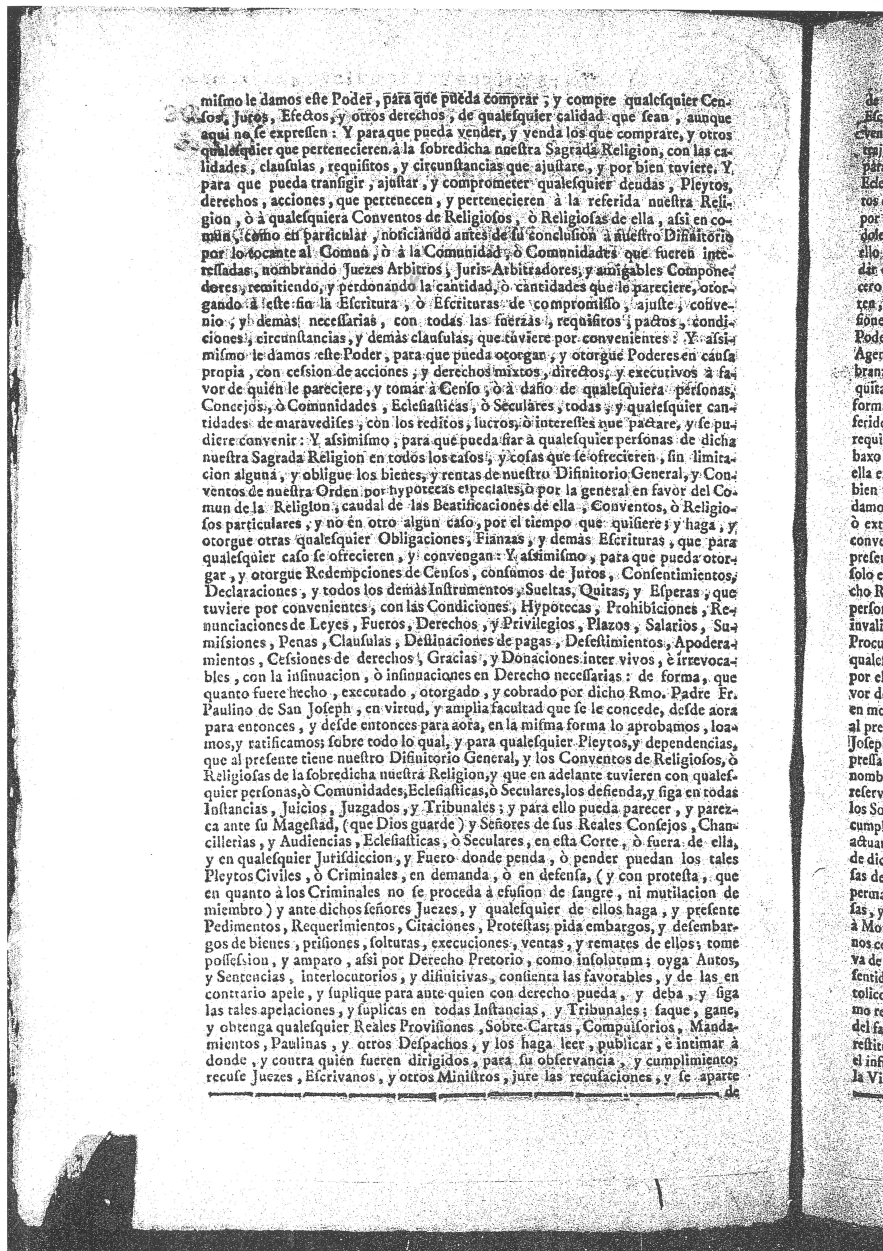
<i>Licitador.</i>	<i>Cap.^o</i>
<i>2^a Pastana Pes</i>	<i>300500</i>
<i>2^a Eguerra Pes</i>	<i>100000</i>
<i>1^a Pinosco Pes</i>	<i>203530</i>
<i>1^a Joro Pes</i>	<i>202000</i>
<i>1^a Palencia Pes</i>	<i>109000</i>
<i>2^a Montivinos Pes</i>	<i>110000</i>
<i>2^a Pataucas Pes</i>	<i>309250</i>
<i>19^a Paxon Pes</i>	<i>120821,220</i>
<i>1^a Madrid Pes</i>	<i>207000</i>
<i>125^a Beatificas Pes</i>	<i>322022,120</i>
<i>6^a Lerma Pes</i>	<i>1203300</i>
	<i>4000000</i>

Source: See text.

Appendix C
Power of attorney of the General Curia



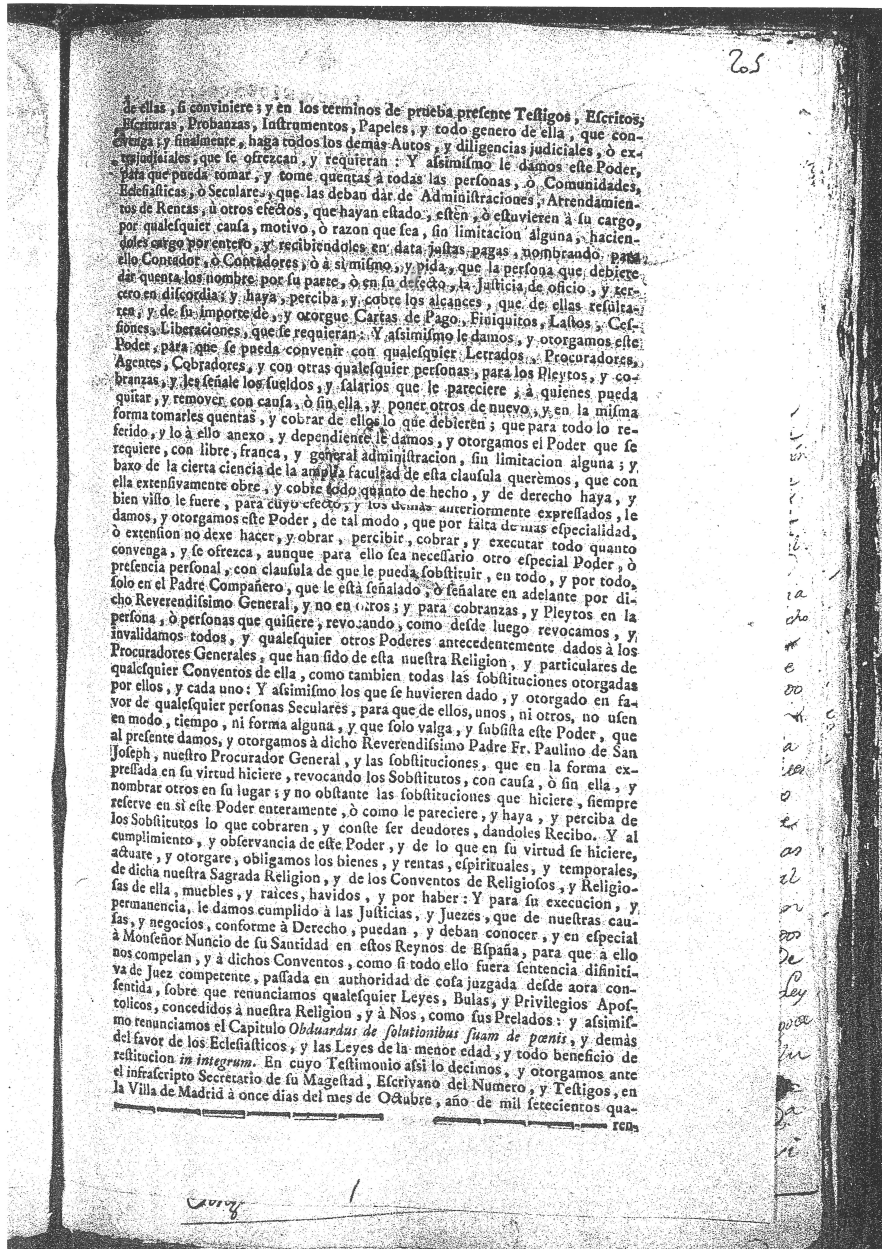
Source: See text.



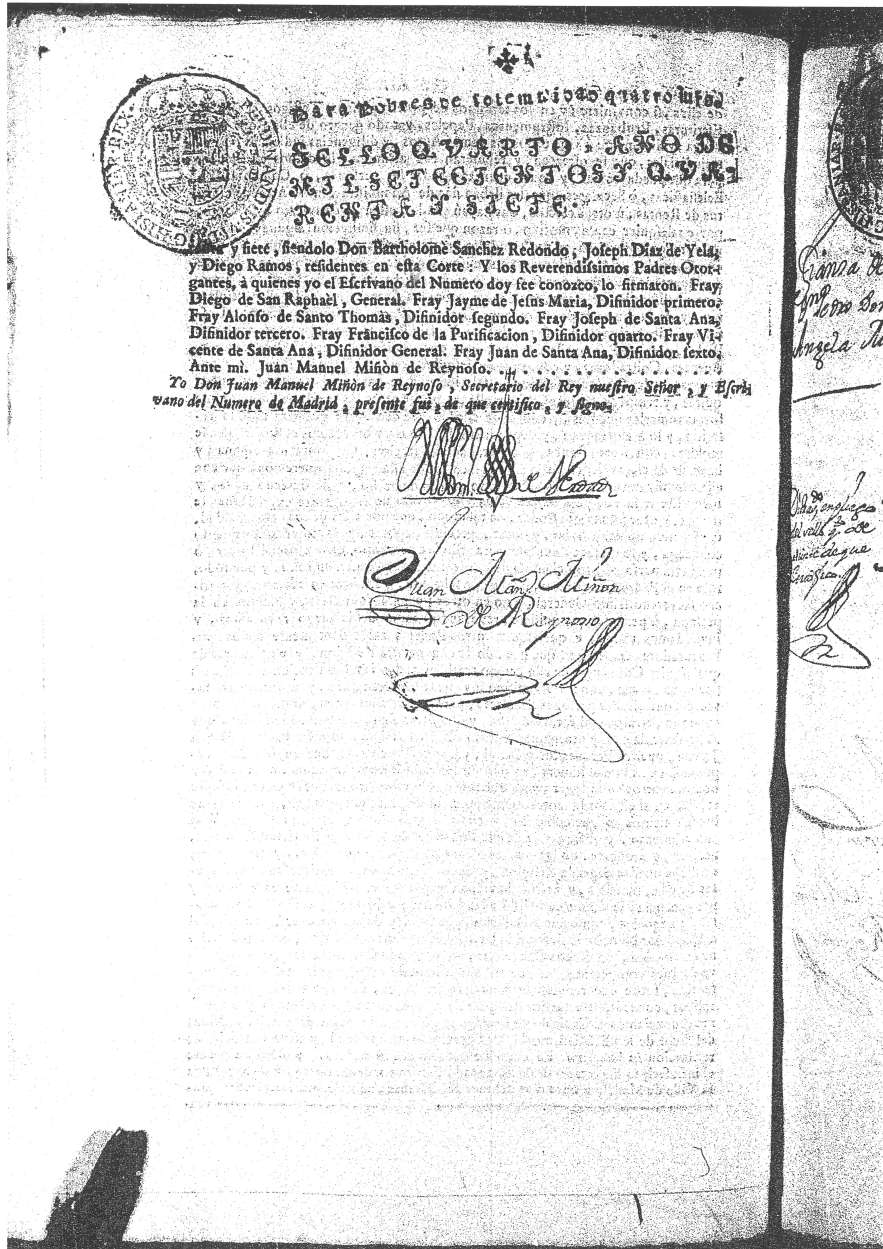
mismo le damos este Poder, para que pueda comprar, y comprare qualquier Cen-
 sos, Juros, Efectos, y otros derechos, de qualquier calidad que sean, aunque
 aqui no se expresen: Y para que pueda vender, y venda los que comprare, y otros
 qualquier que pertenecieren á la sobredicha nuestra Sagrada Religion, con las ca-
 lidades, clausulas, requisitos, y circunstancias que ajustare, y por bien tuviere: Y
 para que pueda transigir, ajustar, y comprometer qualquier deudas, Pleytos,
 derechos, acciones, que pertenecen, y pertenecieren á la referida nuestra Reli-
 gion, ó á qualquiera Conventos de Religiosos, ó Religiosas de ella, así en com-
 un, como en particular, noticiándolos antes de su conclusion á nuestro Disfinitorio
 por lo tocante al Común, ó á la Comunidad, ó Comunidades que fueren inte-
 resadas, nombrando Juezes Arbitros, Juris-Arbitradores, y amigables Compone-
 dores, remitiendo, y perdonando la cantidad, ó cantidades que lo pareciere, otor-
 gando á este fin la Escritura, ó Escrituras de compromiso, ajuste, convenio-
 nio, y demás necesarias, con todas las fuerças, requisitos, pactos, condi-
 ciones, y circunstancias, y demás clausulas, que tuviere por convenientes: Y así
 mismo le damos este Poder, para que pueda otorgar, y otorgue Poderes en causa
 propia, con cesion de acciones, y derechos mixtos, directos, y executivos á fa-
 vor de quien le pareciere, y tomar á Censo, ó á dafio de qualquiera personas,
 Concejos, ó Comunidades, Eclesiasticas, ó Seculares, todas, y qualquier can-
 tidades de aravedifes, con los testos, lucros, ó intereses que pactare, y se pu-
 diere convenir: Y así mismo, para que pueda dar á qualquier personas de dicha
 nuestra Sagrada Religion en todos los casos, y cosas que se ofrecieren, sin limita-
 cion alguna, y obligue los bienes, y rentas de nuestro Disfinitorio General, y Con-
 ventos de nuestra Orden por hipoteca especial, ó por la general en favor del Co-
 mún de la Religion, caudal de las Beatificaciones de ella, Conventos, ó Religio-
 sos particulares, y no en otro algun caso, por el tiempo que quisiere, y haga, y
 otorgue otras qualquier Obligaciones, Fianzas, y demás Escrituras, que para
 qualquier caso se ofrecieren, y convengan: Y así mismo, para que pueda otor-
 gar, y otorgue Redempciones de Censos, cánsumos de Juros, Consentimientos,
 Declaraciones, y todos los demás Instrumentos, Sueltas, Quitas, y Esperas, que
 tuviere por convenientes, con las Condiciones, Hipotecas, Prohibiciones, Re-
 nunciaciones de Leyes, Fueros, Derechos, y Privilegios, Plazos, Salarios, Su-
 misiones, Penas, Clausulas, Destinaciones de pagas, Deseslimientos, Apodera-
 mientos, Cesiones de derechos, Gracias, y Donaciones inter vivos, é irrevoca-
 bles, con la insinuacion, ó insinuaciones en Derecho necesarias: de forma, que
 quanto fuere hecho, executado, otorgado, y cobrado por dicho Rmo. Padre Fr.
 Paulino de San Joseph, en virtud, y amplia facultad que se le concede, desde agora
 para entonces, y desde entonces para aora, en la misma forma lo aprobamos, loa-
 mos, y ratificamos; sobre todo lo qual, y para qualquier Pleytos, y dependencias,
 que al presente tiene nuestro Disfinitorio General, y los Conventos de Religiosos, ó
 Religiosas de la sobredicha nuestra Religion, y que en adelante tuviere con qual-
 quier personas, ó Comunidades, Eclesiasticas, ó Seculares, los defienda, y siga en todas
 Instancias, Juicios, Juzgados, y Tribunales; y para ello pueda parecer, y parez-
 ca ante su Magestad, (que Dios guarde) y Señores de sus Reales Consejos, Chan-
 cillerias, y Audiencias, Eclesiasticas, ó Seculares, en esta Corte, ó fuera de ella,
 y en qualquier Jurisdiccion, y Fuero donde penda, ó pender puedan los tales
 Pleytos Civiles, ó Criminales, en demanda, ó en defensa, (y con protesta, que
 en quanto á los Criminales no se proceda á efusion de sangre, ni mutilacion de
 miembro) y ante dichos señores Juezes, y qualquier de ellos haga, y presente
 Pedimentos, Requerimientos, Citaciones, Protestas, pida embargos, y desembar-
 gos de bienes, prisiones, solturas, execuciones, ventas, y remates de ellos; tome
 posesion, y amparo, así por Derecho Pretorio, como insolutam; oyga Autos,
 y Sentencias, interlocutorios, y difinitivas, consenta las favorables, y de las en
 contrario apele, y suplique para ante quien con derecho pueda, y deba, y siga
 las tales apelaciones, y suplicas en todas Instancias, y Tribunales; saque, gane,
 y obtenga qualquier Reales Provisiones, Sobre-Carras, Compulsorios, Manda-
 mientos, Paulinas, y otros Despachos, y los haga leer, publicar, e intimar á
 donde, y contra quien fueren dirigidos, para su observancia, y cumplimiento;
 recuse Juezes, Escribanos, y otros Ministros, jure las recusaciones, y se aparte

de e
 scri
 cheng
 para
 Eclesi
 ros d
 por e
 dotes
 de q
 cero, e
 ran, y
 siones
 Poder
 Agent
 bran:
 quitar
 forma
 serido
 requie
 baxo e
 ella ex
 bien v
 damos
 ó exte
 conver
 presen
 solo en
 cho Re
 person
 invalid
 Procur
 quales
 por ell
 vor de
 en moc
 al presi
 Joseph
 nombr
 reserve
 los Sob
 cumpi
 acaute
 de dict
 fas de
 permar
 fas, y
 á Mon
 nos co
 va de J
 fenidas
 tolicos
 mo ren
 del fav
 refitio
 el infr
 la Vill

Source: See text.



Source: See text.



Source: See text.

Appendix D

A trial to reconstruct the General Curia's lending activity in 1750

Outstanding loans of the General Curia, 1752

Borrowers	Number of <i>censos</i>	Amounts (reales)	% total capital	Average loan (reales)
Cities	15	1,597,548	14.9	106,503
Merchant companies	7	1,768,207	16.5	252,601
Nobility	48	2,286,078	21.4	47,626
Ecclesiastical institutions	78	5,056,721	47.2	64,829
Total	148	10,708,554	100	72,355

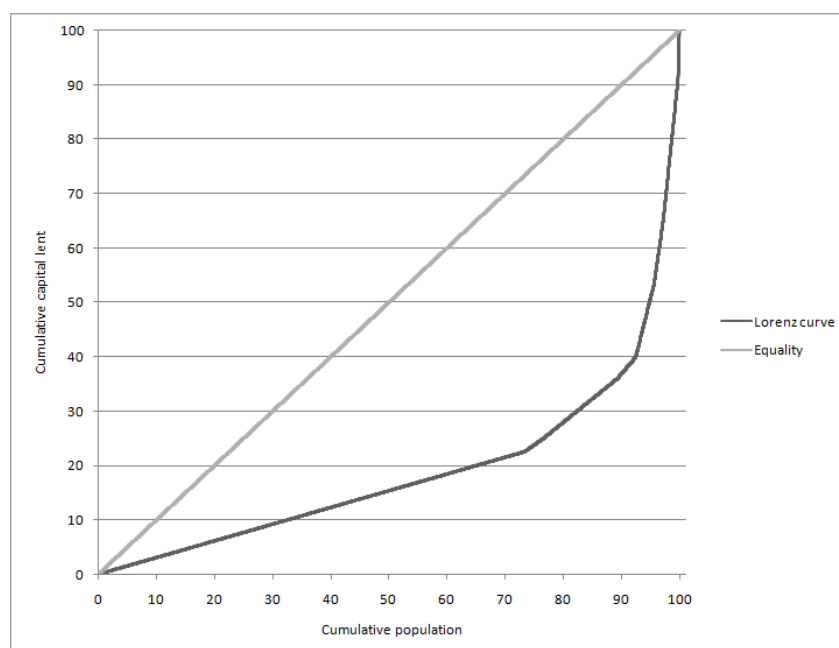
Sources: BN, MSS/3644, *Libro de censos de los conventos de Carmelitas Descalzos*; BN, MSS/6558, *Libro de entrada y recibo de caudales del convento de Carmelitas de Madrid desde 1752 a 1805*; AHPM, records of Don Juan Manuel Miñon de Reynoso, *signaturas 17225–48* and records of Don Juan Manuel Gomez Guerrero, *signaturas 18543–7*.

This table lists part of the outstanding loans of the General Curia in 1752, and provides an overview of its lending activity. The loan book for that particular year does not exist anymore. I reconstructed the outstanding loans of the General Curia in 1752 by matching three different sources. First, the two loan books of the General Curia that I previously mentioned, which I matched to the loans recorded in the account books of the General Curia between 1752 and 1756. Finally, I cross-checked these loans with the new loans and redemptions recorded in the records of the General Curia's two notaries between 1745 and 1755 (Don Juan Manuel Miñon de Reynoso and Don Juan Manuel Gomez Guerrero). The mortgage-debt stock of the General Curia amounted to almost 11 million reales in 1752.

Now, I try to look at the distribution of the capital lent by the entire order (local convents and the General Curia). I inferred the distribution of capital lent by the convents of the Theresian Carmelite in Medina from the data on the local convents of Medina del Campo in 1750 (see Appendix A). In 1787, in Spain, there were 115 convents of monks and 81 convents of nuns from the Theresian Carmelite Order out of 3,189 convents in total.⁶² On this basis, I assumed that the Theresian Carmelite Order represented 6 per cent of the credit activity of Medina del Campo (there were actually two convents from the order out of 18 convents in Medina). Assuming that the other convents in the order had the same distribution, I could then deduce, from the distribution of the capital lent by the local convents in the order in 1750 and that of the General Curia in 1752 (see above), the distribution of the capital lent by the whole order in 1750. I excluded the loans taken out by cities and other public institutions; the distribution is even more unequal if these are included.

62. Sáez Marín (1975, pp. 34–5).

Distribution of the amount lent in 1750 by the Theresian Carmelite Order, Spain



Sources: See App. A and General Curia's outstanding loans above. BN, MSS/3644, *Libro de censos de los conventos de Carmelitas Descalzos*; BN, MSS/6558, *Libro de entrada y recibo de caudales del convento de Carmelitas de Madrid desde 1752 a 1805*; AHPM, records of Don Juan Manuel Miñon de Reynoso, signaturas 17225–48 and records of Don Juan Manuel Gomez Guerrero, signaturas 18543–7; Marcos Martín (1999, pp. 73–93); and Sáez Marín (1975, pp. 34–5).

Lending was highly concentrated, as in many other parts of Europe. The large majority of the borrowers represent only a small part of the total amount lent, and the rich received the majority of ecclesiastical lending: around 75 per cent of borrowers received only 25 per cent of the amount lent in 1750. Spanish society is not an exception compared to other European countries during early modern times. In London, Hoare's Bank had the same lending patterns at the beginning of the eighteenth century, as the "bottom three-quarters of loans did not even account for 25 per cent of all loans".⁶³ Spanish society was polarized, and credit was mainly provided to urban elites, and more generally to the upper class, since access to credit reflected the kind of collateral offered, rather than an inherent bias in the General Curia's lending decisions.

63. Temin & Voth (2005, p. 547).

Appendix E
Geographical breakdown of Theresian Carmelite convents, 1787

	Masculine	Feminine	Total	%
Old Castile	11	11	22	11.2
Leon	5	4	9	4.6
New Castile	21	24	45	22.9
Extremadura	1	5	6	3.1
Andalusia	38	12	50	25.5
Murcia	5	2	7	3.6
Galicia	1	1	2	1
Navarre	4	3	7	3.6
Aragon	9	8	17	8.7
Catalonia	10	6	16	8.1
Valencia	4	4	8	4.1
Mallorca	0	1	1	0.5
Basque Countries	6	0	6	3.1
Total	115	81	196	100

Sources: Own elaboration based on Sáez Marín (1975, pp.181–2 and p. 249).

Appendix F
General Curia's lending to Theresian convents, 1700–1807

	Capital (reales)	%	Average amount per convent
Old Castile	111,023	2.2	5,046
Leon	88,976	1.7	9,886
New Castile	2,262,808	44.3	50,224
Andalusia	1,752,523	34.3	35,050
Murcia	201,295	3.9	28,756
Galicia	42,824	0.8	21,412
Navarre	179,000	3.5	25,571
Aragon	89,821	1.8	5,283
Catalonia	346,390	6.8	21,649
Valencia	13,000	0.3	1,625
Basque Countries	21,000	0.4	3,500
Total	5,108,660	100	

Sources: Own elaboration based on App. E and Tab. 3.1.

Chapitre 4

Financial repression as a debt management tool: Evidence from late-eighteenth century Spain

4.1 Introduction

History shows early modern Spain to be a serial defaulter and scholars have often discussed the repeated restructuring of its public debt.¹ Such a situation can easily slide into crisis when the sovereign's reputation is undermined.² However, debt can also be reduced by financial repression, a set of economic policies (or regulations) designed to help finance fiscal deficit and public debt. The idea that governments use financial repression tools to raise funds is fairly standard among financial historians. Reinhart & Belen (2015) showed how it was widely used by the majority of industrial countries in the post-Second-World-War period and Drelichman & Voth (2008) attributed the success of eighteenth-century England over its European counterparts to its debt management based on financial repression.

In the case of Spain, Philip II's financial crises have attracted considerable attention and much has been said and written about alleged Spanish "debt intolerance".³ The late eighteenth-century financial crisis, on the other hand, has received little attention despite its being seen as responsible for — to quote Marichal — the "bankruptcy of empire" and the end of the Old Regime.⁴ I focus on the record surge in public debt caused by the Napoleonic wars to propose a new interpretation of Spain's pre-modern debt management, which was not so different to England's at the time. The Crown introduced a wide range of direct and indirect measures to

1. Reinhart *et al.* (2003); Drelichman & Voth (2014).

2. The role of reputation is essential in sovereign lending, as explained by Eaton & Gersovitz (1981); Eaton & Fernandez (1995).

3. This term was coined by Reinhart *et al.* (2003): a history of defaults makes for a prediction of future defaults. For a discussion, see Alvarez-Nogal & Chamley (2014); Drelichman & Voth (2014, 2016); Alvarez-Nogal & Chamley (2016).

4. Marichal (2007); Fontana (1971).

channel money to the government, enabling Spain to fight four wars over a span of 25 years. Despite its dramatic fiscal position, the Crown suspended payments on part of its long-term debt only once in 1799.

Yet financial repression came at a cost. In the Spanish case, two major effects can be distinguished. A first effect is short term: excessive borrowing to finance the Crown's wars had a large crowding-out effect on private lending. The second one is long term: the progressive alienation of Church's wealth to finance the growing debt provoked a huge contraction of private lending for many years.

Let us begin with the crowding-out effect that I observe. Economic historians have addressed this question by studying the British case, especially regarding the consequences of higher government spending and borrowing during the French Wars. These contributions, however critical they may be, are hardly conclusive. In his seminal contribution on the British industrial revolution, Williamson attributed relatively slow economic growth and industrialization between the 1760s and the 1820s to a crowding-out effect caused by the British government's debt financing of the French Wars.⁵ Barro contended that government borrowing had a neutral effect on industrialization, because it raised total savings to pay for the future tax increase instead of reducing private investment.⁶ Very recently, Ventura and Voth argued instead that Britain's debt accumulation had a positive effect on industrialization by accelerating structural change.⁷

Through a Spanish lens, the crowding-out effect was potentially of crucial importance since public debt increased sixfold between 1759 and 1808.⁸ War borrowing has often been charged with having negative repercussions on the private credit market in Spain. To my knowledge, however, this study is the first to measure its real impact. Instrumental-variable estimation suggests that a 1 per cent increase in government borrowing reduces private lending by 0.4 per cent. This is not the 1:1 effect observed by Williamson (1984), but is comparable with what Temin & Voth (2005) found for Britain.

But beyond short-term turbulence, financial repression also had long-lasting repercussions on private credit markets. Like elsewhere in Europe, the Crown decided to progressively alienate mortmain assets when its fiscal position was particularly dramatic at the end of the eighteenth century. Known as the *desamortización*, these measures brought significant structural changes. They were not only behind many social transformations in the nineteenth century, but they also brought a crucial change in the structure of private credit markets.⁹ Indeed, one striking peculiarity of Spanish long-term credit markets was the predominance of ecclesiastical institutions as financial intermediaries and lenders.¹⁰ Prior to the outbreak of war in the 1780s, these

5. On the impact of British government spending during the French Wars, see Williamson (1984); Heim & Mirowski (1987); Black & Gilmore (1990); Clark (2001); Temin & Voth (2005).

6. Barro (1987).

7. Ventura & Voth (2015).

8. Fontana Lázaro (2001, pp. 198–9).

9. Congost (2009, p. 406).

10. See Chap. 1.

institutions received over 70 per cent of all private annuity revenue. Two decades later, they had stopped their lending activities and had completely disappeared from the credit market scene, wherein the stock of long-term credit plunged fivefold for four decades. The withdrawal of the ecclesiastical institutions from private credit markets left a significant vacuum where uncertainty and higher interest consequently held sway.¹¹

This chapter focuses on the clear link between government borrowing, financial repression, and the collapse of private credit in the late eighteenth century. Section 4.2 examines the impact of government borrowing on the volume of private credit using original annual data on long-term loans in Madrid. Section 4.3 then analyses the role of financial repression as a tool of late eighteenth-century debt management. The monarchy progressively used a vast range of measures to attract captive and private funds and to take control of religious monetary funds. The Section 4.4 shows the persistent negative outcomes of this debt management on the private credit market. Section 4.5 concludes.

4.2 Government borrowing and crowding out (1768–1808)

At the time of the outbreak of the American War of Independence, the monarchy only had a small debt. Over the next 30 years, the monarchy's total debt stock rose dramatically. Between 1759 and 1808, debt increased sixfold from approximately 1,200 million reales to 7,200 million reales.¹² The cost of the numerous wars that followed the War of Independence was largely responsible for this upsurge. Spain was at war for a total of 16 years between 1779 and 1807, or nearly two out of every three years.¹³ Expenditure on the armed forces was considerable, and constituted by far the single largest item on the government budget. During this period, spending on the Army and Navy stood at 58 per cent of total spending.¹⁴ Once the debt service costs were added to this figure, there was hardly any money left for non-military spending.

These frequent wars between 1779 and 1808 made for substantial borrowing needs. The usual ways of financing deficit, namely new taxes or donations, ran dry. Fear of riots, especially following the French Revolution, and the age-old fiscal privileges of Spanish historic territories and towns inhibited any move to increase revenues from taxes. In addition, the British blockade restricted to a minimum the traditional remedy of customs duties and transfers from Spanish America.¹⁵

Prior to the eighteenth century, most borrowing by the Spanish Crown was financed by *juros*. These perpetual bonds were issued during the Habsburg period, backed by a specific tax

11. Tello Aragay (2001).

12. Fontana Lázaro (2001, pp. 198–9).

13. See App. A.

14. Merino Navarro (1987).

15. Liehr (1984, p. 558).

stream. In addition, short-term borrowing by the armed forces in the event of war produced what were known as *asientos*, effectively short-dated promises to pay. However, these two debt instruments were no longer in use under the Bourbons. During the major part of the eighteenth century, the Crown mainly relied on Spanish private financiers.¹⁶

Confronted with the unprecedented rise in military spending in 1779 due to the American War of Independence, the Crown created two new financial instruments in 1780 to facilitate an increase in public debt. First, the government introduced a new type of annuity backed by Tobacco Monopoly revenue ("*Tobacco censos*") and bearing a 3 per cent interest rate. This instrument offered very good guarantees as the Tobacco Monopoly revenue was considered as one of the safest income of the monarchy. It targeted specific private deposits attached to religious foundations and *mayorazgos*.¹⁷

However, *Tobacco censos* were not sufficient to meet the Crown's financial needs. At the same time, it issued *vales reales*, long-term annuities with a 20-year amortization scheme bearing a yield of 4 per cent. Unlike *Tobacco censos*, this public debt instrument was not subject to usury laws and targeted any kind of private funds. These *vales* were also the first form of paper money in Spain and were thus completely different from all previous debt instrument. They were used as currency, but their large unit value (600, 300, and 150 pesos each) prevented their use for retail purchases, wages, and similar payments. They were set to quickly become the main public debt instrument by the end of the eighteenth century.¹⁸ Between 1780 and 1783, they had already grown to represent 68 per cent of total borrowing.¹⁹

In the crowding-out model, expansionary public spending reduces investment spending by the private sector. The government "crowds out" private investment by increasing demand for loanable funds, thereby raising interest rates and depressing private investment. Price analysis is an attractive research strategy for economic historians.²⁰ However, I argue that this strategy is both practically and conceptually flawed. As Temin & Voth (2005) pointed out, "private-sector interest rates are not the right indicator of scarcity in the case of eighteenth-century finance". Results are potentially affected by the usury laws. At the end of the eighteenth century, private interest rates were capped and could not exceed a 3 per cent ceiling in Spain. This cap would have helped the government to sell bonds whenever the market rate nudged or topped the ceiling of 3 per cent, which happened as early as 1783 (see Figure 4.6). This could have increased wartime crowding out of private investment by diverting even more funds to the government when private borrowers could not pay the higher rates even if they had wanted to. Rationing, rather than interest rate changes, was the only way to restore equilibrium since the usury laws

16. Torres Sánchez (2015).

17. *Mayorazgo* is the Spanish term for an arrangement giving the right of succession to a specific parcel of property associated with a title of nobility to a single heir. In Spain, this was a title of property, landed or funded. It is similar to the British entail.

18. Issues of *vales* are recorded in App. E.

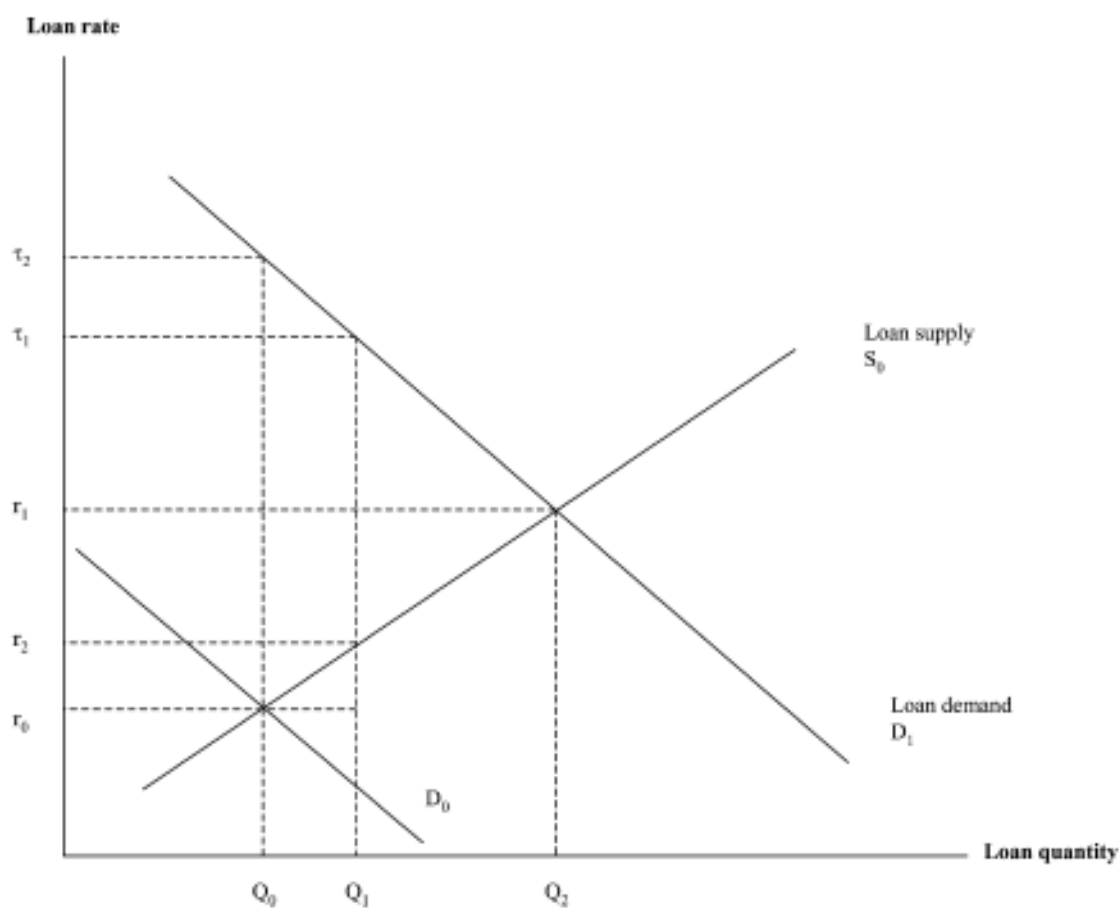
19. Torres Sánchez (2013, p. 405).

20. Clark (2001); Mirowski (1981); Mokyr (1987); Quinn (2001).

established a maximum interest rate below the market-clearing rate for private loans.²¹

Figure 4.1 presents a simple model of credit rationing. D_0 represents the loan demand of both private and public agents. Initially, the market balances at r_0 and the lending volume is equal to q_0 . Assuming a demand shock that pushes the demand curve outwards up to D_1 — extra wartime borrowing, for example — lending volume will rise to q_1 and the loan market will clear at r_1 . Yet if the legal maximum interest rate r_2 defined by the usury laws is less than r_1 , then lending volume will be rationed at q_2 . The shadow cost of borrowing τ_1 will be much higher than r_2 .

Figure 4.1 – A simple model of credit rationing



Source: based on Jaffee & Stiglitz (1990).

In the type of credit market described here, looking at the changes from r_0 to r_1 is empirically impossible. To assess the impact of government borrowing on private lending, information is needed on the total volume of loans made.

21. See Temin & Voth (2005). Crucially, the question raised here is: what best describe an eighteenth-century economy? See Williamson (1984); Heim & Mirowski (1987); Williamson (1987) for discussion of this question. In addition, available data on interest rates is hard to find and data on commercial interest rates is still lacking. One exception to this is Cadiz between 1723 and 1788 (Nogues-Marco, 2011).

Crucially, information on aggregate lending volume is unavailable. Instead, I used the Madrid Mortgage Registry records to examine the issue of credit rationing. At that time, the *censo consignativo* was the dominant long-term instrument alongside a mortgage-backed loan.²² In 1768, the Bourbons created the first public and universal system of information on mortgages in a move to foster the development of the credit markets. To my knowledge, there is no equivalent in other European monarchies at the same time.²³ In these registries, each mortgaged loan had to be registered as soon as it was secured by collateral.²⁴ In theory, all mortgages had to be recorded in the Mortgage Registry but, in practice, these lien registries were not widely used at first, especially in Castile. However, over time, Spaniards came to increasingly register their mortgaged assets.

I extracted the annual volume of new *cesos* from the Mortgage Registry of Spain's richest and most populated city — Madrid. This is the first time this archive has been used.²⁵ It is divided in 553 blocks, called *manzanas*, which correspond to blocks of properties in the capital (see Figure 4.2). I selected 191 *manzanas* for which I recorded all new *cesos* between 1768 and 1808: 63 blocks are located mainly in south-east Madrid where owners were mainly common people (*particulares*) and 128 blocks are dispersed throughout Madrid where they were inhabited largely by nobles.²⁶ This sample represents 34 per cent of the entire population. It includes poor and rich areas, and the selected *manzanas* cover south, north, west, east and central Madrid, making the sample fairly representative. Appendix B presents the nominal volume of new *cesos* per year alongside their real volume based on Reher and Ballesteros' consumer price index.

The second step in testing the crowding-out effect is to compute the magnitude of government borrowing. Calculating crowding out, and the scarce-factor-constrained vision of the economy in general, calls for measures of real resource flows. In the case of government borrowing, the appropriate measure is one that captures the real transfer of resources to the government resulting from the borrowing operations. This information is available in Merino Navarro's book.²⁷ Appendix C summarizes the new loans taken out by the government in a given year in nominal values and real terms using Reher and Ballesteros' consumer price index as a deflator. Dramatic spikes in total borrowing almost always coincided with major wars. The surge in government borrowing in the three periods 1780–83, 1793–1802, and 1805–07 occurred while Spain was either fighting overseas or at war with its neighbors. Once peace was restored, borrowing levels typically dropped to very small amounts.

A cursory look at Appendix D already appears to support the crowding-out argument for this

22. See Chap. 1.

23. See Serna Vallejo (1996) for a full history of mortgage registries, and the *Contadurías de Hipotecas* in particular, through to the end of the nineteenth century.

24. Collateral was a real asset, such as land, a farm or a house. Sometimes, it could be another mortgage loan or an office.

25. It is still kept at the *Registro de la Propiedad* in Madrid. Under Franco's regime, mortgage registry archives across Spain were transferred to the Historical Archives of their respective regions. However, the Madrid Mortgage Registry archive remained on the *Registro de la Propiedad* premises, creating some confusion as to its location.

26. The prevalence of a social group within a block can be found in Pinto Crespo & Madrazo Madrazo (1995, p. 113).

27. Merino Navarro (1987).

Figure 4.2 – Topographic map of the city of Madrid, 1768



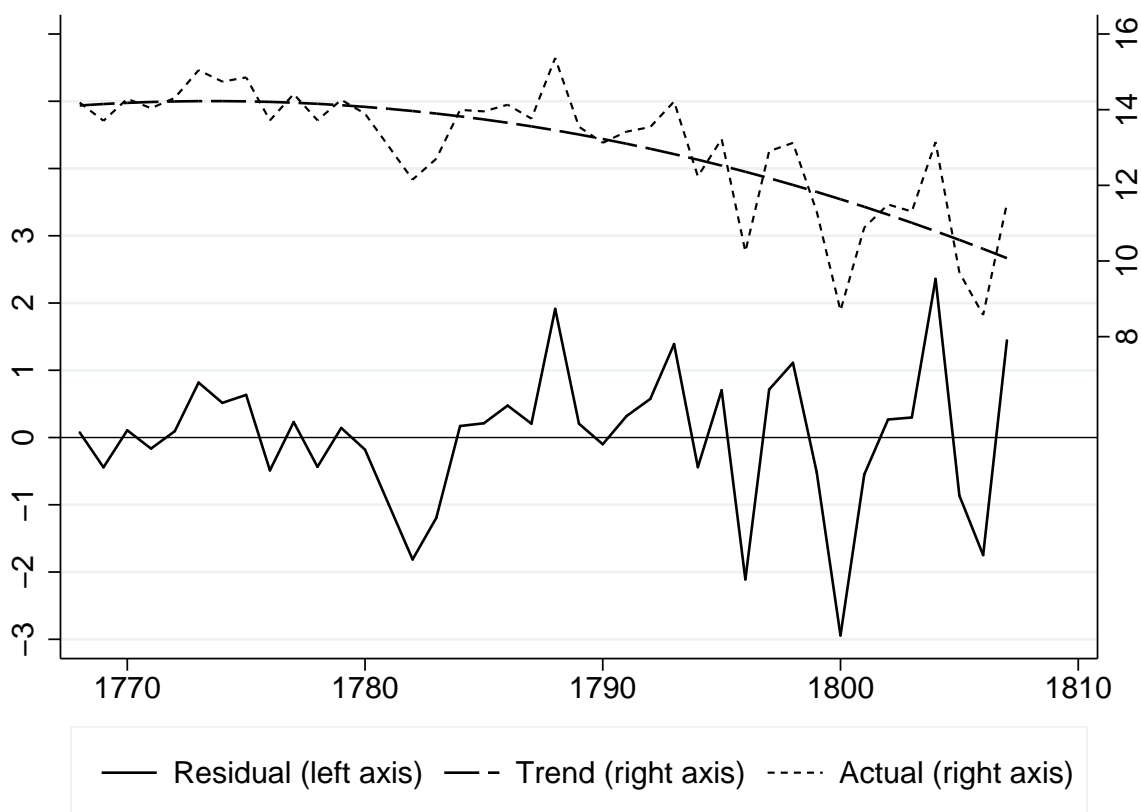
Source: Archivo del Registro de la Propiedad de Madrid (hereafter ARPM).

period. Indeed, real private lending is generally lower in wartime when government borrowing is high. To separate trend from cycle for our two variables — private lending and government borrowing — I regress the log of each variable Z on a constant, a time trend, and the trend squared (to capture non-linearities):

$$\log(Z) = C + \alpha_1 T + \beta_2 T^2 + \epsilon. \tag{4.1}$$

In my analysis, I use the residual ϵ of private lending (*PrivLEND*) and government borrowing (*GovBOR*). This residual represents the deviations from trend. Figure 4.3 depicts the reduction in private lending. This long, steady downward trend in private lending was sometimes curbed or even reversed by conditions in a given year. These are the types of shocks that need to be explained.

Figure 4.3 – Lending volume (*censos*) in Madrid, trend, and residual (*PrivLEND*), 1768–1807

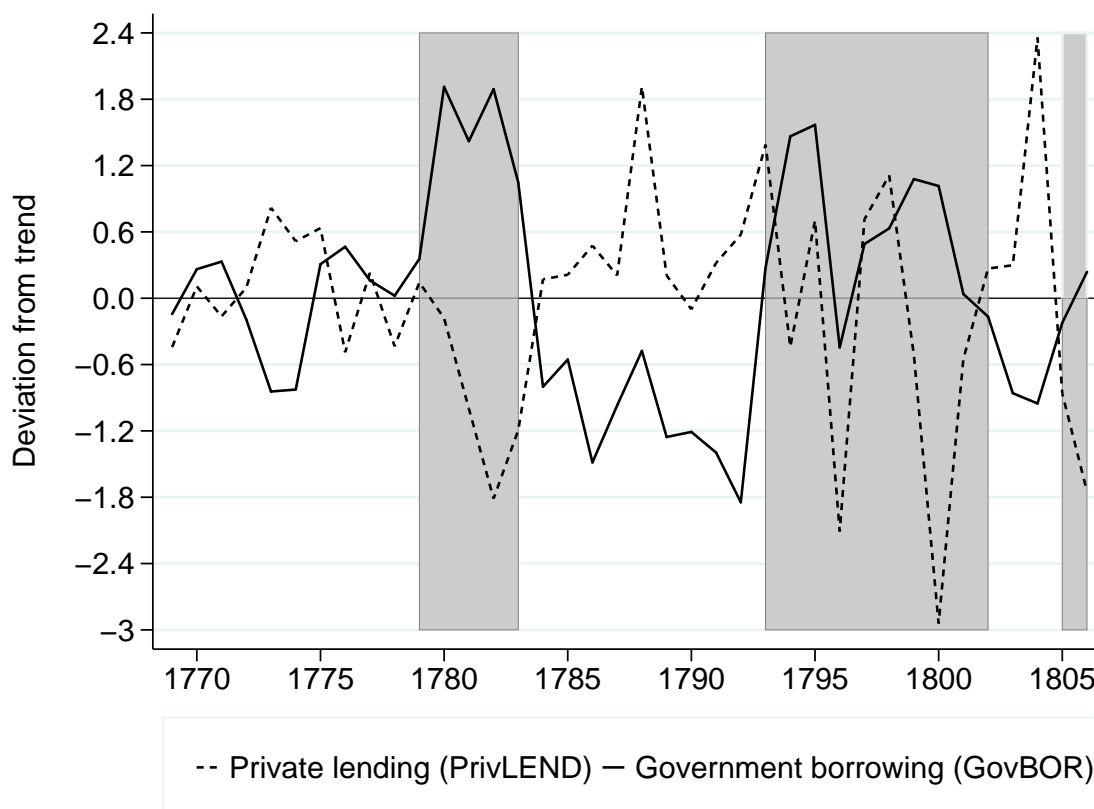


Note: Left and right axes are in natural log. To get private lending in reales, take the exponential.
Sources: See Appendix F and Appendix G.

In Figure 4.4, I plot the lending residual *PrivLEND* alongside the residual in public borrowing (*GovBOR*) to examine the impact of wartime financing. The overall impression is one of a strong, inverse correlation between lending and government borrowing. The American War of Independence in the late 1770s and early 1780s reveals a striking slowdown in private lending.

During the French Revolutionary and Napoleonic Wars, lending fell dramatically for a number of years. A similar sharp, albeit much less sustained drop occurred when hostilities resumed with England in 1805. Figure 4.4 suggests that downturns in private lending were common in wartime.

Figure 4.4 – Government borrowing and lending in Madrid (deviations from trend)



Sources: See Appendix F and Appendix G.

In Table 4.1, I examine the relationship between government borrowing and private lending. I use the lending residual depicted in Figure 4.3 as the dependent variable in the regressions, taking the overall downward lending trend between 1768 and 1807 as given. This has the added benefit that the dependent variable is stationary. I estimate:

$$PrivLEND = \alpha_1 + \beta_1 X + \epsilon \quad (4.2)$$

where *PrivLEND* is the residual from Figure 4.3, α_1 is the constant, X is one of the three independent variables that I test — a war dummy, the real yield on *vales reales*, and the detrended government borrowing —, and ϵ is the error term.

Table 4.1 shows the impact of higher government debt service costs and wartime conditions on the volume of private lending. I use the real yield on *vales reales* to proxy the cost of the

Table 4.1 – OLS regression results: government borrowing and private lending

Dependent variable:	(i)	(ii)	(iii)
<i>PrivLEND</i>			
War	-0.765** (0.327)		
<i>i_vales</i>		-0.455*** (0.141)	
<i>GovBOR</i>			-0.404*** (0.146)
R^2	0.13	0.30	0.13
Observations	40	26	40

Notes: Significance levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Robust standard errors are in parentheses. Sample period is 1768–1807, except for equation (ii), where data availability on *i_vales* means the starting point has to be in 1782.

government debt. As previously mentioned, the *vales* were the main public debt instrument. Unlike most private debt instruments, they were not subject to the usury laws, and could thus reflect stringent debt market conditions. I draw the annual average price of *vales* in the secondary market between 1782 and 1808 from Tedde.²⁸ Tedde recorded *vales* quotations in the secondary market for the years 1782–1808.²⁹ The nominal yield is defined as the coupon yield divided by the average price for *vales* in that year. "Real" variables have to be computed and corrected for changes in price level in order to control for inflation. Thus, the real interest rate will be defined as the nominal yield minus the percentage rate of change in the consumer price index. Column 2 of Appendix F presents the real *vales* rate using the Reher and Ballesteros' consumer price index. We can notice that yields are generally higher in wartime years than in the peacetime years immediately before and after. Indeed, for each additional percentage point, lending in Madrid falls 36 per cent more than it otherwise would.³⁰ In wartime, lending is about 53 per cent lower than usual. This is consistent with the fact that *vales* rates in wartime are one percentage point higher on average than in peacetime. Above-trend government borrowing also depresses lending strongly and significantly. A 1 per cent increase in government borrowing above trend depresses private lending by 0.4 per cent.

In estimating equation (4.2), I implicitly assume government borrowing was unaffected by lending in Madrid — the error term ϵ is uncorrelated with any of the explanatory variables. This probably holds true for the war dummy, but the Crown's financial needs might be correlated with the error term. If a drop in government revenues due to, say, a break in American flows had provoked an increase in government borrowing, this break in silver flows might also have made

28. Tedde de Lorca (1988, pp. 54, 234).

29. App. F. I assume that variations in *vales* quotations in the secondary market can be considered as a proxy for the primary market's history.

30. The formula is $\exp(x) - 1$

it harder for private borrowers to obtain credit. This would result in an overestimation of the true effect of government borrowing. To circumvent this issue, I use an instrumental variable approach and estimate:

$$\text{PrivLEND} = \alpha_1 + \beta_1 \text{GovBOR} + \epsilon, \quad (4.3)$$

$$\text{GovBOR} = \alpha_2 + \beta_2 \text{War} + v, \quad (4.4)$$

where *GovBOR* is the government borrowing residual, *War* is a war dummy, and ϵ and v are error terms. The second equation identifies the component of *GovBOR* driven by wartime borrowing. This is then used to explain lending shocks, using two-stage least squares (2SLS) for estimation. The underlying assumption is that private lending was not influenced by war in any way other than via the effect on government borrowing. Prior to 1808, the battlefields had remained off Spanish soil. Commercial credit had certainly been affected by breaks in trade in wartime, but this type of credit was mainly short term. *Censos* contracts, however, used mostly in construction, were long-term credit instruments. It is not clear how construction might have been impacted in Madrid during naval wars.³¹

Table 4.2 – IV regression results: government borrowing and private lending

First-stage estimates	
Dependent variable: <i>GovBOR</i>	
War	1.307*** (0.222)
R^2	0.48
Second-stage estimates	
Dependent variable: <i>PrivLEND</i>	
<i>GovBOR</i>	-0.585** (0.248)
Observations	40

Notes: Significance levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Robust standard errors are in parentheses. The sample period is 1768–1807.

Table 4.2 shows the results. The instrument is significant at the 1 per cent level and the coefficient for *War* has the expected sign. The Fisher statistic is high (34.5). At the second stage, the effect of the variation in government borrowing is significant at the 5 per cent level. Lending drops 0.44 per cent for every additional 1 per cent increase in government borrowing above

31. Silver flows might be thought to be correlated with the dummy *War*, which would undermine the instrument. OLS estimation finds no significant correlation between the two variables.

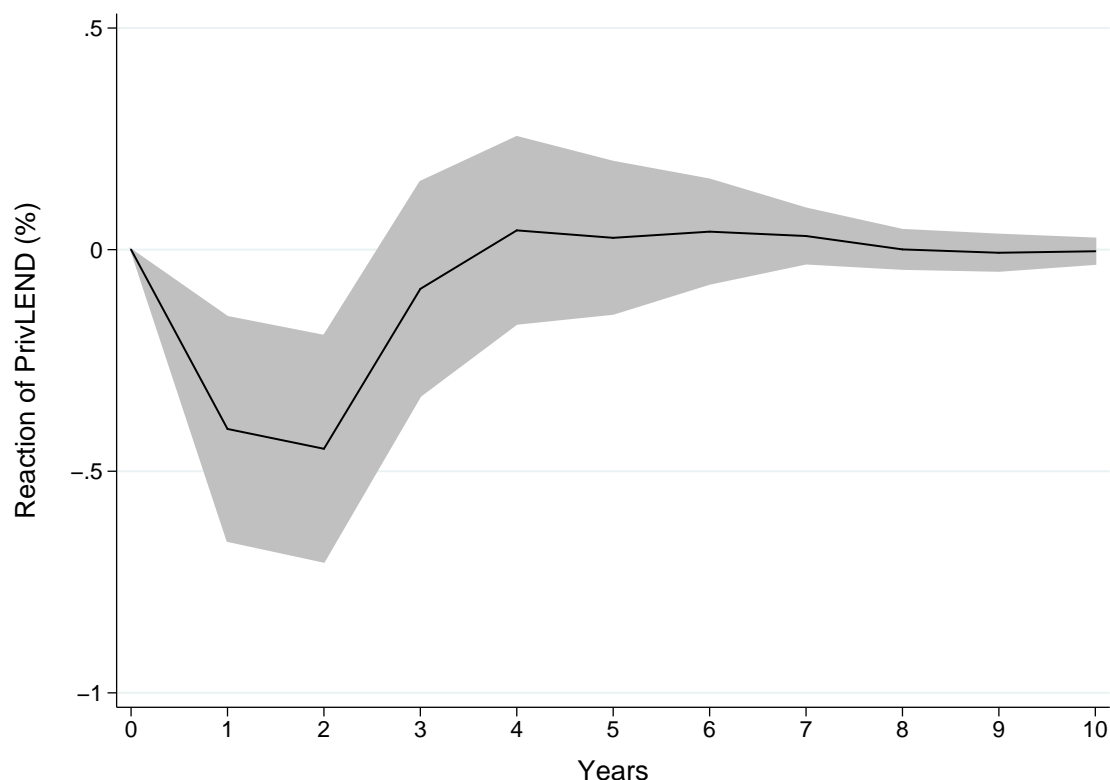
trend. In the case of Britain, Williamson assumed a 1:1 crowding out between private lending and government borrowing.³² My estimates are smaller than Williamson's, but still substantial and closer to those found by Temin & Voth (2005) (a range of 0.20–0.34).

Another potential bias could be the autocorrelation of *GovBOR* and *PrivLEND* with their lagged values. To address this autocorrelation problem, I use a VAR approach allowing for feedback effects from private lending to government borrowing. I estimate with two lags.

$$PrivLEND_t = \alpha_{11}PrivLEND_{t-1} + \alpha_{12}PrivLEND_{t-2} + \beta_{11}GovBOR_{t-1} + \beta_{12}GovBOR_{t-2} + c_1 + \epsilon_{1t}, \quad (4.5)$$

$$GovBOR_t = \alpha_{21}GovBOR_{t-1} + \alpha_{22}GovBOR_{t-2} + \beta_{21}PrivLEND_{t-1} + \beta_{22}PrivLEND_{t-2} + c_2 + \epsilon_{2t}. \quad (4.6)$$

Figure 4.5 – Response of *PrivLEND* to 1 per cent increase in *GovBOR*



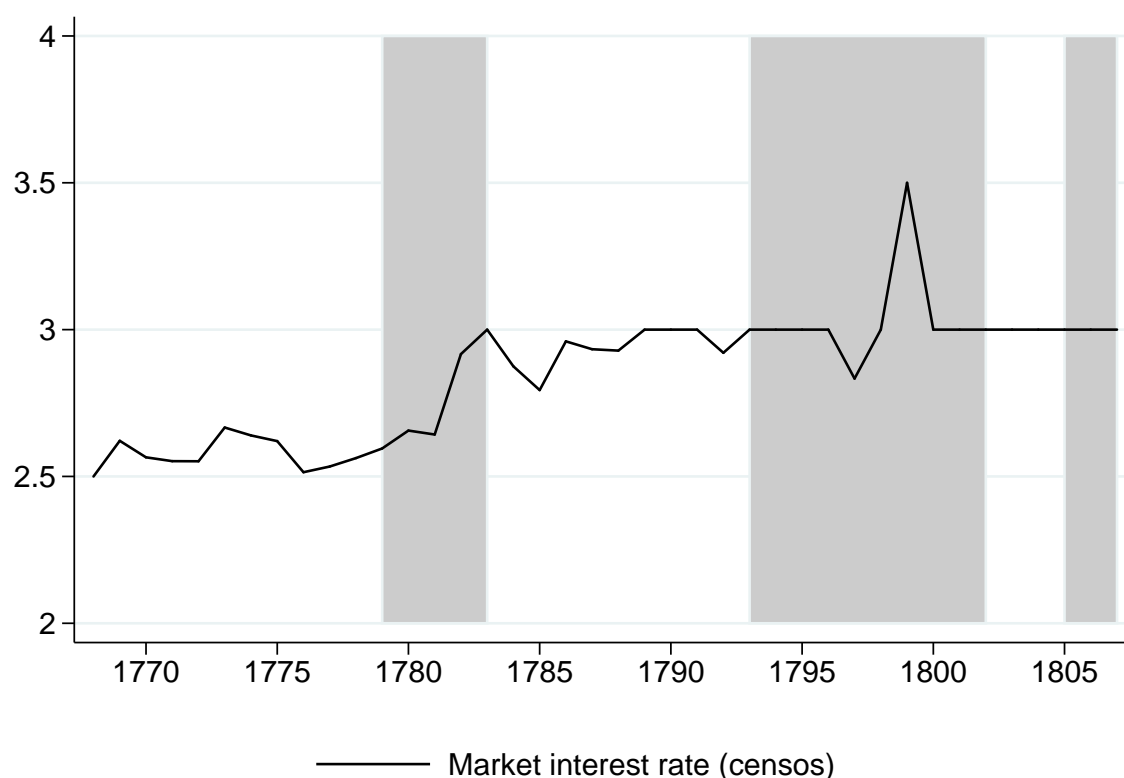
Sources: see text.

The impulse response function for lending is plotted in Figure 4.5. It shows the reaction

32. Williamson (1984).

of private lending in response to any shock in government borrowing. A 1 per cent increase in government borrowing above trend reduced lending by 0.4 per cent in the first year and by almost 0.5 per cent in the second year. The effect is statistically significant for the first two years. This shows how important the shock was to the credit system.

Figure 4.6 – Market interest rate for *censos*, 1768–1807.



Source: See text.

The evidence on private market interest rates also suggests a contraction in the private credit market supply. If supply contracts with respect to demand, credit will decrease. In that case, the interest rate will tighten, the average rate will increase, and almost all private annuities (*censos*) will congregate near the maximum legal ceiling (3 per cent). I recorded the interest rate for *censos* from my sample. Figure 4.6 shows the growth in this interest rate. In a first step, I observe that the War of Independence (1779–83) drove up the market interest rate from 2.5 per cent to its 3 per cent ceiling. The increasing burden of the war debt pushed up private interest rates to their maximum legal ceiling. In a second step, at the height of the Crown's financial crisis, the interest rate exceeded even this ceiling. In 1799, the average interest on *censos* reached 3.5 per cent. During these years with their very tight market conditions, private

rates sometimes have been set up between 3 and 4 per cent.³³

The data on private *censos* described by Álvarez Vázquez display the same trend.³⁴ Following a decrease in private interest rates over the eighteenth century down to 2 per cent, he noticed that they went up at the turn of the nineteenth century to reach 3 per cent, their top ceiling.

4.3 The role of financial repression

Financial repression occurs when a set of economic policies (or regulations) is introduced to facilitate the financing of fiscal deficits and public debt. Drelichman & Voth (2008) explored how financial repression, as a debt management tool, enabled eighteenth century Britain to emerge without defaulting whereas sixteenth century Spain was, in their view, a poster child for fiscal disaster. Britain could squeeze domestic borrowers and lenders by means of interest-rate regulations, whereas the Spanish Crown had to turn to imported capital from Genoese, German, and Portuguese bankers and was prone to default on its debt.³⁵ However, this interpretation has already been challenged. Interest rate reductions were often equated with debt reduction in the Peninsula. Yet the Crown always offered to repay the principal's face value or more later as a way of offsetting the decrease in the interest rate.³⁶ The "serial defaulter" never actually defaulted in the sixteenth century. But what happened in the eighteenth century?

Spain's entry into the American War of Independence (1779–83) on the side of France, followed by the French wars between 1793 and 1808, triggered a new period of financial turmoil, and the Crown had to turn to new debt markets to raise the necessary funds. To carefully ensure that the government had privileged access to citizens' savings, the Crown resorted both to incentives and to financial repression. It issued two new debt instruments — the Tobacco *censos* and the *vales reales* — and progressively alienated Church's financial and real assets.³⁷ These two instruments allowed the monarchy to address a vast range of potential lenders by offering very good guarantees in one case (Tobacco *censos*), and by providing a higher rate of return than debt instruments subject to usury laws in the other (*vales reales*).

4.3.1 The Tobacco *censos*

First in 1780, the Spanish Treasury launched public redeemable annuities secured on Tobacco Monopoly revenues — the Tobacco *censos* — in order to attract private funds to royal

33. On 12 September 1799, for example, the Don Rodrigo de Herrera pious memorial fund lent 44,000 reales to the convent of San Felipe el Real in Madrid at a 4% interest rate. ARPM, Contaduría de Hipotecas, Ma 203, 2484991, 48.

34. Álvarez Vázquez (1987).

35. Drelichman & Voth (2014).

36. Álvarez-Nogal & Chamley (2014).

37. The Crown could also rely on free and forced loans, mainly from the Cinco Gremios merchant company.

coffers by offering better guarantees. This instrument was specifically geared to mainmort funds. At the time, mainmort institutions — ecclesiastical institutions and *mayorazgos* — represented a considerable source of capital into which the government could tap. Ecclesiastical institutions had the benefit of many sources of capital placed in religious funds, which they could subsequently lend out. Among these funds, pious foundations (*obras pías*), patronage benefices (*patronatos*), and chantries (*capellanías*) were the most interesting. In 1794, an anonymous memorandum estimated the estates of benefices, confraternities, and pious foundations at 3,000 million reales, and those of the churches and religious orders at another 4,500; more than the total public debt reported to Napoleon in 1808.³⁸

Administrators of mainmort funds had to invest the capital in a specific debt instrument, the *censo*. In the case of pious foundations and *patronatos*, the aim was to generate a regular income and accomplish the donor's will, which was an obligation under the terms of the said foundation's contract. Administrators of entails were also legally bound to invest their capital in *censo*s.³⁹

Indeed, one solution found by the Crown to be able to tap into what could be called a "captive" credit market — private deposits in pious foundations and entails — was to issue public *censo*s in which mainmort institutions could invest safely their deposits with the best normally possible return (3 per cent). On 15 March 1780, Charles III decreed that all public deposits (namely pious foundations and *mayorazgos*) throughout Spain could be invested in the Tobacco Monopoly via *censo*s paying a 3 per cent interest rate.⁴⁰ This operation offered highly advantageous conditions to the administrators of these funds and the Spanish monarchy. For the king, it was an easy way to raise cheap capital. For the fund administrators, it was a safe and profitable investment. In 1780, the market interest rate for *censo*s was much nearer 2.5 per cent than 3 per cent (see Figure 4.6) and the Tobacco Monopoly, considered one of the safest sources of income for the monarchy. With a higher rate of return and better guarantees for foundation and entail administrators, Tobacco *censo*s could not fail to be successful.

Between 1780 and 1786, a total of 95.5 million reales was raised from Tobacco *censo*s.⁴¹ This represented almost 14 per cent of the new Spanish public debt raised between 1779 and 1783.⁴² These four years also concentrated 96 per cent of the total capital borrowed by the government via the Monopoly between 1779 and 1786.

The Mortgage Registry of Madrid has a separate section listing all the Tobacco Monopoly *censo*s signed in the capital.⁴³ We can see from Table 4.3 that much of these public *censo*s were signed in Madrid. They accounted for almost 50 per cent of the total amount issued throughout

38. Herr (1989, p. 91). The Spanish Crown's debt reported to Napoleon in 1808 was 7,198 million reales. The memorandum evaluates at 200 million pesos the estates of benefices, confraternities and pious foundations, and at 300 million pesos those of the secular and regular Church. One peso is worth 15 reales.

39. Administrators had to send a request to royal jurisdictions in order to lend capital associated with an entail.

40. Royal Decree (RD) 15-03-1780.

41. Torres Sánchez (2015, p. 151).

42. Torres Sánchez (2013, pp. 404-5).

43. See Appendix G.

Spain over the years 1780–86. This confirms the crucial role of Madrid within credit markets and in their fluctuations.

Table 4.3 – Tobacco *censos* signed in Madrid and in Spain, 1780–86

	Tobacco <i>censos</i> Spain (reales)	Tobacco <i>censos</i> Madrid (reales)	%
1780	47,430,963	16,941,241	35.7
1781	22,213,763	13,419,350	60.4
1782	15,224,263	9,203,350	60.5
1783	7,160,049	3,734,659	52.1
1784	2,752,013	2,238,501	81.3
1785	582,938	118,926	20.4
1786	216,292	54,937	25.4
Total	95,580,281	45,710,964	47.8

Note: War years in bold.

Sources: For Column 2, see Torres Sánchez (2015, p. 150). Unfortunately, data on Tobacco *censos* in Spain stops in 1786. For Column 3, Archivo del Registro de la Propiedad de Madrid (thereafter ARPM), Contaduría de Hipotecas, Fichero 9000.

In 1794, confronted with escalating war expenditure caused by the outbreak of hostilities against the French National Convention in 1793, the monarchy turned once more to the Tobacco Monopoly to raise capital. Between 1794 and 1795, it issued *censos* for 14 million reales in Madrid alone, whereas it had virtually refrained from borrowing for 10 years since the end of the War of Independence (see Appendix G). Following this period, the Crown regularly used the Tobacco Monopoly as a way to borrow cheap capital through to 1801 and the end of hostilities with the British.

One of the effects of this attempt to attract mainmort funds was most certainly the transfer to the government of resources from savings that might have been lent in the private credit market. As shown in Section 4.2, there is ample evidence that government borrowing crowded out private credit on a large scale. Figure 4.3 clearly shows the reduction in the volume of new private *censos* between 1780 and 1783 during the War of Independence when the Tobacco Monopoly started to borrow. The Mortgage Registry can be used to trace the buyers of Tobacco *censos* signed in the city of Madrid. Table 4.4 records the lenders to the Tobacco Monopoly.

Ecclesiastical institutions provided almost 50 per cent of the amount lent to the Tobacco Monopoly in Madrid. Within this group, pious foundations were the main sources of capital for public credit, providing 26 per cent of the total amount lent. In second place, the nobility via their entails provided another 35 per cent of the amount lent to the Monopoly.

Similarly, ecclesiastical institutions and the nobility were the main providers of private credit in eighteenth-century Madrid. Table 4.5 presents the long-term private credit market lenders

Table 4.4 – Lenders to the Tobacco Monopoly in Madrid, 1780–1808

	Ecclesiastical institutions			Entails (<i>mayorazgos</i>)	Others ^c
	Pious foundations ^a	Others ^b	Total		
% total contracts	47.07	9.57	56.64	38.27	14.66
% capital lent	25.86	21.67	47.53	37.16	15.31

^a *Aniversarios, beneficios, capellanías, memorias, obras pías, patronatos.*

^b Convents and monasteries (men and women), brotherhoods, parishes, bishoprics, and church staff.

^c Institutions (hospitals), lay individuals, and unknown.

Sources: See text.

between 1768 and 1808. Ecclesiastical institutions and the nobility provided 92 per cent of the capital lent in the long-term private credit market. Compared to Spain as a whole, the share of ecclesiastical institutions is lower than the figures provided by the Cadastre of Ensenada (44 per cent versus 70 per cent). This is explained by over-representation of the nobility in Madrid as the economic and political capital.

Table 4.5 – Lenders in Madrid (*censos*), 1768–1808

	Ecclesiastical institutions			Nobility			Others ^c
	Pious foundations ^a	Others ^b	Total	Entails	Nobles	Total	
% total contracts	42.71	21.45	64.16	24.46	2.85	27.31	8.53
% capital lent	22.70	21.13	43.83	40.47	7.89	48.36	7.81

^a *Aniversarios, beneficios, capellanías, memorias, obras pías, patronatos.*

^b Convents and monasteries (men and women), brotherhoods, parishes, bishoprics, hospitals, and church staff.

^c Lay individuals and unknown.

Sources: See text.

Crucially here, Tables 4.4 and 4.5 show that the lenders to the public authorities were the same as the lenders in the private credit market. From here, it is a short step to the conclusion that the drop in private investment in wartime is due to lenders' preferences to invest in Tobacco *censos*, at least in Madrid. Capital from pious foundations and entails was diverted to Tobacco coffers instead of being re-invested in the private credit market.

This is not surprising since private *censos* and Tobacco *censos* functioned as perfect substitutes. They were exactly the same instruments aside from the fact that Tobacco *censos* systematically bore the highest legally possible rate (3 per cent) as well as what appeared as a rock-solid guarantee. In addition, Tobacco *censos* were specially geared to pious foundations

Table 4.6 – Borrowers in Madrid (*censo*s), 1768–1808

	Ecclesiastical institutions	Nobility and Dons	Ordinary people	Others ^a
% total contracts	14.57	29.98	54.6	0.85
% capital lent	10.86	56.71	24.2	8.23

^a Merchant companies, lay institutions, and unknown.

Sources: See text.

and entails, the main private credit providers. Qualitative evidence supports that hypothesis. Many examples of redemptions of *censo*s during those years stipulated that the redeemed capital had been placed in the Tobacco Monopoly. In these cases, I could find the annotation: "said *censo* owned by said Don Ygnacio Buitrago memorial fund considered paid and redeemed, and said house freed, by transfer made by the owner to the General Treasury of Her Majesty, for a new *censo* secured by the Tobacco Monopoly".⁴⁴ This shows that once a *censo*'s capital had been redeemed following the years of interest, it was more interesting to invest it in public *censo*s (Tobacco *censo*s). Table 4.6 also shows that the diverted capital was originally geared mainly to individuals in Madrid, be they nobles, craftsmen, merchants, civil servants, or other ordinary people who might have used this money to start a new business, buy or build a new house, or pay for repairs. Ecclesiastical institutions account for only 11 per cent of the capital borrowed: this was not ecclesiastical institutions lending to other ecclesiastical institutions.

4.3.2 The *vales reales*

Second, alongside the Tobacco *censo*s, the Spanish government also borrowed by creating paper money, the above mentioned *vales reales*. These instruments bore a 4 per cent interest rate, 1 per cent higher than the usury ceiling on private instruments. The government issued a first batch of 16,500 *vales* in 1780, with two more issues following in 1781 and 1782. Between 1779 and 1783, the *vales* accounted for 68 per cent of new public debt for a total amount of 450 million reales.⁴⁵ Despite a further two issues for 99 million reales in 1785 and 1788 to subsidize building the Aragon and Tauste canals, *vales* were broadly quoted at face value through to 1794. Spain was actually in a strong financial position at the dawn of the last decade of the century and creditors still trusted the Crown's capacity to meet its obligations.

Spain's entry into the war against the French National Convention in 1793 triggered a new testing period for its fiscal strength. The monarchy very quickly found itself faced with a

44. "Da por quitado y redimido el expresado censo perteneciente a dicha memoria de Don Ygnacio Buitrago, y por libre de el la Casa referida, mediante la entrega que hizo S.E. la Dueña en Tesorería Mayor de S.M. para nueva imposición sobre la Real Renta del Tabacco". ARPM, Contaduría de Hipotecas, Ma 494, 2484277, 18.

45. Torres Sánchez (2013, pp. 404–5).

growing annual deficit. The monarchy's answer to the vital need for funds was to renew the creation of *vales* alongside the Tobacco *censos*. On 1 February 1794, the government released an issue for 16,200,000 pesos, approximately 243 million reales. At the same time, the king signed another decree that proclaimed the *vales* to be "national debt contracted in the public interest" and created an amortization fund — the *Fondo de Amortización*. In order to maintain the reputation of the *vales*, the fund was tasked with mopping up this debt and was provided with two sources of income. Municipalities were ordered to pay the fund 10 per cent of their revenues and the National Bank of Saint Charles was to contribute the fees it received for the export of species from Spain. Requiring banks and other financial intermediaries to hold more government bonds than they would if policies did not require it is an important part of financial repression. Banking historians have persuasively argued, for example, that the Bank of England was founded specifically to raise funds for war expenditure, as was the Bank of Saint Charles.

The government was very soon forced to release two more issues of *vales*, one for 18 million pesos on 15 September 1794 and another for 30 million pesos on 15 March 1795, respectively totally 270 and 450 million reales. To sustain the value of the *vales*, the king also provided the amortization fund with new sources of income. Among these, the clergy was to provide an annual subsidy of seven million reales out of its income from properties, including *censos*. On 21 August 1795, the king furthermore decreed a capital levy of 15 per cent on all future property acquired by mortmain institutions (secular *vínculos*, entails, and ecclesiastical institutions). These three issues of *vales* injected 964 million reales into the royal treasury, three-quarters of the total deficit for the years 1793–96.⁴⁶ These measures allowed the Crown to maintain the discount on *vales* below 15 per cent when peace was concluded in July 1795.

However, the resumption of hostilities against Great Britain in August 1796 severely undermined the monarchy's creditworthiness. The impact on the *vales* quotation was immediate and, by the beginning of 1798, *vales* were quoted at a 15 per cent discount. On 9 March 1798, the Crown established a new amortization fund — the *Caja de Amortización* — to replace the *Fondo de Amortización* and was assigned the sources of income previously earmarked for this latter. Unlike the previous fund, it was set up as a separate institution with its own director to support the *vales* quotation. The king tasked it with redeeming and paying the interest on the government debt. However, the creation of a new fund did not have any effect on the royal credit and the discount on the *vales* even rose from 15 per cent to 17 per cent in May. To make matters worse, the predicted deficit for 1798 was 800 million reales and the government had to urgently seek new sources of revenue. In the face of the gravity of the situation, the king took extraordinary measures and initiated the first step in a long process of *desamortización*. On 19 September 1798, he decreed:

In order to continue securing the welfare of my beloved subjects by all possible means in the face of the crown's present urgent needs, I have deemed it necessary

46. Herr (1989, pp. 81–3).

to have a massive fund that can serve two objectives. One is to replace the *vales reales* with another debt with lower interest and fewer problems. The other is to provide relief to industry and commerce by phasing out the *vales reales* using more effective measures than those already adopted. Given that my sovereign authority to make use of public establishments for these and other state purposes is undisputed, I have resolved after due consideration **to alienate all real property belonging to hospitals, hospices, houses of charity, homes for the aged, foundling homes, confraternities, pious memorial funds, pious foundations, and lay benefices. The product of these sales will be deposited in my Royal Amortization Fund at three-percent interest per annum, as will the capital of any *censos* owed to these establishments and foundations that are redeemed.**⁴⁷

Basically, this decree ordered that mortgages whose interest supported pious foundations, chantries, and the like should be redeemed and the proceeds be loaned to the monarchy. This enabled persons whose properties were encumbered by *censos* with these institutions to redeem them by depositing their capital value in the Amortization Fund in the name of the institution.⁴⁸ The capital was consequently not lent on to a private party, but to the monarchy. The opportunity for the monarchy was clear. Using the amortization funds, on which it paid 3 per cent, it could clear the *vales* debt bearing a 4 per cent interest rate.

Unfortunately for the Crown, the announcement of the sale of foundations' real and financial assets did not restore its credit situation. On 8 April 1799, pressing financial needs led the Crown to announce a new issue of *vales* for almost 800 million reales, the largest ever, to cover the deficit. Consequently, the market value of *vales* fell between 30 per cent and 45 per cent below par in the first half of 1799 and, one year later, they were being traded for little more than a quarter of their face value.

In 1800, confronted with the rapid decline of the *vales* value, Charles IV decreed the establishment of a new institution entirely separate from the royal treasury to collect and manage all income assigned for the guarantee and amortization of *vales* — the *Caja de Consolidación*. Then, in 1801, the king also targeted the capital endowments of *mayorazgos* and other secular entails.⁴⁹ The owners of entails were not required to sell their lands, but they did have to deposit the capital received from a redeemed *censo* in the Consolidation Fund. On 28 November 1804, the consolidation took the move a step further with the extension of the process of *desamortización* to the Spanish Empire.⁵⁰

47. RD 19-09-1798. My emphasis.

48. Also frequent was the establishment of a *censo perpetuo* as a permanent endowment without any loan being involved, which is why they are not taken into consideration here.

49. Royal *Cédula* 17-04-1801.

50. RD 28-11-1804.

It is relatively hard to study the Crown's proceeds from the *desamortización*. Nevertheless, the total amount reported to Napoleon in 1808 for the two funds — the *Caja de Amortización* and the *Caja de Consolidación* — was 1,653 million reales.⁵¹ This sum includes both money received by the monarchy on the sale of real properties and money received on redeemed *censos*.⁵² Herr estimates that 4.5 per cent of all ecclesiastical deposits came from redeemed *censos* totaling 112 million reales. However, this percentage masks large regional differences, since the proportion was as high as 61.5 per cent in Catalonia.⁵³ In Madrid, redeemed *censos* from ecclesiastical deposits and from secular entails represented 6 per cent of deposits in the two funds amounting to 14 million reales, which does not point to a clear-cut success for the incentives to redeem *censos* capital considering that Tobacco *censos* signed in Madrid brought in nearly 82 million reales.⁵⁴ Actually, between 1800 and 1808, the new Consolidation Fund redeemed just 300 million *vales* of the 2,193 million in existence.⁵⁵

To be sure, the first step of the *desamortización* was not a clear success for the monarchy. Debtors actually did not redeem their *censos*, at least between 1798 and 1808. Indeed, they were not forced to pay back the capital of their loans. However, the impact on private lending was patent. Grafe and Irigoin in their discussion of the Spanish American case argued that the process of *desamortización* most certainly "created severe breaks in lending, mainly because the "dead hand" had been very much alive and active in banking".⁵⁶

4.4 Persistent negative debt management outcomes

Figure 4.3 is particularly enlightening in terms of assessing the considerable impact of the consolidation laws on the volume of long-term private credit. As discussed earlier, the contraction of private credit between 1780 and 1783 was due mainly to the American War of Independence and the subsequent rise in government borrowing. Following a sharp drop in 1790 due essentially to the presence of several outliers in 1789, the volume of new private *censos* then started to fall significantly in 1794. In the same year, the Spanish government revived the creation of *vales* and the sale of Tobacco *censos* although it had barely borrowed for ten years. The attraction effect of Tobacco *censos* on mortmain funds and the alternative investment in *vales* undermined private investment.

Figure 4.3 and Appendix B show the gradual withdrawal of the *censo* debt instrument starting in the mid-1790s. This withdrawal started four years before the consolidation laws and

51. Herr (1989, p. 122).

52. Unfortunately, there is no way of distinguishing between the two, especially between redeemable and perpetual *censos*.

53. Herr (1989, p. 124).

54. Idem. However, Herr estimates that 25% of ecclesiastical properties in Madrid were sold (Herr, 1989, p. 129).

55. Herr (1989, p. 118).

56. Grafe & Irigoin (2013). On Spanish America, see also Chowning (1989); Liehr (1984); Greenow (1983).

became completely effective in 1800 when the capital amount of new *censos* was almost zero. With the creation of the first amortization fund in 1794, ecclesiastical institutions and entails started to understand the fate that awaited their funds. Ecclesiastical assets came increasingly under attack in 1767 with the closure of the Society of Jesus. More generally, mortmain institutions, including entails, were severely criticized by contemporary Spanish contemporaneous.⁵⁷ Reformers blamed them for preventing the development of small farms and hugely compromising agriculture. The Spanish monarchy merely implemented the reformers' ideas without considering the repercussions of withdrawing monetary funds attached to entails and pious foundations on the private credit market.

This drop in the volume of new *censos* was also associated with the complete disappearance of ecclesiastical institutions from the private credit market. As of 1794, ecclesiastical institutions almost stopped their lending activities altogether. In 1798, they were forced in any case to re-invest their foundations' funds in the Consolidation Fund. The fortune of the *censos* was actually tied to the ecclesiastical institutions and entails as they represented almost 96 per cent of the market (at least in Madrid). As these institutions stopped lending to private parties because of the consolidation laws, the *censo* gradually died out.

At the same time, another type of loan became the leading debt instrument. As the records of the Mortgage Registry make abundantly clear, during the first half of the nineteenth century while the role of ecclesiastical institutions vanished and the *censos* disappeared, the use of obligations became systematic. Originally, this instrument was short term (less than one year) and was mainly used for commercial credit. But as it expanded, its nature changed. As of the mid-1790s, these latter increasingly bore an explicit interest rate, generally between 4 per cent and 6 per cent, which was theoretically prohibited by the usury laws. In addition, it progressively converted into a mid-term instrument and was increasingly used for building and construction, two sectors traditionally addressed by *censos*.

Relying on our Madrid observatory, Figure 4.7 clearly shows this evolution and confirms that *censos* almost completely disappeared from the credit markets in the 1790s. Instead, the obligation became the dominant debt instrument and was used increasingly over time.

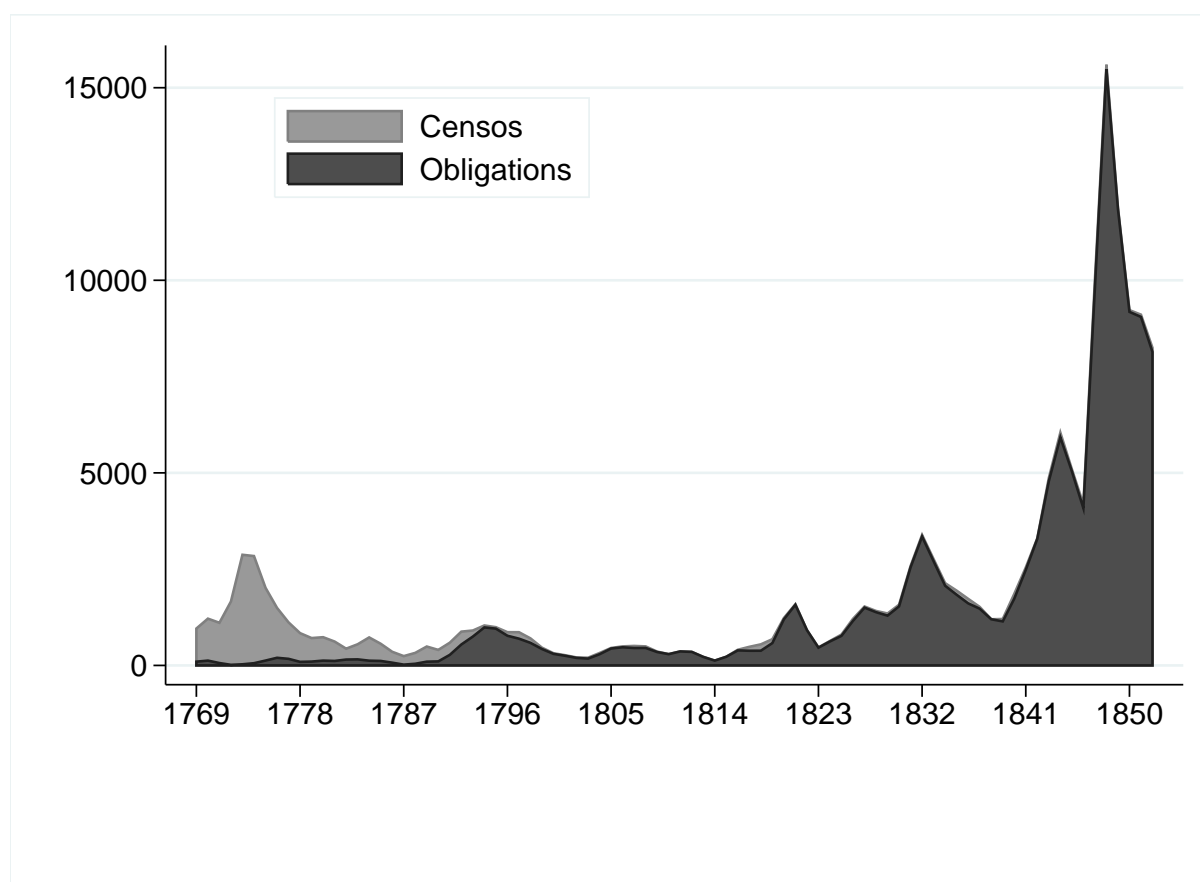
This development was not specific to Madrid. The rise of the obligation to the position of predominant debt instrument was observed in many regions of Spain.⁵⁸ In Vizcaya, *censos* were replaced by obligations between 1790 and 1810, as they were in Madrid.⁵⁹ Yet the substitution occurred earlier in some regions, in the second half of the eighteenth century, as in Catalonia and Valencia, and later in others in the Ominous Decade (1823–33), as in Navarra.⁶⁰ What explains this substitution? Fernandez de Pinedo, among others, believes that the *censos* fell out of use because it was not profitable, especially after the usury rate was reduced to 3 per cent in

57. See, for example, Jovellanos (1820) and Vizcaino Pérez (1766).

58. Congost (1991); Díaz López (2001); Fernández de Pinedo (1985); Peset Reig & Blasco Gil (1992); Torre (1994); Tello Aragay (1994).

59. Fernández de Pinedo (1985).

60. Cuevas (2001); Torre (1994).

Figure 4.7 – Real annual volume of new loans in Madrid, 1769–1852

Note: Three-year moving average. Source: ARPM, Contaduría de Hipotecas, Manzanas 1–64.

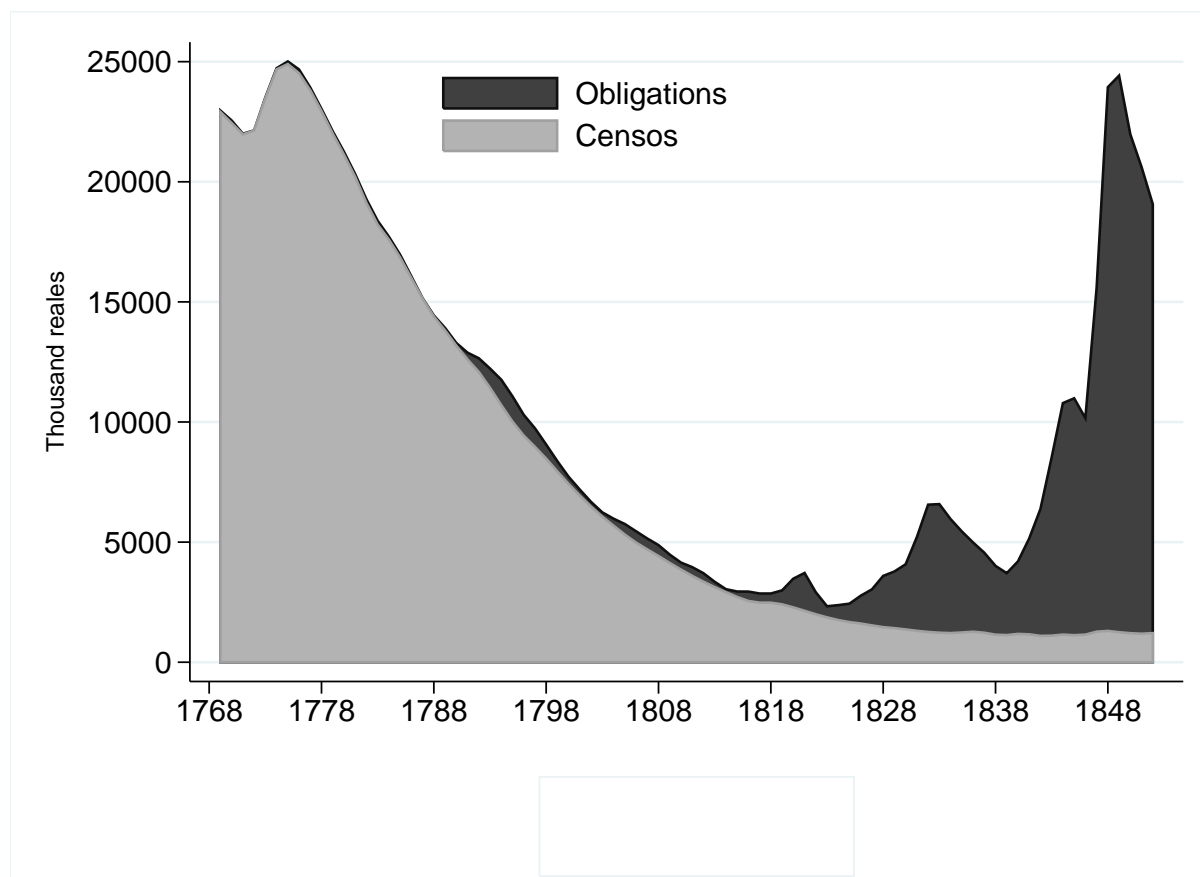
Castile in 1705 and then in Aragon in 1750. Yet, as Tello noticed, if this was the case, why was the *censo* then massively used in Castile during the entire eighteenth century? Tello argued that the "*huelga de pensiones*" ("rent strike") episode was behind the *censos* crisis, and even broadly speaking the Old Regime.⁶¹ This explanation is clearly valuable, but I offer an alternative interpretation. As seen in Madrid, the *censos* started to wane precisely when the Crown started to appropriate church assets. As the churches were owners of over 70 per cent of the *censos*, their withdrawal from the credit market marked the end of their favorite debt instrument. Indeed, this debt instrument was suited to their need to secure a regular stream of income to fund their ceremonies and maintain their member numbers. The rise of the obligation corresponded to different needs for different lenders. As the ecclesiastical institutions withdrew as financial intermediaries, lay individuals, especially merchant bankers, filled, albeit incompletely, the gap left by the Church.⁶² They used mainly obligations on which they could expect a higher rate of return, since it became common practice from the end of the eighteenth century to stipulate an interest rate on the contracts. In addition, in this period of uncertainty, the shorter maturity of

61. Tello Aragay (1994). At the beginning of the nineteenth century, in the midst of an agrarian crisis, borrowers mainly in rural regions stopped paying the rent associated with the *censos* and the tithe.

62. On the rise of merchant bankers in the nineteenth century, see Ramón García López (2000).

obligations was much appreciated.

Figure 4.8 – Real annual stock of mortgage credit in Madrid, 1768–1853



Source: ARPM, Contaduría de Hipotecas, Manzanas 1–64.

The entire private credit market suffered considerably from the withdrawal of the ecclesiastical institutions. Aside from the repeated complaints from landlords finding it hard to access credit, especially in rural areas, the obligation had a much shorter lifetime than the *censo* even though it morphed over time into a mid-term debt instrument.⁶³ Based on my sample of obligations and *censos*, the average maturity of an obligation increased from nine months between 1768 and 1777 to one year between 1778 and 1828, and two years between 1828 and 1853. The average lifetime of a *censo*, however, remained roughly stable (14.8 years on average during the whole period). This information can be taken to compute the stock of capital. The stock of capital in year t is defined as the stock of capital in year $t-1$ plus the capital lent in year t minus the capital paid off in year t . New loans are identified directly by the new *censos* and obligations recorded in the mortgage registry. I can deduce the amount of capital paid off each year from the inverse of the theoretical maturity d of each kind of debt instrument ($1/d$).⁶⁴ Figure 4.8 shows the stock of capital of *censos* and obligations between 1768 and 1853. It suggests that

63. Congost (2009).

64. In keeping with Hoffman *et al.* (2001), for 1768, I took the average volume of new *censos* and obligations in the first five years and multiplied it by their respective maturities.

the collapse of the *censos* and ecclesiastical institutions in the 1790s was a dramatic turn of events for the private credit market. The private credit market's stock of capital only returned to its 1770s level in the 1840s. In addition, the stock of obligations in the 1840s did not have the same constraints as the stock of *censos* in the 1770s. Obligations had a shorter maturity than *censos* (two years versus 15 years). As a result, even though the amount of outstanding debt was equivalent in 1770 and 1840, the outcome was quite different for the borrower. Considering the likelihood of frequent renewals, the stock of obligations, although similar in volume, is much more volatile than the stock of *censos* and entails uncertainties for the borrower.

The consolidation of the *vales* by means of forcing the ecclesiastical institutions to deposit their funds in the Consolidation Fund triggered a huge contraction in the private credit market. Over four decades, the stock of private debt plunged fivefold. *Censos*, and the Church, almost disappeared from the private credit market and left a gap in long-term lending that no debt instruments or financial institutions could fill.⁶⁵

4.5 Conclusion

This chapter establishes a clear link between government borrowing, financial repression, and the collapse of private credit in late eighteenth century Spain. Relying on Philip II's alleged defaults, sixteenth-century Spain has been portrayed as a "serial defaulter" compared to the British model of debt sustainability.⁶⁶ However, recent historical studies called into question this interpretation.⁶⁷ This chapter studies another crucial moment for the Crown's finances. The late eighteenth-century financial crisis has received little attention despite its huge political, social, and economic repercussions. Based on the surge in public debt caused by 15 years of war, I propose a new interpretation of Spain's pre-modern debt management.

From 1780 through to the French invasion, Spain made extensive use of a wide range of direct and indirect rules to channel money to the government to finance its costly wars. Financial repression, rather than default, was the key feature of Spanish debt management. First, at the outset of the war in 1780, the government created specific instruments, the Tobacco *censos* and the *vales reales* to channel money to the Crown's coffers. The Tobacco *censos* was geared to mortmain funds and offered better guarantees to attract these funds. The *vales* benefited from the the limitation of the interest rate at 3 per cent on private instruments. They offered a higher rate of return to potential creditors providing a 4 per cent interest rate.

65. However, these results have to be qualified. Although *censos* had to be systematically recorded in the mortgage registry because they were pledged on real properties, not all obligations were secured on real assets. As a result, our sources may underestimate the stock of obligations. One result remains obvious: the collapse of the ecclesiastical institutions in the 1790s occurred alongside the demise of the *censos*, the most popular long-term debt instrument at the time.

66. Reinhart *et al.* (2003); Drelichman & Voth (2008).

67. Alvarez-Nogal & Chamley (2014).

Second, when the Crown was at the height of the financial crisis, it decided to alienate step by step mainmort real and financial assets. In 1798, pious foundations, confraternities, hospitals and other benefices were the first on the list. Then followed in 1801 the *mayorazgos* and in 1804 Spanish American pious foundations. Later, after the French invasion, the *desamortización* process was pursued and only finished in the 1850s.

Financial repression comes at a cost though. There is ample evidence that government borrowing crowded out private investment in Britain.⁶⁸ The same holds true for Spain, except that over and above the immediate credit rationing it caused, the *desamortización* of ecclesiastical financial assets and entails shut down for many years and transformed a large part of the long-term private credit market.

I take micro-level evidence to argue that quantitative rationing was indeed a key feature of Spain's credit market during the French Wars and thereafter. Mortgage records from the Madrid Mortgage Registry can be used to trace changes in the volume of lending in the capital over a period of 85 years between 1768 and 1853. A number of findings stand out. Wartime borrowing crowded out private lending on a massive scale. On balance, my results suggest substantial crowding out, but possibly on a scale of somewhat less than 1:1. Instrumental-variable estimation suggests that a 1 per cent increase in government borrowing above trend reduced private lending by 0.4 per cent.

In addition to this effect, I also provide ample evidence to suggest that the withdrawal of the ecclesiastical institutions largely undermined the mortgage credit markets for a long time. The effect was huge. After dominating Spanish credit activities for almost three centuries, the ecclesiastical institutions went from being the major credit market player to vanishing altogether in the space of just two decades. The overall stock of mortgage credit plummeted fivefold over a period of 40 years, and mortgaged obligations only recovered the same volume as *censos* in the 1840s. To my knowledge, there is nothing comparable elsewhere in Europe.

The sharp drop in long-term private lending is a first indication of a potentially damaging effect of *desamortización* on the economy. Prior to the creation of the *Banco Hipotecario* in 1861, many voices complained that it was hard to get access to credit, especially in rural areas.⁶⁹ Merchant bankers failed to fill the gap left by ecclesiastical institutions that were "close to the consumer", even in remote areas. The rise of the obligation as the major debt instrument led to more expensive, short-term credit. Consumption most certainly suffered from a higher level of market uncertainty.

Many questions are still left open. How did these structural changes in the credit market affect the economy? Faced with the massive decline in mortgage credit, how did the state react? We need more studies on the causes and consequences of this sudden withdrawal of key financial actors.

68. Temin & Voth (2005).

69. Congost (2009).

4.6 Appendices

Appendix A Wars of Spain

War of Spain against	Years
Great Britain	1779–1783
France	1793–1795
Great Britain	1796–1802
Great Britain	1805–1807

Appendix B
Nominal and real private borrowing, 1768–1807

	Nominal Private <i>Censos</i> (reales)	Real Private <i>Censos</i> (reales)
1768	1,848,922	1,449,555
1769	1,162,372	896,770
1770	2,216,103	1,602,797
1771	1,791,063	1,249,714
1772	2,245,275	1,644,102
1773	4,639,018	3,415,477
1774	3,618,096	2,525,431
1775	4,155,051	2,824,396
1776	1,330,849	905,975
1777	2,679,457	1,819,351
1778	1,288,372	908,302
1779	1,957,028	1,561,708
1780	1,248,279	1,081,322
1781	553,157	453,865
1782	256,888	189,326
1783	463,258	329,144
1784	1,542,058	1,197,023
1785	1,333,693	1,149,643
1786	1,532,047	1,369,650
1787	1,052,912	949,989
1788	5,133,858	4,721,866
1789	803,333	766,299
1790	548,597	501,417
1791	804,508	672,568
1792	880,537	760,123
1793	1,555,600	1,491,820
1794	214,075	206,421
1795	601,264	554,064
1796	28,165	28,256
1797	343,000	401,481
1798	410,000	499,995
1799	69,922	81,598
1800	4,948	5,945
1801	39,291	53,239
1802	60,000	98,100
1803	40,000	81,510
1804	232,654	512,129
1805	8,785	16,245
1806	3,944	5,285
1807	97,000	100,686

Notes: Figures are deflated using a three-year moving average of Reher and Ballesteros' consumer price index (Reher & Ballesteros Doncel, 1989). War years in bold.

Sources: ARPM, Contaduría de Hipotecas, Manzanas 1–64, 120, 123, 126–127, 129–130, 132, 135, 145, 151, 154, 164–183, 185, 188, 190–191, 193–199, 203, 205–208, 211, 214, 217, 227, 238, 249, 254, 264–265, 267–268, 270, 273, 278–279, 285, 290, 298–299, 301, 307, 331, 336, 342–343, 369–370, 372–376, 380–381, 385–386, 391, 393, 397, 399, 401–402, 405–406, 409–410, 414, 417, 420, 425, 428, 431–433, 436–437, 442, 458, 462, 465–467, 469, 474, 485, 490, 492–494, 500, 524–525, 531, 533, 543, 545–546, 556–557.

Appendix C

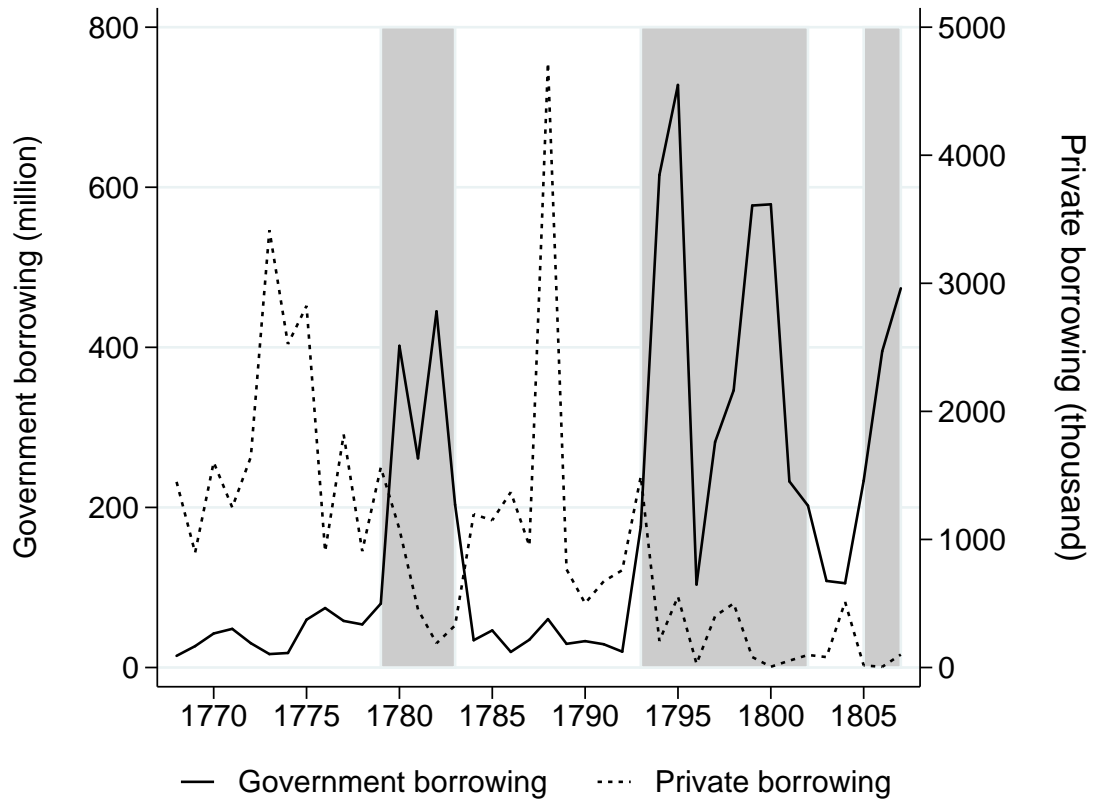
Interest rate and government borrowing, 1768–1807

	Nominal Vales Yield (%)	Real Vales Yield (%)	Nominal Government Borrowing (thousands reales)	Real Government Borrowing (thousands reales)
1768			11,434	14,584
1769			20,609	26,712
1770			30,741	42,503
1771			33,675	48,262
1772			22,229	30,357
1773			12,351	16,775
1774			12,652	18,126
1775			40,621	59,758
1776			50,571	74,287
1777			39,507	58,184
1778			37,944	53,821
1779			63,677	79,795
1780			348,129	401,880
1781			214,388	261,289
1782	4.21	5.71	327,898	444,909
1783	4.21	5.92	144,402	203,240
1784	4.04	5.20	26,457	34,083
1785	4	4.64	39,971	46,370
1786	4	4.47	17,401	19,464
1787	4	4.43	31,295	34,685
1788	4	4.34	55,594	60,444
1789	4	4.21	28,012	29,548
1790	4	4.37	30,100	32,932
1791	4	4.78	24,328	29,100
1792	3.96	4.58	17,076	19,781
1793	3.96	4.12	168,841	176,059
1794	4.12	4.27	593,313	615,310
1795	4.59	4.98	670,705	727,840
1796	4.54	4.53	104,041	103,704
1797	4.70	4.02	329,872	281,821
1798	4.76	3.90	422,296	346,286
1799	6.34	5.44	673,570	577,180
1800	12.50	10.40	695,328	578,716
1801	8.69	6.41	315,098	232,544
1802	4.87	2.98	330,664	202,241
1803	6.15	3.01	220,412	108,164
1804	6.45	2.93	231,736	105,274
1805	7.40	4	431,479	233,326
1806	7.40	5.52	529,495	395,071
1807	7.54	7.27	491,744	473,741

Notes: Figures are deflated using a three-year moving average of Reher and Ballesteros' consumer price index (Reher & Ballesteros Doncel, 1989). War years in bold.

Sources: Own elaboration based on Merino Navarro (1987); Tedde de Lorca (1988). "Nominal government borrowing" covers "efectos extraordinarios". Between 1780 and 1793, I added up "negociación de vales y letras".

Appendix D
Private lending versus government borrowing, 1768–1807



Sources: See App. B and App. C.

Appendix E
Issuance of vales and date of issuance

	600 pesos	300 pesos	150 pesos	Capital (reales)
30-09-1780	16,500			149,082,352
14-02-1781		17,667		79,813,270
22-05-1782		49,333		222,869,082
12-01-1794		53,333		240,939,670
29-08-1794	10,000		80,000	271,058,823
25-02-1795	15,000		140,000	451,764,705
06-04-1799	44,257	88,517		799,763,576
Total	85,757	208,850	220,000	2,215,291,482

Source: Tedde de Lorca (1987, p. 171).

Appendix F
Average monthly price of the vales, 1782–1808

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year average
1782	/	/	/	/	/	97	/	/	/	/	/	92	95
1783	90	95	95	94	93	95	96	97	96	96	96	96	95
1784	97	97	97	98	99	99	99	100	100	100	100	100	99
1785	100	100	100	100	100	100	100	100	100	100	100	100	100
1786	100	100	100	100	100	100	100	100	100	100	100	100	100
1787	100	100	100	100	100	100	100	100	100	100	100	100	100
1788	100	100	100	100	100	100	100	100	100	100	100	100	100
1789	100	100	100	100	100	100	100	100	100	101	100	100	100
1790	100	100	100	100	100	100	100	100	100	100	100	100	100
1791	101	100	101	100	100	100	100	100	100	100	100	100	100
1792	101	102	102	102	102	101	101	101	101	101	101	101	101
1793	101	100	100	100	100	100	100	101	101	101	101	101	101
1794	101	100	100	100	100	100	98	97	95	96	95	83	97
1795	85	92	87	89	85	84	82	84	92	87	86	88	87
1796	89	91	91	89	90	91	86	87	87	89	85	85	88
1797	84	84	84	84	84	84	85	85	85	85	85	85	85
1798	86	85	86	86	83	83	83	83	83	83	82	82	84
1799	74	67	67	61	55	55	64	/	/	/	/	/	63
1800	32	32	32	31	31	31	34	34	32	34	33	33	32
1801	35	35	38	43	42	41	48	43	43	45	70	70	46
1802	68	80	84	92	92	87	87	85	81	77	78	78	82
1803	79	79	74	68	62	55	59	57	56	54	70	67	65
1804	66	67	67	66	65	64	64	64	6	63	51	44	62
1805	49	48	52	56	61	61	61	63	53	42	49	55	54
1806	56	58	56	53	52	52	50	53	56	50	50	50	54
1807	53	53	53	53	53	54	58	56	53	50	50	50	53
1808	50	42	38	50	40	/	/	/	/	/	/	/	44

Notes: Figures are in % of the nominal value. /: no data.
Source: Tedde de Lorca (1988).

Appendix G
Nominal and real volume of Tobacco *censos* in Madrid, 1780–1805

	Nominal Tobacco <i>Censos</i> (reales)	Real Tobacco <i>Censos</i> (reales)
1780	16,941,241	14,675,350
1781	13,419,350	11,010,577
1782	9,203,350	6,782,869
1783	3,734,659	2,653,475
1784	2,238,501	1,737,636
1785	118,926	102,514
1786	54,937	49,113
1787	1,500,000	1,353,375
1788	0	0
1789	3,300	3,128
1790	0	0
1791	0	0
1792	0	0
1793	150,000	143,850
1794	9,174,353	8,846,370
1795	5,000,131	4,607,621
1796	2,257,343	2,264,679
1797	2,816,104	3,296,250
1798	1,502,946	1,832,843
1799	6,938,574	8,097,316
1800	3,394,532	4,078,530
1801	2,778,335	3,764,644
1802	789,451	1,290,752
1803	81,254	165,575
1804	0	0
1805	20,137	37,238

Notes: Figures are deflated using a three-year moving average of Reher and Ballesteros' consumer price index (Reher & Ballesteros Doncel, 1989). War years in bold.

Source: ARPM, Contaduría de Hipotecas, Fichero 9000.

Conclusion générale

Ce travail de thèse s'était fixé pour objectif de comprendre les instruments, les institutions et le fonctionnement des marchés du crédit de long terme dans l'Espagne moderne. Loin de l'idée répandue que ces marchés étaient confrontés à des contraintes pesant sur l'offre, nous avons montré combien le rôle des institutions ecclésiastiques avait été décisif au cours de cette période. Par l'abondance des ressources qu'elles concentraient entre leurs mains, elles disposaient d'importants moyens et participaient au financement de l'économie espagnole. En approvisionnant l'économie en crédit, elles palliaient l'absence d'institutions bancaires. En étant présentes sur tout le territoire, elles occupaient aussi bien les zones rurales que les zones urbaines, et prêtaient ainsi à un large éventail de personnes: des petites sommes aux paysans jusqu'au financement des grandes opérations financières du roi. Qui plus est, en développant, au moins pour certaines d'entre elles, un système sophistiqué de gouvernance à trois niveaux, elles contournaient les obstacles juridiques et contribuaient ainsi à intégrer le marché du crédit de long terme à l'échelle de toute la péninsule.

A la fin du dix-huitième siècle, ces institutions ont été confrontées à une série d'attaques sans précédent contre leurs intérêts. Les mesures de désamortissement menées dans le but de liquider la dette publique considérable, accumulée au fil des guerres, ont provoqué le retrait des institutions ecclésiastiques des marchés du crédit de long terme. Ces marchés n'en sont pas sortis indemnes. Le principal instrument de crédit de long terme de l'époque moderne, le *censo consignativo*, principalement utilisé par l'Église, est ainsi mort avec son maître. Les marchés du crédit hypothécaire s'en sont trouvés durablement affectés.

A bien des égards, nos conclusions servent surtout à remettre en cause un certain nombre d'idées reçues et ne constituent qu'une première étape. Une fois que l'originalité et la complexité de ces marchés ont été restituées, de nombreuses nouvelles questions émergent et invitent à se replonger plus précisément dans l'étude du crédit de l'époque moderne.

Trois questions en particulier méritent une plus ample attention. Tout d'abord, la question de l'étendue du système mis en place par les ordres que nous avons étudiés: de façon rapide pour les Jésuites et plus à fond pour les Carmes Déchaux. Ces deux ordres sont-ils l'exception dans la règle? Les techniques de gestion qu'ils adoptent sont-elles plus particulièrement le fait des nouveaux ordres nés de la Contre Réforme? Leur exemple s'applique-t-il plus largement? Des études microéconomiques supplémentaires sur d'autres institutions ecclésiastiques seraient nécessaires pour rendre compte de la diversité des méthodes de gouvernance économique de

l'Eglise, même si de telles études se heurtent souvent à la rareté des sources, en particulier celles concernant les curies générales.

Une deuxième question concerne le rôle des notaires au sein du marché du crédit de long terme. A plusieurs reprises, nous avons remarqué au cours de nos recherches sur les Carmes Déchaux qu'un certain nombre d'emprunteurs avaient initialement le même notaire que leurs prêteurs. Il serait nécessaire de réaliser une étude plus systématique à la manière d'Hoffman *et al* afin de rendre compte avec précision du rôle des notaires au sein du marché du crédit.⁷⁰

Enfin, que conclure de l'effondrement du crédit hypothécaire suite au retrait des institutions ecclésiastiques? Les causes et les conséquences de cette rupture nécessitent d'être étudiées en profondeur. D'une part, sur les raisons de ce retrait, d'autres pistes peuvent être étudiées qui, au-delà du mouvement de désamortissement des biens de l'Eglise, dessinent des chronologies plus longues. En particulier, une étude de l'évolution au cours du dix-huitième siècle des créations de fondations, ou des dots apportées par les novices, permettrait de mettre en perspective une baisse tendentielle du stock de capital, dont disposaient les institutions ecclésiastiques.⁷¹ En outre, le rôle de la "grève des pensions" du début du dix-neuvième siècle mériterait d'être plus étudié, afin de déterminer si cette grève a eu un impact sur les stratégies de placement de l'Eglise.⁷² D'autre part, pour étudier les conséquences de ce retrait sur les marchés du crédit, une approche globale doit être entreprise. Le crédit hypothécaire ne retrouve son niveau d'avant 1780 que dans les années 1840. Entre temps, l'obligation hypothécaire est devenue la norme. Une étude plus systématique du crédit dans les minutes des notaires, voire dans les archives bancaires, permettrait de mieux cerner l'ampleur de la contraction du marché du crédit privé dans la première moitié du dix-neuvième siècle.

Cathédrales, paroisses, couvents et monastères étaient donc les principales institutions financières de l'époque moderne. Ces "religieux banquiers" empruntaient, prêtaient, mettaient en commun les ressources, et servaient d'intermédiaires financiers. Il est sûr que ces marchés ont évolué selon une chronologie singulière. Mais faut-il déplorer l'imperfection et le manque d'efficacité de marchés de ce genre si on les compare aux banques anglaises? Peut-être faut-il plutôt reconnaître que de tels marchés ont permis de mobiliser des quantités considérables. En somme, un sacré crédit !

70. Hoffman *et al.* (2001).

71. Izquierdo Martín & López García (1999) montre que les fondations d'oeuvres pieuses étaient en constante diminution à Madrid au dix-huitième siècle.

72. Au début du dix-neuvième siècle, la population cesse de payer la dîme ainsi que les pensions des *censos* entraînant une chute des revenus des institutions ecclésiastiques (Alvarez Vázquez, 1987).

Sources primaires et publications officielles

Sources primaires

Toutes les bases de données sont téléchargeables sur mon site personnel: <http://cyrilmilhaud.weebly.com/>.

Chapitre 2

Archivo Histórico Provincial de Soria (AHPS):

Cadastré de la Ensenada:

Ágreda: Cajas 9471–9474 ;

Añavieja: Caja 9958 ;

Beratón: Caja 9544 ;

Vozmediano: Caja 9561 ;

Castilruiz: Caja 9595 ;

Devanos: Caja 9626 ;

Fuentestrún: Caja 9658 ;

La Aldehuela: Caja 9493 ;

La Cueva: Caja 9624 ;

Las Fuentes: Caja 9656 ;

Matalebreras: Caja 9708 ;

Montenegro: Caja 10012 ;

Muro: Caja 9741 ;

San Felices: Caja 9833 ;

Trévago: Caja 9886 ;

Valdelagua: Caja 9892.

Notaires:

Soria: Cajas 979, 1015, 1058, 1065, 1076, 1093 ;

Ágreda: Cajas 1737, 1740, 1755, 1774;

Noviercas: Cajas 2367, 2369;

Ólvega: Cajas 2443, 2446.

Archivo Histórico de Protocolos de Tarazona (AHPT):

Notaires:

Tarazona: Cajas 420/02, 442/02, 459/02, 447/01, 469/01, 475/02.

Chapitre 3

Archivo Histórico Nacional (AHN):

Sección Clero, Libro 4191, OCD Bolarque, *Libro de determinaciones hechas por el capítulo conventual en orden a las rentas y economía del convento.*

Sección Clero, Libro 10710, OCD Salamanca San Elias, *Libro donde se anotan los acuerdos y determinaciones de los capítulos conventuales.*

Sección Clero-Jesuitas, Legaro 941.

Biblioteca Nacional (BN):

MSS/3861, *Libro de cuentas de los Carmelitas Descalzos correspondiente a los años 1787-1802.*

MSS/6558, *Libro de entrada y recibo de caudales del convento de Carmelitas de Madrid desde 1752 a 1805.*

MSS/3644, *Libro de censos de los conventos de Carmelitas Descalzos.*

MSS/12843, *Índice de los censos y escrituras de los Carmelitas Descalzos de España.*

Archivo Histórico de Protocolos de Madrid (AHPM):

Protocolos 17225-48 et 18543-7.

Bibliothèque Nationale de France (BNF):

Règle et constitutions des religieuses de l'ordre de Notre Dame du Mont Carmel selon la réformation de Sainte Thérèse pour les monastères de son ordre en France, Ordre des Carmes Déchaux (1754).

Depósito Académico Digital Universidad de Navarra:

Fondo Antiguo: *Reflexiones, que el cabildo, y canonigos de la santa metropolitana iglesia de*

Valencia, exponen a los señores del real consejo de Castilla sobre el precio de los censos de aquel reyno, <http://dadun.unav.edu/handle/10171/30903>.

Chapitre 4

Archivo del Registro de la Propiedad de Madrid:

Contaduría de Hipotecas:

Manzanas 1–64, 120, 123, 126–127, 129–130, 132, 135, 145, 151, 154, 164–183, 185, 188, 190–191, 193–199, 203, 205–208, 211, 214, 217, 227, 238, 249, 254, 264–265, 267–268, 270, 273, 278–279, 285, 290, 298–299, 301, 307, 331, 336, 342–343, 369–370, 372–376, 380–381, 385–386, 391, 393, 397, 399, 401–402, 405–406, 409–410, 414, 417, 420, 425, 428, 431–433, 436–437, 442, 458, 462, 465–467, 469, 474, 485, 490, 492–494, 500, 524–525, 531, 533, 543, 545–546, 556–557.

Fichero 9000 (*Censos du Monopole du tabac*).

Publications officielles

España dividida en provincias e intendencias, Vol. 1 (Madrid, 1789), disponible sur <http://www.bne.es/es/Catalogos/BibliotecaDigitalHispanica/Inicio/index.html>.

Novísima Recopilación de Leyes de España (Madrid, 1805).

Novísima Recopilación de Leyes de el Reino de Navarra (Pamplona, 1735).

Fueros y Observancias del Reino de Aragón (Zaragoza, 1667), disponible sur <http://bibliotecavirtual.aragon.es/bva/i18n/estaticos/contenido.cmd?pagina=estaticos/presentacion>

Bibliographie

- Acemoglu, D., Johnson, S., & Robinson, J. A. 2001. The colonial origins of comparative development: an empirical investigation. *The American Economic Review*, **91**(5), 1369–1401.
- Acemoglu, D., Johnson, S., & Robinson, J. A. 2002. Reversal of fortune: Geography and institutions in the making of the modern world income distribution. *The Quarterly Journal of Economics*, **117**(4), 1231–94.
- Acemoglu, D., Johnson, S., & Robinson, J. A. 2005. The rise of Europe: Atlantic trade, institutional change, and economic growth. *The American Economic Review*, **95**(3), 546–79.
- Akerlof, G. A. 1970. The market for "lemons": quality uncertainty and the market mechanism. *The Quarterly Journal of Economics*, **84**(3), 488–500.
- Aldea Vaquero, Q., Marín Martínez, T., & Vives, J. 1972. *Diccionario de historia eclesiástica de España*. Vol. 2. Madrid: CSIC.
- Allen, R. C. 1988. The price of freehold land and the interest rate in the seventeenth and eighteenth centuries. *The Economic History Review*, **41**(1), 33–50.
- Alliaga Bayod y Salas Guasqui, M. don. 1789. *El escribano perfecto, espejo de escribanos teorico-practico*. Tarragona: Imprenta de Margin Canals.
- Alonzi, L. 2005. I censi consignativi nel XVI e nel XVII secolo tra "finzione" e "realtà". *L'Acropoli*, **6**(1), 86–102.
- Alvarez-Nogal, C. 2009. *Oferta y demanda de deuda pública en Castilla. Juros de alcabalas (1540–1740)*. Estudios de Historia Económica, no. 55. Madrid: Banco de España.
- Alvarez-Nogal, C., & Chamley, C. 2014. Debt policy under constraints: Philip II, the Cortes, and the Genoese bankers. *The Economic History Review*, **67**(1), 192–213.
- Alvarez-Nogal, C., & Chamley, C. 2016. Response to 'Duplications' by Drelichman and Voth. *The Economic History Review*, **69**(3), 1007–13.
- Alvarez-Nogal, C., & Prados de la Escosura, L. 2007. The decline of Spain (1500–1850): conjectural estimates. *European Review of Economic History*, **11**(3), 319–66.

- Alvarez-Nogal, C., & Prados de la Escosura, L. 2013. The rise and fall of Spain (1270–1850). *The Economic History Review*, **66**(1), 1–37.
- Alvarez Vázquez, J. A. 1978. El memorial del estamento eclesiástico en 1691 sobre la baja de la tasa de interés en fueros y censos. *Hispania*, **38**, 405–38.
- Alvarez Vázquez, J. A. 1987. *Rentas, precios y crédito en Zamora en el Antiguo Régimen*. Zamora: Colegio Universitario.
- Anes Álvarez, G. 1970. *Las crisis agrarias en la España moderna*. Madrid: Taurus.
- Anes Álvarez, G., & Le Flem, J. P. 1965. Las crisis del siglo XVII: producción agrícola, precios e ingresos en tierras de Segovia. *Moneda y Crédito*, **93**, 3–35.
- Aquerreta, S. 2001. *Negocios y finanzas en el siglo XVIII: La familia Goyeneche*. Pamplona: Universidad de Navarra.
- Ashton, T. S. 1959. *Economic fluctuations in England, 1700–1800*. Oxford: Clarendon.
- Atienza López, A. 1987. El préstamo en la sociedad tardofeudal: las rentas censales del clero regular zaragozano en el siglo XVIII. *Revista de Historia Jerónimo Zurita*, **55**, 67–104.
- Barrio Gozalo, M. 1994–95. La proyección económica de la Iglesia en el mundo rural español durante el Antiguo Régimen. *Trocajero*, **6–7**, 7–34.
- Barrio Gozalo, M. 1995. El clero regular en la España de mediados del siglo XVIII a través de la "Encuesta de 1764". *Hispania Sacra*, **47**, 122–69.
- Barro, R. J. 1987. Government spending, interest rates, prices, and budget deficits in the United Kingdom, 1701–1918. *Journal of Monetary Economics*, **20**(2), 221–47.
- Bernholz, P., & Kugler, P. 2011. Financial market integration in early modern Spain: results from a threshold error correction model. *Economic Letters*, **110**(2), 93–6.
- Black, R. A., & Gilmore, C. G. 1990. Crowding out during Britain's Industrial Revolution. *The Journal of Economic History*, **50**(1), 109–31.
- Capella Martínez, M., & Matilla Tascón, A. 1957. *Los Cinco Gremios Mayores de Madrid. Estudio crítico-histórico*. Madrid: Cámara de Comercio e Industria de Madrid.
- Castellano Castellano, J. L., & Gomez Gonzalez, I. 1995. Reflexiones sobre la justicia en el Antiguo Régimen a proposito de unas cartas a Villena. *Chronica Nova*, **22**, 11–28.
- Chilosi, D., & Volckart, O. 2011. Money, states, and empire: financial integration and institutional change in Central Europe, 1400–1520. *The Journal of Economic History*, **71**(3), 762–91.
- Chilosi, D., Schulze, M.-S., & Volckart, O. 2016. *Benefits of empire? Capital market integration North and South of the Alps, 1350–1800*. LSE Working Paper n°236/2016.

- Chowning, M. 1989. The consolidacion de vales reales in the bishopric of Michoacan. *The Hispanic American Historical Review*, **69**(3), 451–78.
- Clark, G. 2001. Debt, deficits, and crowding out: England, 1727–1840. *European Review of Economic History*, **5**(3), 403–36.
- Clavero, B. 1977. Prohibición de la usura y constitución de rentas. *Moneda y Crédito*, **143**, 107–31.
- Clavero, B. 1991. *Antidora: antropología católica de la economía moderna*. Milano: Giuffrè.
- Clavero, B. 1996. *La Grâce du don. Anthropologie catholique de l'économie moderne*. Paris: Albin Michel.
- Coeurdacier, N., & Aviat, A. 2007. The geography of trade in goods and asset holdings. *Journal of International Economics*, **71**(1), 22–51.
- Coeurdacier, N., & Rey, H. 2013. Home bias in open economy financial macroeconomics. *Journal of Economic Literature*, **51**(1), 63–115.
- Cole, H., & Obstfeld, M. 1991. Commodity trade and international risk sharing: how much do financial markets matter? *Journal of Monetary Economics*, **28**(1), 3–24.
- Congost, R. 1991. Enfitheusis y pequeña explotación campesina en Cataluña, siglos XVIII–XIX. *Pages 63–87 of: Saavedra, P., & Villares, R. (eds), Señores y campesinos en la península ibérica, siglos XVIII–XX*, vol. 2. Barcelona: Crítica.
- Congost, R. 2009. De censatarios de la Iglesia a deudores del Estado. Más reflexiones sobre el proceso desamortizador y la revolución liberal en España. *Pages 377–407 of: Bodinier, B., Congost, R., & Luna, P. F. (eds), De la Iglesia al Estado: las desamortizaciones de bienes eclesiásticos en Francia, España y América Latina*. Zaragoza: Prensas Universitarias de Zaragoza.
- Congost, R. 2014. *Becoming richer through debt: the impact of a reduction of interest rate on humble people (Catalonia, eighteenth century)*. Communication at the Tenth European Social Science Conference (Vienna, 23–6 April 2014).
- Cubillo de la Puente, R. 2000. *Comer en León: un siglo de historia, (1700–1800)*. León: Universidad de León.
- Cuevas, J. 2001. La financiación del desarrollo agrario valenciano, 1750–1914. *Historia Agraria*, **25**, 89–120.
- Díaz López, J. P. 2001. Transformaciones institucionales del mercado de capitales en un medio agrícola mediterráneo: Almería (1769–1853). *Chronica Nova*, **28**, 129–57.

- Díaz López, J. P. 2004. Instituciones eclesiásticas y crédito en Huéscar (Granada). *Pages 189–96 of: Martínez San Pedro, M. D., & Segura del Pino, M. D. (eds), La Iglesia en el mundo medieval y moderno.* Almería: Instituto de Estudios Almerienses.
- De Long, J. B., & Summers, L. H. 1991. Equipment investment and economic growth. *The Quarterly Journal of Economics*, **106**(2), 445–502.
- De Roover, R. 1974. *Business, banking, and economic thought in late medieval and early modern Europe.* Chicago: The University of Chicago Press.
- De Santiago Fernández, J. 2007. Legislación y reforma monetaria en época borbónica. *Pages 403–36 of: Galende Díaz, J. C., & De Santiago Fernández, J. (eds), VI Jornadas Científicas sobre Documentación borbónica en España y América (1700–1868).* Madrid: Universidad Complutense.
- Dedieu, J. P. 2011. Les groupes financiers et industriels au service du roi – Espagne (fin XVIIe – début XVIIIe siècle). *Pages 87–104 of: Dubet, A., & Luis, J.-P. (eds), Les financiers et la construction de l'Etat – France, Espagne (XVIIe-XIXe siècle).* Rennes: Presses Universitaires de Rennes.
- Diamond, D. W., & He, Z. 2014. A theory of debt maturity: the long and short of debt overhang. *The Journal of Finance*, **69**(2), 719–62.
- Dincecco, M. 2009. Fiscal centralization, limited government, and public revenues in Europe, 1650–1913. *The Journal of Economic History*, **69**(1), 48–103.
- Domínguez Ortiz, A. 1960. *Política y hacienda de Felipe IV.* Madrid: Editorial de Derecho Financiero.
- Drelichman, M., & Voth, H.-J. 2008. Debt sustainability in historical perspective: the role of fiscal repression. *Journal of the European Economic Association*, **6**(2/3), 657–67.
- Drelichman, M., & Voth, H.-J. 2014. *Lending to the borrower from hell: debt, taxes, and default in the age of Philip II.* Princeton, NJ: Princeton University Press.
- Drelichman, M., & Voth, H.-J. 2016. Duplication without constraints: Álvarez-Nogal and Chamley's analysis of debt policy under Philip II. *The Economic History Review*, **69**(3), 999–1006.
- Eaton, J., & Fernandez, R. 1995. *Sovereign debt.* NBER Working Paper n°5131.
- Eaton, J., & Gersovitz, M. 1981. Debt with potential repudiation: theoretical and empirical analysis. *Review of Economic Studies*, **48**(2), 289–309.
- Elliott, J. H. 1961. The decline of Spain. *Past and Present*, **20**, 52–75.
- Elliott, J. H. 1992. A Europe of composite monarchies. *Past and Present*, **137**, 48–71.

- Epstein, S. R. 2000. *Freedom and growth: the rise of states and markets in Europe, 1300–1750*. London: Routledge.
- Febrero, J. don. 1789. *Librería de escribanos, é instruccion juridical theorico práctica de principantes*. Madrid: Imprenta de Don Pedro Marin.
- Feinstein, C. 1978. Capital formation in Great Britain. *Pages 28–94 of: Mathias, P., & Postan, M. (eds), The Cambridge Economic History of Europe, Volume VII: The industrial economies: capital, labour, and enterprise*. Cambridge: Cambridge University Press.
- Feliu, G. 1991. *Precios y salarios en la Cataluña moderna*. Estudios de Historia Económica, no. 21. Madrid: Banco de España.
- Fernandez de la Ferrería, M. 1803. *Nuevo tratado de reduccion de monedas, efectivas, e imaginarias, de estos Reynos de España, a reales de vellon*. Madrid: Imprenta de Ruiz.
- Fernández Albaladejo, P. 1992. *Fragments de monarquía: trabajos de historia política*. Madrid: Alianza Editorial.
- Fernández de Pinedo, E. 1985. Del censo a la obligación: modificaciones en el crédito rural antes de la primera guerracarlista en el País Vasco. *Pages 297–305 of: Garrabou, R., & García Sanz, A. (eds), Historia agraria de la España contemporánea*, vol. 1. Barcelona: Crítica.
- Ferrer Mallol, M. T. 2005. *Entre la paz y la guerra. La Corona Catalano-aragonesa y Castilla en la baja Edad Media*. Barcelona: CSIC.
- Fiestas Loza, A. 1984. La doctrina de Domingo de Soto sobre el censo consignativo. *Anuario de Historia del Derecho Español*, **54**, 639–54.
- Fiestas Loza, A. 1993–94. El censo consignativo, según una fórmula castellana del Antiguo Régimen. *Anuario de Historia del Derecho Español*, **63**, 549–614.
- Flandreau, M., Galimard, C., & Nogués-Marco, P. 2009. Monetary geography before the Industrial Revolution. *Cambridge Journal of Regions, Economy, and Society*, **2**(2), 149–71.
- Floristán Imízcoz, A. 1984. Crédito rural en Navarra. Los censos "al quitar". *Pages 395–408 of: Eiras Roel, A. (ed), La documentación notarial y la historia*, vol. 2. Santiago de Compostela: Universidad de Santiago de Compostela.
- Fontana, J. 1971. *La quiebra de la monarquía absoluta, 1814–1820: la crisis del Antiguo Régimen en España*. Barcelona: Ariel.
- Fontana Lázaro, J. 2001. *Hacienda y Estado en la crisis final del Antiguo Régimen español: 1823–1833*. Madrid: Instituto de Estudios Fiscales.
- Forteza Pérez, J. I. 1990. *Monarquía y Cortes en la Corona de Castilla. Las ciudades ante la política fiscal de Felipe II*. Salamanca: Cortes de Castilla y León.

- French, K. R., & Poterba, J. M. 1991. Investor diversification and international equity markets. *American Economic Review*, **81**(2), 222–26.
- García García, E. 1986. *S. Juan y S. Pablo de Peñafiel. Economía y sociedad en un convento dominico castellano (1318–1512)*. Valladolid-Salamanca: Junta de Castilla y León.
- García Martín, P. 1985. *El monasterio de San Benito El Real de Sahagún en la época moderna*. Valladolid: Junta de Castilla y León.
- Gelderblom, O., Jonker, J., & Kool, C. 2016. Direct finance in the Dutch Golden Age. *The Economic History Review*, **69**(4), 1178–98.
- Gómez Díaz, D., & Fernández-Revuelta Pérez, L. 1998. Complejidad organizativa y desarrollo contable de los pósitos en España, siglos XVI–XIX. *Revista de Contabilidad*, **1**, 85–112.
- Gómez González, I. 2000. *La justicia en almoneda. La venta de oficios en la Chancelleria de Granada (1505–1834)*. Granada: Comares.
- Godwin James, F. 1948. Charity endowments as sources of local credit in seventeenth- and eighteenth-century England. *The Journal of Economic History*, **8**(2), 153–70.
- Grafe, R. 2012. *Distant tyranny: markets, power, and backwardness in Spain, 1650–1800*. Princeton: Princeton University Press.
- Grafe, R. 2015. Tyrannie à distance: la construction de l'État polycentrique et les systèmes fiscaux en Espagne (1650–1800). *Pages 167–186 of: Béguin, K. (ed), Ressources publiques et construction étatique en Europe*. Paris: Institut de gestion publique et du développement économique.
- Grafe, R., & Irigoin, M. A. 2008. Bargaining for absolutism: A Spanish path to nation-State and empire building. *Hispanic American Historical Review*, **88**(2), 173–209.
- Grafe, R., & Irigoin, M. A. 2012. A stakeholder empire: the political economy of Spanish imperial rule in America. *The Economic History Review*, **65**(2), 609–51.
- Grafe, R., & Irigoin, M. A. 2013. Bounded Leviathan: fiscal constraints and financial development in the early modern Hispanic world. *Pages 188–227 of: Coffman, D., Leonard, A., & Neal, L. (eds), Questioning credible commitment. Perspectives on the rise of financial capitalism*. Cambridge: Cambridge University Press.
- Greenow, L. L. 1983. *Credit and socioeconomic change in colonial Mexico: loans and mortgages in Guadalajara, 1720–1820*. Boulder, Co.: Westview Press.
- Grupo'75. 1977. *La economía del Antiguo Régimen: la "renta nacional" de la Corona de Castilla*. Madrid: Universidad Autonoma de Madrid.
- Hamilton, E. J. 1938. The decline of Spain. *The Economic History Review*, **8**(2), 193–211.

- Hamilton, E. J. 1947. *War and prices in Spain, 1651–1800*. Cambridge, Mass.: Harvard University Press.
- Hart, O., & Moore, J. 1994. A theory of debt based on the inalienability of human capital. *The Quarterly Journal of Economics*, **109**(4), 841–79.
- Head, K., & Mayer, T. 2000. Non-Europe: The magnitude and causes of market fragmentation in the EU. *Review of World Economics (Weltwirtschaftliches Archiv)*, **136**(2), 284–314.
- Head, K., & Mayer, T. 2013. *Gravity equations: workhorse, toolkit, and cookbook*. CEPR Discussion Paper n°9322.
- Heim, C. E., & Mirowski, P. 1987. Interest rates and crowding-out during Britain's Industrial Revolution. *The Journal of Economic History*, **47**(1), 117–39.
- Helliwell, J. 1998. *How much do national borders matter?* Washington D.C.: Brookings Institution Press.
- Helpman, E., & Razin, A. 1978. *A theory of international trade under uncertainty*. New York: Academic Press.
- Henry, L., & Blayo, Y. 1975. La population de la France de 1740 à 1860. *Population*, **30**(1), 71–122.
- Heras Santos de las, J. L. 1996. La organización de la justicia real ordinaria en la Corona de Castilla durante la Edad Moderna. *Estudis: Revista de Historia Moderna*, **22**, 105–40.
- Hermann, C. 1988. *L'Eglise d'Espagne sous le patronage royal (1476–1834). Essai d'ecclésiologie politique*. Madrid: Casa de Velazquez.
- Herr, R. 1989. *Rural change and royal finances in Spain*. Berkeley: University of California Press.
- Hoffman, P., Postel-Vinay, G., & Rosenthal, J.-L. 1998. What do notaries do? Overcoming asymmetric information in financial markets: the case of Paris, 1751. *Journal of Institutional and Theoretical Economics*, **154**(3), 499–530.
- Hoffman, P., Postel-Vinay, G., & Rosenthal, J.-L. 1999. Information and economic history: how the credit market in old regime Paris forces us to rethink the transition to capitalism. *The American Historical Review*, **104**(1), 69–94.
- Hoffman, P., Postel-Vinay, G., & Rosenthal, J.-L. 2001. *Des marchés sans prix: Une économie politique du crédit à Paris, 1660–1870*. Paris: Editions de l'EHESS.
- Izquierdo Martín, J., & López García, J. M. 1999. Así en la Corte como en el cielo: patronato y clientelismo en las comunidades conventuales madrileñas (siglos XVI–XVIII). *Hispania*, **59**, 149–69.

- Jaffee, D., & Stiglitz, J. E. 1990. Credit rationing. *Pages 837–88 of: Friedman, B. M., & Hahn, F. H. (eds), Handbook of monetary economics*, vol. 2. New-York and Amsterdam: North-Holland.
- Jaffee, D. M., & Russell, T. 1976. Imperfect information, uncertainty, and credit rationing. *The Quarterly Journal of Economics*, **90**(4), 651–66.
- Jago, C. 1981. Habsburg absolutism and the Cortes of Castile. *The American Historical Review*, **86**(2), 307–26.
- Jago, C. 1985. Philip II and the Cortes of Castile: the case of the Cortes of 1576. *Past and Present*, **109**(1), 24–43.
- Jonker, J. 1996. *Merchants, bankers, middlemen. The Amsterdam money market during the first half of the 19th century*. Amsterdam: NEHA.
- Jovellanos, G. M. de. 1820. *Informe sobre la Ley Agraria*. Madrid: Imprenta de Sancha.
- Kagan, R. 1981. *Lawsuits and litigants in Castile*. Chapel Hill: University of North Carolina Press.
- Koenigsberguer, H. 1986. *Politicians and virtuosi: Essays in Early Modern history*. London: The Hambledon Press.
- La Ripa, J. F. don. 1764. *Ilustración a los cuatro procesos forales de Aragón*. Zaragoza: Imprenta de Francisco Moreno.
- Lasa, J. I. 1971. Notas. Rutas comerciales y roces y reajustes entre las provincias vascongadas. *Sociedad de Ciencias Naturales Aranzadi*, **4**, 507–22.
- Lavrin, A. 1966. The role of nunneries in the economy of New Spain in the 18th century. *Hispanic American Historical Review*, **46**(4), 371–93.
- Lemeunier, G. 1976. La Part de Dieu: recherches sur la levée des dîmes au Diocèse de Carthagène-Murcie d'après les Visitas des Tercias (XVIII–XIX). *Mélanges de la Casa Velázquez*, **12**, 357–86.
- Liehr, R. 1984. Endeudamiento Estatal y crédito privado: la consolidación de vales reales en hispanoamérica. *Anuario de Estudios Americanos*, **41**, 553–78.
- Llopis Agelán, E. 1980. *Las economías monásticas al final del Antiguo Régimen en Extremadura*. Madrid: Universidad Complutense.
- Lorenzana de la Puente, F. 2003. Jueces y pleitos. La administración de la justicia en la Baja Extremadura en el Antiguo Régimen. *Hispania*, **63**, 29–74.
- Lorenzini, M. 2007. Di solenne e privilegiatissimo credito: tecniche e strategie di investimento finanziario del convento di Santa Anastasia di Verona (secoli XVII - XVIII). *Studi Storici Luigi Simeoni*, **59**, 59–72.

- Lorenzo Cadarso, P. L. 1998. Los tribunales castellanos en los siglos XVI y XVII: un acercamiento diplomático. *Revista General de Información y Documentación*, **8**, 141–69.
- López Martínez, A. L. 1992. *La economía de las ordenes religiosas en el antiguo régimen: Sus propiedades y rentas en el Reino de Sevilla*. Sevilla: Excma. Diputación Provincial de Sevilla.
- López Martínez, A. L. 2000. Los jesuitas y su intermediación financiera en la carrera de Indias (siglos XVII y XVIII). *Pages 751–64 of: Bernal Rodríguez, A. M. (ed), Dinero, moneda y crédito: de la monarquía hispánica a la integración monetaria Europea*. Madrid: Marcial Pons, Fundación ICO.
- Luján Muñoz, J. 2001. La literatura notarial en España e hispanoamérica, 1500–1820. *Anuario de Estudios Americanos*, **38**, 101–16.
- Marcos Martín, A. 1999. La actividad crediticia del clero regular castellano en la Edad Moderna. *Pages 69–103 of: Landi, F. (ed), Accumulation and dissolution of large estates of the regular clergy in Early Modern Europe*. Rimini: Guaraldi.
- Marichal, C. 2007. *Bankruptcy of empire. Mexican silver and the wars between Spain, Britain and France 1760–1810*. Cambridge: Cambridge University Press.
- Martin, P., & Rey, H. 2004. Financial super-markets: size Matters for asset trade. *Journal of International Economics*, **64**(2), 335–61.
- Martinez, M. S. don. 1791. *Librería de jueces, ultísima y universal*. 7 edn. Madrid: Imprenta de Don Benito Cano.
- Martinez Salazar, A. don. 1828. *Práctica de sustanciar pleitos ejecutivos y ordinarios*. 5 edn. Madrid: Imprenta de Don Julian Viana Razola.
- Maté Sardonil, L., Begoña Prieto Moreno, M., & Tua Pereda, J. 2008. Contabilidad, información y control en un contexto de actividades económicas diversificadas en la edad moderna : el monasterio de Silos y su sofisticado sistema contable. *Revista Española de Historia de la Contabilidad*, **9**, 136–229.
- McCallum, J. 1995. National borders matter: Canada-U.S. regional trade patterns. *The American Economic Review*, **85**(3), 615–23.
- Merino Navarro, J. P. 1987. *Las cuentas de la Administración central española, 1750–1820*. Madrid: Instituto de Estudios Fiscales.
- Mirowski, P. 1981. The rise (and retreat) of a market: English joint stock shares in the eighteenth century. *The Journal of Economic History*, **41**(3), 559–77.
- Mokyr, J. 1987. Has the Industrial Revolution been crowded out? Some reflections on Crafts and Williamson. *Explorations in Economic History*, **24**(3), 293–319.
- Moncada, S. de. 1974. *Restauración política de España*. Madrid: Instituto de Estudios Fiscales.

- Montemayor, J. 1996. *Tolède entre fortune et déclin (1530–1640)*. Limoges: Presses Universitaires de Limoges.
- Moro, J. M., & Erice, F. 1991. Crédito y campesinado en las Asturias del siglo XIX. *Pages 213–45 of: Saavedra, P., & Villares, R. (eds), Señores y campesinos en la península ibérica, siglos XVIII–XX*, vol. 2. Barcelona: Crítica.
- Munro, J. 2004. The Medieval origins of the financial revolution: usury, rentes, and negotiability. *International History Review*, **25**(3), 505–62.
- Neal, L. 1987. The integration and efficiency of the London and Amsterdam stock markets in the eighteenth century. *The Journal of Economic History*, **47**(1), 97–115.
- Nogues-Marco, P. 2011. Tipos de cambio y tipos de interés en Cadiz en el siglo XVIII (1729–1788). *Estudios de Historia Económica*, **58**, 9–108.
- North, D. C. 1981. *Structure and change in economic history*. London and New York: Norton.
- North, D. C. 1989. Institutions and economic growth: an historical introduction. *World Development*, **17**(9), 1319–32.
- North, D. C., & Thomas, R. P. 1973. *The rise of the Western world: a new economic history*. Cambridge: Cambridge University Press.
- North, D. C., Summerhill, W., & Weingast, B. R. 2000. Order, disorder, and economic change: Latin America versus North America. *Pages 16–58 of: Bueno de Mesquita, B., & Root, H. L. (eds), Governing for prosperity*. New Haven and London: Yale University Press.
- Owens, J. B. 2005. *"By My Absolute Royal Authority": Justice and the Castilian Commonwealth at the beginning of the First Global Age*. Rochester, N.Y.: University of Rochester Press.
- Peset Reig, M., & Blasco Gil, Y. 1992. Redención y extinción de censos en el siglo XIX. *Saitabi: Revista de la Facultat de Geografia i Història*, **42**, 63–80.
- Pinto Crespo, V., & Madrazo Madrazo, S. 1995. *Madrid, atlas histórico de la ciudad siglos IX–XIX*. Madrid: Lunweg.
- Portes, R., & Rey, H. 2005. The determinants of cross-border equity flows. *Journal of International Economics*, **65**, 269–96.
- Portes, R., Rey, H., & Oh, Y. 2001. Information and capital flows: the determinants of transactions in financial assets. *European Economic Review*, **45**, 783–96.
- Postel-Vinay, G. 1998. *La terre et l'argent*. Paris: Albin Michel.
- Pérez Sarrión, G. 1984. *Agua, agricultura y sociedad en el siglo XVIII: el canal imperial de Aragón, 1766–1808*. Zaragoza: Institución Fernando el Católico.

- Quinn, S. 2001. The glorious revolution's effect on English private finance: a microhistory, 1680–1705. *The Journal of Economic History*, **61**(3), 593–615.
- Quiroz, A. W. 1994. Reassessing the role of credit in late colonial Peru: censos, escrituras, and imposiciones. *Hispanic American Historical Review*, **74**(2), 193–230.
- Ramón García López, J. 2000. Banking merchants and banking houses: the hidden key to the workings of the Spanish banking system in the nineteenth century. *Accounting, Business, and Financial History*, **1**, 37–56.
- Reed, C. G., & Bekar, C. T. 2003. Religious prohibitions against usury. *Explorations in Economic History*, **40**(4), 347–68.
- Reher, D. S., & Ballesteros Doncel, E. 1989. Precios y salarios en Castilla la Nueva, 1550–1900: un ensayo de reconstrucción. *Revista de Historia Económica*, **7**, 703–18.
- Reinhart, C. M., Rogoff, K. S., & A., Savastano M. 2003. Debt intolerance. *Brookings Papers on Economic Activity*, **1**, 1–74.
- Reinhart, C. R., & Belen, Sbrancia M. 2015. The liquidation of government debt. *Economic Policy*, **30**(82), 291–333.
- Ringrose, D. R. 1970. *Transportation and economic stagnation in Spain, 1750–1850*. Durham, N.C.: Duke University Press.
- Ringrose, D. R. 1983. *Madrid and the Spanish economy, 1560–1850*. Berkeley: University of California Press.
- Ruiz Martín, F. 2016. *La banca en España hasta 1782*. Pamplona: Urgoiti Editores.
- Ruiz Trapero, M. 2007. La unidad y soberanía del estado español en la moneda de Felipe V: su importancia histórica. *Cuadernos de Investigación Histórica*, **24**, 119–42.
- Sabatini, G., & Sabene, R. 2014. Il finanziamento della costruzione di san petro e la crociata di spagna: interessi economici e relazioni diplomatiche tra Monarchia Cattolica e Chiesa di Roma. *Pages 48–57 of: Anselmi, A. (ed), I rapporti tra Roma e Madrid nei secoli XVI e XVII: arte diplomazia e politica*. Rome: Gangemi Editore.
- Santonja Cardona, J. L. 1991. El clero regular y el crédito. Un estudio al sobre las comunidades regulares como centros crediticios (Alcoy, 1700–1750). *Pages 79–89 of: La Parra López, E., & Pradells Nadal, J. (eds), Iglesia, sociedad y estado en España, Francia e Italia (ss. XVIII al XX)*. Alicante: Diputación Provincial de Alicante.
- Santos Silva, J. M. C., & Tenreyro, S. 2006. The log of gravity. *The Review of Economics and Statistics*, **88**(4), 641–58.
- Savall y Dronda, P., & Penén y Debesa, S. 1866. *Fueros, observancias, y actos de corte*.

- Schaub, J. F. 1995. La penisola iberica nei secoli XVI e XVII: la questione dello Stato. *Studi Storici*, **36**(1), 9–50.
- Schnapper, B. 1957. *Les rentes au XVIIe siècle. Histoire d'un instrument de crédit*. Paris: SEVPEN.
- Serna Vallejo, M. 1996. *La publicidad inmobiliaria en el derecho hipotecario histórico español*. Madrid: Centro de Estudios Registrales.
- Servais, P. 1982. *La rente constituée dans le ban de Herve au 18e siècle*. Collection Histoire, no. 62. Bruxelles: Crédit Communal de Belgique.
- Sáez Marín, J. 1975. *Datos sobre la Iglesia española contemporánea, 1768–1868*. Madrid: Editora Nacional.
- Siles Guerrero, F., Jiménez Pulido, M., & Ramírez González, S. 2010. *Pecunia fratrum: economía de un convento andaluz en la edad moderna (1543–1835)*. Cádiz: Editorial La Serranía.
- Sánchez Gómez, M. A. 1991. Una aproximación al concepto de economía monástica en Cantabria. El caso de Santa Catalina de Corbán. *Pages 59–77 of: La Parra López, E., & Pradells Nadal, J. (eds), Iglesia, sociedad y estado en España, Francia e Italia (ss. XVIII al XX)*. Alicante: Diputación Provincial de Alicante.
- Sánchez González, R. 1991. El crédito rural: los censos (estudio del préstamo censal en la comarca toledana de la Sagra en el setecientos). *Revista de Historia Económica*, **2**, 285–313.
- Sánchez Meco, G. 1985. *El Escorial y la Orden Jeronima*. Madrid: Patrimonio Nacional.
- Sola Corbacho, J. C. 2000. El mercado de crédito en Madrid, 1750–1808. *Pages 211–45 of: Torres Sánchez, R. (ed), Capitalismo mercantil en la España del siglo XVIII*. Pamplona: Ediciones Universidad de Navarra.
- Stein, S. J., & Stein, B. H. 2000. *Silver, trade and war: Spain and America in the making of early modern history*. Baltimore: Johns Hopkins University Press.
- Stiglitz, J. E., & Weiss, A. 1981. Credit rationing in market with imperfect information. *The American Economic Review*, **71**(3), 393–409.
- Stiglitz, J. E., & Weiss, A. 1983. *Credit rationing with collateral*. Bell Communications Research Economics Discussion Paper No. 12.
- Tedde de Lorca, P. 1987. Crisis del Estado y deuda pública a comienzos del siglo XIX. *Hacienda Pública Española*, **102–3**, 169–95.
- Tedde de Lorca, P. 1988. *El Banco de San Carlos*. Madrid: Banco de España and Alianza Editorial.

- Tello Aragay, E. 1994. El papel del crédito rural en la agricultura del Antiguo Régimen: desarrollo y crisis de las modalidades crediticias (1600–1850). *Noticiario de Historia Agraria*, **7**, 9–37.
- Tello Aragay, E. 2001. El fin del crédito hipotecario censalista en España: ¿Una agonía demasiado larga? *Revista de Ciencias Sociales*, **21**, 63–93.
- Temin, P., & Voth, H. J. 2005. Credit rationing and crowding out during the industrial revolution: evidence from Hoare's Bank, 1702–1862. *Explorations in Economic History*, **42**(3), 325–48.
- Temin, P., & Voth, H. J. 2008. Private borrowing during the financial revolution: Hoare's Bank and its customers, 1702–1724. *The Economic History Review*, **61**(3), 541–64.
- Thompson, I. A. A. 1976. *War and government in Habsburg Spain 1560–1620*. London: Athlone Press.
- Thompson, I. A. A. 1982. Crown and Cortes in Castile, 1590–1665. *Parliaments, Estates and Representation*, **2**(1), 29–45.
- Thompson, I. A. A. 1990. Absolutism in Castile. *Pages 69–98 of*: Miller, J. (ed), *Absolutism in seventeenth-century Europe*. Basingstoke: Macmillan.
- Tiebout, C. 1956. A pure theory of local expenditures. *Journal of Political Economy*, **64**, 416–24.
- Tilly, C. 1990. *Coercion, capital, and European States, AD 990–1990*. Oxford and Cambridge, Mass.: Basil Blackwell.
- Todeschini, G. 2008. *La richesse franciscaine. De la pauvreté volontaire à la société de marché*. Paris: Verdier.
- Tomas y Valiente, F. 1992. *Manual de historia del derecho español*. 4th edn. Madrid: Tecnos.
- Torre, J. de la. 1994. Coyuntura económica, crédito agrícola y cambio social en Navarra, 1750–1850. *Noticiario de Historia Agraria*, **7**, 109–29.
- Torres Sánchez, R. 2013. *El precio de la Guerra. El Estado fiscal-militar de Carlos III (1779–1783)*. Madrid: Marcial Pons.
- Torres Sánchez, R. 2015. *Constructing a fiscal-military State in eighteenth-century Spain*. New York, N.Y.: Palgrave Macmillan.
- Tortella Casares, G. 1973. *Los orígenes del capitalismo en España : banca, industria y ferrocarriles en el siglo XIX*. Madrid: Tecnos.
- Vaquero Piñeiro, M. 2007. I censi consegnativi. La vendita delle rendite in Italia nella prima età moderna. *Rivista di Storia dell'Agricoltura*, **47**(1), 57–94.

- Ventura, J., & Voth, H.-J. 2015. *Debt into growth: how sovereign debt accelerated the first Industrial Revolution?* NBER Working Paper n°21280.
- Vilar, P. 1962. *La Catalogne dans l'Espagne moderne: recherches sur les fondements économiques des structures nationales*. Vol. 2. Paris: Service d' Ed. et de Vente des Publ. de l' Education Nationale.
- Vizcaino Pérez, V. 1766. *Discursos políticos, sobre los estragos que causan los censos, felicidades y medios de su extinción*. Madrid.
- Vries, J. de. 1984. *European urbanization, 1500–1800*. Cambridge, Mass.: Harvard University Press.
- Wei, S.-J. 1996. *Intra-national versus international trade: how stubborn are nations in global integration?* NBER Working Paper n°5531.
- Williamson, J. G. 1984. Why was British growth so slow during the Industrial Revolution. *The Journal of Economic History*, **44**(3), 687–712.
- Williamson, J. G. 1987. Has crowding out really been given a fair test? A comment. *The Journal of Economic History*, **47**(1), 214–6.
- Wobeser, G. v. 1994. *El crédito eclesiástico en la Nueva España, siglo XVIII*. Mexico: Universidad Nacional Autónoma de México.
- Wobeser, G. von. 1996. La función social y económica de las capellanías de misas en la Nueva España del siglo XVIII. *Estudios de Historia Novohispana*, **16**, 119–38.
- Wobeser, G. von. 2011. La actividad crediticia de instituciones eclesiásticas y de beneficencia de la ciudad de México en el siglo XVIII. *Estudios de Historia Novohispana*, **44**, 113–38.
- Wolf, H. C. 2000. Intranational home bias in trade. *The Review of Economics and Statistics*, **82**(4), 555–63.
- Yun Casalilla, B. 1987a. Carlos V y la aristocracia. Poder, crédito y economía en Castilla. *Hacienda Pública Española*, **108–9**, 81–100.
- Yun Casalilla, B. 1987b. *Sobre la transición al capitalismo en Castilla. Economía y sociedad en Tierra de Campos, 1500–1830*. Valladolid: Junta de Castilla y León.
- Yun Casalilla, B. 1990. La situación económica de la aristocracia durante los reinados de Felipe III y Felipe IV. *Pages 517–51 of: Elliott, J. H., & García Sanz, A. (eds), La España del Conde Duque de Olivares*. Valladolid: Universidad de Valladolid.
- Yun Casalilla, B. 1991. Aristocracia, Corona y oligarquías urbanas en Castilla ante el problema fiscal (1450–1600). Una reflexión en el largo plazo. *Hacienda Pública Española*, **1**, 25–41.

- Yun Casalilla, B. 1995. Cambiamento e continuità. La Castiglia nell'impero durante il secolo d'oro. *Studi Storici*, **36**(1), 51–101.
- Yun Casalilla, B. 1998. The American empire and the Spanish economy: an institutional and regional perspective. *Revista de Historia Económica*, **16**(1), 123–56.
- Yun Casalilla, B. 2004. *Marte contra Minerva. El precio del imperio español, c. 1450–1600*. Barcelona: Crítica.

Sacré Crédit!

Résumé :

Le développement économique et financier de l'Europe moderne s'inscrit dans un territoire fragmenté aux nombreux obstacles juridictionnels. En Espagne, des intermédiaires atypiques ont su contourner ces obstacles en développant un système sophistiqué de fourniture du crédit organisé pour dépasser la segmentation spatiale des marchés courants. Avant les banques, ce sont les institutions ecclésiastiques, telles que les Carmes Déchaux ou les Jésuites, qui offraient une gamme hiérarchisée de services allant du petit prêt au paysan local aux grandes opérations financières du roi, de la noblesse madrilène, des conseils municipaux, et des compagnies marchandes. Une population nombreuse et diversifiée pouvaient ainsi se passer des banques car les institutions ecclésiastiques avait trouvé des solutions originales aux problèmes d'asymétries d'information et de fragmentation du marché. A la fin du dix-huitième siècle, ce système de crédit hiérarchisé s'est pourtant arrêté brutalement. La monarchie s'est attaquée aux principales institutions du crédit de long terme de son époque pour financer des guerres coûteuses. Elle a ainsi brisé un système de crédit intégré laissant un vide dans le crédit de long terme qu'aucune autre institution financière ne put combler durant plusieurs décennies.

Mots clés : Histoire Economique, Marchés du Crédit, Espagne Moderne, Fragmentation des Marchés, Institutions Ecclésiastiques, Répression Financière, Effet d'Eviction.

Abstract:

The economic and financial development of early modern Europe takes place within a fragmented territory beset by jurisdictional obstacles. In Spain, atypical intermediaries have managed to circumvent these obstacles by developing into a sophisticated system of credit provision organized to overcome the spatial segmentation of local markets. Before the banks, it was the ecclesiastical institutions, such as the Theresian Carmelites or the Jesuits, which offered hierarchized services ranging from small loans to local peasants to the great financial operations of the king, the nobility of Madrid, the municipal councils, and of the trading companies. A large and diversified population could thus do without banks because the ecclesiastical institutions had found original solutions to the problems of information asymmetries and market fragmentation. At the end of the eighteenth century, however, this hierarchized credit system stopped abruptly. The monarchy attacked the main long-term credit institutions of its time to finance costly wars. It thus broke an integrated credit system leaving a gap in long-term lending that no financial institutions could fill for decades.

Keywords: Economic History, Credit Markets, Early Modern Spain, Market Fragmentation, Ecclesiastical Institutions, Financial Repression, Crowding Out.

